MVC 2020 Annual Meeting Q&A
July 15, 2020

1. **Should we expect the dividend to continue to be paid? Are the remaining distributions for 2020 safe?**

   We estimate that the dividend will be earned in fiscal year 2020 from various sources, including the fiscal 2019 spillback. As you may have seen released yesterday, we declared our normal quarterly dividend for $.17 per share for the third quarter.

2. **What is immediate effect and long-term effect of new board members on current shareholders**?

   It's hard to tell and may really depend on the outcome of the work of the Strategic Committee.

3. **Is a liquidation even a feasible action because of the holdings and realistic prices in this environment?**

   The Strategic Committee, in coordination with our Board, will continue to consider all of our available options. Undoubtedly, the current market conditions have been challenging and we are working diligently to determine all of our options within this environment.

4. **Can management please provide an update on the status of the realization of the larger equity positions of the portfolio?**

   The global impact of COVID-19 remains a challenge in pursuing monetization opportunities for the Company. Many discussions with prospective investors were on hold primarily due to COVID-19 travel restrictions. Our large equity investments are reopening full discussions with pre-COVID interested parties who have delivered written LOI's, etc.

   While not the largest equity investment, on May 14, 2020, our one remaining legacy investment, Foliofn, Inc. announced it entered into an agreement to become a part of The Goldman Sachs Group. The acquisition, which is subject to regulatory approval, is expected to close in the third calendar quarter of

2020. Assuming the transaction closes, we expect to receive approximately $15 million in cash proceeds.

5. **Given the significant discount in which you trade, will the Company repurchase shares again? The discount currently is in excess of 25%.**

   As we've previously demonstrated, we remain open to considering future tender offers or similar actions to attempt to reduce the discount between our stock price and NAV. It's a balancing act as we have outstanding debt that must be serviced, existing portfolio companies that may require additional capital and we are in the midst of a strategic review process. We take all of these options into consideration, with the underlying goal of increasing long-term value for our shareholders.

6. **Is MVC pencils down on new yielding investments?**

   In the near-term, pencils are down. The current environment remains highly uncertain and in turn, the risk/reward is difficult to measure. We also believe maintaining our strong liquidity and low leverage position reflect d financial strength and stability. We are also prepared to support our existing portfolio companies and borrowers, in this challenging environment.

7. **How much money is expected to be needed in the coming year for existing portfolio companies?**

   As we have always done, we take a prudent approach to reviewing the near – and long-term prospects of our portfolio companies on a company-by-company basis. This ongoing and active review process allows us to determine which companies warrant additional investment and which do not, and to effectively allocate capital as is fiscally responsible. We will continue to allocate capital to those portfolio companies that we believe have long-term value.

8. **Can you review the mark downs over the last quarter and updates on the sale processes and the impact of delays on the valuations?**

   The recent write-downs reflect the economic and market challenges many of our companies encountered as a result of the global pandemic. As the effects of COVID-19 are reduced over both the near- and long-term, our belief is that the value of many of our portfolio companies will rebound, but there can be no assurances. As we mentioned, the sales processes have been delayed and as a result, the timing of the return is also factored into the valuations.

9. Security Holdings B.V. was marked down during the quarter. Was this a function of lower valuations from higher discount rates / lower EBITDA multiples, newer information related to a possible sales process and color from outside parties?

Changes in the values were driven by all of those factors. This past quarter, there was no significant change in the business, but the comparables declined. As we indicated, the sales processes are delayed, but we expect to resume pre-existing negotiations in the very near-term.

10. MVC Automotive Austria GmbH was also marked down significantly. Any color as to valuation assumptions versus specific asset performance would be helpful.

The write-down was primarily driven by the change in comparables and the discount to the company's real estate value associated with Covid-19. The Austrian government is supportive of business and offers very low-cost loans of 1-2%. The company doesn't have a liquidity issue. The body shop and service centers have rebounded. New car sales are sluggish, while used car sales have been strong.

11. Additionally, any color as to the mark down during the second quarter and whether the changed stemmed from asset performance versus changes in valuation assumptions?

The Valuation Committee's job is to determine the valuations of our portfolio companies every quarter as of a point in time based upon the information available at that time. The recent write-downs reflect the economic and market challenges many of our companies encountered as a result of the global pandemic through April 30th. They also include currency changes and the longer than anticipated stay-at-home orders. As the effects of COVID-19 are reduced over both the near- and long-term, our hope is that the value of many of our portfolio companies will rebound, but there can be no assurances.

12. **Would MVC consider a rights-offering to raise more cash that is below NAV?**

Today, with the cash that we have available, we do not foresee the need to conduct a rights-offering in the near-term.

13. **Would MVC consider repurchasing its notes or common stock first?**

This will depend on circumstances at the time. Although we have historically repurchased stock, given limited new investment activity and debt outstanding, we may repurchase our notes first under certain circumstances.

14. **Do you think that you should remain a standalone business?**

A Strategic Committee was already formed and continues to study strategic options. It is our responsibility to consider all of our options, which we are, but are currently not in a position to determine the appropriate course of action.

15. **Why is the Board staying at 9 members? Will the board fees stay at the same level?**

The Board remains at 9 members in order to accommodate the new Directors and at the same time allow continued access to the skills, experience and judgments of the six existing directors.

The Board fees were further reduced at a compensation committee meeting held in July 2019 to $45,000 per director, plus additional fees for committee members and varying roles played on those Committees. The only expected change in compensation cost is to account for the retirement of Warren Holtsberg, who was not receiving Board fees as an interested director.

16. **MVC has recently announced its intention to seek strategies that could enhance shareholder value. As best as I can tell we either wind down our portfolio or seek a buyer of the company. Please explain the merits of the two strategies and when do you think this process will be brought to a conclusion?**

    The Strategic Committee was formed to review strategic options available to the Company. This could include a sale or merger, or other strategic transactions which would generally require shareholder approval. At this point, there are no developments to disclose regarding the Committee's and Board's conclusions in this regard.

17. **Do you believe in the next 12-18 months the loan portfolio will improve leading to a narrowing of the discount to NAV?**

    Our loan portfolio is performing overall. We were able to earn our dividend when our yielding strategy was largely implemented. BDCs that have a strong and consistent yield tend to trade better, but there can be no assurances (particularly as to ability to narrow discount).