

Great Elm Capital Corp. (NASDAQ: GECC)

Investor Presentation – Quarter Ended March 31, 2020

May 11, 2020

Disclaimer

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 March 31, 2020, unless otherwise noted, and is subject to change.

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

A Note to Shareholders

- **The first half of 2020 has been characterized by remarkable volatility in the leveraged credit markets, driven by the impact of the COVID-19 pandemic and violent swings in commodity prices**
- **We believe we must take every opportunity to bolster liquidity** in order to successfully navigate current market volatility **and to be in a position to capitalize on attractive investment opportunities** when they materialize
- **To best position ourselves, we will strengthen our balance sheet by:**
 - Paying a substantial portion of our base distributions in stock
 - Relieving ourselves of the restrictions that typically come with a secured credit facility and, therefore, maintaining the flexibility to utilize cash and other assets to create shareholder value
- **We are confident in the quality of our portfolio investments, our robust liquidity profile and our ability to capitalize on new potential investment opportunities**

GECC

- Externally managed, total-return-focused BDC
- Common stock trades as “GECC” on NASDAQ
- Liquid balance sheet
- Employees and affiliates of Great Elm Capital Management, Inc., GECC’s investment manager, own approximately 23% 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 predominantly middle-market companies

Portfolio (as of 3/31/2020)

- \$273.6 million of total assets; \$165.5 million of portfolio fair value; \$50.8 million of net asset value
- Weighted average current yield of 10.0%¹
- 35 investments (28 debt, 7 equity) in 26 companies across 21 industries

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

Overview

Distributions & Coverage

- The majority of our third quarter 2020 distributions will be paid in shares of our common stock in order to maximize liquidity and strengthen our balance sheet
- LTM total distribution yield of 20.8% on 3/31/20 NAV and 37.5% on 3/31/20 market value

Deployment of Capital

- During Q1 2020, deployed \$31.9 million of capital into 11 investments at a weighted average current yield of 7.1% and a weighted average price of \$0.99
- 100% of capital deployed into secured investments

Monetization of Investments

- During Q1 2020, monetized \$29.4 million across 12 investments, in whole or in part, at a weighted average current yield of 13.7% and a weighted average price of \$0.82
- This includes the complete exit of 4 positions

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

Portfolio Review

(Quarter Ended 3/31/2020)

Portfolio Review

10.0%

Weighted average current yield on debt portfolio¹

\$0.79

Weighted average dollar price of debt investments in the portfolio²

88.6%

Percentage of the total portfolio (based on fair value of investments) invested in 1st lien and/or secured debt instruments

As of March 31, 2020, approximately 93% of the portfolio was comprised of ideas that are representative of the manner in which we intend to invest³

(1) 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 dollar price is based on the stated par value and fair value of outstanding debt securities at the measurement date.

(3) As measured by the fair value of investments. The balance of the portfolio remains in legacy Full Circle positions that were acquired in the merger with Full Circle.

Portfolio Review (Continued)

Debt Investments:

28

\$146.7 million

88.6%

10.0%¹

72.1%

Debt Investments	Fair Value Invested in Debt Instruments	Of Invested Capital in Debt Instruments (100% of fair value in first lien / secured)	Weighted Average Current Yield	in Floating Rate Instruments (Based on % of Fair Value)
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Equity Investments:

7

\$18.8 million

11.4%

Equity Investments	Fair Value Invested in Equity Instruments	Of Invested Capital in Equity Investments
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(1) Weighted average current yield is based upon the stated coupon rate and fair value of outstanding debt securities at the measurement date. Amounts in the above tables do not include investments in short-term securities, including United States Treasury Bills and money market mutual funds.

