

Medley LLC
First Day Hearing

Case No. 21-10526

Company Overview

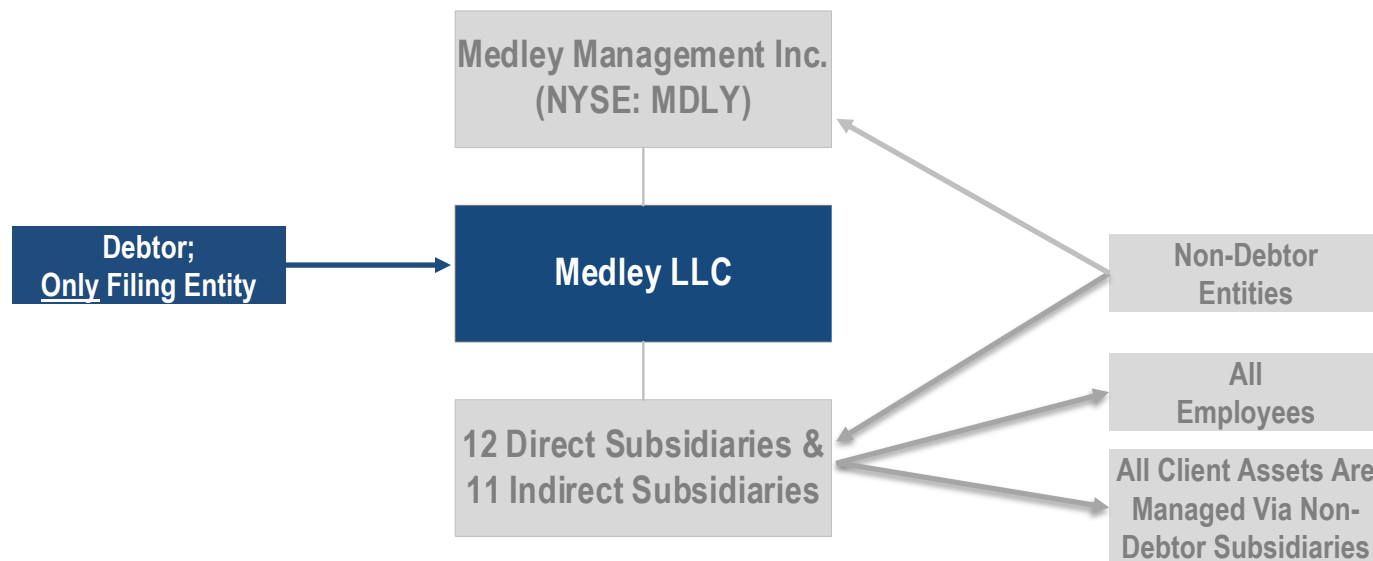
Medley LLC (“Medley LLC, the Debtor”) operates an alternative asset management firm offering yield solutions to retail and institutional investors

- ◆ Medley LLC provides investment management services to permanent capital vehicles, long- dated private funds and separately managed accounts
 - Medley LLC also serves as the general partner to the private funds, which are generally organized as pass-through entities
- ◆ Medley LLC's business is currently comprised of only one reportable segment: the investment management segment
 - Substantially all of its operations are conducted through this segment
- ◆ As of the Petition Date, Medley LLC had approximately \$1.3 billion in Fee Earning Assets Under Management (“FEAUM”)
- ◆ Medley LLC generated approximately \$31.7 million in revenue in 2020 and reported approximately \$5.4 million in assets and approximately \$140.8 million in liabilities as of the end of 2020

Corporate Structure

Medley LLC is the only Debtor and Debtor-in-possession in this Chapter 11 Case

- ◆ Medley Management, Inc. (Medley LLC's parent entity) is traded on the New York Stock Exchange under the symbol "MDLY" and is **not** a debtor in this Chapter 11 Case
- ◆ Business operations across the Medley platform, including providing investment and advisory services to its clients, are continuing without interruption
- ◆ Advisory client assets are **not** part of the Medley LLC estate



Note: Generally, funds and securities of clients advised by investment adviser affiliates of the Debtor are held in accounts in the name of such clients by qualified custodians in accordance with requirements of Section 206(4)-2 of the Investment Advisers Act of 1940, as amended. As such, client assets are not part of the Debtor's estate, nor are they available or at risk to satisfy the debts or any obligation of the Debtor or any of its investment adviser affiliates

Summary of Proposed Plan Treatment

A Plan of Reorganization and Disclosure Statement was filed with the Bankruptcy Court

