

Earnings Presentation

Fourth Quarter ended December 31, 2017

DISCLAIMER

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.

We use words such as “anticipates,” “believes,” “expects,” “intends” and similar expressions to identify forward-looking statements. Actual results could differ materially from those implied or expressed in our forward-looking statements for any reason, and future results could differ materially from historical performance. We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the U.S. Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

MARKET TRENDS & QUARTERLY HIGHLIGHTS

CURRENT MARKET TRENDS

- ▶ Investors seeking yield premiums continue to deploy capital to managers raising private lending funds focused on the middle market
- ▶ The enhanced liquidity in the market has led to tightening of spreads and more aggressive deal structures in the middle market
- ▶ We continue to see attractive relative value in larger club deals that have bypassed the traditional syndication market. These tend to be nuanced credits that don't meet the criterion of the traditional CLO market
- ▶ We have experienced an increase in business from existing sponsor clients who are seeking add-on acquisition financings or recapitalizations

QUARTERLY HIGHLIGHTS

- ▶ New par additions during Q4 2017 totaled \$49.8 million across six new portfolio companies at a weighted average yield of 8.3%
- ▶ Repayments during Q4 2017 totaled \$37.8 million at a weighted average yield of 9.1%⁽¹⁾
- ▶ Closed five core and one transitory deals, including one investment in our SBIC, all of which were sponsor deals
- ▶ Declared a Q1 2018 dividend of \$0.28 per share payable to shareholders on March 29, 2018
- ▶ Leverage of the portfolio decreased to 3.7x from 3.8x in the prior quarter
- ▶ Weighted average risk rating decreased to 2.4 from 2.6 in the prior quarter primarily due to the realization of our non-accrual assets which were risk rated 4, as well as ordinary course portfolio activity
- ▶ Subsequent to December 31, 2017, closed \$18.9 million of par value across three new portfolio companies and received full paydowns of \$16.4 million of par value across three portfolio companies

(1) Weighted average yield excludes investments with a risk rating of 4 and non-accrual investments

EARNINGS HIGHLIGHTS

QUARTERLY RESULTS OF OPERATIONS

(\$ in thousands, except per share data)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Total investment income	\$ 9,689	\$ 8,903	\$ 9,034	\$ 8,994	\$ 9,653
Total expenses	5,421	4,718	4,447	4,807	4,721
Net investment income	4,268	4,185	4,587	4,187	4,932
Net realized (loss)/gain on investments	(25,961)	(30)	399	204	(1,359)
Net change in unrealized gain/(loss) on investments	25,411	267	(2,911)	(8,379)	(1,080)
Net increase/(decrease) in net assets resulting from operations	3,718	4,422	2,075	(3,988)	2,853
Net investment income per share	0.27	0.26	0.29	0.26	0.31
Net realized/unrealized (loss)/gain from investments per share	(0.04)	0.01	(0.16)	(0.50)	(0.13)
Net earnings/(loss) per share	0.23	0.27	0.13	(0.24)	0.18
Dividends declared per share	0.28	0.28	0.28	0.28	0.28
Net asset value per share	11.69	11.74	11.75	11.90	12.42

FINANCIAL HIGHLIGHTS

- ▶ Earned NII of \$0.27 per share, for the fourth quarter, which was slightly higher than \$0.26 in the prior quarter due to:
 - Higher interest income of \$0.6 million, or \$0.04 per share, earned as a result of new originations closed and lower prepayments compared to prior quarters
- ▶ Net realized and unrealized losses of \$0.6 million, or \$0.04 per share, for the three months ended December 31, 2017 were primarily driven by:
 - Net losses from the realization of investments of \$0.8 million; derived from Walnut Hill II of \$1.8 million, offset by gains on Badlands and Forest Park II of \$0.8 million and \$0.2 million, respectively
 - Net positive market value adjustments of \$0.2 million; driven by positive market value adjustments on MXD Group of \$1.1 million, offset by negative market value adjustments on Profusion and other portfolio investments of \$0.6 million and \$0.3 million, respectively
 - Total expenses in the fourth quarter were higher than prior quarter by \$0.5 million, or \$0.03 per share, primarily as part of the workout and ultimate realization of certain of our non-accrual investments
- ▶ As of December 31, 2017, sufficient net capital losses remain accumulated under our Incentive Fee Deferral mechanism to potentially eliminate future net investment income incentive fees through at least Q2 2018

