

GREAT ELM CAPITAL®

Great Elm Capital Corp.

Great Elm Capital Corp.

(NASDAQ: GECC)

Investor Presentation

Quarter Ended March 31, 2021

May 7, 2021

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," "preliminary" 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 March 31, 2021, 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 GECC

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- **Externally managed, total-return-focused BDC**
- **Liquid balance sheet**
- **Directors of GECC, employees of GECM and officers and directors of GECM's parent, including investment funds managed by directors of GECM's parent, own approximately 42.5% of GECC's outstanding shares**

Investment Objective

- **To generate current income and capital appreciation by investing in debt and income generating equity securities, including investments in specialty finance businesses**

Portfolio (as of 3/31/2020)

- **$193.6 million of portfolio fair value; $91.5 million of net asset value**
- **Debt investments carry a weighted average current yield of 10.9%[1]**
- **43 investments (33 debt, 10 equity) in 33 companies across 24 industries, excluding investments in SPACs**

[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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First Quarter 2021 Overview: Capital Deployment and Monetization

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Deployment of Capital

- **During Q1 2021, deployed $43.9 million, excluding SPACs, into 21 investments at a weighted average current yield of 9.85% and a weighted average price of 96% of par**
- **Deployed approximately $14.5 million into SPAC securities during the period**

Monetization of Investments

- **During Q1 2021, monetized $23.7 million, excluding SPACs, across 20 investments, in whole or in part, at a weighted average current yield of 11.6% and a weighted average price of 89% of par**
  - **This includes the complete exit of 10 positions during the quarter**
- **Monetized $4.5 million of SPAC securities during the period**

Attractive Funding Sources

- **GECCL 6.50% Notes due September 2022**
- **GECCN 6.50% Notes due June 2024**
- **GECCM 6.75% Notes due January 2025**
- **New $25.0 Million Credit Facility[1] with a 3 Year Term at LIBOR rate plus 3.50%**

