

Great Elm Capital Corp. (NASDAQ: GECC)

Investor Presentation – Quarter Ended March 31, 2018

May 9, 2018

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 “believe,” “expect,” “anticipate,” “should,” “planned,” “will,” “may,” “intend,” “estimated,” “aim,” “target,” “opportunity,” “sustained,” “positioning,” “designed,” “create,” “seek,” “would,” “could”, “continue,” “ongoing,” “upside,” “increases,” and “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 Great Elm Capital Corp. (“GECC”) common stock, and performance of GECC’s portfolio and investment manager. Additional information concerning these and other factors can be found in GECC’s Form 10-K and other reports filed with the Securities and Exchange Commission (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, 2018, unless otherwise noted, and is subject to change.

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

GECC

- Externally managed, special situations-focused BDC
- Common stock trades as “GECC” and baby bonds as “GECCL” and “GECCM” on NASDAQ
- \$0.083 per share monthly distribution¹
- Great Elm Capital Group, Inc., the parent company of Great Elm Capital Management, Inc. (“GECM”), owns approximately 18.5% of GECC’s common stock, creating a strong alignment of interest between the BDC and its external manager

Investment Objective

- To generate both current income and capital appreciation, while seeking to protect against 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 3/31/2018)

- \$257.1 million of total assets; \$194.8 million of portfolio fair value; \$125.6 million of net asset value
- Weighted average current yield of 14.8%²
- Invested in 24 companies across more than 20 industries and 34 investments (30 debt, four equity)

(1) Based on distributions that have been declared through September 2018. Past distributions are not indicative of future distributions. Distributions are declared by the Board by the funds legally available therefor. Though GECC intends to pay distributions monthly, it is not obligated to do so. Please refer to “Distribution Policy & Declared Distributions” later in this presentation.

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

Realized Investments

(through May 8, 2018)

Past performance is not indicative of future results. It should not be assumed that the realization of other positions will be profitable or equal the performance of the positions realized in the quarter ended March 31, 2018 and the partial quarter reported through May 8, 2018. Because we focus on a catalyst-driven, special situations investment approach, results will vary from period to period and it should not be assumed that results attained in any one period will be replicated. Please refer to "Disclaimer" at the beginning of this presentation.

Background

- The PR Wireless first lien term loan was a legacy Full Circle Capital Corporation (“Full Circle”) investment. Given GECC’s special situations, total return investment focus, GECM increased its exposure to this investment as the loan traded at a discount to par
- This first lien loan initially carried with it an interest rate of LIBOR + 9.00% and a LIBOR floor of 1.00%

Catalyst

- In February 2017, PR Wireless announced a joint venture with Sprint in Puerto Rico and the U.S. Virgin Islands. In connection with the closing of this joint venture, the interest rate on this first lien, secured loan was reduced from LIBOR + 9.00% with a LIBOR floor of 1.00% to LIBOR + 5.25% with a LIBOR floor of 1.00%. Sprint contributed additional collateral and became a guarantor on the loan

Outcome

- In April 2018, we exited this position at par for an IRR of 20.3%, a cash-on-cash return of 1.28x and a realized gain of approximately \$800,000

Financial & Portfolio Review

(Quarter Ended 3/31/2018)

Financial Highlights: Per Share Data

Financial Highlights – Per Share Data					
	Q1/2017 ³	Q2/2017 ³	Q3/2017 ³	Q4/2017 ³	Q1/2018 ³
Earnings Per Share (“EPS”)	\$0.27	\$(0.20)	\$(0.77)	\$0.47	\$(0.38)
Net Investment Income (“NII”) Per Share	\$0.32	\$0.29	\$0.32	\$0.60	\$0.36
NII Per Share Excluding One-Time Merger / Formation Costs	N/A	N/A	N/A	N/A	N/A
Net Realized Gains Per Share	\$0.16	\$0.11	\$0.01	\$0.02	\$0.03
Net Unrealized Losses Per Share	\$(0.21)	\$(0.60)	\$(1.16)	\$(0.16)	\$(0.77)
Net Asset Value Per Share at Period End	\$13.59	\$13.29	\$12.38	\$12.42	\$11.79
Distributions Paid / Declared Per Share	\$0.249	\$0.249	\$0.249	\$0.449	\$0.249

