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Great Elm Capital Corp.

(NASDAQ: GECC)

Investor Presentation

Quarter Ended September 30, 2020

November 9, 2020

Forward Looking Statement

Statements in this communication that are not historical facts are "forward-looking" statements within the meaning of the federal securities laws. These statements are often, but not always, made through the use of words or phrases such as "expect," "anticipate," "should," "will," "estimate," "designed," "seek," "continue," "upside," "potential" and similar expressions. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are: conditions in the credit markets, the price of GECC common stock, the performance of GECC's portfolio and investment manager and risks associated with the economic impact of the COVID-19 pandemic on GECC and its portfolio companies. Information concerning these and other factors can be found in GECC's Annual Report on Form 10-K and other reports filed with the SEC. GECC assumes no obligation to, and expressly disclaims any duty to, update any forward-looking statements contained in this communication or to conform prior statements to actual results or revised expectations except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

You should consider the investment objective, risks, charges and expenses of GECC carefully before investing. GECC's filings with the SEC contain this and other information about GECC and are available by contacting GECC at the phone number and address at the end of this presentation. The SEC also maintains a website that contains the aforementioned documents. The address of the SEC's website is http://www.sec.gov. These documents should be read and considered carefully before investing.

The performance, distributions and financial data contained herein represent past performance, distributions and results and neither guarantees nor is indicative of future performance, distributions or results. Investment return and principal value of an investment will fluctuate so that an investor's shares may be worth more or less than the original cost. GECC's market price and net asset value will fluctuate with market conditions. Current performance may be lower or higher than the performance data quoted. All information and data, including portfolio holdings and performance characteristics, is as of September 30, 2020, unless otherwise noted, and is subject to change.

This presentation does not constitute an offer of any securities for sale.

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About Great Elm BDC

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Great Elm BDC	▪ **Externally managed, total-return-focused BDC** ▪ **Liquid balance sheet** ▪ **Employees and affiliates of Great Elm Capital Management, Inc., GECC's investment manager, own approximately 43.6% of GECC's outstanding shares**
Investment Objective	▪ **To generate both current income and capital appreciation, while seeking to protect against the risk of capital loss**
Investment Strategy	▪ **To apply the key principles of value investing to the capital structures of middle-market companies and to acquire majority stakes in income-generating specialty finance businesses**
Portfolio (as of 9/30/2020)	▪ **$264.5 million of total assets; $169.5 million of portfolio fair value; $60.5 million of net asset value** ▪ **Debt investments carry a weighted average current yield of 10.1%[1]** ▪ **42 investments (34 debt, 8 equity) in 29 companies across 23 industries**

(1) Weighted average current yield is based upon the stated coupon rate and fair value of outstanding debt securities at the measurement date.

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Third Quarter 2020 Overview: Capital Deployment

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Deployment of Capital

- **During Q3 2020, deployed $34.5 million into 11 investments at a weighted average current yield of 12.31% and a weighted average price of $0.91**
- **Capital deployed into both secured and unsecured investments**

Monetization of Investments

- **During Q3 2020, monetized $18.2 million across 12 investments, in whole or in part, at a weighted average current yield of 9.58% and a weighted average price of $0.97**
- **This includes the complete exit of 1 position during the quarter**