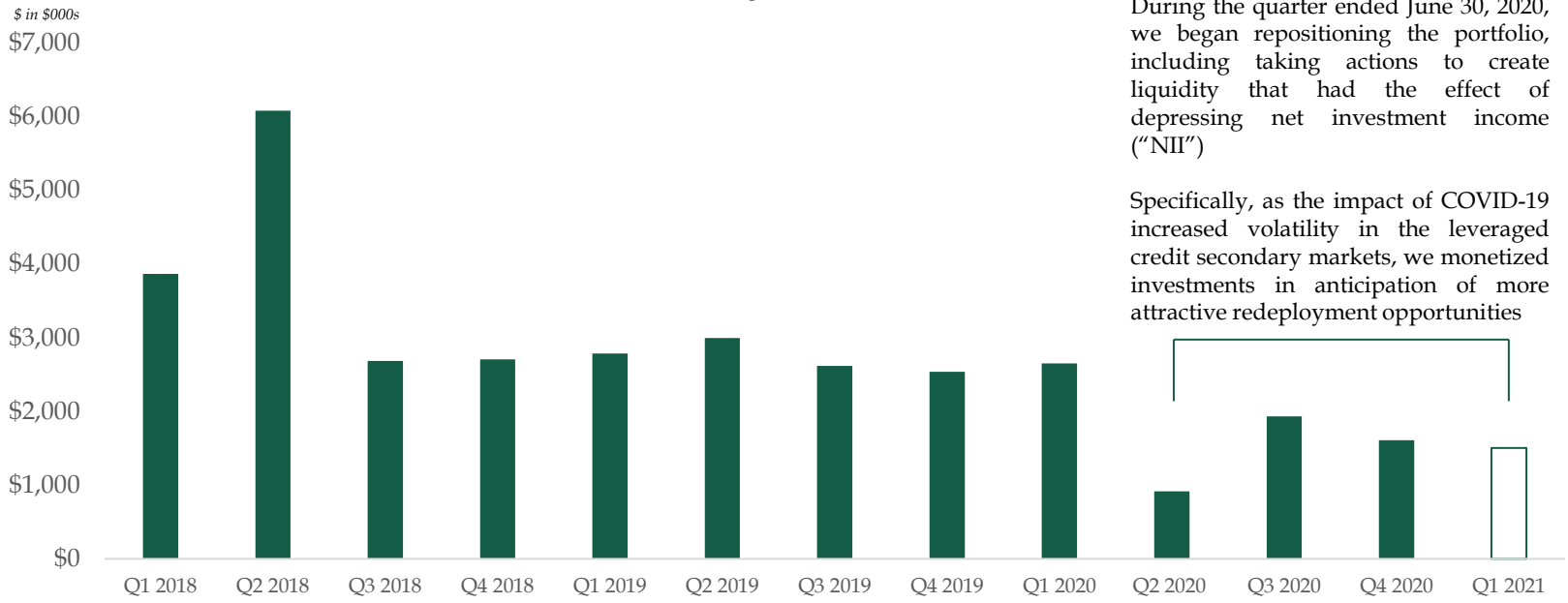
[1] As of May 5, 2021

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First Quarter 2021: Net Investment Income ("NII") Analysis

- NII for the quarter ended March 31, 2021 was approximately $1.5 million, or $0.06 per share[(1)], as compared to NII of $1.6 million or $0.07 per share for the quarter ended December 31, 2020
  - NII was impacted by slower than anticipated deployment of capital

NII by Quarter



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

(1) Based on weighted average shares outstanding of 23,401,837 for the quarter ended March 31, 2021, and 22,249,283 for the quarter ended December 31, 2020.

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Net Asset Value Change from December 31, 2020 to March 31, 2021

Net Asset Value at December 31, 2020	**$79,615**	**$3.46**

Portfolio Company	Realized / Unrealized Gain / Loss	Per Share
Avanti Communications Group plc - 2nd Lien Secured Bond	$4,271	$0.18
TRU Taj, LLC - Common Equity	$2,509	$0.11
Crestwood Equity Partners - Preferred Equity	$2,504	$0.11
California Pizza Kitchen, Inc. - Common Equity	$1,729	$0.07
Boardriders, Inc. - 1st Lien Secured Loan	$582	$0.02
Prestige Capital Finance, LLC - Common Equity	$542	$0.02
Best Western Luling (aka Luling Lodging) - 1st Lien Secured Loan	$(766)	$(0.03)
PFS Holdings Corporation - Common Equity	$(2,250)	$(0.10)
All other positions	$1,927	$0.08
Total Asset Gains (Losses)	$11,042	$0.47
1Q 2021 NII	$1,504	$0.06
1Q 2021 Distributions	$(2,351)	$(0.10)
Stock Issued	$1,720	
Net Asset Value Change	**$11,916**	**$0.43**
Net Asset Value at March 31, 2021	**$91,531**	**$3.89**

$ in $000s

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Investment Activity: New Investments (January 1 – May 6, 2021)

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Investment Activity: New Investments[1]*									
Portfolio Company	Investment Description	Maturity	Par Amount / Quantity	Cost	Market Discount	Interest Rate	Current Yield (%)[2]	Current Yield ($)[2]	Notes
First Brands, Inc.	2nd Lien Term Loan	3/31/2028	$6,000	$5,880	$120	9.50%	9.69%	$582	-
Ruby Tuesday Operations LLC	1st Lien Term Loan	2/24/2025	$5,000	$5,000	$0	13.25%	13.25%	$663	$458 paid down at 103% of par value
Prestige Capital Finance, LLC	Receivable	3/15/2022	$4,680	$4,680	$0	11.00%	11.00%	$515	-
Avanti Communications Group, plc	1.125 Lien Term Loan	8/15/2022	$4,046	$4,046	$0	12.50%	12.50%	$506	-
PetroChoice Holdings Inc.	1st Lien Term Loan	8/19/2022	$3,000	$2,918	$83	6.00%	6.27%	$188	Sold entire position in April
W&T Offshore, Inc.	2nd Lien Note	11/1/2023	$3,000	$2,681	$319	9.75%	10.91%	$327	-
ECL Entertainment, LLC	1st Lien Term Loan	3/31/2028	$2,500	$2,475	$25	8.25%	8.33%	$208	-
Summit Midstream Holdings, LLC	Unsecured Note	4/15/2025	$3,000	$2,468	$533	5.75%	7.06%	$212	-
GEO Group Inc.	Unsecured Note	10/15/2024	$3,000	$2,374	$626	5.88%	7.42%	$223	
Quad/Graphics, Inc.	Unsecured Note	5/1/2022	$2,000	$1,990	$10	7.00%	7.09%	$142	-
AgroFresh Inc.	1st Lien Term Loan	12/31/2024	$1,477	$1,477	$0	7.25%	7.29%	$108	-
Cleaver-Brooks, Inc.	1st Lien Note	3/1/2023	$1,000	$1,000	$0	7.88%	7.88%	$79	-
Viasat Inc.	Receivable	6/15/2021	$3,000	$2,700	$300	N/A	N/A	N/A	
Total / Weighted Average			$41,703	$39,687	$2,016	9.3%	9.7%	$3,751	

