



Earnings Presentation

Fourth Quarter & Fiscal Year ended December 31, 2015

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Some of the statements in this presentation constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation involve risks and uncertainties, including statements as to: our future operating results; changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, which could result in changes to the value of our assets; our business prospects and the prospects of our current and prospective portfolio companies; the impact of investments that we expect to make; the impact of increased competition; our contractual arrangements and relationships with third parties; the dependence of our future success on the general economy, including general economic trends, and its impact on the industries in which we invest; the ability of our prospective portfolio companies to achieve their objectives; the relative and absolute performance of our investment adviser, including in identifying suitable investments for us; our expected financings and investments; the adequacy of our cash resources and working capital; our ability to make distributions to our stockholders; the effects of legislation and regulations and changes thereto; the timing of cash flows, if any, from the operations of our prospective portfolio companies; and the impact of future acquisitions and divestitures.

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Market & Portfolio Trends

Current Market Trends in the Lower Middle-Market

- ▶ Overall loan volume in the lower middle-market decreased in 2015 due primarily to a reduction in new sponsor financings. Capital markets volatility and global economic concerns were factors in the decline of sponsor volume due to a disconnect on purchase price between buyers and sellers.
- ▶ Regulatory pressure, bank consolidation dynamics and BDC funding constraints continue to limit capital availability in the lower middle-market.
- ▶ Lower middle-market opportunities continue to command better pricing and structures than the broadly syndicated and upper middle-market. The difference in spreads has tightened however as capital markets volatility has caused an increase in spreads in the syndicated market.
- ▶ While sponsor volume experienced continued weakness we expect opportunities in the lower middle-market to be abundant as larger more traditional financing sources exit the lower middle-market and focus on the syndicated and upper middle-markets.
- ▶ The effects of global economic softness and the commodity crisis have increased the possibility of a recession in the domestic market. The resulting effect has been tighter liquidity overall and better structures on new transactions (lower leverage and larger percentage equity investment by sponsors).

Trends in Our Portfolio

- ▶ New originations, club deals, purchases and add-ons during Q4 2015 totaled \$54.1 million (including \$25.1 million of transitory assets) of par value across 17 new portfolio companies with a weighted average yield of deals closed during the quarter of 8.9%
 - ▶ Includes \$29.0 million of core investments with a weighted average par of \$4.9 million and a weighted average yield of 10.5%
- ▶ Core loan portfolio additions included three sponsor deals and one non-sponsor deal
- ▶ There were \$29.0 million of repayments during Q4 2015 with a weighted average yield of 10.0%
- ▶ Leverage of the portfolio decreased from prior quarter to 3.6x from 3.7x while weighted average risk rating remained unchanged at 2.66
- ▶ Subsequent to quarter-end, funded additional investments and upsizes totaling \$25.7 million, including four new portfolio companies with a weighted average yield of 7.6%

Q4 2015 Loan Portfolio Additions



Business Overview	SaaS-based B2B provider of consumer behavioral and market research	An information technology services provider to public sector commercial clients in the U.S. and Canada
Date Closed / Tenor	12/11/2015 5 Year Deal	12/11/2015 5 Year Deal
Interest Rate	L+1050 with a 0.50% Floor and 2.00% upfront fee	Term Loan - L+825 with a 0.25% Floor and 1.35% upfront fee Revolver - L+825 with a 0.25% Floor and 1.35% upfront fee Delayed Draw Term Loan - L+825 with a 0.25% Floor 1.35% upfront fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien Revolver – First Lien Delayed Draw Term Loan – First Lien
Invested / Global Facility Size	TL: \$4.0mm / \$30.0mm*	TL: \$2.8mm / \$44.5mm* Revolver: \$0.5mm / \$7.0mm* DDTL: \$0.3mm / \$4.0mm*
Origination Source	Originated	Club
Call Protection	103/102/101	103/102/101
Leverage (Debt / EBITDA)**	4.16x (2.7x net of cash at closing)	3.27x

* Portion of the facility held by an affiliate of the Company and other lenders.

