UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 814-01211

Great Elm Capital Corp.
(Exact name of registrant as specified in its charter)

Maryland	**81-2621577**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
800 South Street, Suite 230, Waltham, MA	**02453**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (617) 375-3006

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	GECC	Nasdaq Global Market
6.75% Notes due 2025	GECCM	Nasdaq Global Market
6.50% Notes due 2024	GECCN	Nasdaq Global Market
5.875% Notes due 2026	GECCO	Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2021, the registrant had 26,905,668 shares of common stock, $0.01 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Unless the context otherwise requires, all references to "GECC," "we," "us," "our," the "Company" and words of similar import are to Great Elm Capital Corp. and/or its subsidiaries. We reference materials on our website, www.greatelmcc.com, but nothing on our website shall be deemed incorporated by reference or otherwise contained in this report.

Cautionary Note Regarding Forward-Looking Information

Some of the statements in this report (including in the following discussion) constitute forward-looking statements, which relate to future events or our future performance or financial conditions. The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies', future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- our contractual arrangements and relationships with third parties;
- our current and future management structure;
- the general economy and its impact on the industries in which we invest;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- serious disruptions and catastrophic events, including the impact of the novel coronavirus ("COVID-19") pandemic on the global economy;
- our expected financings and investments;
- the adequacy of our financing resources and working capital;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the timing, form and amount of any dividend distributions;
- the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and
- our ability to maintain our qualification as a regulated investment company ("RIC") and as a business development company ("BDC").

We use words such as "anticipate," "believe," "expect," "intend," "will," "should," "could," "may," "plan" and similar words to identify forward-looking statements. The forward-looking statements contained in this report involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth under "Item 1A. Risk Factors," herein and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (our "Form 10-K").

We have based the forward-looking statements included in this report on information available to us on the date of this report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the Securities and Exchange Commission (the "SEC").

Item 1. Financial Statements.

The financial statements listed in the index to consolidated financial statements immediately following the signature page to this report are incorporated herein by reference.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

We are a BDC that seeks to generate both current income and capital appreciation through debt and income generating equity investments. We invest in the debt of middle-market companies in the form of senior secured and unsecured notes as well as senior secured loans, junior loans and mezzanine debt. We also make investments in preferred equity, investments in debt and equity securities of specialty finance businesses and other equity investments.

On September 27, 2016, we and Great Elm Capital Management, Inc. ("GECM"), our external investment manager, entered into an investment management agreement (the "Investment Management Agreement") and an administration agreement (the "Administration Agreement"), and we began to accrue obligations to GECM under those agreements. The Investment Management Agreement renews for successive annual periods, subject to requisite Board and/or stockholder approvals.

We have elected to be treated as a RIC for U.S. federal income tax purposes. As a RIC, we will not be taxed on our income to the extent that we distribute such income each year and satisfy other applicable income tax requirements. To qualify as a RIC, we must, among other things, meet source-of-income and asset diversification requirements and annually distribute to our stockholders generally at least 90% of our investment company taxable income on a timely basis. If we qualify as a RIC, we generally will not have to pay corporate level taxes on any income that we distribute to our stockholders.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including, among others, the amount of debt and equity capital available from other sources to middle-market companies, the level of merger and acquisition activity, pricing in the high yield and leveraged loan credit markets, opportunities in the specialty finance sector, our expectations of future investment opportunities, the general economic environment as well as the competitive environment for the types of investments we make.

As a BDC, our investments and the composition of our portfolio are required to comply with regulatory requirements.

Revenues

We generate revenue primarily from interest on the debt investments that we hold, dividends on the equity investments that we hold, capital gains on the disposition of investments, and lease, fee, and other income. Our investments in fixed income instruments generally have an expected maturity of three to five years, although we have no lower or upper constraint on maturity. Our debt investments generally pay interest quarterly or semi-annually. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments and preferred stock investments may defer payments of cash interest or dividends or payment-in-kind ("PIK"). In addition, we may generate revenue in the form of prepayment fees, commitment, origination, due diligence fees, end-of-term or exit fees, fees for providing significant managerial assistance, consulting fees and other investment-related income.

