Earnings Presentation

Second Quarter ended June 30, 2016

GARRISON
CAPITAL

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 & Portfolio Trends

Current Market Trends in the Lower Middle-Market

- Overall loan volume in the lower middle market remained tepid in Q2 2016 due to continued softness in sponsor volume. Capital markets volatility and global economic growth concerns remain, causing a disconnect between buyers and sellers on price
- Capital markets volatility at the beginning of the quarter resulted in tighter liquidity overall and better structures on new transactions
- Investors interested in yield premiums have been drawn to non-bank, direct lending vehicles resulting in a number of managers attempting to raise private lending funds focused on the middle market
- Regulatory pressure and BDC funding constraints continue to act as barriers to entry and limit capital availability in the lower middle market
- While we expect sponsor volume to pick up in the coming quarters, liquidity from new direct lending vehicles may lead to some tightening of spreads

Snapshot of Our Portfolio

- New originations, club deals, purchases and add-ons during Q2 2016 totaled $21.7 million of par value across two new portfolio companies with a weighted average yield of deals closed during the quarter of 9.6%
- Both core loan portfolio additions closed during the quarter were sponsor deals
- There were $21.2 million of repayments during Q2 2016 with a weighted average yield of 9.0%
- Leverage of the portfolio remained stable at 3.7x and weighted average risk rating decreased from prior quarter to 2.52x from 2.66x primarily due to the resolution of 4 rated investments
- Prices of our transitory loans increased during the second quarter, generating unrealized gains of $0.9 million

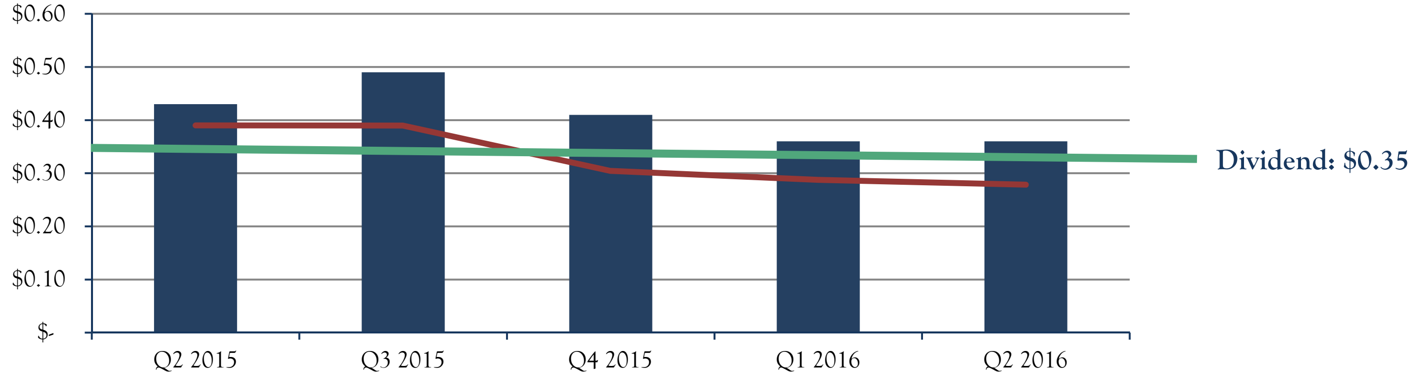
Q2 2016 Loan Portfolio Additions

	League Collegiate Outfitters	Del Mar Recovery Solutions
Business Overview	A leading supplier of collegiate licensed apparel and accessories to college bookstores across the US	A leading provider of vehicle asset recovery services to vehicle loan credit holders
Date Closed / Tenor	6/28/2016 5 Year Deal	6/28/2016 5 Year Deal
Interest Rate	L + 8.00%, 0.50% Floor, 1.50% upfront fee	LIBOR + 8.50%, 0.50% Floor, 1.75% upfront fee
Asset Type	Term Loan – First Lien Revolver – First Lien	Term Loan – First Lien Revolver – First Lien
Invested / Global Facility Size	TL: $7.7mm / $17.5mm* Revolver: $2.2mm / $5.0mm*	TL: $8.6mm / $13.0mm* Revolver: $1.3mm / $2.0mm*
Origination Source	Originated	Originated
Call Protection	101.5/101	102/101
Leverage (Debt / EBITDA)**	4.28x	3.55x