(3) 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 Highlights: Portfolio

Financial Highlights - Portfolio					
	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018
Capital Deployed	\$73.3 million	\$17.9 million	\$49.3 million	\$46.1 million	\$63.2 million
Investments Monetized	\$78.8 million	\$37.6 million	\$18.9 million	\$39.7 million	\$29.1 million
Total Fair Value of Investments at Period End ⁴	\$152.2 million	\$131.6 million	\$153.1 million	\$164.9 million	\$194.8 million
Net Asset Value at Period End	\$170.4 million	\$153.7 million	\$132.8 million	\$132.3 million	\$125.6 million
Total Assets at Period End	\$225.5 million	\$213.7 million	\$218.3 million	\$239.9 million	\$257.1 million
Total Debt Outstanding at Period End (Par Value)	\$33.6 million	\$33.6 million	\$66.3 million ⁵	\$32.6 million	\$79.0 million
Debt to Equity Ratio at Period End	0.20x	0.22x	0.50x ⁵	0.25x	0.63x
Cash and Money Market Investments at Period End ⁴	\$66.8 million	\$58.9 million	\$60.3 million	\$18.9 million	\$29.9 million

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

(5) Includes the legacy Full Circle notes (ticker: FULLL), which were redeemed on 10/20/2017 with the proceeds from the GECCL note issuance and cash on the balance sheet.

- **Total investment income** for the quarter ended March 31, 2018 was approximately \$7.5 million, or \$0.70 per share
- **Net expenses** for the quarter ended March 31, 2018 were approximately \$3.6 million, or \$0.34 per share
- **Net investment income** for the quarter ended March 31, 2018 was approximately \$3.9 million, or \$0.36 per share
- **Net realized gains** for the quarter ended March 31, 2018 were approximately \$317,000, or \$0.03 per share
- **Net unrealized depreciation** of investments for the quarter ended March 31, 2018 was approximately (\$8.2) million, or (\$0.77) per share

The per share figures are based on a weighted average of shares outstanding for the quarter ended March 31, 2018, except where such amounts need to be adjusted to be consistent with the financial highlights of our consolidated financial statements.

Financial Review: Quarterly Operating Results

(\$ in Thousands)	Q1/2017		Q2/2017		Q3/2017		Q4/2017		Q1/2018	
	Per Share ⁶		Per Share ⁶		Per Share ⁶		Per Share ⁶		Per Share ⁶	
Total Investment Income⁷	\$7,315	\$0.58	\$6,237	\$0.52	\$6,466	\$0.58	\$9,710	\$0.92	\$7,498	\$0.70
Interest Income	6,826	0.54	6,138	0.51	6,347	0.57	9,613	0.91	7,365	0.69
Dividend & Other Income	443	0.04	99	0.01	119	0.01	97	0.01	133	0.01
Net Operating Expenses	3,221	0.26	2,759	0.24	2,896	0.26	3,277	0.32	3,632	0.34
Management fees	593	0.05	546	0.05	547	0.05	612	0.06	693	0.07
Incentive fees	1,023	0.08	871	0.07	890	0.08	1,610	0.15	966	0.09
Total Investment Management fees	1,616	0.13	1,417	0.12	1,437	0.13	2,222	0.21	1,659	0.16
Administration fees	495	0.04	272	0.02	287	0.03	308	0.03	310	0.03
Directors' fees	27	0.00	21	0.00	40	0.00	48	0.01	49	0.00
Interest expense	631	0.05	631	0.05	717	0.06	60	0.01	1,275	0.12
Professional services (incl. merger expenses)	331	0.03	176	0.01	212	0.02	294	0.03	171	0.02
Custody fees	13	0.00	11	0.00	10	0.00	28	0.00	14	0.00
Other	113	0.01	156	0.01	193	0.02	193	0.02	154	0.01
Fees Waivers and Expense Reimbursement	(5)	(0.00)	75	0.01	0	0.00	0	0.00	0	0.00
Income Tax, Including Excise Tax	0	0.00	0	0.00	0	0.00	124	0.01	0	0.00
Net Investment Income	\$4,094	\$0.32	\$3,478	\$0.29	\$3,570	\$0.32	\$6,433	\$0.60	\$3,866	\$0.36

(6) 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.

(7) Total investment income includes PIK income and net accretion of OID and market discount.

