

Earnings Presentation

Third Quarter ended September 30, 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

MARKET TRENDS

- ▶ Investors in search of 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 find good relative value in larger club deals that have bypassed the traditional CLO market as they are nuanced and do tend to not meet market criterion
- ▶ We have experienced an increase in business from existing sponsor clients who are seeking add-on acquisition financings or recapitalizations

QUARTERLY HIGHLIGHTS

- ▶ Book value per share remained stable decreasing \$0.01 per share from the prior quarter to \$11.74 per share as of September 30, 2017
- ▶ Declared a Q4 2017 dividend of \$0.28 per share payable to shareholders on December 22, 2017
- ▶ New and add-on financings during Q3 2017 totaled \$22.0 million of par value across three new portfolio companies at a weighted average yield of 8.6%
- ▶ Closed two core and one transitory deals, all of which were backed by sponsors
- ▶ Repayments totaled \$23.2 million during Q3 2017 at a weighted average yield of 9.1%
- ▶ Leverage of the portfolio remained at 3.8x, consistent with the prior quarter
- ▶ Weighted average risk rating improved slightly to 2.6 as compared to 2.7 in the prior quarter driven by the upgrade of three investments and new investments closed at a weighted average rating of 2.1

EARNINGS HIGHLIGHTS

RESULTS OF OPERATIONS

(\$ in thousands, except per share data)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016 ⁽¹⁾
Total investment income	\$ 8,903	\$ 9,034	\$ 8,994	\$ 9,653	\$ 11,105
Total expenses	4,718	4,447	4,807	4,720	8,568
Net investment income	4,185	4,587	4,187	4,933	2,537
Net realized (loss)/gain on investments	(30)	399	204	(1,359)	(11,182)
Net change in unrealized gain/(loss) on investments	267	(2,911)	(8,379)	(1,080)	7,557
Net increase/(decrease) in net assets resulting from operations	4,422	2,075	(3,988)	2,854	(1,088)
Net investment income per share	0.26	0.29	0.26	0.31	0.16
Net realized/unrealized gain/(loss) from investments per share	0.01	(0.16)	(0.50)	(0.14)	(0.23)
Net earnings/(loss) per share	0.27	0.13	(0.24)	0.17	(0.07)
Dividends declared per share	0.28	0.28	0.28	0.28	0.28
Net asset value per share	11.74	11.75	11.90	12.42	12.53

Q3 2017 FINANCIAL HIGHLIGHTS

- ▶ Earned net investment income of \$0.26 per share for the third quarter, slightly down from \$0.29 per share in the prior quarter due to:
 - Lower fee income driven by fewer prepayment and amendment fees received during the quarter; and
 - Increased expenses driven by higher professional fees which returned back to a more normalized run rate
- ▶ Net realized and unrealized gains of \$0.2 million, or \$0.01 per share, for the three months ended September 30, 2017 due to:
 - Positive market value adjustment on Sprint Industrial Holdings of \$0.5 million and the reversal of an unrealized loss of \$0.3 million on Raymond Express International; offset by
 - A negative market value adjustment of \$0.6 million on our preferred equity investment in Prosper Marketplace
- ▶ As of September 30, 2017, sufficient net capital losses remain accumulated under our Incentive Fee Deferral mechanism to eliminate future net investment income incentive fees through Q2 2018

(1) Net investment income for Q3 2016 included the non-recurring costs of \$3.4 million, or \$0.21 per share associated with the CLO refinancing

CORE PORTFOLIO ADDITIONS



Business Overview	Gold Coast Bakeries is a producer and distributor of high quality specialty and organic baked goods.	RiteDose Corporation is a contract development and manufacturing organization and the low cost producer of generic respiratory drugs.
Date Closed / Tenor	9/27/2017; 5 Year Deal	9/13/2017; 6 Year Deal
Interest Rate	Libor + 5.75%, 1.00% Floor, 1.75% Upfront Fee	Libor + 6.50%, 1.00% Floor, 1.50% Upfront Fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien
Invested / Global Facility Size	TL: \$6.7mm / \$20.0mm*	TL: \$8.1mm / \$225.0mm* Unfunded: \$0.5mm / \$15.0mm*
Origination Source	Origination	Club
Call Protection	102/101	102/101
Leverage (Debt / EBITDA)**	2.90x	4.91x

* 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)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Average
Originated	\$ 6.7	\$ -	\$ -	\$ -	\$ 18.5	\$ 5.0
Club	8.1	14.0	-	-	12.9	7.0
Purchased	1.4	10.9	25.7	15.7	5.0	11.7
Total add-on investments	5.8	10.1	2.9	2.9	2.6	4.9
Total Additions	22.0	35.0	28.6	18.6	39.0	28.6
Less: Total Repayments/Sales⁽¹⁾	(23.2)	(32.6)	(38.6)	(42.8)	(38.8)	(35.2)
Net Repayments/Additions	\$ (1.2)	\$ 2.4	\$ (10.0)	\$ (24.2)	\$ 0.2	\$ (6.6)