Portfolio Review: New & Additional Investments

During Q1/2020, we purchased six investments (four new, two existing), deploying approximately \$8.2 million¹

New
Investment

- **Viasat, Inc.** – Purchased approximately \$2.0 million of receivables at a price of \$0.90
 - The receivables matured in April 2020

New
Investment

- **Perforce Software, Inc.** – Purchased \$4.4 million face value of LIBOR + 4.50% secured revolver commitment in the secondary market at a price of approximately \$0.92

New
Investment

- **Greenway Health, LLC** – Purchased \$8.0 million face value of LIBOR + 3.75% secured revolver commitment in the secondary market at a price of approximately \$0.90

New
Investment

- **EIG Investors Corp.** – Purchased \$4.0 million face value of LIBOR + 4.00% secured revolver commitment in the secondary market at a price of approximately \$0.98

Additional
Investment

- **Tensar Corp.** – Purchased approximately \$1.2 million face value of LIBOR + 4.75% secured loans in the secondary market at a price of approximately \$0.95

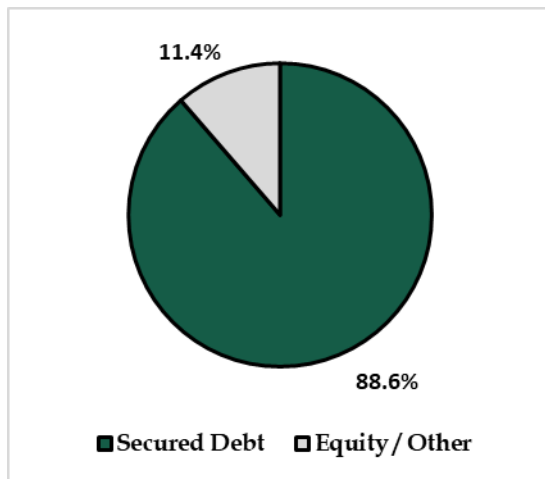
Additional
Investment

- **ASP Chromaflo Intermediate Holdings, Inc.** – Purchased approximately \$5.4 million face value of LIBOR + 8.00% secured loans in the secondary market at a price of approximately \$0.98

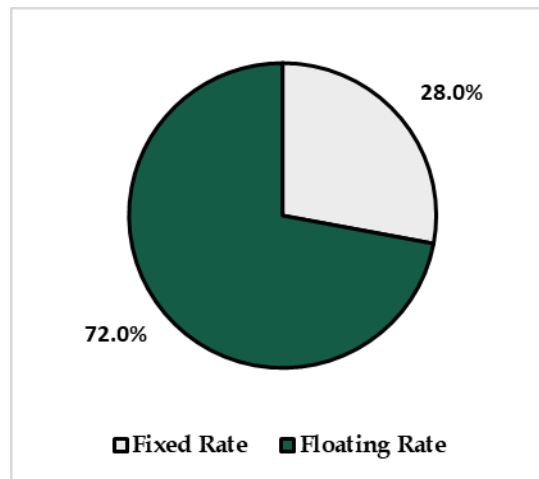
⁽¹⁾ Deployment activity does not include revolver draws or PIK interest. Amount deployed does not include revolver purchases.

Portfolio Review: Asset Type and Interest Rate Type

Portfolio by Asset Type (\$MM)



Portfolio by Interest Rate Type (\$MM)