- ◆ Medley LLC and Medley Management, Inc. are the proposed Plan Proponents
- ◆ The Plan of Reorganization was developed with the participation of a sub-committee consisting of independent members of the MDLY Board of Directors, chaired by the outside independent director Peter Kravitz

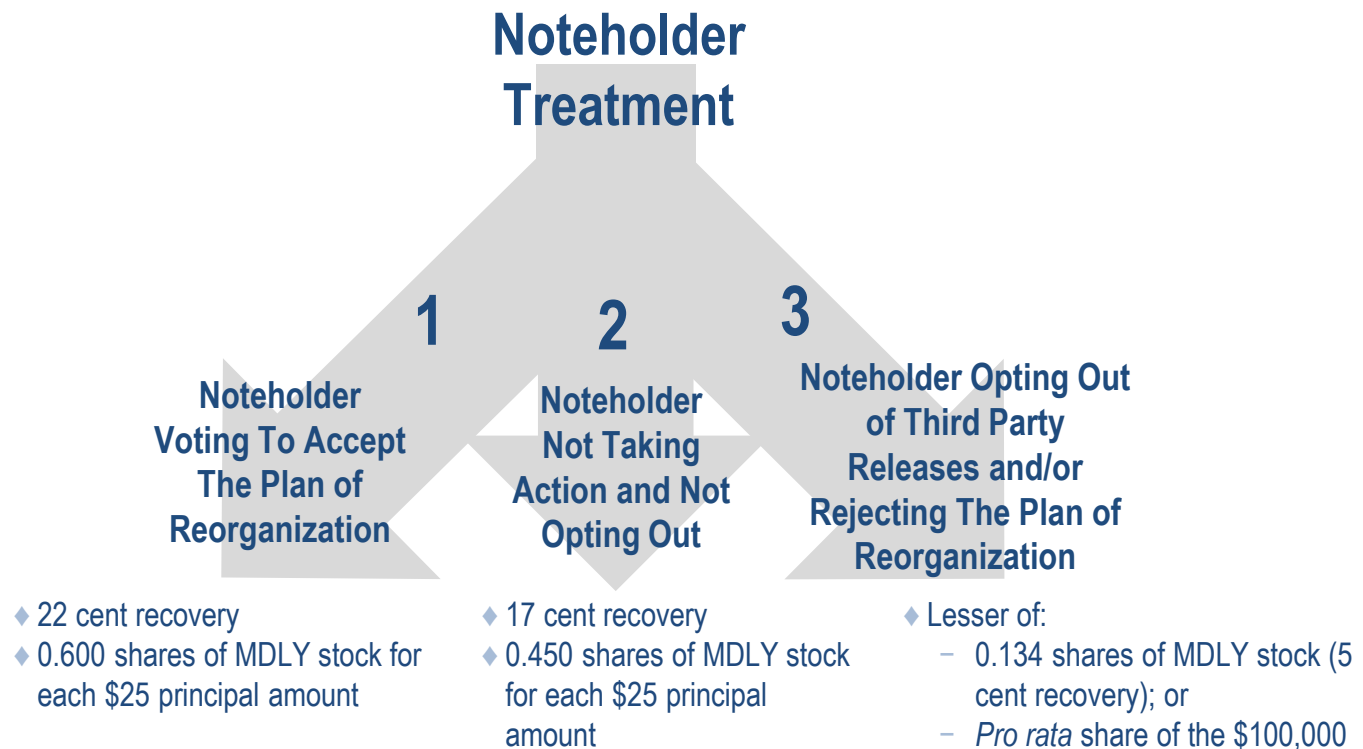
Class	Designation	Treatment	Consideration	Entitled to Vote
1	Secured Claims	Unimpaired	◆ Payment in full in cash, reinstatement or other such treatment that renders a holder's claim unimpaired	◆ Deemed to accept, not entitled to vote
2	Non-Tax Priority Claims	Unimpaired	◆ Treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code	◆ Deemed to accept, not entitled to vote
3	Notes Claims⁽¹⁾	Impaired	◆ Treatment dependent on voting decision	◆ Entitled to vote
4	Strategic Claim	Impaired	<ul style="list-style-type: none"> ◆ 218,182 shares of MDLY stock ◆ \$350,000 cash payment on Effective Date ◆ Quarterly payments of \$225,000 for 10 quarters following the Effective Date 	◆ Entitled to vote
5	General Unsecured Claims	Impaired	◆ Pro rata share of the General Unsecured Claims Pool or Reinstatement	◆ Entitled to vote
6	Intercompany Claims	Impaired / Unimpaired	◆ Claims reinstated or canceled, released, and extinguished	◆ Not entitled to vote (presumed to accept / deemed to reject)
7	Interests	Unimpaired	◆ Interests retained	◆ Deemed to accept, not entitled to vote