** Represents leverage through tranche as of December 31, 2015.

Q4 2015 Loan Portfolio Additions



University Furnishings



ThreeSixty Group

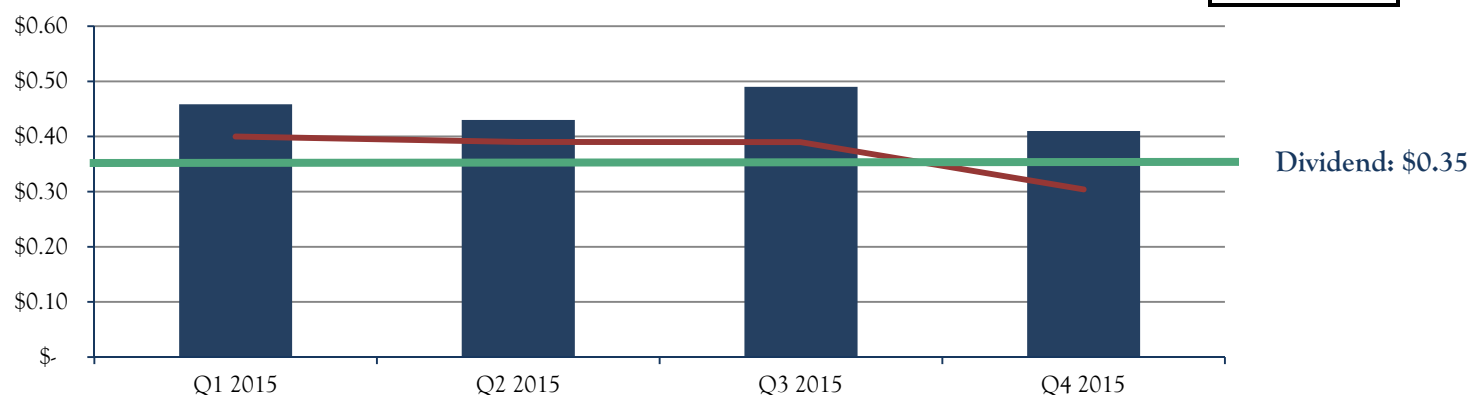
Business Overview	A supplier of furnishings to off-campus housing owners, developers and management companies in the U.S.	A leading provider of branded merchandising programs to department stores and other retailers
Date Closed / Tenor	12/17/2015 5 Year Deal	12/22/2015 6 Year Deal
Interest Rate	L+675 with a 0.50% Floor and 2.00% upfront fee	L+900 with a 1.00% Floor and 4.00% upfront fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien
Invested / Global Facility Size	TL: \$7.1mm / \$15.0mm*	TL: \$7.4mm / \$110.0mm*
Origination Source	Originated	Club
Call Protection	102/101	102/101
Leverage (Debt / EBITDA)**	1.70x	4.10x

* Portion of the facility held by an affiliate of the Company and other lenders.

** Represents leverage through tranche as of December 31, 2015.

Q4 2015 Earnings Highlights

<i>(per share)</i>	Q1 2015	Q2 2015	Q3 2015	Q4 2015	YTD 2015
Adjusted net investment income (1)	\$ 0.40	\$ 0.39	\$ 0.39	\$ 0.30	\$ 1.48
Net investment income	0.46	0.43	0.49	0.41	1.79
Net realized/unrealized (loss) on investments	(0.28)	(0.20)	(0.50)	(1.03)	(2.01)
Net increase/(decrease) in net assets from operations	\$ 0.18	\$ 0.23	\$ (0.01)	\$ (0.62)	\$ (0.22)



- ▶ Paid a Q4 2015 dividend of \$0.35 per share and declared a Q1 2016 dividend of \$0.35 per share payable on March 28, 2016
- ▶ Earned adjusted NII of \$24.9 million, or \$1.48 per share, compared to \$1.40 of dividends for the year ended December 31, 2015
- ▶ \$8.8 million, or \$0.53 per share of undistributed taxable income which will be retained and spilled over to 2016
- ▶ Net realized & unrealized losses of \$(17.1) million, or \$(1.03) per share, for the three months ended December 31, 2015
 - Realized losses of \$(0.4) million were primarily driven by charge-offs in our GLC Trust consumer loan portfolio
 - Net unrealized losses were primarily driven by \$(13.7) million of negative credit related adjustments of four portfolio investments, \$(0.9) million decrease in the market value of three energy investments, \$(0.4) million negative adjustment related to the GLC Trust 2013-2 consumer loan portfolio, and \$(1.7) million decrease in the market value of the remaining portfolio

