

Earnings Presentation

First Quarter ended March 31, 2016

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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 Q1 2016 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.
- ▶ Capital markets volatility at the beginning of the quarter resulted in tighter liquidity overall and better structures on new transactions (lower leverage and larger percentage equity investment by sponsors).
- ▶ 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.

Trends in Our Portfolio

- ▶ New originations, club deals, purchases and add-ons during Q1 2016 totaled \$36.0 million (including \$16.0 million of transitory assets) of par value across three new portfolio companies with a weighted average yield of deals closed during the quarter of 10.5%
- ▶ Core loan portfolio additions included two sponsor deals and one non-sponsor deal
- ▶ There were \$11.3 million of repayments during Q1 2016 with a weighted average yield of 10.0%
- ▶ There were \$25.0 million of transitory asset sales during Q1 2016 with a weighted average yield of 6.2%⁽¹⁾
- ▶ Portfolio leverage increased from prior quarter to 3.7x from 3.6x while the weighted average risk rating remained unchanged at 2.66
- ▶ Prices of our transitory loans have increased subsequent to quarter-end
- ▶ Energy exposure remained at three deals, representing 5.6% of our total investments, at fair value

(1) Weighted average yield excludes the intra-quarter purchase and sale of \$16.0 million transitory loans across five portfolio companies.

Q1 2016 Loan Portfolio Additions



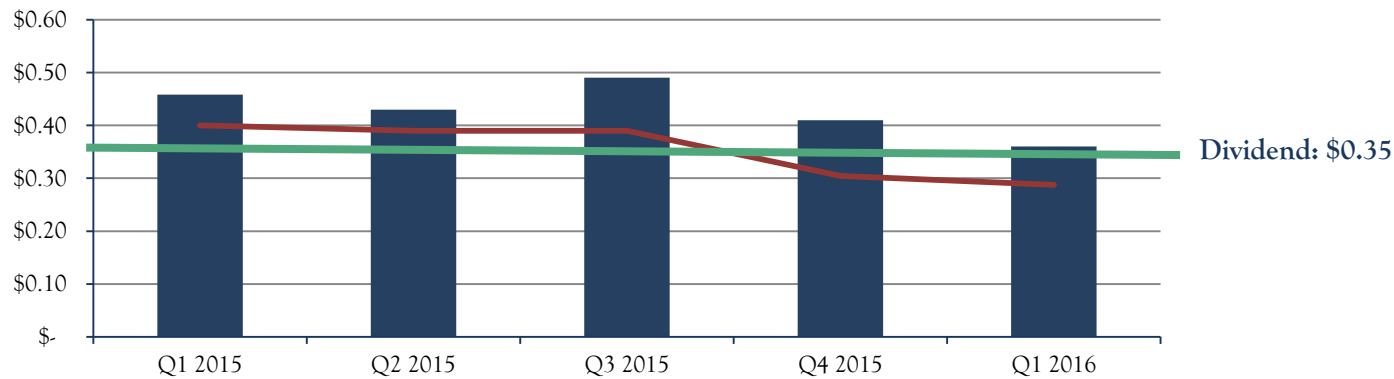
Business Overview	A designer and manufacturer of custom hydraulic cylinders and hydraulic swivels	A U.S.-based operator and franchisor of restaurants in 20 states	A broadline retailer operating in 1,672 full line retail stores in the US and online
Date Closed / Tenor	2/17/2016 5 Year Deal	3/4/2016 5 Year Deal	3/18/2016 4 Year Deal
Interest Rate	L+950 with a 1.00% Floor and 2.00% upfront fee	L+825 with a 1.00% Floor and 2.00% upfront fee	L+750 with a 1.00% Floor and 3.00% upfront fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien	Term Loan – First Lien
Invested / Global Facility Size	TL: \$8.2mm / \$24.0mm ⁽¹⁾	TL: \$6.8mm / \$42.2mm ⁽¹⁾	TL: \$1.6mm / \$750.0mm ⁽¹⁾
Origination Source	Originated	Club	Purchased
Call Protection	101.5/100.5	NA	102/101
Leverage (Debt / EBITDA)⁽²⁾	2.3x	3.1x	Asset-Based Loan – Fully Secured by Working Capital Assets

(1) Portion of the facility held by an affiliate of the Company and other lenders.