$ in $000s

- **Throughout Q1 2021 and subsequent to quarter end, we actively deployed approximately $35.9 million of available cash into new investments at a weighted average current yield of 8.9%**

(1) Investment Activity includes activity in Q1/2021 and the subsequent period through and including May 6, 2021. Investment activity does not include revolver draws or PIK interest.
(2) Weighted average current yield is based upon the stated coupon rate and fair value of outstanding investments is as of the most recent measurement date or date of purchase, as applicable. These figures to not include Viasat, Inc. receivables.

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Specialty Finance Investments: Prestige Capital Finance, LLC

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CASH FLOW MADE SIMPLE

- **Prestige[1] 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

[1] On February 8, 2019, GECC acquired 80.0% of the outstanding equity interests of Prestige for approximately $7.5 million

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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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New $25.0 Million Revolving Credit Facility With City National Bank

3 Year Term with a Maturity Date of 5/5/2024[(1)]

LIBOR rate plus 3.50% (subject to a 1.00% floor)

Establishes a strategic relationship with a large money center bank

Significantly improves flexibility and GECC's ability to be more "fully invested" in yield generating assets

Greatly enhances GECC's ability to take advantage of **"Overflow"** opportunities from specialty finance investments

[(1)] Subject to a springing maturity on May 15, 2022

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Portfolio Review

(Quarter Ended 3/31/2021)

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Portfolio Review: Quarter End Portfolio Detail

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Debt Investments:

33	87.2%	$135.5 million	70.0%	10.9%[1]
Debt Investments	Weighted Average Dollar Price of Debt Investments	Fair Value of Debt Investments	Of Invested Capital in Debt Investments	Weighted Average Current Yield of Debt Investments

Equity Investments:

	3	$30.0 million	15.5%	13.5%[1]
	Yielding Equity Investments			
10		Fair value of Equity Investments	Of Invested Capital in Equity Investments	Weighted Average Current Yield of Income-Generating Equity Investments
Equity Investments, excl. SPACs				
	7	$18.1 million	9.3%	
	Other Equity Investments			

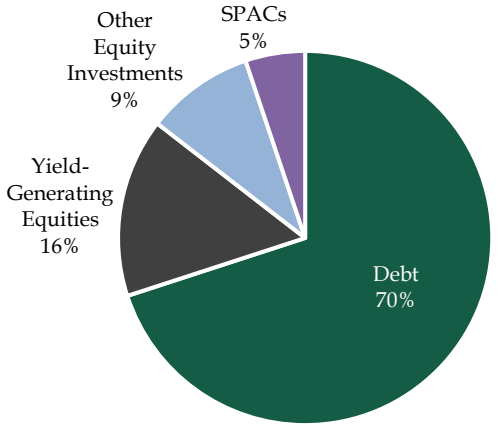
[1] Weighted average current yield is based upon the anticipated distribution rate and fair value of outstanding investments at the measurement date.
Amounts in the above tables do not include investments in short-term securities, including United States Treasury Bills.

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Portfolio Review: Quarter End Asset Type and Interest Rate Type

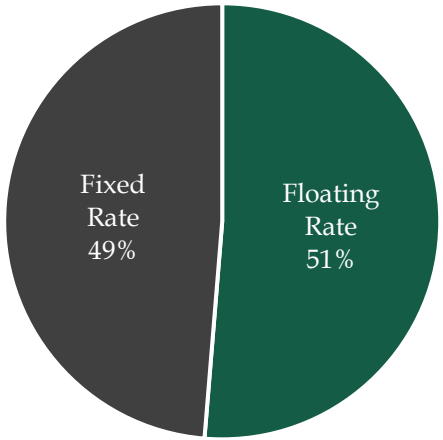
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Portfolio by Asset Type ($MM)