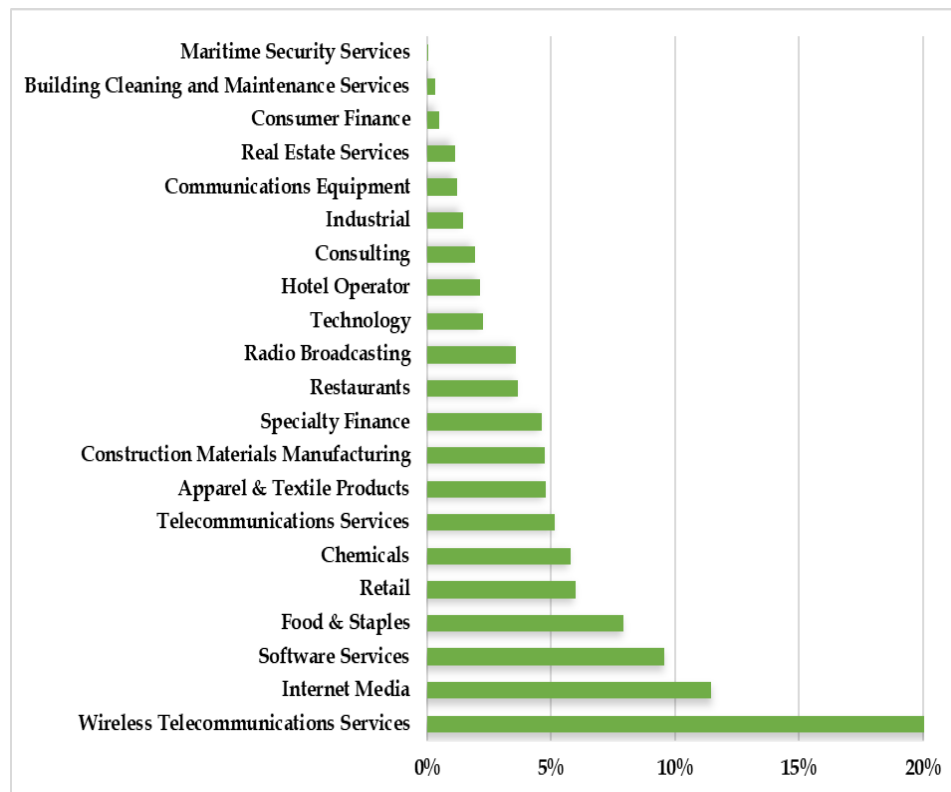
- *Weighted average fixed rate yield of 14.5%¹*
- *Weighted average floating rate yield of 8.5%¹*

Investments	Fair Value of Investments	Percentage of Total Portfolio
Secured Debt	\$ 146.7	88.6%
Equity / Other	\$ 18.8	11.4%
Total	\$ 165.5	100%

Investments	Count	Fair Value of Debt	Percentage of Debt Holdings
Fixed Rate	5	\$ 41.0	28.0%
Floating Rate	23	\$ 105.7	72.0%
Total	28	\$ 146.7	100%

(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 and money market mutual funds.