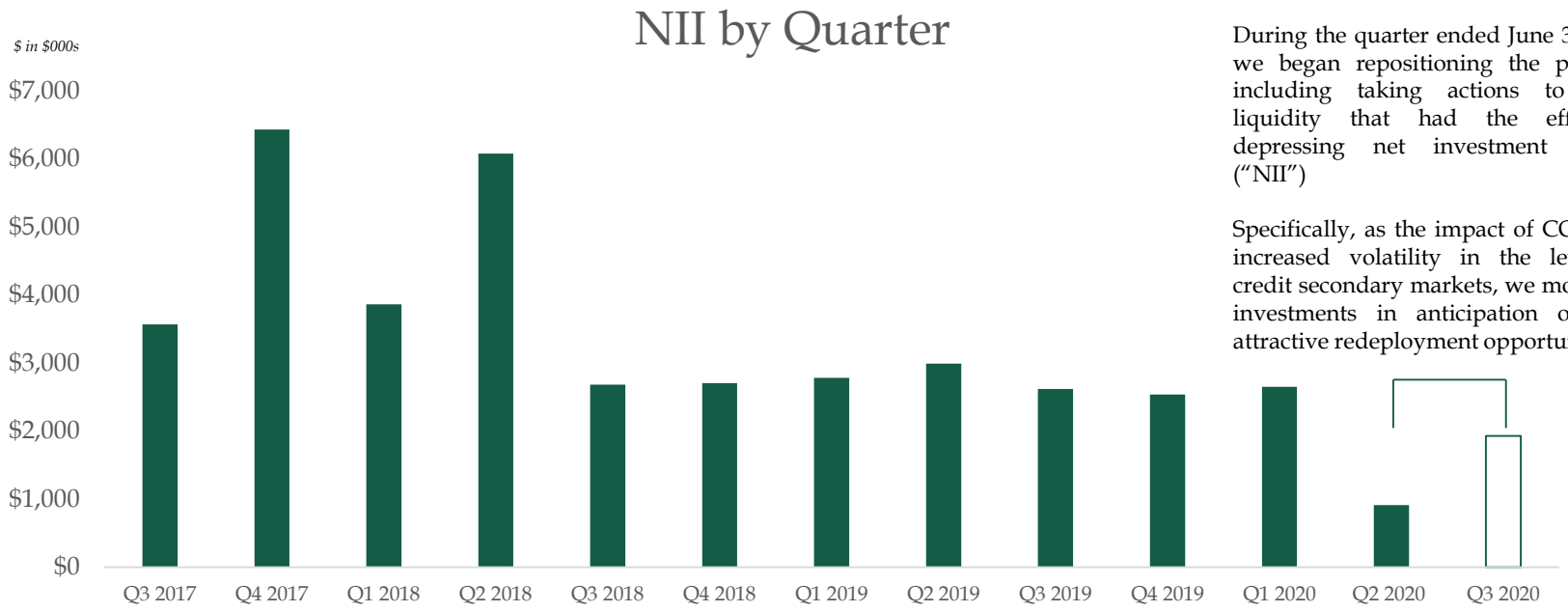
Attractive Fixed Rate Debt

- **GECCL 6.50% Notes due September 2022**
- **GECCN 6.50% Notes due June 2024**
- **GECCM 6.75% Notes due January 2025**

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Third Quarter 2020: Net Investment Income ("NII") Analysis

- NII for the quarter ended September 30, 2020 was approximately $1.9 million, or $0.18 per share, as compared to NII of $0.9 million or $0.09 per share for the quarter ended June 30, 2020
  - Reported a full period of NII following the strategic repositioning of its portfolio in the prior quarter.
  - Better-than-anticipated returns from the Company's investment in specialty finance company Prestige Capital



During the quarter ended June 30, 2020, we began repositioning the portfolio, including taking actions to create liquidity that had the effect of depressing net investment income ("NII")

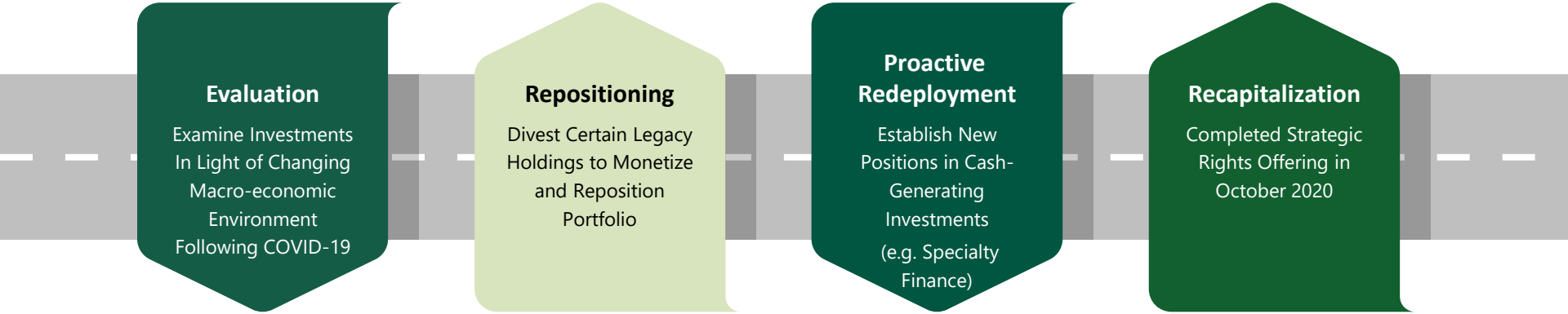
Specifically, as the impact of COVID-19 increased volatility in the leveraged credit secondary markets, we monetized investments in anticipation of more attractive redeployment opportunities

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Third Quarter 2020: Repositioning and Recapitalization Update

- Thus far in 2020, we have monetized over $85.4 million, while redeploying $82 million into cash-generative investment opportunities that diversify our holdings

- Intend to more heavily weight investments in specialty finance businesses, like Prestige Capital Finance, LLC ("Prestige"), whose performance has exceeded internal expectations



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Rights Offering: Provides Ample Liquidity to Pursue New Investments

- Subsequent to quarter end, the Company successfully completed a non-transferable rights offering which entitled holders of rights to purchase one new share of common stock for each right held at a subscription price of $2.95 per share. In total, the Company sold 10,761,950 shares of its common stock for aggregate gross proceeds of approximately $31.7 million.