Investments	Fair Value of Investments		Percentage of Total Portfolio
Debt	$	135.5	70.0%
Yield-Generating Equities	$	30.0	15.5%
Other Equities	$	18.1	9.3%
SPACs	$	10.0	5.2%
Total	**$**	**193.6**	**100%**

Portfolio by Interest Rate Type ($MM)



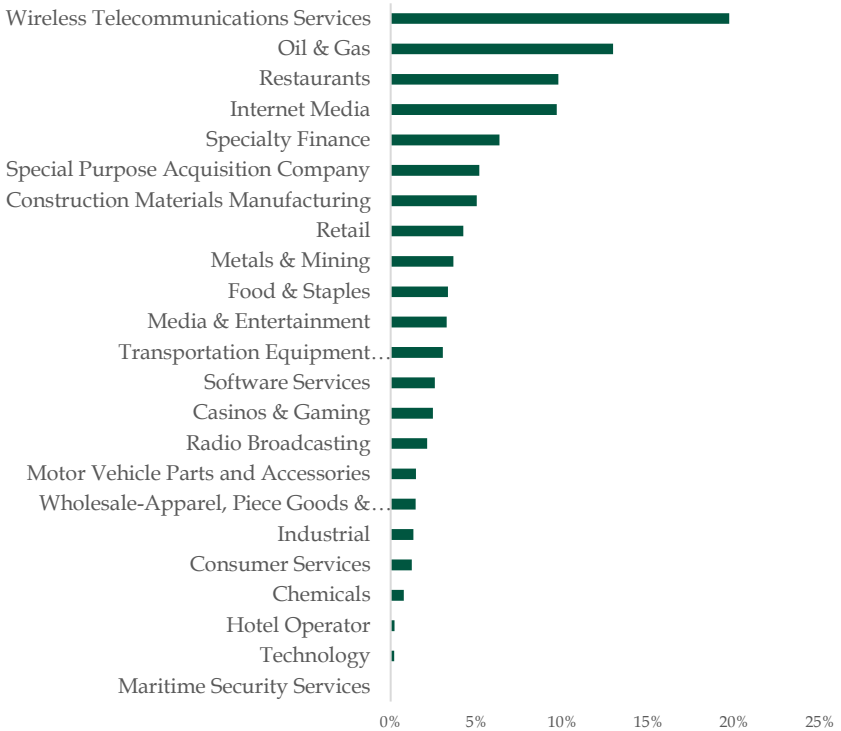
Investments	Fair Value of Debt		Percentage of Debt Holdings
Fixed Rate	$	66.0	48.7%
Floating Rate	$	69.5	51.3%
Total	**$**	**135.5**	**100%**

- ***Weighted average fixed rate yield of 12.7%[1]***
- ***Weighted average floating rate yield of 9.3%[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



	March 31, 2021	
Industry	**Investments at Fair Value**	**Percentage of Fair Value**
Wireless Telecommunications Services	$ 38,178	19.72%
Oil & Gas	25,084	12.95%
Restaurants	18,906	9.76%
Internet Media	18,727	9.67%
Specialty Finance	12,250	6.33%
Special Purpose Acquisition Company	10,014	5.17%
Construction Materials Manufacturing	9,699	5.01%
Retail	8,204	4.24%
Metals & Mining	7,094	3.66%
Food & Staples	6,441	3.33%
Media & Entertainment	6,311	3.26%
Transportation Equipment Manufacturing	5,880	3.04%
Software Services	4,995	2.58%
Casinos & Gaming	4,762	2.46%
Radio Broadcasting	4,125	2.13%
Motor Vehicle Parts and Accessories	2,865	1.48%
Wholesale-Apparel, Piece Goods & Notions	2,801	1.45%
Industrial	2,557	1.32%
Consumer Services	2,393	1.23%
Chemicals	1,469	0.76%
Hotel Operator	437	0.22%
Technology	413	0.21%
Maritime Security Services	32	0.02%
Telecommunications Services	(6)	- %
Total	**$ 193,631**	**100.00%**

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

$ in $000s

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Portfolio Review: Quarterly Investment Activity

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New Investments vs. Monetized Investments