Expenses

Our primary operating expenses include the payment of a base management fee, administration fees (including the allocable portion of overhead under the Administration Agreement), and, depending on our operating results, an incentive fee. The base management fee and incentive fee remunerates GECM for work in identifying, evaluating, negotiating, closing and monitoring our investments. The Administration Agreement provides for reimbursement of costs and expenses incurred for office space rental, office equipment and utilities allocable to us under the Administration Agreement, as well as certain costs and expenses incurred relating to non-investment advisory, administrative or operating services provided by GECM or its affiliates to us. We also bear all other costs and expenses of our operations and transactions. In addition, our expenses include interest on our outstanding indebtedness.

Critical Accounting Policies

Valuation of Portfolio Investments

We value our portfolio investments at fair value based upon the principles and methods of valuation set forth in policies adopted by our board of directors (our "Board"). Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (1) are independent of us; (2) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary); (3) are able to transact for the asset; and (4) are willing to transact for the asset (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. Debt and equity securities for which market quotations are not readily available or for which market quotations are deemed not to represent fair value, are valued at fair value using a valuation process consistent with our Board-approved policy.

Our Board approves in good faith the valuation of our portfolio as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may impact the market quotations used to value some of our investments.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables; applicable market yields and multiples, security covenants, call protection provisions, information rights and the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, and merger and acquisition comparables; and enterprise values.

We prefer the use of observable inputs and minimize the use of unobservable inputs in our valuation process. Inputs refer broadly to the assumptions that market participants would use in pricing an asset. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset developed based on the best information available in the circumstances.

Both observable and unobservable inputs are subject to some level of uncertainty and assumptions used bear the risk of change in the future. We utilize the best information available to us, including the factors listed above, in preparing the fair valuations. In determining the fair value of any individual investment, we may use multiple inputs or utilize more than one approach to calculate the fair value to assess the sensitivity to change and determine a reasonable range of fair value. In addition, our valuation procedures include an assessment of the current valuation as compared to the previous valuation for each investment and where differences are material understanding the primary drivers of those changes, incorporating updates to our current valuation inputs and approaches as appropriate.

Revenue Recognition

Interest and dividend income, including PIK income, is recorded on an accrual basis. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts ("OID"), earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment if such fees are fixed in nature. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, and end-of-term or exit fees that have a contingency feature or are variable in nature are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when earned and are included in interest income.

We may purchase debt investments at a discount to their face value. Discounts on the acquisition of corporate debt instruments are generally amortized using the effective-interest or constant-yield method unless there are material questions as to collectability.

We assess the outstanding accrued income receivables for collectability at least quarterly, or more frequently if there is an event that indicates the underlying portfolio company may not be able to make the expected payments. If it is determined that amounts are not likely to be paid we may establish a reserve against or reverse the income and put the investment on non-accrual status.

Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation)

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale of an investment and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method.

Net change in unrealized appreciation or depreciation reflects the net change in portfolio investment fair values and portfolio investment cost bases during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Portfolio and Investment Activity

The following is a summary of our investment activity for the year ended December 31, 2020 and the nine months ended September 30, 2021:

(in thousands)	Acquisitions(1)	Dispositions(2)	Weighted Average Yield End of Period(3)
Quarter ended March 31, 2020	$ 31,882	$ (29,420)	10.00%
Quarter ended June 30, 2020	15,913	(37,497)	10.18%
Quarter ended September 30, 2020	34,495	(18,037)	10.07%
Quarter ended December 31, 2020	19,070	(27,039)	11.72%
For the year ended December 31, 2020	101,360	(111,993)	
Quarter ended March 31, 2021	58,429	(28,268)	10.91%
Quarter ended June 30, 2021	49,904	(35,583)	11.10%
Quarter ended September 30, 2021	72,340	(31,640)	11.27%
For the nine months ended September 30, 2021	$ 180,673	$ (95,491)	

(1) Includes new investments, additional fundings (inclusive of those on revolving credit facilities), refinancings and capitalized PIK income. Investments in short-term securities, including U.S. Treasury Bills and money market mutual funds, were excluded.

