

Earnings Presentation

Third Quarter ended September 30, 2018

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 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
- ▶ We continue to see attractive relative value in larger club and syndicated deals, as the yields on these assets have remained stable as a result of rising interest rates
- ▶ We continue to execute transactions from existing sponsor clients who are seeking add-on acquisition financings or recapitalizations
- ▶ Actionable deal flow subsided in the third quarter, consistent with trends in the overall market
- ▶ As leverage levels and structures have increasingly become more issuer friendly, we remain cautious and patient in the aggressive market

QUARTERLY HIGHLIGHTS

- ▶ Total additions during Q3 2018 totaled \$51.1 million across 10 new portfolio companies at a weighted average yield of 8.1%
- ▶ Aggregate repayments during Q3 2018 totaled \$68.2 million at a weighted average yield of 10.7%
- ▶ Declared a Q4 2018 dividend of \$0.23 per share payable on December 21, 2018 to shareholders of record as of December 7, 2018
- ▶ Weighted average leverage and risk rating remained unchanged from the prior quarter at 3.7x and 2.3, respectively
- ▶ Obtained shareholder approval to reduce our asset coverage ratio to 150.0%, providing increased flexibility for balance sheet expansion⁽¹⁾
- ▶ Reduced the management fee charged on adjusted gross assets to 1.00% on all assets financed with leverage in excess of the 1.0x regulatory debt-to-equity ratio⁽²⁾
- ▶ Subsequent to quarter end, successfully executed the refinancing and upsize of our CLO which will facilitate the recapitalization of our balance sheet closer to our new targeted regulatory leverage level of 1.75x, while also reducing the overall cost of the CLO
- ▶ Subsequent to quarter end, closed \$36.9 million of new additions across six new portfolio companies

(1) The reduction in our asset coverage ratio effectively permits us to double the maximum amount of leverage that we are permitted to incur by reducing the asset coverage requirement applicable to us under the 1940 Act from 200.0% to 150.0% after giving effect to the exemptive relief received with respect to our SBIC debentures.

(2) The 1.00% management fee rate will be charged on any gross assets including assets purchased with borrowed funds and excluding cash and cash equivalents in excess of the previous 200.0% asset coverage requirement as calculated in accordance with the 1940 Act after giving effect to the exemptive relief received with respect to our SBIC debentures.

EARNINGS HIGHLIGHTS

QUARTERLY RESULTS OF OPERATIONS

(\$ in thousands, except per share data)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Total investment income	\$ 9,312	\$ 9,688	\$ 10,221	\$ 9,689	\$ 8,903
Total expenses	5,578	5,304	5,307	5,421	4,718
Net investment income	3,734	4,384	4,914	4,268	4,185
Net realized (loss)/gain on investments	(27)	317	(577)	(25,961)	(30)
Net change in unrealized (loss)/gain on investments	(2,218)	(1,857)	(2,312)	25,411	267
Net increase in net assets resulting from operations	1,489	2,844	2,025	3,718	4,422
Net investment income per share	0.23	0.27	0.31	0.27	0.26
Net realized/unrealized (loss)/gain from investments per share	(0.14)	(0.09)	(0.18)	(0.04)	0.01
Net earnings per share	0.09	0.18	0.13	0.23	0.27
Dividends and distributions declared per common share	0.28	0.28	0.28	0.28	0.28
Net asset value per share	11.25	11.44	11.54	11.69	11.74

FINANCIAL HIGHLIGHTS

- ▶ Earned Net Investment Income of \$0.23 per share for the third quarter, which was lower than \$0.27 per share in the prior quarter due to:
 - Lower investment income of \$0.4 million primarily driven by lower fee income received during the third quarter as compared to the second quarter
 - Higher interest expense of \$0.2 million primarily due to a higher average aggregate debt balance outstanding during the quarter
- ▶ Net realized and unrealized losses of \$2.2 million, or \$0.14 per share, for the three months ended September 30, 2018, were primarily driven by:
 - A \$1.9 million unrealized loss due to a negative credit-related adjustment on our investment in Profusion Industries, LLC, the reversal of prior period net unrealized gains on various portfolio investments in the amount of \$0.5 million which were slightly offset by positive market-related fair value adjustments
- ▶ As of September 30, 2018, our incentive fees continued to be subject to the cap & deferral mechanism resulting in no fees payable to our Investment Adviser during the quarter.