	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Q1/2021
Dollar Value of New Investments[1]	$31.9 million	$15.9 million	$34.5 million	$35.3 million	$58.4 million
Weighted Average Price of New Debt Investments	$0.99	$0.92	$0.91	$0.94	$0.96
Weighted Average Current Yield of New Debt Investments[2]	7.1%	12.2%	12.3%	10.9%	9.9%
% of New Debt Investments – Secured Instruments	100%	43%	81%	91.9%	77.8%
Dollar Value of Monetized Investments[3]	$29.4 million	$37.5 million	$18.2 million	$43.8 million	$28.2 million
Weighted Average Price of Monetized Debt Investments	$0.82	$0.98	$0.97	$1.00	$0.89
Weighted Average Current Yield of Monetized Debt Investments[2]	13.7%	6.5%	9.6%	8.8%	11.6%
% of Monetized Debt Investments – Secured Instruments	100%	96%	100%	100%	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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SPAC Holdings: Understanding the Structure

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What is a Special Purpose Acquisition Company, or SPAC

Newly formed corporation created for the purpose of raising capital in an IPO in anticipation of identifying and consummating a business combination.

Pre-merger structure

- No commercial operations until it consummates its initial acquisition

Investor Options

- Provides public company transparency to investors with full disclosure and the ability to receive their investment back in connection with a proposed business combination
- Public shareholders are able to sell their securities in the open market

Shareholders can:

- Approve or disapprove the business combination, and/or
- Elect to receive a pro rata portion of the amount held in the trust account (even if the majority of holders approve the business combination)

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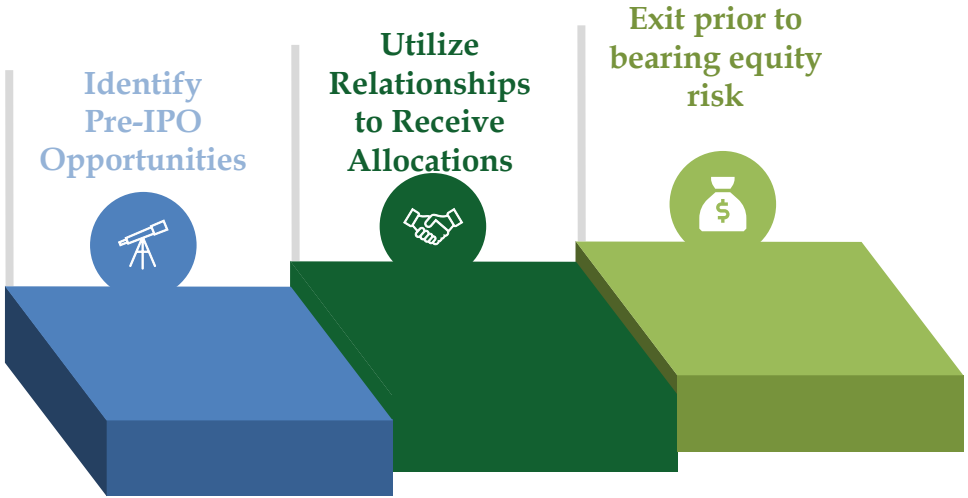
GECC SPAC Holdings: Strategy and Intention

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SPAC Investments at 3/31/2021:

125	$10.0 million	5.2%
Investments in Units, Warrants and Common Stock	Total Market Value of SPAC Instruments	Of Invested Capital in SPAC Investments

Opportunity to generate a more favorable return on cash balances for the Company in a low-interest rate environment with minimal permanent capital impairment risk



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Financial Review

(Quarter Ended 3/31/2021)

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Financial Review: Per Share Data

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Financial Highlights – Per Share Data					
	Q1/2020[1]	Q2/2020[1]	Q3/2020[1]	Q4/2020[1]	Q1/2021[1]
Earnings Per Share ("EPS")	($3.33)	$0.34	$0.72	($0.43)	$0.53
Net Investment Income ("NII") Per Share	$0.26	$0.09	$0.18	$0.07	$0.06
Net Realized Gains / (Losses) Per Share	($1.12)	$0.09	($0.02)	$0.03	($0.14)
Net Unrealized Gains / (Losses) Per Share	($2.47)	$0.16	$0.56	($0.54)	$0.61
Net Asset Value Per Share at Period End	$5.05	$5.10	$5.53	$3.46	$3.89
Distributions Paid / Declared Per Share	$0.249	$0.249	$0.249	$0.249	$0.10