(2) Includes scheduled principal payments, prepayments, sales, and repayments (inclusive of those on revolving credit facilities). Investments in short-term securities, including U.S. Treasury Bills and money market mutual funds, were excluded.

(3) Weighted average yield is based upon the stated coupon rate and fair value of outstanding debt securities at the measurement date. Debt securities on non-accrual status are included in the calculation and are treated as having 0% as their applicable interest rate for purposes of this calculation, unless such debt securities are valued at zero.

Portfolio Reconciliation

The following is a reconciliation of the investment portfolio for the nine months ended September 30, 2021 and the year ended December 31, 2020. Investments in short-term securities, including U.S. Treasury Bills and money market mutual funds, are excluded from the table below.

(in thousands)	For the Nine Months Ended September 30, 2021	For the Year Ended December 31, 2020
Beginning Investment Portfolio, at fair value	$ 151,648	$ 197,615
Portfolio Investments acquired(1)	180,673	101,360
Amortization of premium and accretion of discount, net	3,175	4,999
Portfolio Investments repaid or sold(2)	(95,491)	(111,993)
Net change in unrealized appreciation (depreciation) on investments	10,711	(29,356)
Net realized gain (loss) on investments	(3,981)	(10,977)
Ending Investment Portfolio, at fair value	$ 246,735	$ 151,648

(1) Includes new investments, additional fundings (inclusive of those on revolving credit facilities), refinancings, and capitalized PIK income.

(2) Includes scheduled principal payments, prepayments, sales, and repayments (inclusive of those on revolving credit facilities).

Portfolio Classification

The following table shows the fair value of our portfolio of investments by industry as of September 30, 2021 and December 31, 2020 (in thousands):

	September 30, 2021		December 31, 2020	
Industry	**Investments at Fair Value**	**Percentage of Fair Value**	**Investments at Fair Value**	**Percentage of Fair Value**
Specialty Finance	$ 48,544	19.67%	$ 15,760	10.39%
Oil & Gas	41,352	16.76%	20,290	13.38%
Wireless Telecommunications Services	32,076	13.00%	29,270	19.30%
Internet Media	11,869	4.81%	18,736	12.35%
Apparel	10,292	4.17%	-	-%
Restaurants	10,115	4.10%	10,470	6.91%
Construction Materials Manufacturing	9,914	4.02%	9,676	6.38%
Special Purpose Acquisition Company	9,257	3.75%	-	-%
Metals & Mining	7,518	3.05%	3,996	2.65%
Industrial	7,415	3.00%	4,642	3.06%
Chemicals	6,454	2.62%	-	-%
Transportation Equipment Manufacturing	6,084	2.47%	2,948	1.95%
Home Security	5,831	2.36%	-	-%
Casinos & Gaming	5,075	2.06%	2,820	1.86%
Software Services	5,002	2.03%	4,896	3.23%
Retail	4,884	1.98%	6,145	4.05%
Food & Staples	4,805	1.95%	8,694	5.73%
Media & Entertainment	4,540	1.84%	-	-%
Hospitality	4,080	1.65%	-	-%
Radio Broadcasting	3,357	1.36%	3,763	2.48%
Services	3,023	1.22%	-	-%
Wholesale-Apparel, Piece Goods & Notions	2,862	1.16%	2,762	1.82%
Consumer Services	2,490	1.01%	-	-%
Hotel Operator	56	0.02%	1,203	0.79%
Technology	(160)	(0.06)%	202	0.13%
Apparel & Textile Products	-	-%	5,154	3.40%
Real Estate Services	-	-%	200	0.13%
Building Cleaning and Maintenance Services	-	-%	162	0.11%
Maritime Security Services	-	-%	19	0.01%
Telecommunications Services	-	-%	(160)	(0.11)%
Total	**$ 246,735**	**100.00%**	**$ 151,648**	**100.00%**

Results of Operations

This “—Results of Operations” discussion should be read in conjunction with the discussion of (“COVID-19”) under “—Recent Developments—COVID 19”.