Summary	Q3 2017	Q2 2017 ⁽²⁾	Q1 2017	Q4 2016	Q3 2016	Average
Number of new investments	3	4	8	2	5	4
Weighted average yield of additions ⁽³⁾	8.6%	8.9%	7.1%	8.0%	10.8%	8.7%
Number of repayments/sales ⁽¹⁾	4	5	3	7	3	4
Weighted average yield of repayments/sales ⁽³⁾	9.1%	9.6%	10.6%	11.5%	10.2%	10.2%

(1) Excludes the Q3 2016 Berry Nurseries realization event and reduction of par of \$11.8 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, unfunded revolvers and non-accrual investments

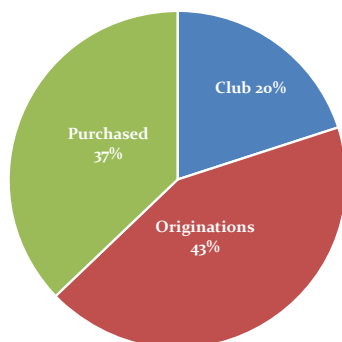
CURRENT PORTFOLIO COMPOSITION

PORTFOLIO HIGHLIGHTS

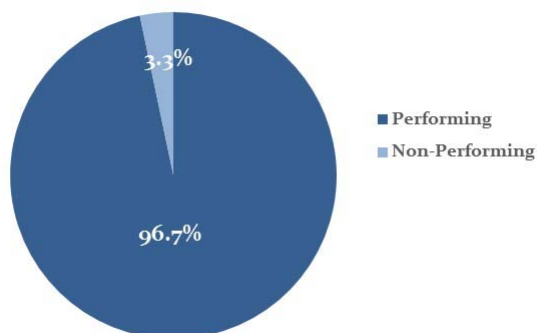
- ▶ Current portfolio consists of 61 portfolio companies diversified across more than 20 industries
- ▶ Investment portfolio is 99.1% floating rate and positively correlated to changes in LIBOR
- ▶ Every 25bps increase in LIBOR would result in \$0.01 per share of additional net investment income per quarter

CREDIT QUALITY AND INDUSTRY DIVERSIFICATION⁽¹⁾

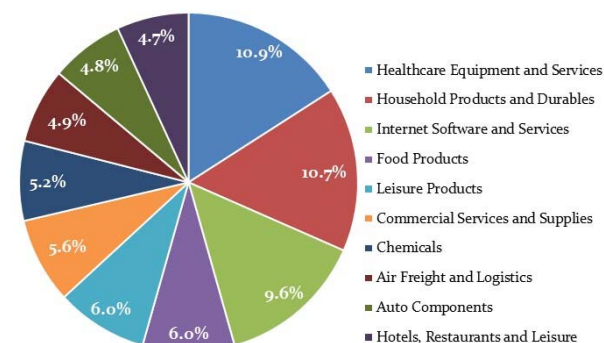
INVESTMENT SOURCE⁽²⁾



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-Q 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 September 30, 2017		As of June 30, 2017		As of March 31, 2017	
	Investments at Fair Value	Percentage of Total Investments	Investments at Fair Value	Percentage of Total Investments	Investments at Fair Value	Percentage of Total Investments
Risk Rating 1	\$ 9,000	2.5 %	\$ 16,871	4.8 %	\$ 25,317	7.3 %
Risk Rating 2	154,431	44.0	129,890	37.0	143,589	41.2
Risk Rating 3	175,625	50.0	191,659	54.7	164,556	47.3
Risk Rating 4	12,216	3.5	12,215	3.5	14,782	4.2
Total	\$ 351,272	100.0 %	\$ 350,635	100.0 %	\$ 348,244	100.0 %