ORIGINATION & CLUB PORTFOLIO ADDITIONS



Business Overview	Mother's Market is a health-food retail grocery store chain based in southern California.	Keeco is a manufacturer and distributor of leading private-label home décor products.
Date Closed / Tenor	7/26/2018; 5 Year Deal	9/18/2018; 5 Year Deal
Interest Rate	Libor + 5.50%, 1.50% Floor, 1.50% Upfront Fee	Libor + 7.00%, 1.00% Floor, 1.00% Upfront Fee
Asset Type	Term Loan – First Lien, Last Out	Term Loan – First Lien
Invested / Global Facility Size	TL: \$7.8mm / \$24.0mm*	TL: \$4.4mm / \$60.0mm*
Origination Source	Origination	Club
Call Protection	102/101	103/101
Leverage (Debt / EBITDA)**	2.80x	3.10x

* 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 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Average
Originated	\$ 7.8	\$ 8.3	\$ 19.5	\$ 9.3	\$ 6.7	\$ 10.3
Club	4.4	24.8	6.0	26.1	8.1	13.9
Purchased	15.6	42.2	3.6	8.2	1.4	14.2
Total add-on investments	23.3	10.3	7.8	6.2	5.8	10.7
Total additions	51.1	85.6	36.9	49.8	22.0	49.1
Less: Total repayments/sales⁽¹⁾	(68.2)	(73.8)	(35.9)	(37.8)	(23.2)	(47.8)
Net repayments/additions	\$ (17.1)	\$ 11.8	\$ 1.0	\$ 12.0	\$ (1.2)	\$ 1.3
Summary	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Average
Number of investments to new portfolio companies	10	17	5	6	3	8
Weighted average yield of additions ⁽²⁾	8.1%	8.7%	9.5%	8.3%	8.6%	8.7%
Number of repayments/sales ⁽¹⁾	4	8	5	5	4	5
Weighted average yield of repayments/sales ⁽²⁾	10.7%	11.3%	10.6%	9.1%	9.1%	10.2%

(1) Q4 2017 includes Badlands, Forest Park II, Speed Commerce Operating Company and Walnut Hill II realization events and reduction of par of \$31.4 million

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

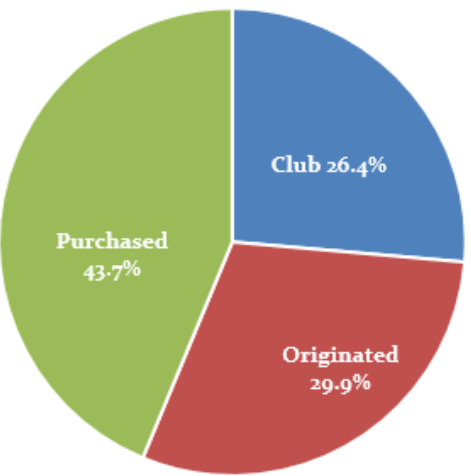
CURRENT PORTFOLIO COMPOSITION AS OF SEPTEMBER 30, 2018

PORTFOLIO HIGHLIGHTS

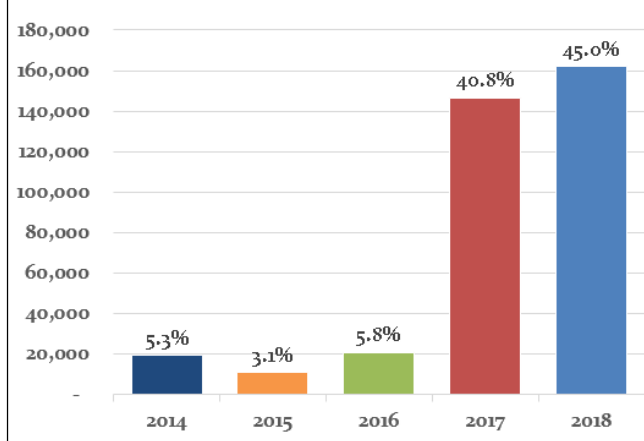
- ▶ Portfolio consists of 98 investments made to 77 portfolio companies across more than 20 industries
- ▶ Investment portfolio is 99.3% performing and 99.6% floating rate which is positively correlated to changes in LIBOR
- ▶ As of September 30, 2018, the 2017 and 2018 vintages represent approximately 85.8% of our portfolio