Portfolio Review: Industry Breakdown

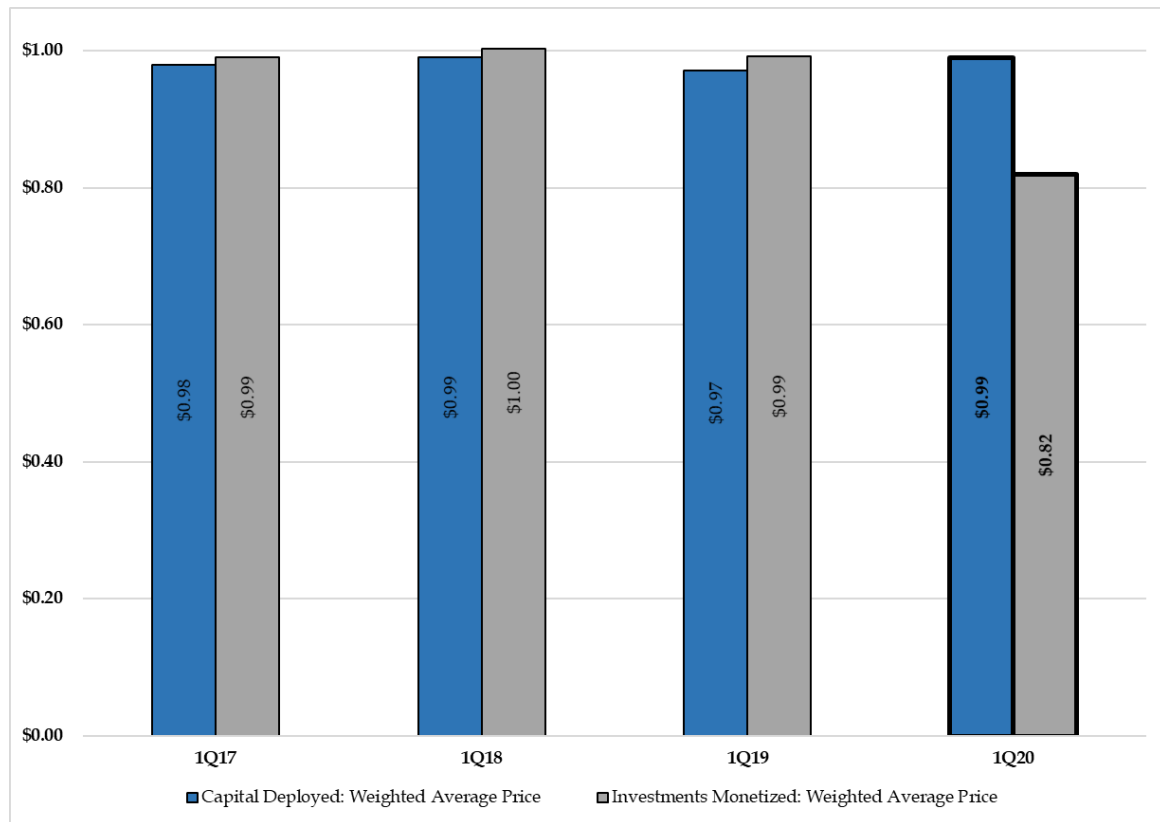


Industry	March 31, 2020	
	Investments at Fair Value	Percentage of Fair Value
Wireless Telecommunications Services	\$ 35,986	21.74%
Internet Media	18,978	11.47%
Software Services	15,824	9.56%
Food & Staples	13,133	7.93%
Retail	9,904	5.98%
Chemicals	9,560	5.78%
Telecommunications Services	8,524	5.15%
Apparel & Textile Products	7,962	4.81%
Construction Materials Manufacturing	7,849	4.74%
Specialty Finance	7,645	4.62%
Restaurants	6,057	3.66%
Radio Broadcasting	5,943	3.59%
Technology	3,736	2.26%
Hotel Operator	3,516	2.12%
Consulting	3,235	1.95%
Industrial	2,380	1.44%
Communications Equipment	2,028	1.23%
Real Estate Services	1,865	1.13%
Consumer Finance	813	0.49%
Building Cleaning and Maintenance Services	545	0.33%
Maritime Security Services	29	0.02%
	\$ 165,512	100.00%

Amounts in the above table do not include investments in short-term securities, including United States Treasury Bills and money market mutual funds.

Portfolio Review: Portfolio Rotation

- *As volatility increased in leveraged credit markets, the prices of certain of our investments fell*
- *We chose to monetize a portion of our investment portfolio in order to increase our cash balance*
- *Our substantial cash balance should allow us to invest in greater scale as opportunities arise*



Portfolio Review: Portfolio Rotation (Continued)

Portfolio Rotation: New Investments vs. Monetized Investments

	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Q1/2020
Dollar Value of New Investments ¹	\$54.5 million	\$61.7 million	\$46.1 million	\$15.1 million	\$31.9 million
Weighted Average Price of New Debt Investments	\$0.97	\$0.98	\$0.97	\$0.97	\$0.99
Weighted Average Current Yield of New Debt Investments	10.5%	10.9%	10.2%	9.0%	7.1%
% of New Debt Investments - 1 st Lien / Secured Instruments	100%	100%	100%	100%	100%
Dollar Value of Monetized Investments ²	\$59.9 million	\$36.6 million	\$44.6 million	\$9.6 million	\$29.4 million
Weighted Average Price of Monetized Debt Investments	\$0.99	\$1.00	\$1.00	\$1.00	\$0.82
Weighted Average Current Yield of Monetized Debt Investments	10.4%	10.8%	10.8%	8.5%	13.7%
% of Monetized Debt Investments - 1 st Lien / Secured Instruments	100%	100%	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 and money market mutual funds. 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) 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 and money market mutual funds. 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.