Portfolio Highlights: Quarter Ended 3/31/2018

14.8%

Weighted average current yield on portfolio⁸

\$0.73

Weighted average dollar price of debt investments in the portfolio, representative of our special situations investment approach⁹

99.8%

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

As of March 31, 2018, approximately 81%¹⁰ of the portfolio was invested in ideas that are representative of the manner in which GECM intends to manage the portfolio going forward

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

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

(10) The balance of the portfolio remains in legacy Full Circle positions that were acquired in the merger with Full Circle.

Portfolio Overview: Quarter Ended 3/31/2018

Debt Investments:

30

\$194.3 million

99.8%

14.8%¹¹

54.4%

Debt Investments

Fair Value Invested in
Debt Instruments

Of Invested Capital in
Debt Instruments
(100% of fair value in
first lien / senior
secured)

Weighted Average
Current Yield

in Floating Rate
Instruments

Equity Investments:

Four

\$442,000

0.2%

Equity Investments

Fair Value Invested in
Equity Instruments

Of Invested Capital in
Equity Investments

(11) 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 Activity: Quarter Ended 3/31/2018

**\$63.2
million**

Capital deployed into 13 investments (seven new investments, six additional investments) with a weighted **average dollar price of \$0.99** and a weighted **average current yield of 10.2%**¹²

**\$29.1
million**

Monetized (in part or full) 12 investments at a weighted **average dollar price just above par** and a weighted **average current yield of 11.1%**¹³

(12) 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.

(13) 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.

Portfolio Activity: New Investments

During Q1/2018, we made investments in 10 companies (seven new, three existing), deploying approximately \$44.8 million. A brief snapshot of these investments is as follows:



New Investments

- **Almonde, Inc.** – acquired \$10.0 million face value of this second lien loan of 2025 in the secondary market at a price of 99.5% of par value; this loan bears interest at a rate of LIBOR + 7.25% per annum with a LIBOR floor of 1.00%
- **Aptean Holdings, Inc.** – acquired approximately \$2.2 million face value of this second lien loan of 2023 in the secondary market at a price of 101% of par value; this loan bears interest at a rate of LIBOR + 9.50% with a LIBOR floor of 1.00%
- **Foresight Energy LP** – acquired \$5 million face value of this first lien loan in the secondary market at a price of 99% of par value; this loan bears interest at a rate of LIBOR + 5.75% with a LIBOR floor of 1.00%
- **Full House Resorts, Inc.** – participated in the origination of this first lien note at a price of 98.0% of par value; this note bears interest at a rate of LIBOR + 7.00% per annum with a LIBOR floor of 1.00%
- **Sungard Availability Services Capital, Inc.** – acquired \$5.0 million face value of this first lien loan of 2021 in the secondary market at a price of 93.0% of par value; this loan bears interest at a rate of LIBOR + 7.0% per annum with a LIBOR floor of 1.00%
- **Tallage Davis, LLC** – funded \$250,000 of this originated first lien term loan at par; this loan bears interest at a rate of 11.0% per annum
- **Tru Taj, LLC** – acquired approximately \$1.7 million face value of this first lien DIP note in the secondary market at a price of 104% of par value; this note bears interest at a rate of 11.0% per annum

This deployment activity does not include revolver draws or PIK interest.

Portfolio Activity: Additional Investments

During Q1/2018, we made investments in 10 companies (seven new, three existing), deploying approximately \$44.8 million. A brief snapshot of these investments is as follows:



Additional Investments

- **International Wire Group Inc.** - acquired an additional \$4.5 million face value of this second lien bond in the secondary market at a price of 95.0% of par value
- **Michael Baker International, LLC** - acquired an additional approximately \$4.5 million face value of this second lien bond in the secondary market at a price of 98.0% of par value
- **SESAC Holdco II LLC** - acquired an additional \$2.6 million face value of this second lien loan in the secondary market at a price of par

This deployment activity does not include revolver draws or PIK interest.