INVESTMENT SOURCE, VINTAGE AND INDUSTRY DIVERSIFICATION⁽¹⁾

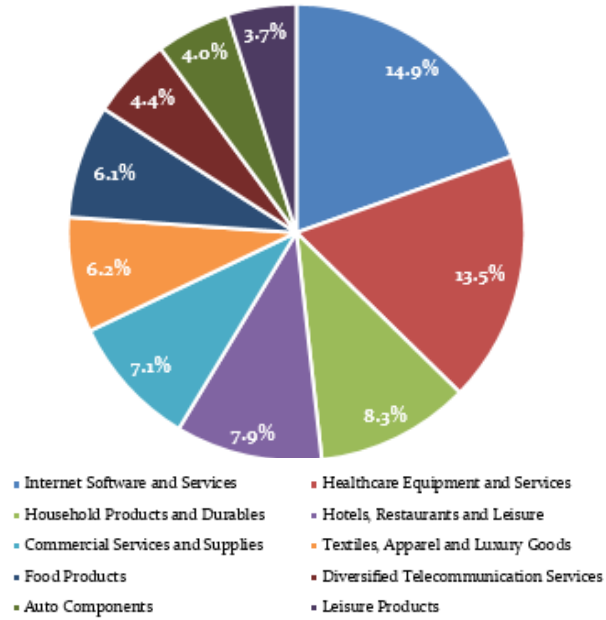
INVESTMENT SOURCE⁽²⁾



INVESTMENT VINTAGE⁽³⁾



TOP 10 INDUSTRIES⁽⁴⁾



(1) Charts based on fair values as of September 30, 2018
 (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 a small number of other lenders but did not lead the deal. Purchased positions include investments sourced from a loan syndication or the secondary market. Purchased deals include investments that were both broadly syndicated and those that were syndicated by a club partner to a smaller group of lenders.
 (3) Investment vintage represents the later of (1) an investments original issuance date or (2) the date of the most recent upsize/refinancing at which point a re-underwriting of the credit was performed
 (4) Refer to the Consolidated Schedule of Investments in Garrison Capital Inc.'s Quarterly Report on Form 10-Q for the full list of our investments by industry

CREDIT QUALITY

RISK RATINGS

Risk Rating Description

1	High quality investment with no loss of principal expected
2	Moderate to high quality investment with no loss of principal expected
3	Moderate quality investment with market rates of expected loss of principal and potential non-compliance with financial covenants
4	Low quality investment with an expected loss of principal. In the case of risk rating 4 loans, our Investment Adviser will assign a recovery value to the loan

	As of September 30, 2018		As of June 30, 2018		As of December 31, 2017	
(\$ in thousands)*	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	\$ 24,197	6.5%	\$ 33,409	8.5%	\$ 33,643	8.7%
Risk Rating 2	227,338	61.0	219,373	55.9	164,242	42.4
Risk Rating 3	118,657	31.8	135,218	34.4	185,484	47.8
Risk Rating 4	2,781	0.7	4,635	1.2	4,111	1.1
	<u>\$ 372,973</u>	<u>100.0%</u>	<u>\$ 392,635</u>	<u>100.0%</u>	<u>\$ 387,480</u>	<u>100.0%</u>