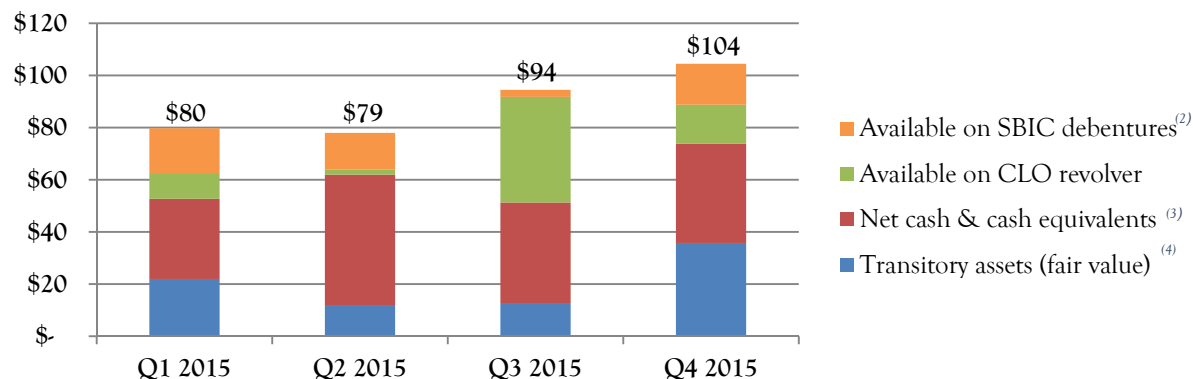
(1) Adjusted net investment income includes any fee waivers and excludes incentive fees related to realized and unrealized gains

Q4 2015 Funding & Liquidity

Funding

- ▶ Our U.S. GAAP debt to equity ratio was 1.00x while our regulatory debt to equity ratio was 0.92x as of December 31, 2015⁽¹⁾
- ▶ SBIC -\$19.3 million of leverage drawn through December 31, 2015
 - Received final results of on-site examination unlocking the remaining SBIC balance sheet expansion
 - Had sufficient liquidity to equitize the remaining 2.0x leverage on our \$35.0 million initial commitment of SBIC leverage
- ▶ Share repurchase program – The Board authorized the purchase of up to \$10.0 million of our common stock
 - Repurchased \$3.3 million, or 251,185 shares, at a weighted average price of \$13.19 per share and an average (11.7)% discount to net asset value
 - Repurchased an additional \$2.9 million, or 254,352 shares, subsequent to quarter end at a weighted average price of \$11.53 per share and an average (17.5)% discount to net asset value
- ▶ Weighted average cost of funds as of December 31, 2015 was 3.20%

Liquidity



Leverage Ratio	0.88x	0.92x	0.82x	1.00x
WA Cost of Funds	3.0%	3.0%	3.3%	3.2%

(1) Regulatory debt to equity ratio excludes SBIC leverage and unfunded commitments and was 0.92x as of December 31, 2015

(2) Availability on SBIC debentures does not include an additional \$35 million of leverage that we can borrow from the SBIC subject to the issuance of a capital commitment by the SBA and other customary procedures

(3) Cash & cash equivalents net of due to / due from counterparties

(4) Transitory portfolio consists of investments below the low end of our yield target. We intend to migrate out of these assets into ones meeting our Core portfolio yield. Excludes same day purchases/sales.