Portfolio Rotation: New Investments vs. Monetized Investments

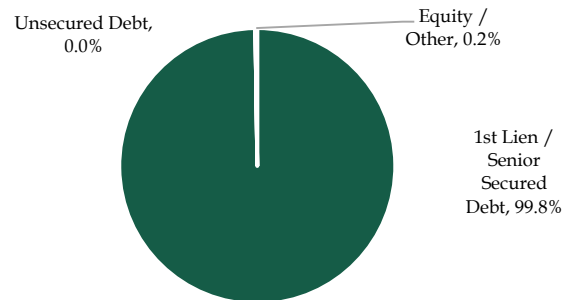
	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018
Dollar Value of New Investments ¹⁴	\$73.3 million	\$17.9 million	\$49.3 million	\$49.1 million	\$63.2 million
Weighted Average Price of New Debt Investments	\$0.98	\$0.99	\$0.96	\$0.97	\$0.99
Weighted Average Current Yield of New Debt Investments	12.3%	11.1%	10.6%	11.4%	10.2%
% of New Debt Investments - 1 st Lien / Senior Secured Instruments	100%	100%	100%	100%	100%
Dollar Value of Monetized Investments ¹⁵	\$78.8 million	\$37.6 million	\$18.9 million	\$39.7 million	\$29.1 million
Weighted Average Price of Monetized Debt Investments	\$0.99	\$1.02	\$1.00	\$1.00	\$1.00
Weighted Average Current Yield of Monetized Debt Investments	13.3%	10.2%	11.2%	10.4%	11.1%
% of Monetized Debt Investments - 1 st Lien / Senior Secured Instruments	83%	77%	100%	100%	100%

(14) 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.

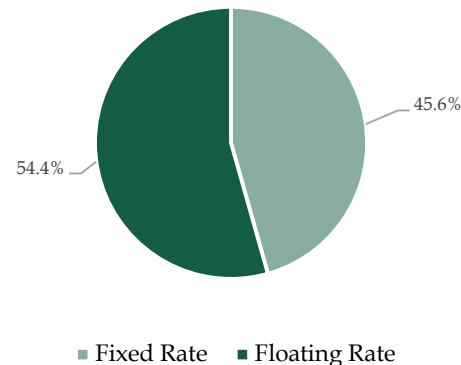
(15) This includes scheduled principal payments, prepayments, sales and repayments (inclusive of those on revolving credit facilities). Amounts included herein are exclusive of investments in short-term securities, including United States Treasury Bills and money market mutual funds. Weighted average 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.

Portfolio Breakdown: Asset Type and Interest Rate Type (\$ in Thousands)