* Risk Rating table excludes consumer loans and equity investments

PORTFOLIO TRENDS

<i>\$ in millions, Percentages based on market value*</i>	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Portfolio Summary:					
Total portfolio fair value	\$ 383.0	\$ 401.9	\$ 392.8	\$ 394.7	\$ 359.1
Total number of portfolio companies	77	71	62	62	61
Total number of investments	98	92	82	81	78
Average size of debt investments	\$ 4.6	\$ 5.2	\$ 5.7	\$ 6.0	\$ 5.7
Weighted average price of debt investments	97.2	97.8	98.1	98.6	92.3
Portfolio Yields:⁽¹⁾					
Weighted average yield on debt investments at amortized cost ⁽²⁾	9.2%	9.5%	10.0%	9.9%	9.3%
Weighted average yield on debt investments at market value ⁽²⁾	9.6%	9.7%	10.0%	10.1%	10.4%
Weighted average yield on total portfolio at amortized cost	8.7%	9.1%	9.5%	9.7%	8.9%
Weighted average yield on total portfolio at market value	9.1%	9.3%	9.5%	9.9%	9.5%
Portfolio Structure:					
First lien senior secured debt investments	97.6%	97.9%	97.2%	98.2%	97.8%
Equity and other investments	2.4%	2.1%	2.8%	1.8%	2.2%
Floating rate debt investments	99.6%	99.5%	99.4%	99.3%	99.1%
Fixed rate debt investments	0.4%	0.5%	0.6%	0.7%	0.9%
Portfolio Sourcing:					
Originated ⁽³⁾	29.9%	34.9%	43.8%	45.1%	48.6%
Club ⁽⁴⁾	26.4%	26.6%	23.6%	24.3%	20.0%
Purchased ⁽⁵⁾	43.7%	38.5%	32.6%	30.6%	31.4%
Portfolio Credit Quality:					
Performing debt investments	99.3%	98.8%	98.8%	98.9%	96.7%
Non-accrual debt investments	0.7%	1.2%	1.2%	1.1%	3.3%
Weighted average debt / EBITDA of our portfolio companies ⁽⁶⁾	3.7x	3.7x	3.8x	3.7x	3.8x
Weighted average risk rating of our debt investments	2.3	2.3	2.3	2.4	2.6

(1) Weighted average yield is calculated based on the return from the all-in interest rate plus the annualized accretion income from any original issue or market discount or premium as of the balance sheet date to par at the investments contractual maturity date, excluding the effect of any scheduled principal amortization payments. For those investments valued based on an estimated recovery rate, the weighted average yield calculation is based on redeeming the investment at the current expected recovery rate rather than at par.

(2) Calculation excludes consumer loan portfolio investment, unfunded revolvers, debt investments placed on non-accrual 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 a small number of other lenders but did not lead the deal

(5) Purchased positions include investments sourced from a loan syndication or the secondary market. Purchased deals include investments that were both broadly syndicated and those that were syndicated by a club partner to a smaller group of lenders.

(6) Excludes consumer loan portfolio investment, unfunded revolvers, debt investments placed on non-accrual, equity investments and non-operating portfolio companies, which we define as those investments collateralized by real estate, commodity reserves or other hard assets. As of September 30, 2018, \$16.8 million of par value and \$16.9 million of fair value was excluded

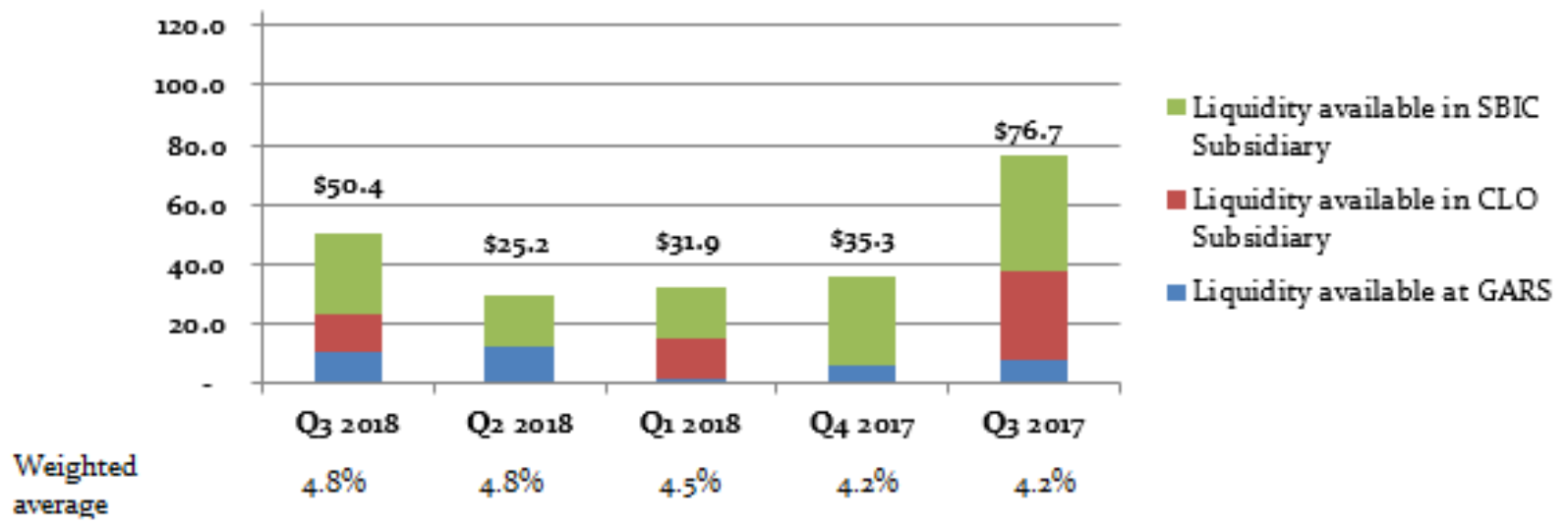
* Table as of each respective quarter end and excludes investments with a fair value of zero from all figures except for the total number of portfolio companies and total number of investments