Subsequent Events

(Through May 8, 2020)

Subsequent Events

- In April:
 - We bought \$2.0 million of par value of Viasat Inc. receivable at 90% of par value
 - We bought \$1.0 million of par value of Avanti Communications Group plc 1.25 lien secured loan at par
 - We bought \$0.6 million of par value of Apache Corp. unsecured notes at approximately 86% of par value
 - We sold \$2.0 million par value of Mitchell International Inc. secured term loan at 85% of par value
 - We sold \$2.0 million par value of Finastra secured term loan at 85% of par value

This deployment and monetization activity does not include revolver draws, ordinary course paydowns, and investments in short-term securities, including United States Treasury Bills and money market mutual funds..

Subsequent Events (Continued): Avanti Communications Update

- **Avanti's business has not been significantly impacted by COVID-19 and demand remains strong for its capacity**
- **In April, Avanti Communications Group plc ("Avanti") raised approximately \$8 million from its largest stakeholders in the form of a 1.25 lien term loan**
 - The new term loan ranks junior to the existing first lien term loan and senior to the existing 1.5 lien term loan
 - All other terms are substantially similar to Avanti's existing 1.5 lien term loan
 - All 1.5 lien term loan lenders, including GECC, participated pro rata in the new term loan
- **Avanti continues to capitalize on its momentum, announcing new business wins that should drive growth in revenue, adjusted EBITDA and unleveraged free cash flow**
 - A significant portion of FY 2020's budgeted revenue has already been contracted
 - Meaningful, high margin contract wins with large satellite service providers
 - Avanti anticipates cash build throughout 2020 as cash receipts catch up with contracted revenue

Financial Review

(Quarter Ended 3/31/2020)

Financial Review: Per Share Data

Financial Highlights – Per Share Data					
	Q1/2019 ¹	Q2/2019 ¹	Q3/2019 ¹	Q4/2019 ¹	Q1/2020 ¹
Earnings Per Share (“EPS”)	\$0.76	(\$0.43)	(\$0.96)	(\$0.16)	(\$3.33)
Net Investment Income (“NII”) Per Share	\$0.26	\$0.29	\$0.26	\$0.25	\$0.26
Net Realized Gains / (Losses) Per Share	\$0.06	\$0.04	\$0.02	\$0.00 ²	(\$1.12)
Net Unrealized Gains / (Losses) Per Share	\$0.44	(\$0.76)	(\$1.24)	(\$0.41)	(\$2.47)
Net Asset Value Per Share at Period End	\$10.89	\$10.30	\$9.09	\$8.63	\$5.05
Distributions Paid / Declared Per Share	\$0.249	\$0.249	\$0.249	\$0.299	\$0.249

(1) The per share figures are based on a weighted average of outstanding shares for the preceding quarter, except where such amounts need to be adjusted to be consistent with the financial highlights of our consolidated financial statements.

Financial Review: Portfolio

Financial Highlights - Portfolio

	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Q1/2020
Capital Deployed	\$54.5 million	\$61.7 million	\$46.1 million	\$15.1 million	\$31.9 million
Investments Monetized	\$59.9 million	\$36.6 million	\$44.6 million	\$9.6 million	\$29.4 million
Total Fair Value of Investments at Period End ¹	\$185.7 million	\$204.2 million	\$194.8 million	\$197.6 million	\$165.5 million
Net Asset Value at Period End	\$114.0 million	\$103.6 million	\$91.5 million	\$86.9 million	\$50.8 million
Total Assets at Period End	\$290.2 million	\$334.6 million	\$298.2 million	\$291.0 million	\$273.6 million
Total Debt Outstanding at Period End (Par Value)	\$79.0 million	\$121.5 million	\$124.0 million	\$124.0 million	\$123.8 million
Debt to Equity Ratio at Period End	0.69x	1.17x	1.36x	1.43x	2.43x
Cash at Period End ²	\$24.0 million	\$52.8 million	\$24.8 million	\$15.6 million	\$22.8 million

(1) Total Fair Value of Investments does not include investments in short-term securities, including United States Treasury Bills and money market mutual funds.