RATIONALE FOR DECISION TO PURSUE RIGHTS OFFERING

New investment opportunities at compelling values on a risk-adjusted return basis	Attractive specialty finance sector	Dislocation due to market volatility	Raises asset coverage ratio to 176.5% as of October 1, 2020	Capital resources can be utilized to support portfolio companies	Management participation / aligned interest with shareholders

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Rights Offering: Pre and Post-Offering

Pre and Post Rights Offering – Per Share Data		
	At 9/30/2020	At 10/1/2020 (Post Rights Offering)*
Shares Outstanding	10,941,770	21,703,720
Asset Coverage Ratio	150.9%	176.5%
Net Asset Value Per Share	$5.53	$4.18
Distributions Paid / Declared Per Share	$0.249	$0.249

* See reconciliation table in appendix

Company Well-Positioned to Deploy Capital Utilizing Specialty Finance Value Proposition

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Investment Activity: New Investments (July 1, 2020* – November 9, 2020)

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Investment Activity: New Investments[1]*									
Portfolio Company	Investment Description	Maturity	Par Amount / Quantity	Cost	Market Discount	Interest Rate	Current Yield (%)[3]	Current Yield ($)[3]	Notes
Tensar Corp.	2nd Lien Term Loan	7/10/2022	$8,452	$6,537	$1,914	9.50%	**11.28%**	**$953**	-
California Pizza Kitchen, Inc.	DIP Term Loan	1/3/2021	$4,464	$3,834	$630	11.50%	**11.50%**	**$513**	-
Prestige Capital Finance, LLC	Factored Receivable	8/27/2021	$3,627	$3,627	$0	13.00%	**13.00%**	**$472**	Fully repaid in October
Prestige Capital Finance, LLC	Factored Receivable	9/29/2020	$3,063	$3,063	$0	13.00%	**13.00%**	**$398**	Fully repaid in October
Prestige Capital Finance, LLC	Factored Receivable	9/11/2021	$2,830	$2,830	$0	13.00%	**13.00%**	**$368**	Fully repaid in October
First Brands Group, LLC	1st Lien Term Loan	2/2/2024	$3,000	$2,820	$180	8.50%	**8.89%**	**$267**	-
Viasat, Inc.[2]	Factored Receivable	1/1/2021	$3,000	$2,700	$300	N/A	**N/A**	**N/A**	Purchased in October
Par Petroleum, LLC	1st Lien Note	12/15/2025	$2,000	$1,625	$375	7.75%	**9.54%**	**$191**	Purchased in October
Blueknight Energy Partners	Preferred Equity	Perpetual	$286	$260	$26	11.00%	**12.12%**	**$35**	Purchased in October
Total / Weighted Average			**$30,722**	**$27,295**	**$3,426**	**9.7%**	**10.4%**	**$2,971**	

$ in $000s

- **Throughout 3Q20 and subsequent to quarter end, we actively deployed approximately $34.2 million of available cash into eight new investments at a weighted average current yield of 12.3%**

(1) Investment activity includes activity in Q3/2020 and the subsequent period through and including November 8, 2020. Investment activity does not include revolver draws or PIK interest.
(2) Represents $3.0 million of Viasat Inc. receivables on balance sheet as of October 23, 2020.
(3) Weighted average current yield is based upon the stated coupon rate and fair value of outstanding investments as of the most recent measurement date or date of purchase, as applicable. These figures do not include Viasat, Inc. receivables.

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Specialty Finance Investments

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Specialty Finance Investments: Prestige Capital Finance, LLC

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Prestige Capital
CASH FLOW MADE SIMPLE

- **On February 8, 2019, GECC acquired 80.0% of the outstanding equity interests of Prestige for approximately $7.5 million**
- **Prestige is a leading provider of "spot factoring" services, providing clients with an opportunity to sell individual accounts receivable for an upfront payment**

Functional

Prestige purchases the individual accounts receivable of creditworthy companies from its clients. It typically advances 75%-85% of the receivable to the client upfront and remits the rest to the client (less Prestige's fee) upon payment of the receivable

Wide Assortment of Potential Customers

Prestige's clients are generally unable to access traditional bank financing to meet their capital needs but have accounts receivable from creditworthy companies

Limited Risk

The combination of clients' capital needs and receivables from creditworthy counterparties allows Prestige to consistently underwrite profitable business while taking limited corporate credit risk

Over 30 years in business and through $6+ billion of transactions factored, Prestige has a track record of strong credit underwriting with minimal losses

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Prestige Capital Finance, LLC – Third Quarter 2020 Update

- **Prestige is a highly profitable company**
  - In 2019, Prestige's pretax income was approximately $2.8 million on average book equity of $3.1 million
  - Through the first nine months of 2020, Prestige's pretax income was approximately $3.9 million on average book equity of $3.6 million
  - 2020 third quarter clients include two companies that fund the manufacturing and importing of masks, swab transport containers and disinfectant wipes and a nondurable goods distributor based in Rhode Island

- **GECC earns a high rate of return on its investment in Prestige**
  - Despite not acquiring Prestige until February 2019, GECC received $1.6 million in distributions from Prestige throughout 2019, representing an approximate 24% annualized yield on its investment
  - Through the first nine months of 2020, GECC received $1.8 million in distributions, representing an approximate 32% annualized yield on its investment