* Risk Rating table excludes consumer loans and equity investments

CURRENT & HISTORICAL PORTFOLIO STATISTICS

Portfolio characteristics (\$ in millions, % based on market value)*	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Total Market Value	\$ 359.1	\$ 359.9	\$ 358.7	\$ 376.7	\$ 400.9
Number of portfolio companies	61	62	62	58	64
Average investment size ⁽¹⁾	\$ 5.7	\$ 5.7	\$ 5.7	\$ 6.2	\$ 5.9
Weighted average yield ⁽²⁾	10.4%	10.2%	10.8%	10.9%	11.2%
Weighted average price ⁽¹⁾	92.3	92.2	92.9	95.0	95.3
First lien Senior Secured	97.8%	97.4%	97.1%	96.6%	93.9%
Equity, Consumer Loans & Other Subordinated Debt	2.2%	2.6%	2.9%	3.4%	6.1%
Core	94.4%	91.8%	93.5%	97.3%	93.9%
Transitory	5.6%	8.2%	6.5%	2.7%	6.1%
Originated	48.6%	47.6%	52.6%	53.0%	57.0%
Club	20.0%	21.0%	18.8%	27.0%	25.8%
Purchased	31.4%	31.4%	28.6%	20.0%	17.2%
Floating ⁽¹⁾	99.1%	99.0%	98.9%	96.8%	94.9%
Fixed ⁽¹⁾	0.9%	1.0%	1.1%	3.2%	5.1%
Performing ⁽¹⁾	96.7%	96.7%	97.1%	97.5%	99.3%
Non-Accrual ⁽¹⁾	3.3%	3.3%	2.9%	2.5%	0.7%
Weighted average debt / EBITDA ⁽¹⁾⁽²⁾⁽³⁾	3.8x	3.8x	3.7x	3.6x	3.7x
Weighted average risk rating ⁽¹⁾	2.6	2.7	2.6	2.5	2.6

(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 September 30, 2017, non-operating portfolio companies with an aggregate \$52.9 million of par value and \$30.9 million of fair value were excluded

* Table excludes positions 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 1.09x and regulatory debt-to-equity ratio was 0.89x as of September 30, 2017⁽¹⁾
- ▶ SBIC - \$33.0 million of leverage capacity available on our \$70.0 million of total commitments
- ▶ CLO - \$20.6 million of leverage capacity available on our \$25.0 million of total revolver commitment⁽²⁾
- ▶ Weighted average cost of funds increased slightly to 4.2% as of September 30, 2017

CAPITAL STRUCTURE

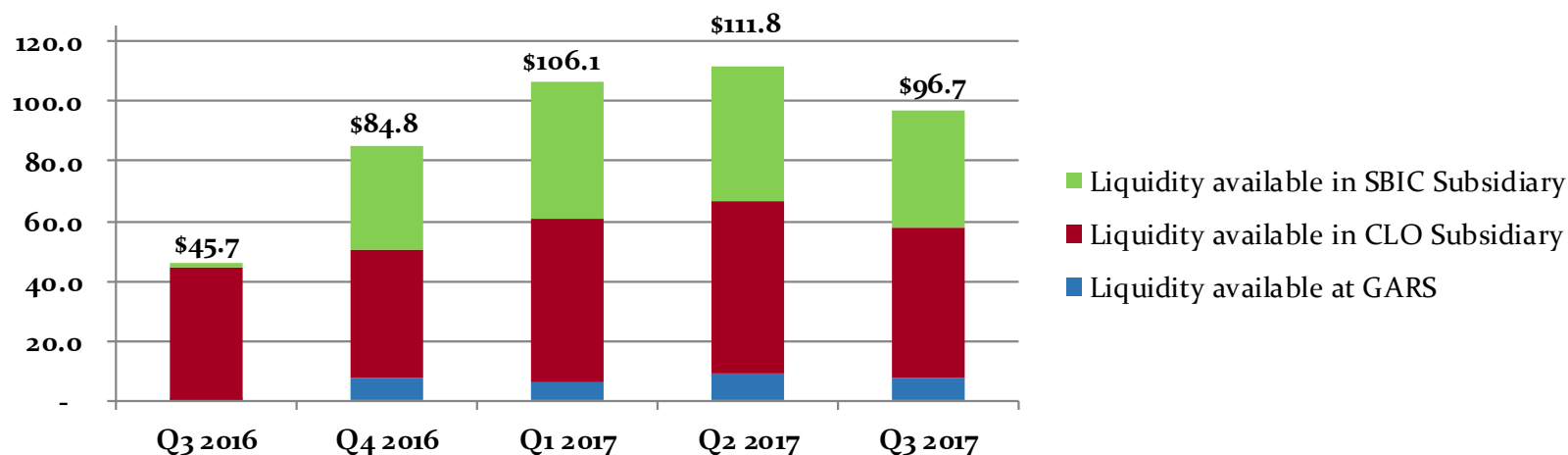
As of September 30, 2017 (\$ in millions)	Note	Amount Outstanding	Rating (S&P Only)	Interest Rate	Effective Interest Rate	Final Maturity
Class A-1 R	Revolving Term Note	\$ -	AAA(sf)	L+2.20%	3.62%	9/29/2027
Class A-1F	Fixed Term Note	25,000	AAA(sf)	3.41%	3.55%	9/29/2027
Class A-1T	Variable Term Note	88,150	AAA(sf)	L+2.20%	3.67%	9/29/2027
Class A-2	Variable Term Note	20,700	AA(sf)	L+3.15%	4.67%	9/29/2027
Class B	Variable Term Note	21,450	A (sf)	L+4.00%	5.63%	9/29/2027
Class C	Variable Term Note	11,700	BBB(sf)	L+6.00%	7.66%	9/29/2027
SBIC Borrowings	Debentures	37,000	N/A	3.37%	3.77%	12/26/2025
GLC Trust 2013-2	Class A Notes	830	N/A	3.00%	3.35%	7/15/2021
Total		\$ 204,830		3.98%	4.21%	6/10/2027