Investment Income

	For the Three Months Ended September 30,								For the Nine Months Ended September 30,							
	2021				2020				2021				2020			
	In Thousands		Per Share(1)		In Thousands		Per Share(2)		In Thousands		Per Share(1)		In Thousands		Per Share(2)	
Total Investment Income	**$**	**7,373**	**$**	**0.31**	**$**	**5,951**	**$**	**0.56**	**$**	**18,901**	**$**	**0.80**	**$**	**17,148**	**$**	**1.66**
Interest income		5,872		0.25		4,375		0.41		15,143		0.64		14,546		1.41
Dividend income		915		0.04		1,281		0.12		2,809		0.12		2,164		0.21
Other income		586		0.02		295		0.03		949		0.04		438		0.04

(1) The per share amounts are based on a weighted average of 23,914,447 and 23,610,050 outstanding common shares for the three and nine months ended September 30, 2021.

(2) The per share amounts are based on a weighted average of 10,660,894 and 10,307,771 outstanding common shares for the three and nine months ended September 30, 2020.

Investment income consists of interest income, including net amortization of premium and accretion of discount on loans and debt securities, dividend income and other income, which primarily consists of amendment fees, commitment fees and funding fees on loans. For the three and nine months ended September 30, 2021, interest income includes non-cash PIK income of $1.7 million and $4.8 million, respectively. For the three and nine months ended September 30, 2020, interest income includes non-cash PIK income of $1.3 million and $3.8 million, respectively.

Interest income increased for the three and nine months ended September 30, 2021 as compared to the corresponding periods in the prior year due to increases in the interest-earning assets of the portfolio over the past year. Exits from certain high yielding positions, including Commercial Barge Line Company (“Commercial Barge”) 1st lien secured loan and the restructuring of our investment in PFS Holdings Corp. (“PFS”) 1st lien secured loan due 2021 in 2020, and sharp decreases in the London Interbank Offered Rate (“LIBOR”) base rates since the beginning of the COVID-19 pandemic initially resulted in lower interest income for the nine months ended September 30, 2020, which continued through the end of 2020 and into the first quarter of 2021. However, the redeployment of proceeds from realized transactions and the deployment of capital from other capital raising activities into new investments has offset the impact of the items noted above through September 30, 2021.

Dividend income for the three months ended September 30, 2021 decreased as compared to the corresponding period in the prior year due to a lower current quarter distribution from our investment in Prestige Capital Finance, LLC (“Prestige”) and reductions in our holdings of Crestwood Equity Partners, LP (“Crestwood”). Dividend income for the nine months ended September 30, 2021 increased as compared to the corresponding period in the prior year due to investments made in dividend-yielding preferred equities, during 2020 and 2021.

The increase in other income for the three and nine months ended September 30, 2021 as compared to the corresponding periods in the prior year is primarily attributable to certain one-time commitment fees earned in the three months ended September 30, 2021 related to our investment in Greenway Health, LLC revolver for which we received $0.5 million in commitment fees. In addition, during the nine months ended September 30, 2021, we received PIK commitment and funding fees earned on our February 2021 investment in Avanti Communications Group, plc (“Avanti”) 1.125 lien senior secured notes.

As discussed under "—Recent Developments", the full impact of COVID-19 on each of our portfolio companies is not known at this time. Depending on the duration and extent of the disruption to the operations of our portfolio companies, we expect that certain portfolio companies may experience financial distress and may be unable to make future interest payments or dividend distributions resulting in decreased income to the Company. If interest rates stay depressed or continue to decrease further and we are otherwise unable to offset these reductions by investing in other debt instruments with higher interest rates, we will see further decrease in our investment income.

Expenses

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2021		2020		2021		2020	
	In Thousands	Per Share(1)	In Thousands	Per Share(2)	In Thousands	Per Share(1)	In Thousands	Per Share(2)
Total Expenses	**$ 5,800**	**$ 0.25**	**$ 4,018**	**$ 0.38**	**$ 13,721**	**$ 0.58**	**$ 11,647**	**$ 1.13**
Management fees	876	0.04	609	0.06	2,301	0.10	1,898	0.18
Incentive fees	382	0.02	482	0.05	888	0.04	810	0.08
Total advisory and management fees	$ 1,258	$ 0.06	$ 1,091	$ 0.11	$ 3,189	$ 0.14	$ 2,708	$ 0.26
Administration fees	175	0.01	152	0.01	511	0.02	547	0.05
Directors' fees	61	-	49	-	172	0.01	151	0.01
Interest expense	3,147	0.13	2,225	0.21	7,636	0.32	6,920	0.67
Professional services	937	0.04	287	0.03	1,613	0.07	794	0.08
Custody fees	13	-	20	-	39	-	59	0.01
Other	209	0.01	194	0.02	561	0.02	468	0.05

(1) The per share amounts are based on a weighted average of 23,914,447 and 23,610,050 outstanding common shares for the three and nine months ended September 30, 2021.