Prestige Capital
CASH FLOW MADE SIMPLE

Significant Mutual Benefits

Greater access to capital allows Prestige to increase the size of the transactions it can pursue, which may further enhance its growth

"Overflow" opportunities that would allow GECC to participate in certain of Prestige's larger factoring transactions directly

- Rates of return may be higher than traditional leveraged credit investments
- Proprietary to GECC and unique to portfolio

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Specialty Finance Investments: Additional Investments

- **The positive trends our investment in Prestige continues to exhibit leads us explore complementary opportunities in other niche areas of specialty finance**

- **We are focused on acquiring controlling interests in a number of sub-categories of specialty finance, including:**
  - Factoring
  - Asset based lending
  - Equipment leasing
  - Hard money real estate lending
  - Trade claim acquisition

- **In addition, we believe that owning controlling interests in businesses in the above disciplines may create proprietary "overflow" investment opportunities**
  - As an investor in niche specialty finance businesses, we can help our partners grow by creatively structuring transactions and utilizing our liquid balance sheet

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Portfolio Review

(Quarter Ended 9/30/2020)

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Portfolio Review: Quarter End Portfolio Detail

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Debt Investments:

34	$136.1 million	80.3%	10.1%[1]	81.6%
Debt Investments	Fair Value of Debt Investments	Of Invested Capital in Debt Investments	Weighted Average Current Yield of Debt Investments	Weighted Average Dollar Price of Debt Investments

Equity Investments[2]:

8	$33.4 million	19.7%	17.3%[1]
Equity Investments	Fair Value of Equity Investments	Of Invested Capital in Equity Investments	Weighted Average Current Yield of Income-Generating Equity Investments

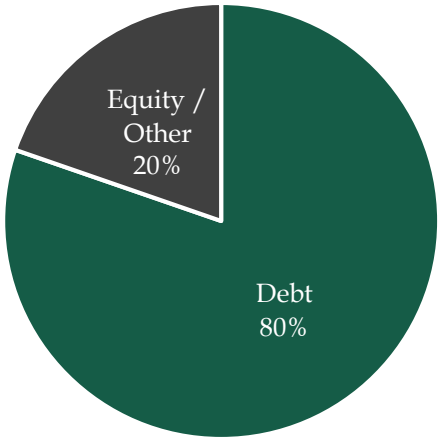
(1) Weighted average current yield is based upon the anticipated distribution rate and fair value of outstanding investments at the measurement date. Amounts in the above tables do not include investments in short-term securities, including United States Treasury Bills.
(2) Two of the eight equity investments, totaling approximately $22.6 million of fair value as of September 30, 2020, are income-generating equity investments: Prestige Capital Finance, LLC and Crestwood Equity Partners, LP.

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Portfolio Review: Quarter End Asset Type and Interest Rate Type

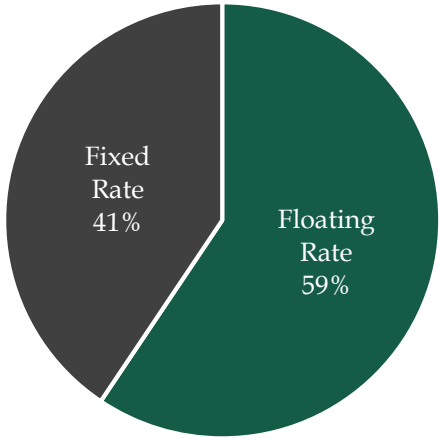
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Portfolio by Asset Type ($MM)



Investments	Fair Value of Investments	Percentage of Total Portfolio
Debt	$ 136.1	80.3%
Equity / Other	$ 33.4	19.7%
Total	**$ 169.5**	**100%**

Portfolio by Interest Rate Type ($MM)