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

(2) In order to maintain a Regulatory debt to equity ratio of less than 1.0x, only \$20.6 million of the total \$25.0 million capacity is currently available on our CLO revolver

LIQUIDITY

HISTORICAL LIQUIDITY & LEVERAGE TRENDS



GAAP Leverage Ratio	1.16x	1.05x	1.08x	1.09x	1.09x
Regulatory Leverage Ratio	0.99x	0.86x	0.89x	0.90x	0.89x

Q3 2017 LIQUIDITY

Type of Liquidity (\$ in millions)	GARS	CLO	SBIC	TOTAL
Cash & Cash Equivalents	\$ 8.9	\$ 13.7	\$ 5.9	\$ 28.5
Leverage Capacity ⁽¹⁾	-	20.6	33.0	53.6
Transitory Assets ⁽²⁾	-	20.0	-	20.0
Unfunded Commitments	(0.9)	(4.5)	-	(5.4)
Total Liquidity	\$ 8.0	\$ 49.8	\$ 38.9	\$ 96.7

(1) In order to maintain a regulatory debt to equity ratio of less than 1.0x, only \$20.6 million of the total \$25.0 million capacity is currently available on our CLO revolver

(2) Transitory investments are generally investments that we view as an additional source of liquidity that we may sell in order to fund investments that fit our core investment strategy. These transitory investments are generally at the lower end of our target portfolio yield range

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

(\$ in thousands, except per share data)

	September 30, 2017		June 30, 2017		Variance	
	(unaudited)		(unaudited)		\$	%
Assets						
Investments, fair value	\$	359,139	\$	359,941	(802)	-0.2%
Cash and cash equivalents		14,708		22,124	(7,416)	-33.5%
Cash and cash equivalents, restricted		14,566		13,422	1,144	8.5%
Due from counterparties		95		-	95	N/A
Accrued interest receivable		2,736		2,090	646	30.9%
Other assets		1,504		1,204	300	24.9%
Total assets		392,748		398,781	(6,033)	-1.5%
Liabilities						
Debt		201,192		202,062	(870)	-0.4%
Due to counterparties		-		5,061	(5,061)	-100.0%
Payables to affiliates		1,588		1,457	131	9.0%
Interest payable		915		1,172	(257)	-21.9%
Accrued expenses and other payables		618		522	96	18.4%
Total liabilities		204,313		210,274	(5,961)	-2.8%
Total net assets		188,435		188,507	(72)	0.0%
Total liabilities and net assets		392,748		398,781	(6,033)	-1.5%
Net asset value per share	\$	11.74	\$	11.75	\$ (0.01)	-0.1%

COMPARATIVE STATEMENT OF QUARTERLY OPERATING RESULTS

(\$ in thousands, except per share data)	Three Months Ended		Variance	
	September 30, 2017 (unaudited)	June 30, 2017 (unaudited)	\$	%
Investment income				
Interest income	\$ 8,810	\$ 8,553	257	3.0%
Other income	93	481	(388)	-80.7%
Total investment income	8,903	9,034	(131)	-1.5%
Expenses				
Interest expense	2,220	2,152	68	3.2%
Management fee, net of waivers	1,374	1,358	16	1.2%
Professional fees	255	22	233	1059.1%
Directors' fees	77	77	-	0.0%
Administrator expenses	305	365	(60)	-16.4%
Other expenses	487	473	14	3.0%
Total expenses	4,718	4,447	271	6.1%
Net investment income	4,185	4,587	(402)	-8.8%
Realized and unrealized gain/(loss) from investments				
Net realized (loss)/gain from investments	(30)	399	(429)	-107.5%
Net change in unrealized gain/(loss) from investments	267	(2,911)	3,178	109.2%
Net realized and unrealized gain/(loss) from investments	237	(2,512)	2,749	109.4%
Net increase in net assets resulting from operations	4,422	2,075	2,347	113.1%
Net investment income per common share	\$ 0.26	\$ 0.29	\$ (0.03)	-10.3%
Basic earnings per common share	\$ 0.27	\$ 0.13	\$ 0.14	107.7%
Basic weighted average common shares outstanding	16,049,352	16,049,352	-	-
Dividends and distributions declared per common share	\$ 0.28	\$ 0.28	\$ -	-

CONTACT INFORMATION

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