(2) The per share amounts are based on a weighted average of 10,660,894 and 10,307,771 outstanding common shares for the three and nine months ended September 30, 2020.

Expenses are largely comprised of advisory fees and administration fees paid to GECM and interest expense on our outstanding notes payable. See "—Liquidity and Capital Resources." Advisory fees include management fees and incentive fees calculated in accordance with the Investment Management Agreement, and administration fees include direct costs reimbursable to GECM under the Administration Agreement and fees paid for sub-administration services.

Total expenses for the three and nine months ended September 30, 2021 increased as compared to total expenses for the three and nine months ended September 30, 2020 primarily due to increases in management fees, professional services and interest expense. The increases in management fees are primarily driven by increases in the fair value of the portfolio during through the three and nine months ended September 30, 2021 as compared to the corresponding periods in of 2020 when fair values were negatively impacted by the effects of COVID-19.

Fees for professional services increased in the nine months ended September 30, 2021 as compared to the corresponding period in the prior year due to certain one-time costs, including approximately $0.2 million in legal fees for compliance matters and claims related to certain investments incurred in the first half of 2021, that are not expected to recur in future periods. In addition, during the three months ended September 30, 2021, certain due from portfolio company balances were determined to be uncollectible and expensed.

For the three and nine months ended September 30, 2021, interest expense increased as compared to the corresponding period in the prior year as a result of the issuance of $57.5 million in aggregate principal amount of the 5.875% notes due 2026 (the "GECCO Notes") in June and July 2021 which was partially offset by the redemption of the 6.50% Notes due 2022 (the "GECCL Notes") in July 2021. The early redemption of the GECCL Notes also resulted in recognizing any unamortized debt issuance costs in full during the three months ended September 30, 2021.

Realized Gains (Losses)

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2021		2020		2021		2020	
	In Thousands	Per Share(1)	In Thousands	Per Share(2)	In Thousands	Per Share(1)	In Thousands	Per Share(2)
Net Realized Gain (Loss)	**$ 1,660**	**$ 0.07**	**$ (142)**	**$ (0.02)**	**$ (3,984)**	**$ (0.17)**	**$ (10,523)**	**$ (1.02)**
Gross realized gain	2,103	0.09	361	0.03	6,681	0.28	2,248	0.22
Gross realized loss	(443)	(0.02)	(503)	(0.05)	(10,665)	(0.45)	(12,771)	(1.24)

(1) The per share amounts are based on a weighted average of 23,914,447 and 23,610,050 outstanding common shares for the three and nine months ended September 30, 2021.

(2) The per share amounts are based on a weighted average of 10,660,894 and 10,307,771 outstanding common shares for the three and nine months ended September 30, 2020.

During the three months ended September 30, 2021, net realized gains were primarily driven by realized gains of $1.4 million recognized on partial sale of our investments in Crestwood preferred equity and $0.4 million recognized on the early paydown on our investment in California Pizza Kitchen, Inc. ("CPK") 1st lien secured loan. These realized gains were partially offset by realized losses of $0.3 million on sales of our investments in Tru (UK) Asia Limited ("Tru Taj") common stock and $0.1 million on the paydown of our investment in OPS Acquisitions Limited and Ocean Protection Services Limited ("OPS") 1st lien secured loan.

In addition to the above items, during the nine months ended September 30, 2021, net realized losses were primarily driven by the paydown of our investment in OPS 1st lien secured loan and the sales of our investments in Boardriders, Inc. ("Boardriders") 1st lien secured loan, and CPK common stock for which we recognized realized losses of $4.2 million, $2.9 million, and $1.6 million, respectively. These realized losses were partially offset by realized gains of $3.9 million, $1.2 million, and $0.4 million on the partial sale of our investment in Crestwood preferred equity and paydowns on our investments in Subcom, LLC revolver and CPK 1st lien secured loan, respectively.