Portfolio by Asset Type



Portfolio by Interest Rate Type



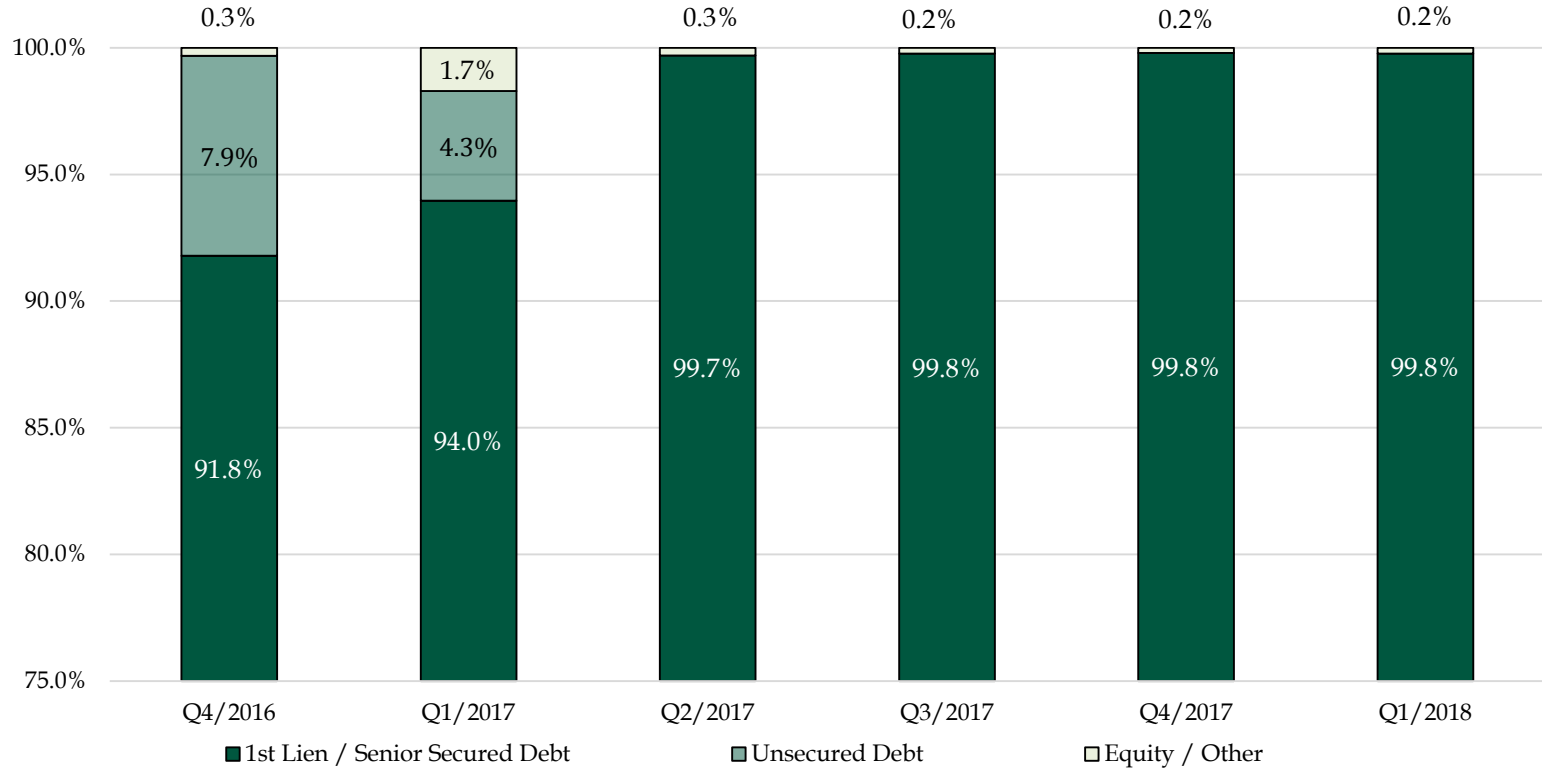
- *Weighted average fixed rate yield of 11.2%*
- *Weighted average floating rate yield of 10.9%¹⁶*

<i>Investments:</i>	<u>Investments at Fair Value</u>	<u>% of Total Portfolio</u>
1st Lien / Senior Secured Debt	\$194,308	99.8%
Unsecured Debt	-	0.0%
Equity / Other	442	0.2%
Total Investments at Fair Value	<u>\$194,750</u>	<u>100.0%</u>