CORE PORTFOLIO ADDITIONS



Business Overview	Elo Touch Solutions, Inc. is a manufacturer of touchscreen products, cloud based software delivery and vertically integrated touchscreen components.	Maxor National Pharmacy Services is a provider of pharmacy benefit management, specialty pharmacy and pharmacy management services.
Date Closed / Tenor	10/27/2017; 6 Year Deal	11/22/2017; 6 Year Deal
Interest Rate	Libor + 6.00%, 1.00% Floor, 1.00% Upfront Fee	Libor + 6.00%, 1.00% Floor, 1.00% Upfront Fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien
Invested / Global Facility Size	TL: \$6.3mm / \$150.0mm*	TL: \$9.0mm / \$310.0mm*
Origination Source	Purchase	Club
Call Protection	101 soft call for 12 months	101 soft call up to 1 year
Leverage (Debt / EBITDA)**	2.64x	4.50x

* Portion of the facility held by an affiliate of the Company and other lenders
 ** Represents leverage through tranche at origination

CORE PORTFOLIO ADDITIONS



Business Overview	QualTek is a provider of engineering, fulfillment and project management services to the US telecommunications industry.	RA Outdoors (aka Active Network) offers a recreation experience platform to connect people to the outdoors through digital engagement.	Newscycle is a enterprise software solution provider for the global news industry.
Date Closed / Tenor	12/01/2017; 3 Year Deal	12/22/2017; 7 Year Deal	12/29/2017; 5 Year Deal
Interest Rate	Libor + 8.00%, 1.00% Floor, 1.75% Upfront Fee	Libor + 4.75%, 1.00% Floor, 1.00% Upfront Fee	Libor + 7.00%, 1.00% Floor, 2.00% Upfront Fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien	Term Loan – First Lien
Invested / Global Facility Size	TL: \$9.3mm / \$80.0mm*	TL: \$8.0mm / \$152.0mm*	TL: \$9.0mm / \$164.0mm*
Origination Source	Origination	Club	Club
Call Protection	102/101	101 for 6 Months	102/101
Leverage (Debt / EBITDA)**	3.67x	4.02x	4.53x

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

** Represents leverage through tranche at origination

RECENT PORTFOLIO ACTIVITY

PORTFOLIO TURNOVER

Par (in millions)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017	Average
Originated	\$ 9.3	\$ 6.7	\$ -	\$ -	\$ 16.0	\$ 4.0
Club	26.1	8.1	14.0	-	48.2	12.1
Purchased	8.2	1.4	10.9	25.7	46.2	11.6
Total add-on investments	6.2	5.8	10.1	2.9	25.0	6.3
Total additions	49.8	22.0	35.0	28.6	135.4	33.9
Less: Total repayments/sales⁽¹⁾	(37.8)	(23.2)	(32.6)	(38.6)	(132.2)	(33.0)
Net repayments/additions	\$ 12.0	\$ (1.2)	\$ 2.4	\$ (10.0)	\$ 3.2	\$ 0.9

Summary	Q4 2017	Q3 2017	Q2 2017 ⁽²⁾	Q1 2017	FY 2017	Average
Number of new investments	6	3	4	8	21	5
Weighted average yield of additions ⁽³⁾	8.3%	8.6%	8.9%	7.1%	8.2%	8.2%
Number of repayments/sales ⁽¹⁾	5	4	5	3	17	4
Weighted average yield of repayments/sales ⁽³⁾	9.1%	9.1%	9.6%	10.6%	9.8%	9.6%

(1) Q4 2017 includes the Badlands, Forest Park II, Speed Commerce Operating Company and Walnut Hill II realization events and reduction of par of \$31.6 million

(2) Q2 2017 activity excludes a \$0.4 million transitory loan that was both purchased and sold during the quarter

(3) Weighted average yield excludes investments with a risk rating of 4 and non-accrual investments