During the three months ended September 30, 2020, net realized losses were primarily driven by the realized losses of approximately $0.3 million on the APTIM Corp. 1st lien bond ("APTIM") during the quarter. Realized gains for the three months ended September 30, 2020 includes approximately $0.1 million in realized gain on repurchases of debt below par. During the nine months ended September 30, 2020, net realized losses on investments were primarily driven by the sales of Commercial Barge and Full House Resorts, Inc. ("Full House") during the period, for which we recognized realized losses of $9.8 million and $1.3 million, respectively. Realized gains for the nine months ended September 30, 2020 includes approximately $1.2 million in realized gain on repurchases of debt below par.

Change in Unrealized Appreciation (Depreciation) on Investments

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2021		2020		2021		2020	
	In Thousands	Per Share(1)	In Thousands	Per Share(2)	In Thousands	Per Share(1)	In Thousands	Per Share(2)
Net change in unrealized appreciation/ (depreciation)	**$ (6,364)**	**$ (0.27)**	**$ 5,913**	**$ 0.56**	**$ 10,706**	**$ 0.45**	**$ (17,301)**	**$ (1.68)**
Unrealized appreciation	2,148	0.09	8,940	0.84	24,320	1.03	12,036	1.17
Unrealized depreciation	(8,512)	(0.36)	(3,027)	(0.28)	(13,614)	(0.58)	(29,337)	(2.85)

(1) The per share amounts are based on a weighted average of 23,914,447 and 23,610,050 outstanding common shares for the three and nine months ended September 30, 2021.

(2) The per share amounts are based on a weighted average of 10,660,894 and 10,307,771 outstanding common shares for the three and nine months ended September 30, 2020.

During the three months ended September 30, 2021, net unrealized depreciation was largely driven by the net unrealized losses of $3.6 million and $1.4 million losses on our investments in Avanti 2nd lien secured bond and Tru Taj common stock, respectively, as a result of decreases in fair value. These losses were offset by unrealized gains of $0.4 million and $0.3 million, recognized on our investments in Prestige common stock and Ruby Tuesday Operations, LLC warrants, respectively, as a result of increases in fair value as of September 30, 2021 as compared to June 30, 2021.

In addition to the items noted for the quarter ended September 30, 2021, unrealized appreciation for the nine months ended September 30, 2021 was largely driven by the paydown of our investment in OPS 1st lien secured loan, full sale of our investment in Boardriders 1st lien secured loan, and partial sale of our investment in CPK common stock, for which we relieved approximately $4.2 million, $3.5 million and $2.9 million, respectively, of previously recognized unrealized losses. In addition, we recognized unrealized appreciation of approximately $4.2 million on the increase in the fair value of CPK common equity still held as of period end. Unrealized depreciation for the nine months ended September 30, 2021, includes decreases in fair value of $5.4 million and $3.9 million on our investments in Avanti 2nd lien secured bonds and PFS common stock, respectively. In addition, we recognized unrealized loss of $1.2 million on our investment in Subcom 1st lien secured revolver due to the termination of the revolver and reversal of previously recognized unrealized gains, as noted under the discussion of realized gains above.

During the three months ended September 30, 2020, we recognized unrealized appreciation of approximately $2.0 million on our investment in Prestige Capital Finance, LLC common equity and approximately $1.1 million on our investment in APTIM 1st lien bond. We recognized unrealized depreciation of approximately $1.2 million on our position in Boardriders.

During the nine months ended September 30, 2020, net unrealized depreciation was largely driven by decreases in portfolio company valuations as compared to the prior year end. Most notably, we recognized unrealized depreciation of approximately $4.8 million on our investment in Avanti 2nd lien secured bond, approximately $3.6 million on our investment in Boardriders 1st lien loan and approximately $5.2 million and $3.3 million on our investment in CPK 1st lien loan and 2nd lien loan, respectively.