(2) Represents leverage through tranche as of March 31, 2016.

Q1 2016 Earnings Highlights

<i>(per share)</i>		Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Adjusted net investment income ⁽¹⁾	\$	0.40	0.39	0.39	0.30	0.29
Net investment income	\$	0.46	0.43	0.49	0.41	0.36
Net realized/unrealized (loss) on investments		(0.28)	(0.20)	(0.50)	(1.03)	(0.53)
Net increase in net assets from operations	\$	0.18	0.23	(0.01)	(0.62)	(0.17)



- ▶ Paid a Q1 2016 dividend of \$0.35 per share and declared a Q2 2016 dividend of \$0.35 per share payable on June 24, 2016
- ▶ Earned adjusted NII of \$5.9 million, or \$0.29 per share, compared to \$0.35 of dividends for the three months ended March 31, 2016
- ▶ Estimated \$8.9 million, or \$0.55 per share of undistributed taxable income as of March 31, 2016 (\$3.1 million represents spillover from 2015)
- ▶ Net realized & unrealized losses of \$(8.6) million, or \$(0.53) per share, for the three months ended March 31, 2016
 - Net unrealized losses were primarily driven by \$(6.7) million of negative credit related adjustments of four portfolio investments, \$(1.9) million negative market-related adjustments on eight portfolio investments
- ▶ As of March 31, 2016, we had \$2.2 million, or approximately two quarters worth of income-based incentive fees which were deferred and may be used to reduce future amounts earned by the Investment Adviser

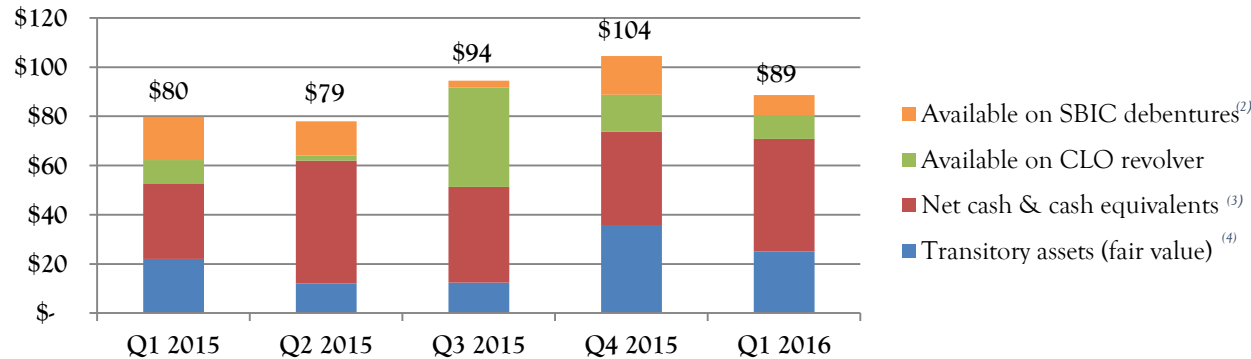
(1) Adjusted net investment income includes any fee waivers and excludes incentive fees related to realized and unrealized gains.

Q1 2016 Funding & Liquidity

Funding

- ▶ Our U.S. GAAP debt to equity ratio was 1.10x while our regulatory debt to equity ratio was 0.98x as of March 31, 2016⁽¹⁾
- ▶ Liquidity includes \$21.5 million of transitory assets that can be sold in order to remain within the allowed regulatory leverage ratio
- ▶ SBIC -\$26.7 million of leverage drawn through March 31, 2016
 - Had sufficient liquidity to equitize the SBIC in order to draw remaining \$43.3 million of leverage on our \$35 million initial commitment
- ▶ Share repurchase program – The Board authorized the purchase of up to \$10.0 million of our common stock
 - Repurchased \$3.1 million, or 272,780 shares, at a weighted average price of \$11.51 per share and an average (17.7)% discount to net asset value
- ▶ Weighted average cost of funds as of March 31, 2016 was 3.4%

Liquidity



Leverage Ratio	0.88x	0.92x	0.82x	1.00x	1.10x
WA Cost of Funds	3.0%	3.0%	3.3%	3.2%	3.4%

(1) Regulatory debt to equity ratio excludes SBIC leverage and unfunded commitments

(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.