[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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$ in $000s	Q1/2020	Per Share[1]	Q2/2020	Per Share[1]	Q3/2020	Per Share[1]	Q4/2020	Per Share[1]	Q1/2021	Per Share[1]
Total Investment Income[2]	**$6,429**	**$0.64**	**$4,768**	**$0.47**	**$5,951**	**$0.56**	**$5,749**	**$0.26**	**$5,295**	**$0.23**
Interest Income	5,987	0.60	4,184	0.41	4,375	0.41	4,664	0.21	4,179	0.19
Dividend & Other Income	442	0.04	584	0.06	1,576	0.15	1,085	0.05	1,116	0.04
Net Operating Expenses	**3,777**	**0.38**	**3,852**	**0.38**	**4,018**	**0.38**	**4,084**	**0.18**	**3,791**	**0.16**
Management fees	698	0.07	591	0.06	609	0.06	613	0.03	660	0.03
Incentive fees[3]	100	0.01	228	0.02	482	0.05	210	0.01	108	0.004
Total Investment Management fees	798	0.08	819	0.08	1,091	0.10	823	0.04	768	0.03
Administration fees	204	0.02	191	0.02	152	0.01	182	0.01	156	0.01
Directors' fees	51	0.01	51	0.01	49	0.005	47	0.002	55	0.002
Interest expense	2,305	0.23	2,390	0.23	2,225	0.21	2,206	0.10	2,198	0.09
Professional services	257	0.03	250	0.02	287	0.03	647	0.03	425	0.02
Custody fees	20	0.00	19	0.00	20	0.002	(8)	0.0004	13	0.0006
Other	142	0.01	132	0.01	195	0.02	187	0.01	176	0.01
Income Tax, Including Excise Tax	0	0.00	0	0.00	0	0.00	17	0.0008	0	0.00
Net Investment Income	**$2,652**	**$0.26**	**$916**	**$0.09**	**$1,933**	**$0.18**	**$1,648**	**$0.07**	**$1,504**	**$0.06**

(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					
	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Q1/2021
Capital Deployed	$31.9 million	$15.9 million	$34.5 million	$35.3 million	$58.4 million
Investments Monetized	$29.4 million	$37.5 million	$18.2 million	$43.8 million	$28.3 million
Total Fair Value of Investments at Period End[1]	$165.5 million	$146.3 million	$169.5 million	$151.7 million	$193.6 million
Net Asset Value at Period End	$50.8 million	$53.2 million	$60.5 million	$79.6 million	$91.5 million
Total Assets at Period End	$273.6 million	$258.0 million	$264.5 million	$283.3 million	$371.4 million
Total Debt Outstanding at Period End (Par Value)	$123.8 million	$119.5 million	$118.7 million	$118.7 million	$118.7 million
Debt to Equity Ratio at Period End	2.43x	2.25x	1.96x	1.49x	1.30x
Cash at Period End[2]	$22.8 million	$31.0 million	$12.6 million	$52.6 million	$26.6 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

- **GECC's Board authorized the distribution for the quarter ending September 30, 2021 at $0.10 per share, with the record and payment dates to be set by the officers of GECC pursuant to authority granted by the Board**
- **The Board previously authorized the distribution for the quarter ending June 30, 2021 of $0.10 per share, with record and payment dates expected to be set in May 2021**

On an annualized basis, this currently represents an indicated yield of 10.3%* on NAV and a 11.9% yield on the April 30, 2021 closing price of $3.35.

(* Based on an annualized $0.10 per share total / Net Asset Value of $3.89 share at March 31, 2021)

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Investment Takeaways

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Portfolio Repositioning Moving in Right Direction

- A diversified portfolio, primarily comprised of secured loans, secured bonds, preferred equity and investments in specialty finance businesses uncorrelated to the corporate credit portfolio
- Intend to weight investments in specialty finance businesses in future portfolio
- Debt investments carry a weighted average current yield of 10.9%[1]
- Weighted average current yield of income generating equity investments carry a weighted average current yield of 13.5%[1,2]

Distributions to Shareholders

- Cash distribution of $0.10 per share authorized for third quarter of 2021
- Since the Company's initial distribution in December 2016, $4.94 in total distributions paid, declared or authorized (in cash or stock)

Ample Liquidity

- Solid Cash Balance
- New credit facility provides ample capital at favorable terms

(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) Three of the 10 equity investments, totaling approximately $30.1 million of fair value as of March 31, 2021, are income-generating equity investments: Prestige Capital Finance, LLC, Blueknight Energy Partners L.P, and Crestwood Equity Partners, LP.