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

Q2 2016 Earnings Highlights

(per share)		Q2 2015		Q3 2015		Q4 2015		Q1 2016		Q2 2016
Adjusted net investment income [1]	$	0.39	$	0.39	$	0.30	$	0.29	$	0.28
Net investment income	$	0.43	$	0.49	$	0.41	$	0.36	$	0.36
Net realized/unrealized (loss) on investments		(0.20)		(0.50)		(1.03)		(0.53)		(0.60)
Net increase in net assets from operations	$	0.23	$	(0.01)	$	(0.62)	$	(0.17)	$	(0.24)



- Paid a Q2 2016 dividend of $0.35 per share and declared a Q3 2016 dividend of $0.35 per share payable on September 23, 2016
- Earned NII of $5.8 million, or $0.36 per share, compared to $0.35 of dividends for the three months ended June 30, 2016
- Net realized and unrealized losses of $(9.6) million, or $(0.60) per share, for the three months ended June 30, 2016 were driven by the following:
  - Net realized losses on Speed Commerce - $(1.6) million, Forest Park Medical Center at Forth Worth - $(0.5) million, offset by a realized gain of Ellman International, Inc - $0.3 million
  - Negative credit-related adjustments on: Berry - $(5.7) million, SC Academy - $(1.0) million, and Forest Park Medical Center at San Antonio - $(0.5) million
  - Negative market-related adjustment of $(1.7) million on Prosper Marketplace Series B Preferred Stock
  - Net positive fair value adjustments of $1.1 million on our remaining portfolio, primarily driven by our transitory assets
- As of June 30, 2016, $(15.0) million of net losses remain accumulated under our Incentive Fee Deferral mechanism representing the potential elimination of approximately two and a half quarters of net investment income incentive fees

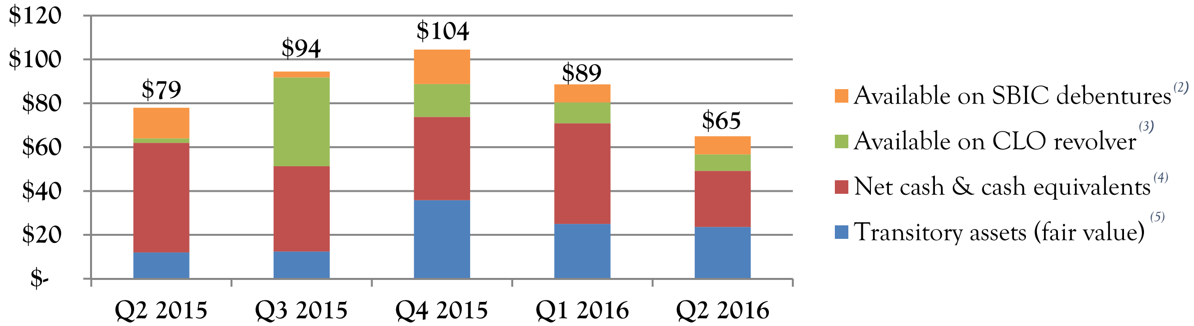
(1) Adjusted net investment income includes any fee waivers and excludes incentive fees related to realized and unrealized gains

Q2 2016 Funding & Liquidity

Funding

- Our U.S. GAAP debt to equity ratio was 1.09x while our regulatory debt to equity ratio was 0.97x as of June 30, 2016(1)
- Liquidity includes $23.6 million of transitory assets that can be sold in order to remain within the allowed regulatory leverage ratio
- SBIC – We have fully funded our initial $35.0 million equity commitment and expect to submit our commitment application for the second tier of leverage in Q3 2016
- Share repurchase program – The Board authorized the purchase of up to $10.0 million of our common stock
  - For the three months ended June 30, 2016, we repurchased $1.5 million, or 143,422 shares, at a weighted average price of $10.20 per share and an average (24.5)% discount to net asset value
  - Since the share repurchase program was adopted, as of June 30, 2016, we repurchased $7.9 million, or 667,387 shares, at a weighted average price of $11.86 per share and an average (17.0)% discount to net asset value
- Weighted average cost of funds as of June 30, 2016 was 3.4%

Liquidity



	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Leverage Ratio	0.92x	0.82x	1.00x	1.10x	1.09x
WA Cost of Funds	3.0%	3.3%	3.2%	3.4%	3.4%

(1) Regulatory debt to equity ratio excludes SBIC leverage and unfunded commitments
(2) Availability on SBIC debentures does not include an additional $35.0 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) Based on our regulatory debt to equity ratio of 0.97x, the availability of our CLO revolver is capped at $7.5 million
(4) Cash & cash equivalents net of due to / due from counterparties
(5) Transitory portfolio consists of investments below the low end of our yield target.