Q4 2015 Portfolio Highlights

Portfolio Activity

Par (in millions)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	YTD 2015	Average
Originated	\$ 17.2	\$ 31.1	\$ 29.5	\$ 11.1	\$ 88.9	\$ 22.2
Club	-	7.0	4.8	10.2	22.0	5.5
Purchased	-	-	-	28.1	28.1	7.0
Consumer loans	-	-	-	-	-	-
Equity	-	0.1	-	-	0.1	-
Total add-on investments	0.9	13.3	5.6	4.7	24.5	6.1
Total Additions	18.1	51.5	39.9	54.1	163.6	40.8
Less: Total Repayments/Sales⁽¹⁾	(29.9)	(70.2)	(59.8)	(29.0)	(188.9)	(47.2)
Net Additions	\$ (11.8)	\$ (18.7)	\$ (19.9)	\$ 25.1	\$ (25.3)	\$ (6.4)

Summary	Q1 2015 ⁽²⁾	Q2 2015 ⁽²⁾	Q3 2015 ⁽²⁾	Q4 2015 ⁽²⁾	YTD 2015 ⁽²⁾	Average
Number of new investments	2	5	4	17	28	7
WA yield of additions ⁽³⁾	12.2%	10.4%	10.5%	8.9%	10.1%	10.1%
Number of repayments/sales ⁽¹⁾	3	8	6	2	19	5
WA yield of repayments/sales	11.6%	10.4%	10.3%	10.0%	10.2%	10.2%

(1) Q4 2015 repayments represent position paydowns. There were no position restructures in Q4 2015.

(2) Activity includes repayment of certain investments in which we continue to hold an equity investment in the portfolio company

(3) WA yield consists of four core portfolio additions at a WA yield 10.5% and 13 transitory portfolio additions at a WA yield of 7.0%. Excludes non-accrual portfolio companies

Current & Historical Investment Portfolio Composition

Portfolio characteristics (\$ in millions, % based on total market value)	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Total Market Value	\$452.0	\$435.1	\$407.8	\$415.0
Number of portfolio companies	57	54	52	67
Average investment size ⁽¹⁾	\$6.7	\$7.4	\$7.8	\$6.2
Weighted average yield ⁽²⁾	10.8%	11.0%	10.9%	10.8%
Weighted average price ⁽¹⁾	95.9	97.1	97.3	92.9
First lien	85.8%	88.8%	90.6%	91.8%
Second lien & Mezzanine	5.5%	2.6%	1.8%	1.8%
Consumer loans	6.9%	6.1%	5.4%	4.2%
Equity & Other	1.8%	2.5%	2.2%	2.2%
Core	95.1%	97.1%	96.9%	91.2%
Transitory	4.9%	2.9%	3.1%	8.8%
Originated ⁽³⁾	50.4%	55.3%	61.1%	56.4%
Club ⁽⁴⁾	27.0%	28.7%	27.6%	26.1%
Purchased	22.6%	16.0%	11.3%	17.5%
Floating ⁽¹⁾	90.9%	91.0%	92.0%	93.2%
Fixed ⁽¹⁾	9.1%	9.0%	8.0%	6.8%
Performing ⁽¹⁾	99.1%	99.0%	95.6%	94.1%
Non-Accrual ⁽¹⁾	0.9%	1.0%	4.4%	5.9%
Weighted average debt / EBITDA ⁽¹⁾⁽²⁾⁽⁵⁾	3.6x	3.7x	3.7x	3.6x
Weighted average risk rating ⁽¹⁾	2.48	2.51	2.66	2.66

⁽¹⁾ Excludes consumer loans and equity investments

⁽²⁾ Excludes investments with a risk rating of 4, unfunded revolvers and equity investments

⁽³⁾ Originated positions include investments where we have sourced and led the execution of the deal

⁽⁴⁾ Club positions include investments where we provide direct lending to a borrower with one or two other lenders but did not lead the deal

⁽⁵⁾ Excludes non-operating portfolio companies, which we define as those investments collateralized by real estate, proved developed producing value ("PDP") or other hard assets. PDPs are proven revenues that can be produced with existing wells. As of December 31, 2015, \$33.5 million of par value and \$32.7 million of market value related to non-operating portfolio companies was excluded.