(1) "Notes Claims" means, collectively, all claims derived from or based upon certain indenture agreements (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 9, 2016, between Medley LLC, as issuer, and U.S. Bank National Association, as Indenture Trustee

Noteholder Treatment

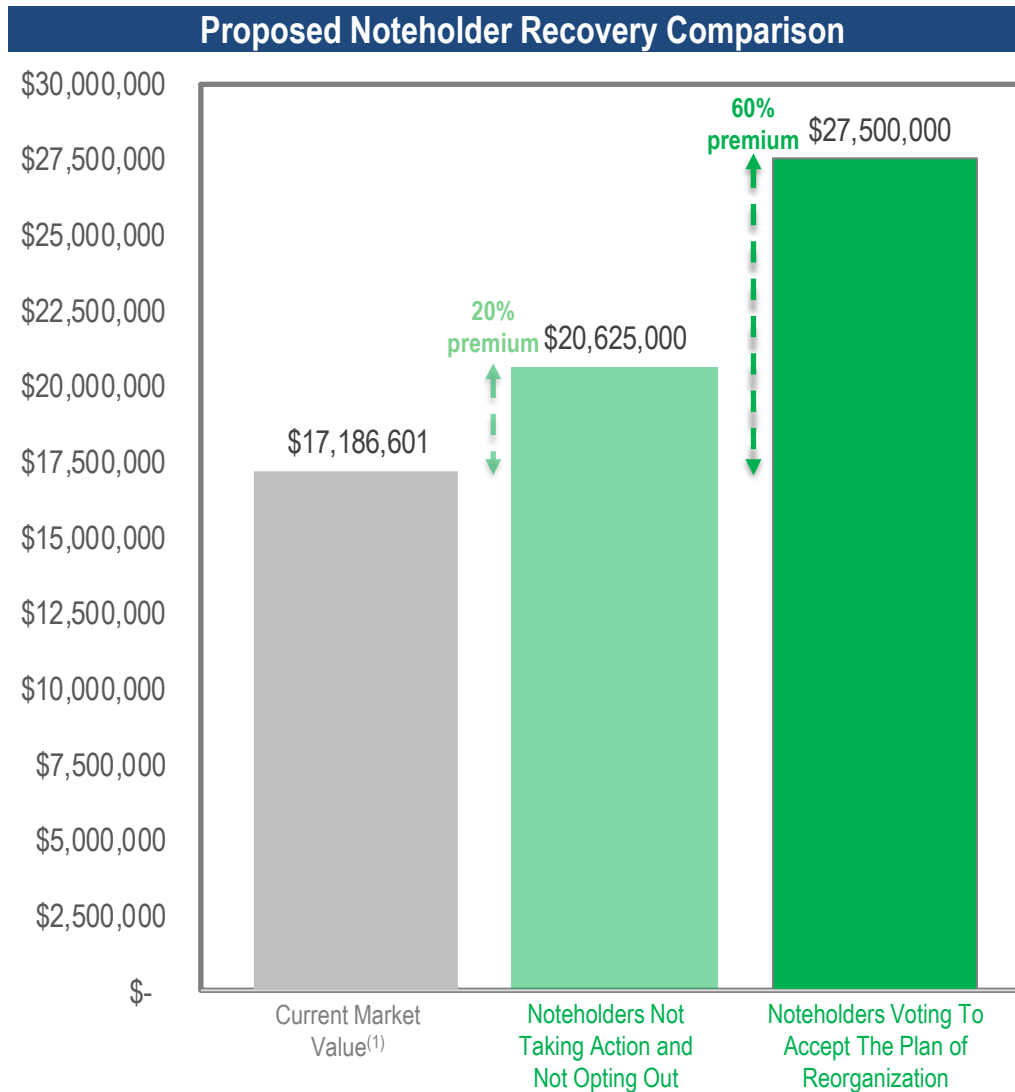
Noteholder treatment will be based on how each respective holder votes on the Plan of Reorganization

- ◆ The Plan provides a recovery to any noteholder not voting in an amount equal to the valuation of the Reorganized Debtor
- ◆ Noteholder recoveries are not reduced if a holder does not vote



Historical Market Pricing

The Plan proposes to provide noteholders with a recovery of 20%-60% higher than the current trading price of the Notes



(1) As of March 5, 2021
Source: Capital IQ