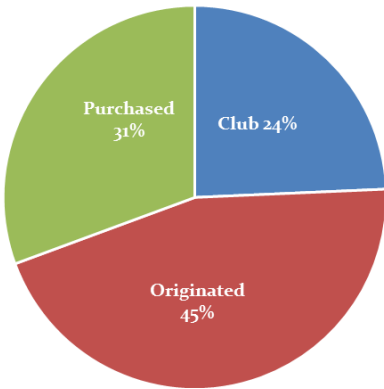
CURRENT PORTFOLIO COMPOSITION

PORTFOLIO HIGHLIGHTS

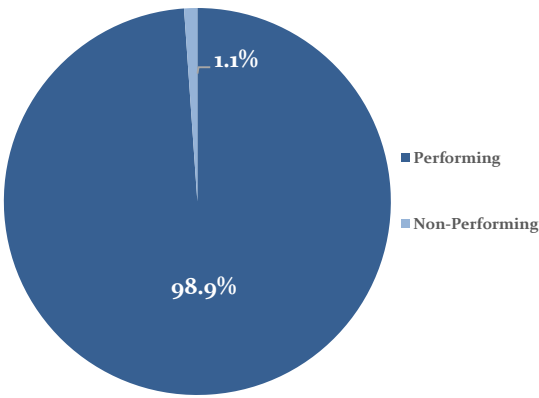
- ▶ Current portfolio consists of 62 portfolio companies diversified across more than 20 industries
- ▶ Investment portfolio is 99.3% floating rate and positively correlated to changes in LIBOR with approximately 95% of loans above their LIBOR floor
- ▶ Every 25bps increase in LIBOR would result in \$0.01 per share of additional net investment income per quarter

CREDIT QUALITY AND INDUSTRY DIVERSIFICATION⁽¹⁾

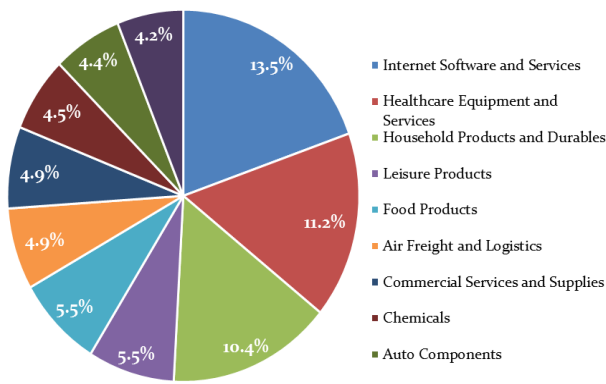
INVESTMENT SOURCE⁽²⁾



PERFORMING VS. NON-PERFORMING



TOP 10 INDUSTRIES⁽³⁾



(1) Charts based on market values.
 (2) Originated positions include investments where we have sourced and led the execution of the deal. Club positions include investments where we provide direct lending to a borrower with other co-lenders, but did not lead the deal.
 (3) Refer to the Consolidated Schedule of Investments in the Garrison Capital Inc. form 10-K for the full list of our investments by industry.

CREDIT QUALITY

RISK RATINGS

- ▶ Risk Rating 1 denotes a high quality investment with no loss of principal expected;
- ▶ Risk Rating 2 denotes a moderate to high quality investment with no loss of principal expected;
- ▶ Risk Rating 3 denotes a moderate quality investment with market rates of expected loss of principal and potential non-compliance with financial covenants; and
- ▶ Risk Rating 4 denotes a low quality investment with an expected loss of principal. In the case of risk grade 4 loans, our Investment Adviser will assign a recovery value to the loan.

(\$ in thousands)	As of December 31, 2017		As of December 31, 2016		Variance	
	Investments at Fair Value	Percentage of Total Investments	Investments at Fair Value	Percentage of Total Investments	\$	%
Risk Rating 1	\$ 33,643	8.7 %	\$ 34,695	9.5 %	\$ (1,052)	(3.0) %
Risk Rating 2	164,242	42.4	152,762	42.0	11,480	7.5
Risk Rating 3	185,484	47.8	163,854	45.0	21,630	13.2
Risk Rating 4	4,111	1.1	12,649	3.5	(8,538)	(67.5)
	<u>\$ 387,480</u>	<u>100.0 %</u>	<u>\$ 363,960</u>	<u>100.0 %</u>	<u>\$ 23,520</u>	<u>6.5 %</u>