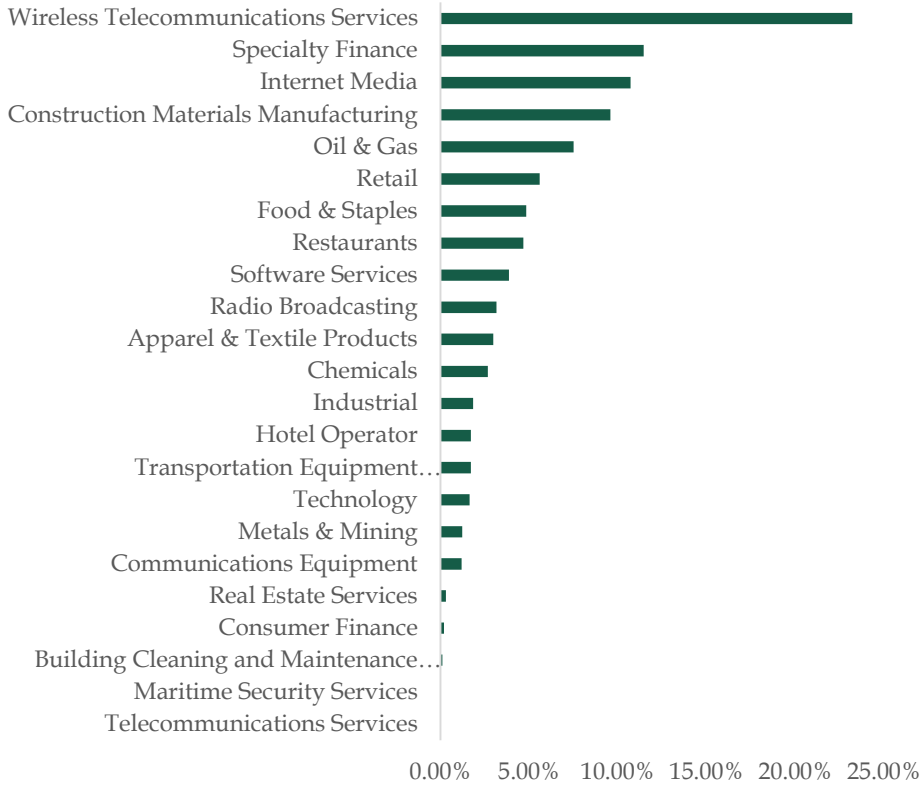
Investments	Count	Fair Value of Debt	Percentage of Debt Holdings
Fixed Rate	9	$ 55.2	40.6%
Floating Rate	25	$ 80.8	59.4%
Total	**34**	**$ 136.1**	**100%**

- ***Weighted average fixed rate yield of 13.8%[1]***
- ***Weighted average floating rate yield of 7.7%[1]***

(1) Weighted average fixed and floating rate current yield is based upon the stated coupon rate and fair value of outstanding debt instruments at the measurement date. Amounts in the above tables do not include investments in short-term securities, including United States Treasury Bills.

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Portfolio Review: Quarter End Industry Breakdown



	September 30, 2020	
Industry	**Investments at Fair Value**	**Percentage of Fair Value**
Wireless Telecommunications Services	$ 39,334	23.21 %
Specialty Finance	19,423	11.46 %
Internet Media	18,157	10.71 %
Construction Materials Manufacturing	16,220	9.57 %
Oil & Gas	12,710	7.50 %
Retail	9,472	5.59 %
Food & Staples	8,189	4.83 %
Restaurants	7,907	4.67 %
Software Services	6,583	3.88 %
Radio Broadcasting	5,393	3.18 %
Apparel & Textile Products	5,062	2.99 %
Chemicals	4,550	2.67 %
Industrial	3,120	1.84 %
Transportation Equipment Manufacturing	2,904	1.71 %
Hotel Operator	2,894	1.71 %
Technology	2,776	1.64 %
Metals & Mining	2,078	1.23 %
Communications Equipment	2,006	1.18 %
Real Estate Services	500	0.30 %
Consumer Finance	343	0.20 %
Building Cleaning and Maintenance Services	162	0.10 %
Maritime Security Services	30	0.02 %
Gaming, Lodging & Restaurants	-	- %
Water Transport	-	- %
Consulting	-	- %
Telecommunications Services	(327)	(0.19) %
Total	**$ 169,486**	**100.00 %**
	$ in $000s	

Amounts in the above tables do not include investments in short-term securities, including United States Treasury Bills.

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Portfolio Review: Quarterly Investment Activity

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New Investments vs. Monetized Investments

	Q3/2019	Q4/2019	Q1/2020	Q2/2020	Q3/2020
Dollar Value of New Investments[1]	$46.1 million	$15.1 million	$31.9 million	$15.9 million	$34.5 million
Weighted Average Price of New Debt Investments	$0.97	$0.97	$0.99	$0.92	$0.91
Weighted Average Current Yield of New Debt Investments[2]	10.2%	9.0%	7.1%	12.2%	12.3%
% of New Debt Investments - 1st Lien / Secured Instruments	100%	100%	100%	43%	81%
Dollar Value of Monetized Investments[3]	$44.6 million	$9.6 million	$29.4 million	$37.5 million	$18.2 million
Weighted Average Price of Monetized Debt Investments	$1.00	$1.00	$0.82	$0.98	$0.97
Weighted Average Current Yield of Monetized Debt Investments[2]	10.8%	8.5%	13.7%	6.5%	9.6%
% of Monetized Debt Investments - 1st Lien / Secured Instruments	100%	100%	100%	96%	100%

(1) This includes new deals, additional fundings (inclusive of those on revolving credit facilities), refinancings and PIK interest. Amounts included herein are exclusive of investments in short-term securities, including United States Treasury Bills. Weighted average dollar price is based upon the stated par value and fair value of outstanding debt securities at the measurement date. Weighted average current yield is based upon the stated coupon rate and fair value of outstanding debt securities at the measurement date.
(2) Weighted average current yield metrics specifically refer to the applicable investment activity in the respective period.
(3) This includes scheduled principal payments, prepayments, sales and repayments (inclusive of those on revolving credit facilities). Amounts included herein are exclusive of investments in short-term securities, including United States Treasury Bills. Weighted average dollar price is based upon the stated par value and fair value of outstanding debt securities at the measurement date. Weighted average current yield is based upon the stated coupon rate and fair value of outstanding debt securities at the measurement date.