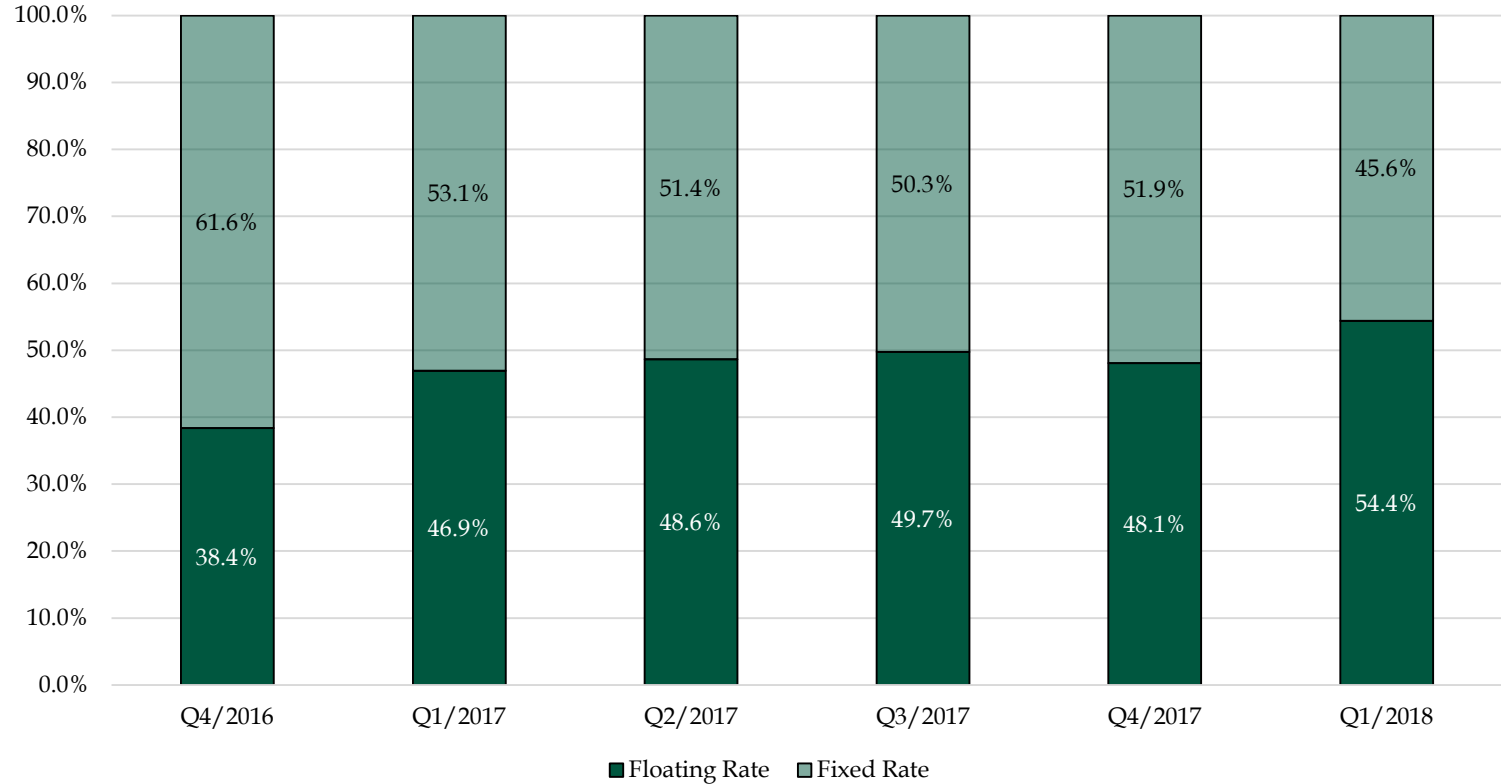
	<u>Count</u>	<u>Investments at Fair Value</u>	<u>% of Debt Holdings</u>
Fixed Rate	9	\$88,658	45.6%
Floating Rate	21	105,650	54.4%
	<u>30</u>	<u>\$194,308</u>	<u>100.0%</u>

(16) Weighted average fixed rate current yield is based upon the stated coupon rate and fair value of outstanding fixed rate 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.

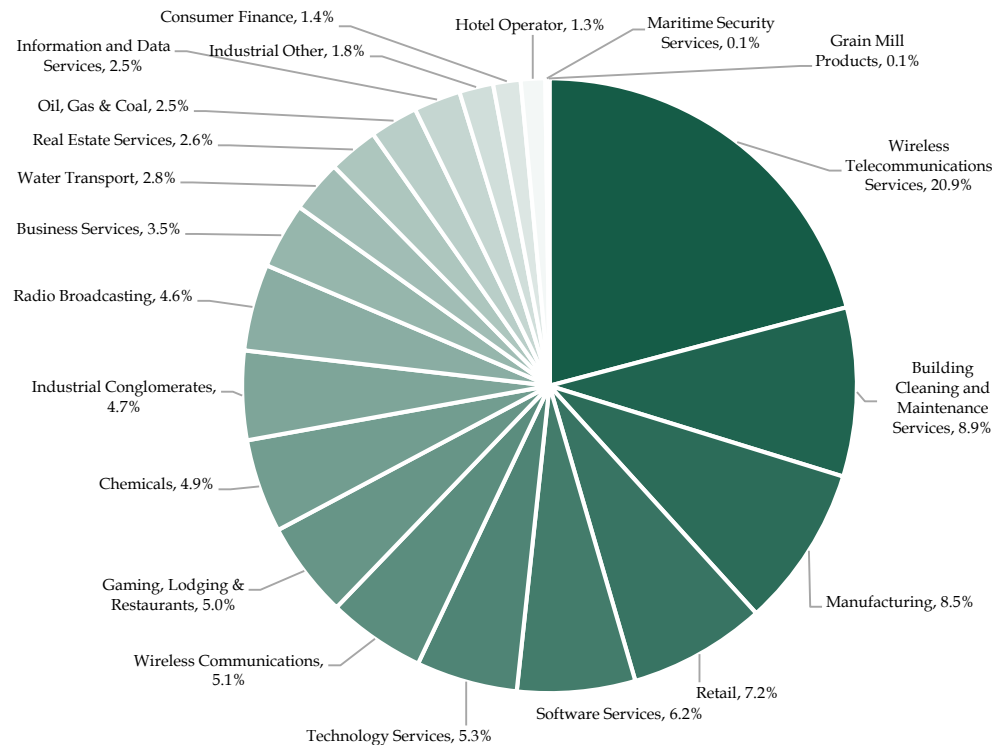
Portfolio Breakdown: Asset Type (End of Period Investments - % of FMV)