Top 10 Loan Portfolio Investments as of December 31, 2015

Issuer (\$ in millions)	Fair Value	% of Loan Portfolio	Yield
GLC Trust 2013-2 ⁽¹⁾⁽²⁾	\$ 17.8	4.3%	7.2%
MXD Group, Inc. (fka Exel Direct Inc.)	13.6	3.3%	16.5%
HC Cable OpCo, LLC	10.8	2.6%	9.5%
CR Brands, Inc.	10.4	2.5%	12.2%
Worley Claims Services, LLC	10.3	2.5%	9.2%
Lexmark Carpet Mills, Inc.	10.3	2.5%	11.6%
AbelConn, LLC (Atrenne Computing)	10.2	2.5%	10.0%
Profusion Industries, LLC	10.1	2.4%	10.0%
Aristech Surfaces LLC	10.1	2.4%	9.4%
Interior Specialists, Inc.	10.1	2.4%	9.5%
Total	\$ 113.6	27.4%	10.5%

(1) The GLC Trust 2013-2 Consumer Loan Portfolio holds a portfolio of small balance consumer loans. As of December 31, 2015 the portfolio included 2,637 loans with an average par balance of \$7,087, a weighted average interest rate of 15.6% and a weighted average maturity of May 8, 2018.

(2) Yield on consumer loan portfolio is net of expected credit losses

Comparative Statement of Financial Condition

(In thousands, except per share data)

	December 31, 2015		September 30, 2015		Variance		
		(audited)	(unaudited)		\$	%	
Assets							
Investments, fair value	\$	415,001	\$	407,757	\$	7,244	1.8%
Cash and cash equivalents		24,985		30,602		(5,617)	-18.4%
Cash and cash equivalents, restricted		11,833		6,755		5,078	75.2%
Due from counterparties		1,564		1,541		23	1.5%
Accrued interest receivable		5,919		5,449		470	8.6%
Deferred debt issuance costs		4,448		4,509		(61)	-1.4%
Deferred offering costs		503		503		0	0.0%
Other assets		359		498		(139)	-27.9%
Total Assets	\$	464,612	\$	457,614	\$	6,998	1.5%
Liabilities							
Debt	\$	229,960	\$	203,163	\$	26,797	13.2%
Due to counterparties		368		-		368	NA
Payables to affiliates		1,828		2,993		(1,165)	-38.9%
Interest payable		807		616		191	31.0%
Accrued expenses and other payables		939		729		210	28.8%
Total Liabilities		233,902		207,501		26,401	12.7%
Total Net Assets		230,710		250,113		(19,403)	-7.8%
Total Liabilities and Net Assets	\$	464,612	\$	457,614	\$	6,998	1.5%
Net Asset Value per Share	\$	13.98	\$	14.92	\$	(0.94)	-6.3%

Comparative Statement of Quarterly Operating Results

	For the Three Months Ended		Variance	
	December 31, 2015 (unaudited)	September 30, 2015 (unaudited)	\$	%
<i>(In thousands, except per share data)</i>				
Investment income				
Interest income	\$ 11,073	\$ 12,285	\$ (1,212)	-9.9%
Other income	407	921	(514)	-55.8%
Total investment income	11,480	13,206	-1,726	-13.1%
Expenses				
Interest expense	1,887	1,874	13	0.7%
Management fee	1,828	1,955	(127)	-6.5%
Incentive fee	(494)	(83)	(411)	-495.2%
Professional fees	295	400	(105)	-26.3%
Directors' fees	100	97	3	3.1%
Administrator expenses	297	241	56	23.2%
Other expenses	725	478	247	51.7%
Total expenses	4,638	4,962	(324)	-6.5%
Net investment income	\$ 6,842	\$ 8,244	\$ (1,402)	-17.0%
Realized and unrealized loss from investments				
Net realized loss from investments	(373)	(2,301)	1,928	83.8%
Net change in unrealized loss from investments	(16,736)	(6,184)	(10,552)	-170.6%
Net realized and unrealized loss from investments	\$ (17,109)	\$ (8,485)	\$ (8,624)	-101.6%
Net decrease in net assets resulting from operations	\$ (10,267)	\$ (241)	\$ (10,026)	-4160.2%
Net investment income per common share	\$ 0.41	\$ 0.49	\$ (0.08)	-16.3%
Basic earnings per common share	\$ (0.62)	\$ (0.01)	\$ (0.61)	-6100.0%
Basic weighted average common shares outstanding	16,695	16,759	(64.2)	-0.4%
Dividends and distributions declared per common share	\$ 0.35	\$ 0.35	\$ -	0.0%

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