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Financial Review

(Quarter Ended 9/30/2020)

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Financial Review: Per Share Data

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Financial Highlights – Per Share Data					
	Q3/2019[1]	Q4/2019[1]	Q1/2020[1]	Q2/2020[1]	Q3/2020[1]
Earnings Per Share ("EPS")	($0.96)	($0.16)	($3.33)	$0.34	$0.72
Net Investment Income ("NII") Per Share	$0.26	$0.25	$0.26	$0.09	$0.18
Net Realized Gains / (Losses) Per Share	$0.02	$0.00	($1.12)	$0.09	($0.02)
Net Unrealized Gains / (Losses) Per Share	($1.24)	($0.41)	($2.47)	$0.16	$0.56
Net Asset Value Per Share at Period End	$9.09	$8.63	$5.05	$5.10	$5.53
Distributions Paid / Declared Per Share	$0.249	$0.299	$0.249	$0.249	$0.249

(1) The per share figures are based on a weighted average outstanding share count for the respective period.

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Financial Review: Quarterly Operating Results

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	Q3/2019		Q4/2019		Q1/2020		Q2/2020		Q3/2020	
$ in $000s		Per Share[1]		Per Share[1]		Per Share[1]		Per Share[1]		Per Share[1]
Total Investment Income[2]	**$7,002**	**$0.70**	**$7,012**	**$0.70**	**$6,429**	**$0.64**	**$4,768**	**$0.47**	**$5,951**	**$0.56**
Interest Income	6,200	0.62	6,614	0.66	5,987	0.60	4,184	0.41	4,375	0.41
Dividend & Other Income	802	0.08	398	0.04	442	0.04	584	0.06	1,576	0.15
Net Operating Expenses	**4,383**	**0.44**	**4,264**	**0.42**	**3,777**	**0.38**	**3,852**	**0.38**	**4,018**	**0.38**
Management fees	759	0.08	746	0.07	698	0.07	591	0.06	609	0.06
Incentive fees[3]	654	0.06	635	0.06	100	0.01	228	0.02	482	0.05
Total Investment Management fees	1,412	0.14	1,381	0.14	798	0.08	819	0.08	1,091	0.10
Administration fees	282	0.03	253	0.03	204	0.02	191	0.02	152	0.01
Directors' fees	51	0.00	50	0.00	51	0.01	51	0.01	49	0.005
Interest expense	2,308	0.23	2,303	0.23	2,305	0.23	2,390	0.23	2,225	0.21
Professional services	243	0.02	122	0.01	257	0.03	250	0.02	287	0.03
Custody fees	15	0.00	12	0.00	20	0.00	19	0.00	20	0.002
Other	71	0.01	143	0.01	142	0.01	132	0.01	195	0.02
Income Tax, Including Excise Tax	0	0.00	209	0.02	0	0.00	0	0.00	0	0.00
Net Investment Income	**$2,619**	**$0.26**	**$2,539**	**$0.25**	**$2,652**	**$0.26**	**$916**	**$0.09**	**$1,933**	**$0.18**

(1) The per share figures are based on a weighted average of the shares outstanding for the preceding quarter, except where such amounts need to be adjusted to be consistent with the financial highlights of our consolidated financial statements.
(2) Total investment income includes PIK income and net accretion of OID and market discount.
(3) Incentive fees include the reversal of certain accrued incentive fees.

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Financial Review: Portfolio

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Financial Highlights - Portfolio					
	Q3/2019	Q4/2019	Q1/2020	Q2/2020	Q3/2020
Capital Deployed	$46.1 million	$15.1 million	$31.9 million	$15.9 million	$34.5 million
Investments Monetized	$44.6 million	$9.6 million	$29.4 million	$37.5 million	$18.2 million
Total Fair Value of Investments at Period End[1]	$194.8 million	$197.6 million	$165.5 million	$146.3 million	$169.5 million
Net Asset Value at Period End	$91.5 million	$86.9 million	$50.8 million	$53.2 million	$60.5 million
Total Assets at Period End	$298.2 million	$291.0 million	$273.6 million	$258.0 million	$264.5 million
Total Debt Outstanding at Period End (Par Value)	$124.0 million	$124.0 million	$123.8 million	$119.5 million	$118.7 million
Debt to Equity Ratio at Period End	1.36x	1.43x	2.43x	2.25x	1.96x
Cash at Period End[2]	$24.8 million	$15.6 million	$22.8 million	$31.0 million	$12.6 million

(1) Total Fair Value of Investments does not include investments in short-term securities, including United States Treasury Bills.
(2) Cash does not include our holdings in United States Treasury Bills or Restricted Cash.