Q2 2016 Portfolio Highlights

Portfolio Activity

Par (in millions)	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Average
Originated	$ 31.1	$ 29.5	$ 11.1	$ 8.2	$ 16.6	$ 19.3
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	13.3	5.6	4.7	3.4	5.1	6.4
Total Additions	**51.5**	**39.9**	**54.1**	**36.0**	**21.7**	**40.6**
Less: Total Repayments/Sales[1]	**(70.2)**	**(59.8)**	**(29.0)**	**(36.3)**	**(21.2)**	**(43.3)**
Net Additions	**$ (18.7)**	**$ (19.9)**	**$ 25.1**	**$ (0.3)**	**$ 0.5**	**$ (2.7)**

Summary	Q2 2015[2]	Q3 2015[2]	Q4 2015[3]	Q1 2016[4]	Q2 2016	Average
Number of new investments	5	4	17	3	2	6
WA yield of additions[3]	10.4%	10.5%	8.9%	10.5%	9.6%	10.0%
Number of repayments/sales[1]	8	6	2	5	2	5
WA yield of repayments/sales	10.4%	10.3%	10.0%	8.1%	9.0%	9.6%

(1) Q2 2016 repayments/sales excludes one position restructure with a reduction in par of $11.6 million
(2) Activity includes repayment of certain investments in which we continue to hold an equity investment in the portfolio company
(3) Q4 2015 WA yield of additions consist of four core additions at a WA yield of 10.5% and 13 transitory 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 quarter. Excludes non-accrual portfolio companies

Current & Historical Investment Portfolio Composition

Portfolio characteristics ($ in millions, % based on market value)*	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Total Market Value	$435.1	$407.8	$415.0	$405.6	$404.6
Number of portfolio companies	52	50	65	63	59
Average investment size [1]	$7.4	$7.8	$6.2	$6.2	$6.0
Weighted average yield [2]	11.0%	10.9%	10.8%	11.2%	11.2%
Weighted average price [1]	97.1	97.3	92.9	90.9	96.1
First lien	88.8%	90.6%	91.8%	92.4%	93.2%
Second lien & Mezzanine	2.6%	1.8%	1.8%	1.9%	1.9%
Consumer loans	6.1%	5.4%	4.2%	3.5%	2.9%
Equity & Other	2.5%	2.2%	2.2%	2.2%	2.0%
Core[3]	97.1%	96.9%	91.2%	94.6%	94.1%
Transitory[3]	2.9%	3.1%	8.8%	5.4%	5.9%
Originated [4]	55.3%	61.1%	56.4%	57.5%	57.8%
Club [5]	28.7%	27.6%	26.1%	27.3%	26.3%
Purchased	16.0%	11.3%	17.5%	15.2%	15.9%
Floating [1]	91.0%	92.0%	93.2%	94.1%	94.7%
Fixed [1]	9.0%	8.0%	6.8%	5.9%	5.3%
Performing [1]	99.0%	95.6%	94.1%	95.9%	98.8%
Non-Accrual [1]	1.0%	4.4%	5.9%	4.1%	1.2%
Weighted average debt / EBITDA [1][2][6]	3.7x	3.7x	3.6x	3.7x	3.7x
Weighted average risk rating [1]	2.51	2.66	2.66	2.66	2.52

(1) Excludes consumer loans and equity investments.

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

(3) The period ended March 31, 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 June 30, 2016, $31.9 million of par value and $31.1 million of market value related to non-operating portfolio companies was excluded.