Q1 2016 Portfolio Highlights

Portfolio Activity

Par (in millions)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Average
Originated	\$ 17.2	\$ 31.1	\$ 29.5	\$ 11.1	\$ 8.2	\$ 19.4
Club	-	7.0	4.8	10.2	6.8	5.8
Purchased	-	-	-	28.1	17.6	9.1
Consumer loans	-	-	-	-	-	-
Equity	-	0.1	-	-	-	-
Total add-on investments	0.9	13.3	5.6	4.7	3.4	5.6
Total Additions	18.1	51.5	39.9	54.1	36.0	39.9
Less: Total Repayments/Sales⁽¹⁾	(29.9)	(70.2)	(59.8)	(29.0)	(36.3)	(45.0)
Net Additions	\$ (11.8)	\$ (18.7)	\$ (19.9)	\$ 25.1	\$ (0.3)	\$ (5.1)

Summary	Q1 2015 ⁽²⁾	Q2 2015 ⁽²⁾	Q3 2015 ⁽²⁾	Q4 2015 ⁽³⁾	Q1 2016 ⁽⁴⁾	Average
Number of new investments	2	5	4	17	3	6
Weighted average yield of additions	12.2%	10.4%	10.5%	8.9%	10.5%	10.5%
Number of repayments/sales ⁽¹⁾	3	8	6	2	5	5
Weighted average yield of repayments/sales	11.6%	10.4%	10.3%	10.0%	8.1%	10.1%

(1) Q1 2016 repayments represent investment paydowns. There were no position restructures in Q1 2016.

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

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

(4) Q1 2016 activity excludes \$16.0 million of transitory loans across five portfolio companies that were both purchased and sold during the first quarter. 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	Q1 2016
Total Market Value	\$452.0	\$435.1	\$407.8	\$415.0	\$405.6
Number of portfolio companies	57	54	52	67	65
Average investment size ⁽¹⁾	\$6.7	\$7.4	\$7.8	\$6.2	\$6.2
Weighted average yield ⁽²⁾	10.8%	11.0%	10.9%	10.8%	11.2%
Weighted average price ⁽¹⁾	95.9	97.1	97.3	92.9	90.9
First lien	85.8%	88.8%	90.6%	91.8%	92.4%
Second lien & Mezzanine	5.5%	2.6%	1.8%	1.8%	1.9%
Consumer loans	6.9%	6.1%	5.4%	4.2%	3.5%
Equity & Other	1.8%	2.5%	2.2%	2.2%	2.2%
Core ⁽³⁾	95.1%	97.1%	96.9%	91.2%	94.6%
Transitory ⁽³⁾	4.9%	2.9%	3.1%	8.8%	5.4%
Originated ⁽⁴⁾	50.4%	55.3%	61.1%	56.4%	57.5%
Club ⁽⁵⁾	27.0%	28.7%	27.6%	26.1%	27.3%
Purchased	22.6%	16.0%	11.3%	17.5%	15.2%
Floating ⁽¹⁾	90.9%	91.0%	92.0%	93.2%	94.1%
Fixed ⁽¹⁾	9.1%	9.0%	8.0%	6.8%	5.9%
Performing ⁽¹⁾	99.1%	99.0%	95.6%	94.1%	95.9%
Non-Accrual ⁽¹⁾	0.9%	1.0%	4.4%	5.9%	4.1%
Weighted average debt / EBITDA ⁽¹⁾⁽²⁾⁽⁶⁾	3.6x	3.7x	3.7x	3.6x	3.7x
Weighted average risk rating ⁽¹⁾	2.48	2.51	2.66	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⁾ Q1 2016 includes the transfer of one portfolio company, total par of \$4.8 million, to core from transitory, based on the current yield

⁽⁴⁾ Originated positions include investments where we have sourced and led the execution of the deal

⁽⁵⁾ Club positions include investments where we provide direct lending to a borrower with one or two other lenders but did not lead the deal

⁽⁶⁾ 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 March 31, 2016, \$31.7 million of par value and \$30.9 million of market value related to non-operating portfolio companies was excluded.