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Appendix

Financial Statements

Balance Sheet

General Risks

Contact Information

Consolidated Statements of Operations

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

	For the Three Months Ended March 31, 2021	2020
Investment Income:		
Interest income from:		
Non-affiliated, non-controlled investments	$ 2,442	$ 4,466
Non-affiliated, non-controlled investments (PIK)	30	-
Affiliated investments	260	227
Affiliated investments (PIK)	1,439	1,224
Controlled investments	8	70
Total interest income	4,179	5,987
Dividend income from:		
Non-affiliated, non-controlled investments	481	3
Controlled investments	320	400
Total dividend income	801	403
Other income from:		
Non-affiliated, non-controlled investments	33	30
Affiliated investments (PIK)	282	-
Controlled investments	-	9
Total other income	315	39
Total investment income	$ 5,295	$ 6,429
Expenses:		
Management fees	$ 660	$ 698
Incentive fees	108	100
Administration fees	156	204
Custody fees	13	20
Directors' fees	55	51
Professional services	425	257
Interest expense	2,198	2,305
Other expenses	176	142
Total expenses	$ 3,791	$ 3,777
Net investment income	$ 1,504	$ 2,652
Net realized and unrealized gains (losses):		
Net realized gain (loss) on investment transactions from:		
Non-affiliated, non-controlled investments	$ (3,415)	$ (11,456)
Controlled investments	140	-
Realized gain on repurchase of debt	-	143
Total net realized gain (loss)	(3,275)	(11,313)
Net change in unrealized appreciation (depreciation) on investment transactions from:		
Non-affiliated, non-controlled investments	9,490	(19,715)
Affiliated investments	4,283	(5,085)
Controlled investments	544	(77)
Total net change in unrealized appreciation (depreciation)	14,317	(24,877)
Net realized and unrealized gains (losses)	$ 11,042	$ (36,190)
Net increase (decrease) in net assets resulting from operations	$ 12,546	$ (33,538)
Net investment income per share (basic and diluted):	$ 0.06	$ 0.26
Earnings per share (basic and diluted):	$ 0.53	$ (3.33)
Weighted average shares outstanding (basic and diluted):	23,401,837	10,062,682

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Consolidated Statements of Assets and Liabilities

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

	March 31, 2021	December 31, 2020
Assets		
Investments		
Non-affiliated, non-controlled investments, at fair value (amortized cost of $169,052 and $147,494, respectively)	$ 143,171	$ 112,116
Non-affiliated, non-controlled short-term investments, at fair value (amortized cost of $139,997 and $74,997, respectively)	139,991	74,998
Affiliated investments, at fair value (amortized cost of $114,478 and $109,840, respectively)	38,210	29,289
Controlled investments, at fair value (amortized cost of $9,093 and $7,630, respectively)	12,250	10,243
Total investments	333,622	226,646
Cash and cash equivalents	26,572	52,582
Restricted cash	-	600
Receivable for investments sold	6,111	-
Interest receivable	4,118	2,423
Due from portfolio company	895	837
Prepaid expenses and other assets	44	240
Total assets	$ 371,362	$ 283,328
Liabilities		
Notes payable 6.50% due September 18, 2022 (including unamortized discount of $425 and $494, respectively)	$ 29,868	$ 29,799
Notes payable 6.75% due January 31, 2025 (including unamortized discount of $980 and $1,042, respectively)	44,630	44,568
Notes payable 6.50% due June 30, 2024 (including unamortized discount of $1,421 and $1,529, respectively)	41,402	41,294
Payable for investments purchased	152,953	75,511
Interest payable	328	328
Distributions payable	-	1,911
Accrued incentive fees payable	9,284	9,176
Due to affiliates	776	764
Accrued expenses and other liabilities	590	362
Total liabilities	$ 279,831	$ 203,713
Commitments and contingencies	$ -	$ -
Net Assets		
Common stock, par value $0.01 per share (100,000,000 shares authorized, 23,508,232 shares issued and outstanding and 23,029,453 shares issued and outstanding, respectively)	$ 235	$ 230
Additional paid-in capital	232,219	230,504
Accumulated losses	(140,923)	(151,119)
Total net assets	$ 91,531	$ 79,615
Total liabilities and net assets	$ 371,362	$ 283,328
Net asset value per share	$ 3.89	$ 3.46

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Appendix: General Risks

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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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