* Risk Rating table excludes consumer loans and equity investments

CURRENT & HISTORICAL PORTFOLIO STATISTICS

Portfolio characteristics (\$ in millions, % based on market value)*	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Total Market Value	\$ 394.7	\$ 359.1	\$ 359.9	\$ 358.7	\$ 376.7
Number of portfolio companies	62	61	62	62	58
Average investment size ⁽¹⁾	\$ 6.0	\$ 5.7	\$ 5.7	\$ 5.7	\$ 6.2
Weighted average yield ⁽²⁾	10.0%	10.4%	10.2%	10.8%	10.9%
Weighted average price ⁽¹⁾	98.6	92.3	92.2	92.9	95.0
First lien Senior Secured	98.2%	97.8%	97.4%	97.1%	96.6%
Equity, Consumer Loans & Subordinated Debt	1.8%	2.2%	2.6%	2.9%	3.4%
Core	94.5%	94.4%	91.8%	93.5%	97.3%
Transitory	5.5%	5.6%	8.2%	6.5%	2.7%
Originated	45.1%	48.6%	47.6%	52.6%	53.0%
Club	24.3%	20.0%	21.0%	18.8%	27.0%
Purchased	30.6%	31.4%	31.4%	28.6%	20.0%
Floating ⁽¹⁾	99.3%	99.1%	99.0%	98.9%	96.8%
Fixed ⁽¹⁾	0.7%	0.9%	1.0%	1.1%	3.2%
Performing ⁽¹⁾	98.9%	96.7%	96.7%	97.1%	97.5%
Non-Accrual ⁽¹⁾	1.1%	3.3%	3.3%	2.9%	2.5%
Weighted average debt / EBITDA ⁽¹⁾⁽²⁾⁽³⁾	3.7x	3.8x	3.8x	3.7x	3.6x
Weighted average risk rating ⁽¹⁾	2.4	2.6	2.7	2.6	2.5

(1) Excludes consumer loans and equity investments

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

(3) Excludes non-operating portfolio companies defined as loans collateralized by proved developed producing value, or PDP, real estate or other hard assets. PDPs are proven revenues that can be produced with existing wells. As of December 31, 2017, non-operating portfolio companies with an aggregate \$23.5 million of par value and \$22.1 million of fair value were excluded

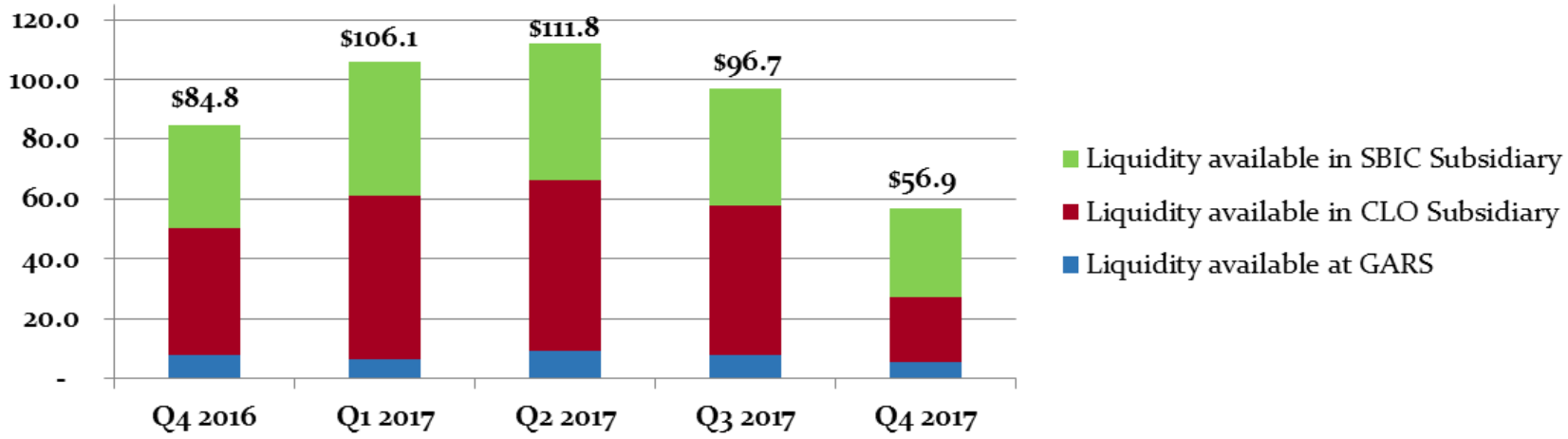
*Table excludes position with a fair market value of zero except for the number of portfolio companies