(2) Cash does not include our holdings in United States Treasury Bills.

Financial Review: Quarterly Operating Results

(\$ in Thousands)	Q1/2019		Q2/2019		Q3/2019		Q4/2019		Q1/2020	
	Per Share ¹		Per Share ¹		Per Share ¹		Per Share ¹		Per Share ¹	
Total Investment Income²	\$6,313	\$0.59	\$6,711	\$0.66	\$7,002	\$0.70	\$7,012	\$0.70	\$6,429	\$0.64
Interest Income	5,720	0.54	5,664	0.55	6,200	0.62	6,614	0.66	5,987	0.60
Dividend & Other Income	593	0.05	1,047	0.10	802	0.08	398	0.04	442	0.04
Net Operating Expenses	3,529	0.33	3,716	0.36	4,383	0.44	4,264	0.42	3,777	0.38
Management fees	706	0.07	742	0.07	759	0.08	746	0.07	698	0.07
Incentive fees ³	696	0.07	749	0.07	654	0.06	635	0.06	100	0.01
Total Investment Management fees	1,403	0.14	1,491	0.15	1,412	0.14	1,381	0.14	798	0.08
Administration fees	211	0.02	241	0.02	282	0.03	253	0.03	204	0.02
Directors' fees	50	0.00	49	0.00	51	0.00	50	0.00	51	0.01
Interest expense	1,454	0.14	1,571	0.15	2,308	0.23	2,303	0.23	2,305	0.23
Professional services	239	0.02	229	0.02	243	0.02	122	0.01	257	0.03
Custody fees	15	0.00	15	0.00	15	0.00	12	0.00	20	0.00
Other	158	0.01	120	0.01	71	0.01	143	0.01	142	0.01
Fees Waivers and Expense Reimbursement	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Income Tax, Including Excise Tax	0	0.00	0	0.00	0	0.00	209	0.02	0	0.00
Net Investment Income	\$2,784	\$0.26	\$2,995	\$0.29	\$2,619	\$0.26	\$2,539	\$0.25	\$2,652	\$0.26

(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.

Capital Activity

Capital Activity: Distribution Policy & Declared Distributions

- We are subject to a minimum asset coverage ratio of 150.0% (the “Minimum ACR”), per the proposal that was approved at our 2018 Annual Stockholders’ Meeting
 - As of March 31, 2020, our asset coverage ratio was approximately 141.1%
- As a result of falling below the Minimum ACR, we will be subject to certain limitations on our ability to incur additional debt, make cash distributions on junior securities or repurchase junior securities, in each case, in accordance with the Investment Company Act of 1940, as amended, and the indentures governing our outstanding notes, until such time we are above the Minimum ACR
- As previously announced, in March 2020, our Board declared monthly distributions through the month ending June 30, 2020 of \$0.083 per share. Such distributions shall be paid in cash or in shares of our common stock at the election of shareholders, although the total amount of cash to be distributed to all shareholders will be limited to approximately 20% of the total distributions paid to all shareholders. The remainder of the distributions (approximately 80%) will be paid in the form of shares of our common stock
- In May 2020, our Board set monthly distributions of \$0.083 per share for the third quarter of 2020, through the month ending September 30, 2020. The distributions will be paid in cash or shares of our common stock at the election of shareholders, although the total amount of cash to be distributed to all shareholders will be limited to approximately 10% of the total distributions to be paid to all shareholders. The remainder of the distributions (approximately 90%) will be paid in the form of shares of our common stock, in accordance with applicable law and the indentures governing our outstanding notes.