PORTFOLIO LEVERAGE & CAPITAL STRUCTURE

PORTFOLIO LEVERAGE

- ▶ Our U.S. GAAP debt to equity ratio was 1.37x while our regulatory debt to equity ratio was 1.04x as of September 30, 2018⁽¹⁾
- ▶ Total SBIC Debentures outstanding as of September 30, 2018 were \$60.0 million with \$10.0 million of remaining available SBIC capacity
- ▶ Total CLO Revolving notes drawn as of September 30, 2018 were \$20.5 million with \$4.5 million of remaining available CLO capacity
- ▶ Weighted average cost of funds as of September 30, 2018, remained unchanged from the prior quarter at 4.8%

CAPITAL STRUCTURE



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

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

Assets <i>(\$ in thousands, except per share data)</i>	September 30, 2018 (unaudited)	June 30, 2018 (unaudited)	Variance	
			\$	%
Investments, at fair value	\$ 382,966	\$ 401,873	(18,907)	-4.7%
Cash and cash equivalents	29,370	21,989	7,381	33.6%
Cash and cash equivalents, restricted	25,651	11,854	13,797	116.4%
Due from counterparties	1,337	455	882	193.8%
Accrued interest receivable	2,127	2,773	(646)	-23.3%
Other assets	1,331	5,240	(3,909)	-74.6%
Total assets	442,782	444,184	(1,402)	-0.3%
Liabilities				
Debt	243,465	236,868	6,597	2.8%
Due to counterparties	15,041	20,647	(5,606)	-27.2%
Payables to affiliates	1,749	922	827	89.7%
Accrued interest payable	1,231	1,634	(403)	-24.7%
Accrued expenses and other payables	761	571	190	33.3%
Total liabilities	262,247	260,642	1,605	0.6%
Total net assets	180,535	183,542	(3,007)	-1.6%
Total liabilities and net assets	442,782	444,184	(1,402)	-0.3%
Net asset value per share	\$ 11.25	\$ 11.44	\$ (0.19)	-1.7%

COMPARATIVE STATEMENT OF QUARTERLY OPERATING RESULTS

	Three Months Ended		Variance	
	September 30, 2018 (unaudited)	June 30, 2018 (unaudited)	\$	%
Investment income <i>(\$ in thousands, except per share data)</i>				
Interest income	\$ 8,862	\$ 8,912	(50)	-0.6%
Other income	450	776	(326)	-42.0%
Total investment income	9,312	9,688	(376)	-3.9%
Expenses				
Interest expense	2,981	2,750	231	8.4%
Management fee, net of waivers	1,504	1,519	(15)	-1.0%
Professional fees	326	298	28	9.4%
Directors' fees	76	77	(1)	-1.3%
Administrator expenses	341	293	48	16.4%
Other expenses	350	367	(17)	-4.6%
Total expenses	5,578	5,304	274	5.2%
Net investment income	3,734	4,384	(650)	-14.8%
Realized and unrealized (loss)/gain on investments				
Net realized (loss) / gain on investments	(27)	317	(344)	-108.5%
Net change in unrealized loss on investments	(2,218)	(1,857)	(361)	-19.4%
Net realized and unrealized loss on investments	(2,245)	(1,540)	(705)	-45.8%
Net increase in net assets resulting from operations	1,489	2,844	(1,355)	-47.6%
Net investment income per common share	\$ 0.23	\$ 0.27	\$ (0.04)	-14.8%
Basic earnings per common share	\$ 0.09	\$ 0.18	\$ (0.09)	-50.0%
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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