Top 10 Loan Portfolio Investments as of March 31, 2016

Issuer (\$ in millions)	Fair Value	% of Loan Portfolio	Yield
GLC Trust 2013-2 ⁽¹⁾⁽²⁾	\$ 14.2	3.5%	7.3%
MXD Group, Inc. (fka Exel Direct Inc.)	13.9	3.4%	16.8%
HC Cable OpCo, LLC	10.7	2.6%	9.5%
Worley Claims Services, LLC	10.3	2.5%	9.2%
AbelConn, LLC (Atrenne Computing)	10.2	2.5%	10.0%
CR Brands, Inc.	10.1	2.5%	11.0%
Aristech Surfaces LLC	10.0	2.5%	9.4%
CF Entertainment Inc. (Entertainment Studios)	10.0	2.5%	12.2%
Interior Specialists, Inc.	10.0	2.5%	9.5%
Profusion Industries, LLC	10.0	2.5%	10.0%
Total	\$ 109.6	27.0%	10.6%

(1) The GLC Trust 2013-2 Consumer Loan Portfolio holds a portfolio of small balance consumer loans. As of March 31, 2016 the portfolio included 2,373 loans with an average par balance of \$6,359, a weighted average interest rate of 15.6% and a weighted average maturity of June 15, 2018.

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

Comparative Statement of Financial Condition

<i>(In thousands, except per share data)</i>	March 31, 2016	December 31, 2015	Variance	
Assets	(unaudited)	(audited)	\$	%
Investments, fair value	\$ 405,554	\$ 415,001	\$ (9,447)	-2.3%
Cash and cash equivalents	23,624	24,985	(1,361)	-5.4%
Cash and cash equivalents, restricted	11,874	11,833	41	0.3%
Due from counterparties	11,907	1,564	10,343	661.3%
Accrued interest receivable	6,175	5,919	256	4.3%
Deferred offering costs	503	503	-	0.0%
Other assets	348	496	(148)	-29.8%
Total Assets	\$ 459,985	\$ 460,301	\$ (316)	-0.1%
Liabilities				
Debt	\$ 235,494	\$ 225,649	\$ 9,845	4.4%
Due to counterparties	1,552	368	1,184	NA
Payables to affiliates	2,051	1,828	223	12.2%
Interest payable	714	807	(93)	-11.5%
Accrued expenses and other payables	987	939	48	5.1%
Total Liabilities	240,798	229,591	11,207	4.9%
Total Net Assets	219,187	230,710	(11,523)	-5.0%
Total Liabilities and Net Assets	\$ 459,985	\$ 460,301	\$ (316)	-0.1%
Net Asset Value per Share	\$ 13.50	\$ 13.98	\$ (0.48)	-3.4%

Comparative Statement of Quarterly Operating Results

<i>(In thousands, except per share data)</i>	For the Three Months Ended		Variance	
	March 31, 2016 (unaudited)	December 31, 2015 (unaudited)	\$	%
Investment income				
Interest income	\$ 10,875	\$ 11,073	\$ (198)	-1.8%
Other income	181	407	(226)	-55.5%
Total investment income	11,056	11,480	(424)	-3.7%
Expenses				
Interest expense	2,008	1,887	121	6.4%
Management fee	1,850	1,828	22	1.2%
Incentive fee	-	(494)	494	100.0%
Professional fees	386	295	91	30.8%
Directors' fees	107	100	7	7.0%
Administrator expenses	269	297	(28)	-9.4%
Other expenses	577	725	(148)	-20.4%
Total expenses	5,197	4,638	559	12.1%
Net investment income	\$ 5,859	\$ 6,842	\$ (983)	-14.4%
Realized and unrealized loss from investments				
Net realized loss from investments	(95)	(373)	278	74.5%
Net change in unrealized loss from investments	(8,462)	(16,736)	8,274	49.4%
Net realized and unrealized loss from investments	\$ (8,557)	\$ (17,109)	\$ 8,552	50.0%
Net decrease in net assets resulting from operations	\$ (2,698)	\$ (10,267)	\$ 7,569	73.7%
Net investment income per common share	\$ 0.36	\$ 0.41	\$ (0.05)	-12.2%
Basic earnings per common share	\$ (0.17)	\$ (0.62)	\$ 0.45	72.6%
Basic weighted average common shares outstanding	16,319	16,695	(376)	-2.2%
Dividends and distributions declared per common share	\$ 0.35	\$ 0.35	\$ -	0.0%

Contact Information

Garrison Capital Inc.

1290 Avenue of the Americas, Suite 914

New York, NY 10104

Tel: 212-372-9590

Fax: 212-372-9525