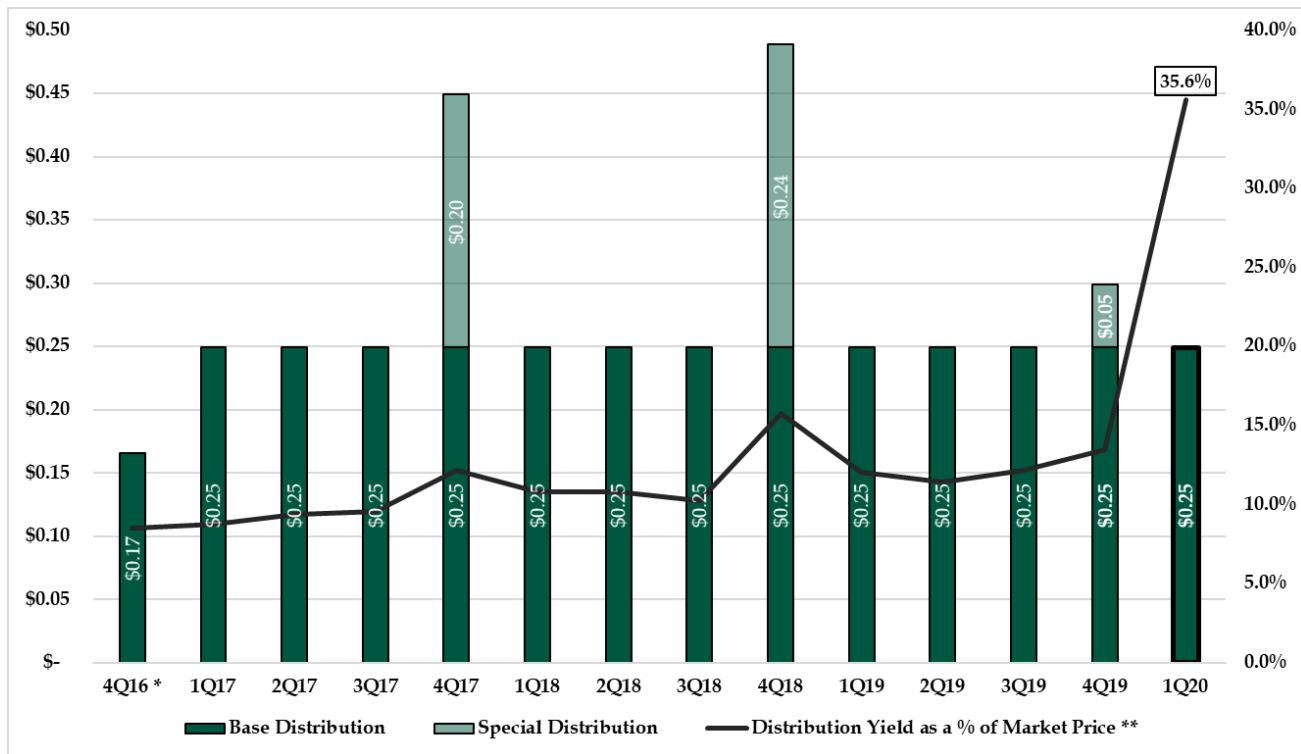
Capital Activity: Distribution Yield as a Percentage of Market Value

47 consecutive monthly base distributions of \$0.083 per share¹

Special distributions declared:

- \$0.20 per share (December 2017)
- \$0.24 per share (December 2018)
- \$0.05 per share (December 2019)

Cumulative distributions declared / set to date total approximately \$4.39 per share¹