Unrealized appreciation for the nine months ended September 30, 2020 was primarily due to the sale of Commercial Barge in February 2020, for which we realized approximately $6.3 million of previously unrealized losses.

In the table above, the presentation of gross unrealized appreciation and depreciation amounts for the three and nine months ended September 30, 2020 has been updated consistent with the current year presentation which groups the funded and unfunded portion of revolvers together.

As discussed under "—Recent Developments", we cannot predict the duration of the COVID-19 pandemic and the resulting impact to our individual portfolio companies or the broader market. It is likely that any recovery may be slow and/or volatile. The current unrealized depreciation on our portfolio may not be reversed in the short-term or at all and we may see further declines in fair value before the pandemic is over.

Liquidity and Capital Resources

This "—Liquidity and Capital Resources" discussion should be read in conjunction with the discussion of COVID-19 under "—Recent Developments—COVID 19".

At September 30, 2021, we had approximately $20.6 million of cash and cash equivalents. At September 30, 2021, we had investments in 46 debt instruments across 40 companies, totaling approximately $185.7 million at fair value and 212 equity investments in 122 companies, totaling approximately $61.0 million at fair value.

In the normal course of business, we may enter into investment agreements under which we commit to make an investment in a portfolio company at some future date or over a specified period of time. As of September 30, 2021, we had approximately $31.3 million in unfunded loan commitments, subject to our approval in certain instances, to provide debt financing to certain of our portfolio companies. We had sufficient cash and other liquid assets on our September 30, 2021 balance sheet to satisfy the unfunded commitments. In addition, we have the ability to draw on our revolving line of credit to manage cash flows.

For the nine months ended September 30, 2021, net cash used for operating activities was approximately $73.1 million, reflecting the purchases and repayments of investments offset by net investment income, including non-cash income related to accretion of discount and PIK income and proceeds from sales of investments and principal payments received. Net cash used by purchases and proceeds from sales of investments was approximately $71.1 million, reflecting payments for additional investments of $164.8 million, offset by proceeds from principal repayments and sales of $93.7 million. Such amounts include draws and repayments on revolving credit facilities.

For the nine months ended September 30, 2021, net cash provided by financing activities was $40.5 million consisting of $55.3 million in proceeds from the issuance of the GECCO Notes and $13.2 million in proceeds net of offering costs paid from the issuance of common stock offset by $7.2 million in distributions to stockholders. In addition, we repaid $30.3 million on the GECCL Notes in July 2021 and drew $10 million on our revolving credit facility in September 2021.

Contractual Obligations

A summary of our significant contractual payment obligations as of September 30, 2021 is as follows:

(in thousands)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Contractual Obligations					
GECCM Notes	45,610	-	-	45,610	-
GECCN Notes	42,823	-	42,823	-	-
GECCO Notes	57,500	-	-	57,500	-
Revolving Credit Facility	10,000	-	10,000	-	-
Total	$ 155,933	$ -	$ 52,823	$ 103,110	$ -

We have certain contracts under which we have material future commitments. Under the Investment Management Agreement, GECM provides investment advisory services to us. For providing these services, we pay GECM a fee, consisting of two components: (1) a base management fee based on the average value of our total assets and (2) an incentive fee based on our performance.

We are also party to the Administration Agreement with GECM. Under the Administration Agreement, GECM furnishes us with, or otherwise arranges for the provision of, office facilities, equipment, clerical, bookkeeping, finance, accounting, compliance and record keeping services at such office facilities and other such services as our administrator.

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that we enter into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Management Agreement and our Administration Agreement. Any new investment management agreement would also be subject to approval by our stockholders.

Both the Investment Management Agreement and the Administration Agreement may be terminated by either party without penalty upon no fewer than 60 days' written notice to the other.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices, as of and for the three months ended September 30, 2021.

Revolver

On May 5, 2021, we entered into a Loan, Guarantee and Security Agreement (the "Loan Agreement") with City National Bank ("CNB"). The Loan Agreement provides for a senior secured revolving line of credit of up to $25 million (subject to a borrowing base as defined in the Loan Agreement). We may request to increase the revolving line in an aggregate amount not to exceed $25 million, which increase is subject to the sole discretion of CNB. The maturity date of the revolving line is May 5, 2024. Borrowings under the revolving line bear interest at a rate equal to (i) the LIBOR plus 3.50%, (ii) a base rate plus 2.00% or (iii) a combination thereof, as determined by us. As of September 30, 2021, there were $10 million in borrowings outstanding under the revolving line.