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Summary

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Capital Activity: Declared Quarterly Cash Distribution

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Distributions

- **Great Elm BDC's Board set the distribution for the quarter ending March 31, 2021 at $0.10 per quarter**
- **The distributions will be paid in cash.**
- **The distribution will be covered from net investment income.**
- **The record and payment dates for the distribution are expected to be set by GECC in December pursuant to authority granted by the Board.**

On an annualized basis, this currently represents a 9.6% yield on NAV and a 15.4% yield on the November 6, 2020 closing price of $2.60.

(based on Net Asset Value of $90.8 million, or $4.18 per share, after giving effect to the rights offering)

- The Company had previously delivered a monthly distribution of $0.083 per share.
- The majority of our fourth quarter 2020 distributions will be paid in shares of common stock in order to maximize liquidity and strengthen our balance sheet

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Investment Takeaways

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Portfolio Repositioning: Continuing and Performing Well

- **Recent portfolio repositioning and capital decisions have GECC well-positioned to take advantage of market dislocation and grow NII**
- **Intend to weight investments in specialty finance businesses in future portfolio**
- **A diversified portfolio, primarily comprised of secured loans, secured bonds and investments in specialty finance businesses uncorrelated to the corporate credit portfolio**
- **Debt investments carry a weighted average current yield of 10.1%[1]**
- **Weighted average current yield of income-generating equity investments carry a weighted average current yield of 17.3%[1,2]**

Distributions

- **Cash distribution of $0.10 set for first quarter of 2021**
- **To date, $4.74 in total distributions paid, declared or set**

Liquid Balance Sheet

- **Significant cash balance**
- **No secured credit facility**

(1) Weighted average current yield is based upon the anticipated distribution rate and fair value of outstanding investments at the measurement date. Amounts in the above tables do not include investments in short-term securities, including United States Treasury Bills.
(2) Two of the eight equity investments, totaling approximately $22.6 million of fair value as of September 30, 2020, are income-generating equity investments: Prestige Capital Finance, LLC and Crestwood Equity Partners, LP.

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Appendix

Financial Statements

Pro-Forma Balance Sheet

General Risks

Contact Information

Consolidated Statements of Operations

(unaudited)
$ in $000s
(except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
Investment Income:				
Interest income from:				
Non-affiliated, non-controlled investments	$ 2,718	$ 4,477	$ 9,800	$ 11,999
Affiliated investments	246	216	716	627
Affiliated investments (PIK)	1,321	1,124	3,842	2,939
Controlled investments	90	282	188	1,335
Controlled investments (PIK)	-	101	-	684
Total interest income	4,375	6,200	14,546	17,584
Dividend income from:				
Non-affiliated, non-controlled investments	401	196	404	407
Controlled investments	880	480	1,760	1,280
Total dividend income	1,281	676	2,164	1,687
Other income from:				
Non-affiliated, non-controlled investments	295	5	351	137
Affiliated investments	-	-	-	2
Affiliated investments (PIK)	-	108	75	564
Controlled investments	-	13	12	52
Total other income	295	126	438	755
Total investment income	$ 5,951	$ 7,002	$ 17,148	$ 20,026
Expenses:				
Management fees	$ 609	$ 759	$ 1,898	$ 2,207
Incentive fees	482	654	810	2,099
Administration fees	152	282	547	734
Custody fees	20	15	59	45
Directors' fees	49	51	151	150
Professional services	287	243	794	711
Interest expense	2,225	2,308	6,920	5,333
Other expenses	194	71	468	349
Total expenses	$ 4,018	$ 4,383	$ 11,647	$ 11,628
Net investment income	$ 1,933	$ 2,619	$ 5,501	$ 8,398
Net realized and unrealized gains (losses):				
Net realized gain (loss) on investment transactions from:				
Non-affiliated, non-controlled investments	$ (262)	$ 97	$ (11,760)	$ 1,115
Controlled investments	-	154	-	154
Repurchase of debt	120	-	1,237	-
Total net realized gain (loss)	(142)	251	(10,523)	1,269
Net change in unrealized appreciation (depreciation) on investment transactions from:				
Non-affiliated, non-controlled investments	3,544	(8,075)	(13,699)	(7,357)
Affiliated investments	319	(4,096)	(5,796)	(7,666)
Controlled investments	2,050	(345)	2,194	(600)
Total net change in unrealized appreciation (depreciation)	5,913	(12,516)	(17,301)	(15,623)
Net realized and unrealized gains (losses)	$ 5,771	$ (12,265)	$ (27,824)	$ (14,354)
Net increase (decrease) in net assets resulting from operations	$ 7,704	$ (9,646)	$ (22,323)	$ (5,956)
Net investment income per share (basic and diluted):	$ 0.18	$ 0.26	$ 0.53	$ 0.81
Earnings per share (basic and diluted):	$ 0.72	$ (0.96)	$ (2.17)	$ (0.58)
Weighted average shares outstanding (basic and diluted):	10,660,894	10,062,682	10,307,771	10,312,561