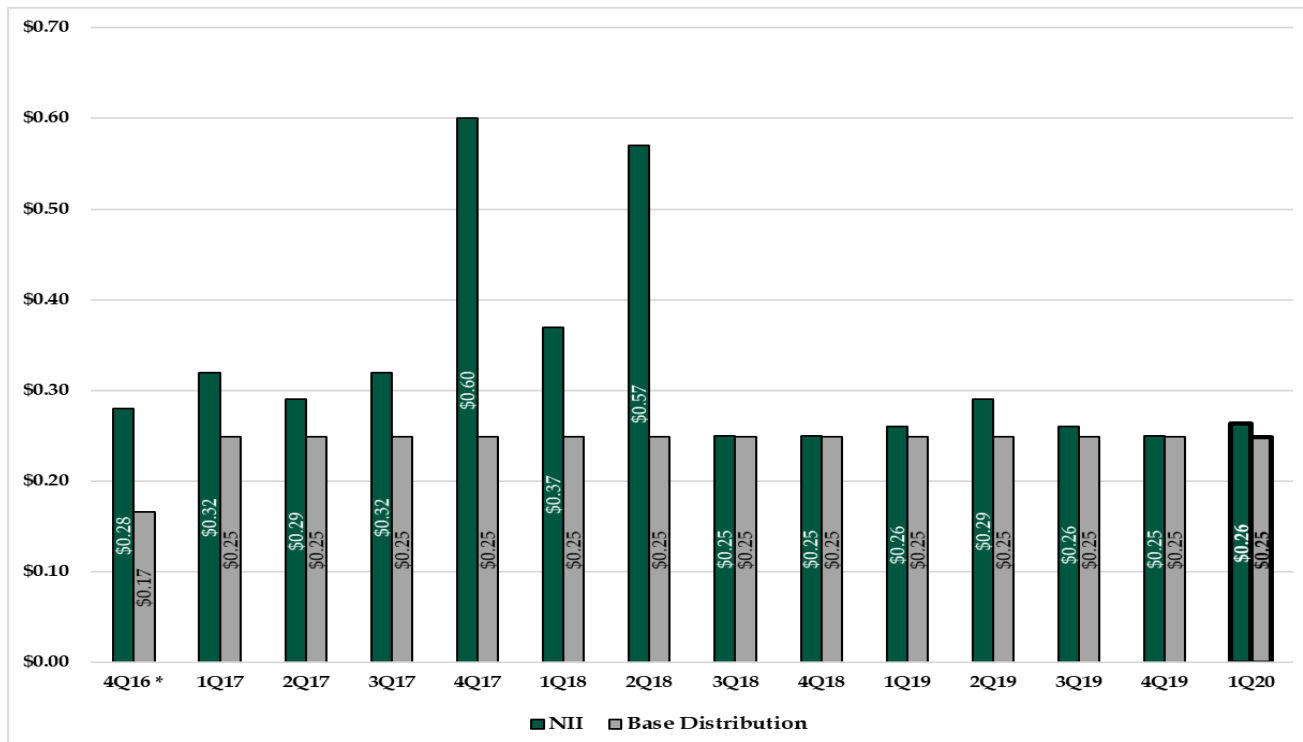
* Partial period.

** Annualized distribution yield is calculated by dividing the declared distribution by the closing price at quarter end and annualizing over four periods. The special distribution is added as applicable.

(1) Through September 2020.

Capital Activity: Historical Distribution Coverage

NII has covered the base distribution every quarter since inception



* Partial period ended December 31, 2016; Adjusted NII excludes one-time merger / formation costs.

Summary

Summary

Distributions & Coverage

- Earned or out-earned declared distributions every quarter since inception
- Declared a special distribution of \$0.05 per share in December 2019, resulting in a LTM distribution yield of 20.8% on 3/31/2020 NAV and 37.5% on 3/31/2020 closing market value
- To date, 47 consecutive monthly base distributions of \$0.083 per share and three special distributions, totaling \$4.39 in total distributions paid, declared or set

Alignment of Interest

- Employees and affiliates of Great Elm Capital Management, Inc., GECC's investment manager, own approximately 23% of GECC's outstanding shares
- GECC has repurchased greater than 2.8 million shares, representing approx. 22% of its initial share count

The Portfolio

- A diversified portfolio, primarily comprised of secured loans, secured bonds and investments in specialty finance businesses uncorrelated to the corporate credit portfolio
- Weighted average current yield of 10.0%¹

Liquid Balance Sheet

- Approximately \$22.8 million of cash
- No secured credit facility

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

Appendix

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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