Portfolio Breakdown: Interest Rate (End of Period Investments - % of FMV)



Portfolio Breakdown: Industry



March 31, 2018		
	Investments at Fair Value	Percentage of Total Portfolio
Wireless Telecommunications Services	\$ 40,685	20.9%
Building Cleaning and Maintenance Services	\$ 17,297	8.9%
Manufacturing	\$ 16,538	8.5%
Retail	\$ 14,083	7.2%
Software Services	\$ 12,088	6.2%
Technology Services	\$ 10,381	5.3%
Wireless Communications	\$ 10,025	5.1%
Gaming, Lodging & Restaurants	\$ 9,820	5.0%
Chemicals	\$ 9,603	4.9%
Industrial Conglomerates	\$ 9,120	4.7%
Radio Broadcasting	\$ 8,898	4.6%
Business Services	\$ 6,744	3.5%
Water Transport	\$ 5,387	2.8%
Real Estate Services	\$ 5,122	2.6%
Oil, Gas & Coal	\$ 4,935	2.5%
Information and Data Services	\$ 4,807	2.5%
Industrial Other	\$ 3,481	1.8%
Consumer Finance	\$ 2,811	1.4%
Hotel Operator	\$ 2,501	1.3%
Maritime Security Services	\$ 287	0.1%
Grain Mill Products	\$ 137	0.1%
Total	\$ 194,750	100%

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

Monetization of the Legacy Full Circle Assets

- In the year and a half since the Full Circle merger closed, we have been working diligently to monetize what was largely viewed as a challenged legacy portfolio, as evidenced by the steep discount to NAV at which Full Circle's shares were trading prior to and subsequent to the merger announcement. During that time, we have exited 22 positions across 15 portfolio companies realizing an **aggregate total return of \$4.2 million on these positions**, a significant achievement given the market's assessment of this portfolio. These positions represented approximately **69% of the aggregate cost basis** of the legacy Full Circle portfolio

Company Name	Initial Cost	IRR ¹⁷	Cash-on-Cash Return
Pristine Environments	\$ 10,574	7.17%	1.02x
PR Wireless, Inc. (Term Loan & Warrants)	\$ 9,348	17.18%	1.24x
Aptean Inc	\$ 7,163	15.90%	1.02x
Sundberg America LLC	\$ 6,493	21.00%	1.02x
310E53RD, LLC	\$ 5,976	10.40%	1.05x
RiceBran Technologies	\$ 3,564	78.80%	1.05x
GC Pivotal	\$ 3,116	25.60%	1.02x
JN Medical Corporation	\$ 1,750	473.50%	1.58x
Attention Transit Advertising Systems	\$ 1,736	24.00%	1.02x
Ads Direct Media, Inc.	\$ 745	-100.00%	0.00x
Background Images	\$ 563	39.40%	1.03x
US Shale	\$ 386	303.20%	1.30x
Texas Westchester Financial, LLC	\$ 68	-12.80%	0.88x
Infinite Aegis Group, LLC	\$ -	N/A	N/A
Modular Process Control, LLC	\$ -	N/A	N/A

(17) All IRR information is presented at the issuer level.

Avanti: Update

About Avanti:

- Avanti Communications Group plc (“Avanti”) is a leading provider of satellite-enabled data communications services in Europe, the Middle East and Africa. Avanti’s satellites utilize Ka-band frequencies, enabling higher speed and volume at lower cost. It is a carrier’s carrier, selling managed service wholesale to service providers in four markets: enterprise, government, carrier services, and consumer broadband
- GECC’s debt investment in Avanti is secured by a collateral package that consists of satellites in orbit (HYLAS 1, 2 and 4), one satellite under construction (HYLAS 3), ground earth stations, spectrum and orbital slots

Recent Events:

- In December 2017, Avanti announced a proposed restructuring plan whereby the terms of its second lien debt would be amended (its coupon rate reduced to 9.0%; the company to have the option to pay in kind (“PIK”) its interest payments for the remaining life of the security; and its maturity date to be extended by a year) and its current third lien debt would be “equitized” in a debt for equity swap. In April 2018, a majority of shareholders voted in support of the proposed restructuring plan, allowing for the plan to close on April 26, 2018. In consideration for their support, the existing shareholders retain 7.5% of the common equity pro-forma for the issuance associated with the restructuring and the third lien holders own 92.5%. GECC now owns approximately 9.1% of Avanti’s common equity
- Additionally, in April 2018, Kyle Whitehill joined Avanti as its new CEO, replacing Alan Harper, previously the company’s Interim CEO. With Mr. Whitehill starting in April, Mr. Harper resumed his role as a Non-Executive Director of the company. Mr. Whitehill brings significant experience working with telecommunications companies in emerging market countries, similar to the ones that Avanti serves
- Lastly, Avanti successfully launched HYLAS 4 in April 2018. HYLAS 4 is Avanti’s largest capacity satellite and will provide data communications services with fixed beams serving Africa and Europe and steerable beams that can cover territory as far west as the United States and as far south as the southern tip of South America. HYLAS 4 is now in its period of in-orbit testing, a period that typically lasts approximately three months. If in-orbit testing is successfully completed, we anticipate Avanti would commence selling capacity and thus generating revenue from HYLAS 4

Subsequent Events (through May 8, 2018)

- In April 2018, the senior secured term loan to PR Wireless was sold at par, resulting in a realized gain of approximately \$800,000
- In April 2018, we purchased an additional \$1.8 million of par value of Apteon Holdings, Inc. second lien term loan at a price of approximately 101% of par value
- In April 2018, we purchased an additional \$0.5 million of par value of SESAC Holdco II LLC second lien term loan at a price of approximately 100% of par value
- In April and May 2018, we funded an additional \$1.8 million of par value to Tallage Davis, LLC

This deployment and monetization activity does not include revolver draws or ordinary course amortization payments.

Capital Activity

Distribution Policy & Declared Distributions

- On March 9, 2018, we declared our monthly Q2/2018 distribution amount and schedule; we generated \$0.36 in NII per share during the quarter, a 1.45x distribution coverage

Month	Rate	Record Date	Payable Date
April	\$0.083	April 30, 2018	May 15, 2018
May	\$0.083	May 31, 2018	June 15, 2018
June	\$0.083	June 29, 2018	July 16, 2018

- On May 3, 2018, we declared our monthly Q3/2018 distribution amount and schedule; this distribution rate of \$0.083 per share per month represents an annual distribution of approximately 8.45% of 3/31/2018 NAV. The schedule is as follows:

Month	Rate	Record Date	Payable Date
July	\$0.083	July 31, 2018	August 15, 2018
August	\$0.083	August 31, 2018	September 14, 2018
September	\$0.083	September 28, 2018	October 15, 2018

- We intend to supplement these distributions with special distributions from NII in excess of the declared distribution and as catalyst-driven investments are realized¹⁸

(18) There can be no assurance that any such supplemental amounts will be received or realized, or even if received and realized, distributed or available for distribution. Past distributions are not indicative of future distributions. Distributions are declared by the Board out of the funds legally available therefor. Though GECC intends to pay distributions monthly, it is not obligated to do so.

- On May 3, 2018 at the Annual Stockholders' Meeting, a majority of stockholders approved the application of the modified minimum asset coverage requirements set forth in Section 61(a)(2) of the Investment Company Act of 1940, as amended, in accordance with the Small Business Credit Availability Act ("SBCAA") that was signed into law on March 23, 2018. As a result of such approval, and subject to satisfying certain ongoing disclosure requirements under the SBCAA, effective May 4, 2018, the asset coverage ratio test applicable to the Company has been decreased from 200% to 150%, permitting GECC to incur additional leverage
- As of the end of Q1/2018, we had approximately \$79.0 million in par value of debt outstanding with an asset coverage ratio of 255% and debt to equity ratio of 0.63x, significantly below the previous debt to equity ratio limit of 1.0x. We intend to deploy leverage prudently, in amounts and at times that we believe can best deliver attractive risk-adjusted returns to our stockholders

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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