** Table excludes positions with a market value of zero*

GARRISON CAPITAL

Top 10 Loan Portfolio Investments as of June 30, 2016

Issuer ($ in millions)	Fair Value	% of Loan Portfolio	Yield
MXD Group, Inc. (fka Exel Direct Inc.)	$ 14.2	3.5%	17.1%
GLC Trust 2013-2(1)(2)	11.6	2.9%	7.3%
HC Cable OpCo, LLC	10.7	2.6%	9.5%
Worley Claims Services, LLC	10.3	2.5%	9.2%
CF Entertainment Inc. (Entertainment Studios)	10.0	2.5%	12.2%
CR Brands, Inc.	10.0	2.5%	11.0%
Interior Specialists, Inc.	10.0	2.5%	9.5%
Badlands Production Company (fka Gasco)	10.0	2.5%	21.8%
AbelConn, LLC (Atrenne Computing)	9.9	2.4%	9.9%
Profusion Industries, LLC	9.9	2.4%	10.0%
Total	**$ 106.6**	**26.3%**	**11.8%**

(1) The GLC Trust 2013-2 Consumer Loan Portfolio holds a portfolio of small balance consumer loans. As of June 30, 2016 the portfolio included 2,077 loans with an average par balance of $5,769, a weighted average interest rate of 15.7% and a weighted average maturity of August 2, 2018.

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

Comparative Statement of Financial Condition

(In thousands, except per share data)	June 30, 2016	March 31, 2016	Variance	
Assets	(unaudited)	(unaudited)	$	%
Investments, fair value	$ 404,594	$ 405,554	$ (960)	-0.2%
Cash and cash equivalents	18,143	23,624	(5,481)	-23.2%
Cash and cash equivalents, restricted	7,253	11,874	(4,621)	-38.9%
Due from counterparties	2,283	11,907	(9,624)	-80.8%
Accrued interest receivable	4,218	6,175	(1,957)	-31.7%
Deferred offering costs	503	503	-	0.0%
Other assets	185	348	(163)	-46.8%
Total Assets	**$ 437,179**	**$ 459,985**	**$ (22,806)**	**-5.0%**
Liabilities				
Debt	$ 223,078	$ 235,494	$ (12,416)	-5.3%
Due to counterparties	2,089	1,552	537	34.6%
Payables to affiliates	2,037	2,051	(14)	-0.7%
Interest payable	955	714	241	33.8%
Accrued expenses and other payables	834	987	(153)	-15.5%
Total Liabilities	**228,993**	**240,798**	**(11,805)**	**-4.9%**
Total Net Assets	**208,186**	**219,187**	**(11,001)**	**-5.0%**
Total Liabilities and Net Assets	**$ 437,179**	**$ 459,985**	**$ (22,806)**	**-5.0%**
Net Asset Value per Share	**$ 12.94**	**$ 13.50**	**$ (0.56)**	**-4.1%**

Comparative Statement of Quarterly Operating Results

(In thousands, except per share data)	For the Three Months Ended June 30, 2016 (unaudited)	For the Three Months Ended March 31, 2016 (unaudited)	Variance $	Variance %
Investment income				
Interest income	$ 10,974	$ 10,875	99	0.9%
Other income	163	181	(18)	-9.9%
Total investment income	**11,137**	**11,056**	**81**	**0.7%**
Expenses				
Interest expense	2,078	2,008	70	3.5%
Management fee	1,824	1,850	(26)	-1.4%
Professional fees	336	386	(50)	-13.0%
Directors' fees	107	107	-	0.0%
Administrator expenses	445	269	176	65.4%
Other expenses	597	577	20	3.5%
Total expenses	5,387	5,197	190	3.7%
Net investment income	**5,750**	**5,859**	**(109)**	**-1.9%**
Realized and unrealized loss from investments				
Net realized loss from investments	(18,315)	(95)	(18,220)	-19178.9%
Net change in unrealized loss from investments	8,681	(8,462)	17,143	202.6%
Net realized and unrealized loss from investments	**(9,634)**	**(8,557)**	**(1,077)**	**-12.6%**
Net decrease in net assets resulting from operations	**(3,884)**	**(2,698)**	**(1,186)**	**-44.0%**
Net investment income per common share	**$ 0.36**	**$ 0.36**	**$ -**	**0.0%**
Basic earnings per common share	**$ (0.24)**	**$ (0.17)**	**$ (0.07)**	**-41.2%**
Basic weighted average common shares outstanding	**16,173**	**16,319**	**(146)**	**-0.9%**
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