PORTFOLIO LEVERAGE & CAPITAL STRUCTURE

PORTFOLIO LEVERAGE

- ▶ Our U.S. GAAP debt to equity ratio was 1.26x while our regulatory debt to equity ratio was 0.99x as of December 31, 2017⁽¹⁾
- ▶ SBIC facility drawdowns as of December 31, 2017 were \$49.8 million on our \$70.0 million commitment
- ▶ CLO facility drawdowns as of December 31, 2017 were \$19.7 million on our on our \$25.0 million revolver⁽²⁾
- ▶ Weighted average cost of funds as of December 31, 2017 remained consistent from prior quarter at 4.2%

CAPITAL STRUCTURE



(1) Regulatory debt to equity ratio excludes SBIC leverage and unfunded commitments
 (2) Based on our regulatory debt to equity ratio of 0.99x, the availability of our CLO revolver is capped at \$1.0 million

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

<i>(In thousands, except per share data)</i>						
	December 31, 2017	September 30, 2017			Variance	%
Assets	(audited)	(unaudited)	\$			%
Investments, fair value	\$ 394,730	\$ 359,139		35,591		9.9%
Cash and cash equivalents	14,895	14,708		187		1.3%
Cash and cash equivalents, restricted	4,621	14,566		(9,945)		-68.3%
Due from counterparties	4,560	95		4,465		NM
Due from affiliates	509	-		509		N/A
Accrued interest receivable	3,492	2,736		756		27.6%
Other assets	1,389	1,504		(115)		-7.6%
Total assets	424,196	392,748		31,448		8.0%
Liabilities						
Debt	232,531	201,192		31,339		15.6%
Due to counterparties	1,921	-		1,921		N/A
Payables to affiliates	100	1,588		(1,488)		-93.7%
Accrued interest payable	1,308	915		393		43.0%
Accrued expenses and other payables	678	618		60		9.7%
Total liabilities	236,538	204,313		32,225		15.8%
Total net assets	187,658	188,435		(777)		-0.4%
Total liabilities and net assets	424,196	392,748		31,448		8.0%
Net asset value per share	\$ 11.69	\$ 11.74	\$	(0.05)	\$	-0.4%

COMPARATIVE STATEMENT OF QUARTERLY OPERATING RESULTS

<i>(In thousands, except per share data)</i>	Three Months Ended				
	December 31, 2017 (audited)	September 30, 2017 (unaudited)	Variance		
			\$		%
Investment income					
Interest income	\$ 9,418	\$ 8,810	608		6.9%
Other income	271	93	178		191.4%
Total investment income	9,689	8,903	786		8.8%
Expenses					
Interest expense	2,320	2,220	100		4.5%
Management fee	1,452	1,374	78		5.7%
Professional fees	491	255	236		92.5%
Directors' fees	76	77	(1)		-1.3%
Administrator expenses	310	305	5		1.6%
Other expenses	772	487	285		58.5%
Total expenses	5,421	4,718	703		14.9%
Net investment income	4,268	4,185	83		2.0%
Realized and unrealized loss from investments					
Net realized loss from investments	(25,961)	(30)	(25,931)		NM
Net change in unrealized gain from investments	25,411	267	25,144		NM
Net realized and unrealized (loss)/gain from investments	(550)	237	(787)		-332.1%
Net increase in net assets resulting from operations	3,718	4,422	(704)		-15.9%
Net investment income per common share	\$ 0.27	\$ 0.26	\$ 0.01		3.8%
Basic earnings per common share	\$ 0.23	\$ 0.27	(0.04)		-14.8%
Basic weighted average common shares outstanding	16,049,352	16,049,352	-		-
Dividends and distributions declared per common share	\$ 0.28	\$ 0.28	-		-

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