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Consolidated Statements of Assets and Liabilities

(unaudited)
$ in $000s
(except per share amounts)

	September 30, 2020	December 31, 2019
Assets		
Investments		
Non-affiliated, non-controlled investments, at fair value (amortized cost of $144,747 and $168,269, respectively)	$ 110,194	$ 147,412
Non-affiliated, non-controlled short-term investments, at fair value (amortized cost of $74,983 and $85,733, respectively)	74,980	85,733
Affiliated investments, at fair value (amortized cost of $107,256 and $102,704, respectively)	39,364	40,608
Controlled investments, at fair value (amortized cost of $18,740 and $10,601, respectively)	19,928	9,595
Total investments	244,466	283,348
Cash and cash equivalents	12,570	4,606
Restricted cash	600	-
Receivable for investments sold	1,531	-
Interest receivable	4,091	2,350
Dividends receivable	-	14
Due from portfolio company	750	617
Due from affiliates	-	15
Prepaid expenses and other assets	497	89
Total assets	$ 264,505	$ 291,039
Liabilities		
Notes payable 6.50% due September 18, 2022 (including unamortized discount of $566 and $839, respectively)	$ 29,727	$ 31,792
Notes payable 6.75% due January 31, 2025 (including unamortized discount of $1,107 and $1,321, respectively)	44,503	45,078
Notes payable 6.50% due June 30, 2024 (including unamortized discount of $1,639 and $2,058, respectively)	41,184	42,942
Payable for investments purchased	77,120	72,749
Interest payable	366	354
Distributions payable	908	1,338
Accrued incentive fees payable	8,967	8,157
Due to affiliates	781	997
Accrued expenses and other liabilities	485	743
Total liabilities	$ 204,041	$ 204,150
Commitments and contingencies	$ -	$ -
Net Assets		
Common stock, par value $0.01 per share (100,000,000 shares authorized, 10,941,770 shares issued and outstanding and 10,062,682 shares issued and outstanding, respectively)	$ 109	$ 101
Additional paid-in capital	196,742	193,114
Accumulated losses	(136,387)	(106,326)
Total net assets	$ 60,464	$ 86,889
Total liabilities and net assets	$ 264,505	$ 291,039
Net asset value per share	$ 5.53	$ 8.63

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Unaudited Pro-Forma Balance Sheet Information

As of 9/30/2020
$ in $000s except shares outstanding and per share totals
After Giving Effect to Rights Offering

	Actual	9/30/2020 Adjustments	As Adjusted
Investments, at fair value	$ 244,466		**$ 244,466**
Cash and cash equivalents	13,170	*30,357*	**43,527**
Other assets	6,869		**6,869**
Total Assets	$ 264,505	*30,357*	**$ 294,862**
Notes payable 6.50% due September 18, 2022 (including unamortized discount of $566 and $839, respectively)	29,727		**29,727**
Notes payable 6.75% due January 31, 2025 (including unamortized discount of $1,107 and $1,321, respectively)	44,503		**44,503**
Notes payable 6.50% due June 30, 2024 (including unamortized discount of $1,639 and $2,058, respectively)	41,184		**41,184**
Other liabilities	88,627		**88,627**
Total liabilities	204,041	-	**204,041**
NET ASSETS	60,464	*30,357*	**90,821**
Total liabilities and net assets	264,505	*30,357*	**294,862**
Shares outstanding	10,941,770	*10,761,950*	**21,703,720**
NAV per Share	$ 5.53	*$ (1.35)*	**$ 4.18**

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Appendix: General Risks

Debt instruments are subject to credit and interest rate risks.

Credit risk refers to the likelihood that an obligor will default in the payment of principal or interest on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt instruments that are rated by rating agencies are often reviewed and may be subject to downgrade. Our debt investments either are, or if rated would be, rated below investment grade by independent rating agencies. These "junk bonds" and "leveraged loans" are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may be illiquid and difficult to value and typically do not require repayment of principal before maturity, which potentially heightens the risk that we may lose all or part of our investment.

Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of an instrument whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

GECC utilizes leverage to seek to enhance the yield and net asset value of its common stock. These objectives will not necessarily be achieved in all interest rate environments. The use of leverage involves risk, including the potential for higher volatility and greater declines of GECC's net asset value, fluctuations of dividends and other distributions paid by GECC and the market price of GECC's common stock, among others. The amount of leverage that GECC may employ at any particular time will depend on, among other things, our Board's and our adviser's assessment of market and other factors at the time of any proposed borrowing.

As part of our lending activities, we may purchase notes or make loans to companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financings may result in significant financial returns to us, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. We cannot assure you that we will correctly evaluate the value of the assets collateralizing our investments or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a portfolio company, we may lose all or part of the amounts advanced to the borrower or may be required to accept collateral with a value less than the amount of the investment advanced by us to the borrower.

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