Borrowings under the revolving line are secured by a first priority security interest in substantially all of our assets, subject to certain specified exceptions. We have made customary representations and warranties and are required to comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar loan agreements. In addition, the Loan Agreement contains financial covenants requiring (i) net assets of not less than $65 million, (ii) asset coverage equal to or greater than 160% and (iii) bank asset coverage equal to or greater than 300%, in each case tested as of the last day of each fiscal quarter of the Company. Borrowings are also subject to the leverage restrictions contained in the Investment Company Act. In October 2021 the Loan Agreement was amended to require an asset coverage equal to or greater than 150%.

Notes Payable

On September 13, 2017, we issued $28.4 million in aggregate principal amount of the GECCL Notes. On September 29, 2017, we issued an additional $4.3 million of the GECCL Notes upon full exercise of the underwriters' over-allotment option.

We redeemed all of the issued and outstanding GECCL Notes on July 23, 2021 at 100% of the principal amount plus accrued and unpaid interest thereon from April 30, 2021 through, but excluding, the redemption date, July 23, 2021.

On January 11, 2018, we issued $43.0 million in aggregate principal amount of 6.75% notes due 2025 (the "GECCM Notes"). On January 19, 2018 and February 9, 2018, we issued an additional $1.9 million and $1.5 million, respectively, of the GECCM Notes upon partial exercise of the underwriters' over-allotment option. The aggregate principal balance of the GECCM Notes outstanding as of September 30, 2021 is $45.6 million.

On June 18, 2019, we issued $42.5 million in aggregate principal amount of 6.50% Notes due 2024 (the "GECCN Notes"), which included $2.5 million of GECCN Notes issued in connection with the partial exercise of the underwriters' over-allotment option. On July 5, 2019, we issued an additional $2.5 million of the GECCN Notes upon another partial exercise of the underwriters' over-allotment option. The aggregate principal balance of the GECCN Notes outstanding as of September 30, 2021 is $42.8 million.

On June 23, 2021, we issued $50.0 million in aggregate principal amount of 5.875% notes due 2026 (the "GECCO Notes" and, together with the GECCM Notes and GECCN Notes, the "Notes"). On July 9, 2021, we issued an additional $7.5 million of the GECCO Notes upon full exercise of the underwriters' over-allotment option.

The Notes are our unsecured obligations and rank equal with all of our outstanding and future unsecured unsubordinated indebtedness. The unsecured notes are effectively subordinated, or junior in right of payment, to indebtedness under our Loan Agreement and any other future secured indebtedness that we may incur and structurally subordinated to all future indebtedness and other obligations of our subsidiaries. We pay interest on the Notes on March 31, June 30, September 30 and December 31 of each year. The GECCM Notes, GECCM Notes and GECCO Notes will mature on January 31, 2025, June 30, 2024 and June 30, 2026, respectively. The GECCM Notes and GECCN Notes are currently callable at the Company's option and the GECCO Notes can be called on, or after, June 30, 2023. Holders of the Notes do not have the option to have the Notes repaid prior to the stated maturity date. The Notes were issued in minimum denominations of $25 and integral multiples of $25 in excess thereof.

We may repurchase the Notes in accordance with the Investment Company Act and the rules promulgated thereunder.

As of September 30, 2021, our asset coverage ratio was approximately 163.8%. Under the Investment Company Act, we are subject to a minimum asset coverage ratio of 150%.

Recent Developments

Our Board authorized the distribution for the quarter ending March 31, 2022 at $0.10 per share, with the record and payment dates to be set by the officers of GECC pursuant to authority granted by our Board.

Since September 30, 2021:

- $3.0 million in par value of Mitchell International, Inc. (“Mitchell”) second lien term loan due 2025 was redeemed at 100% of par value.
- the Company purchased $1.0 million in par value of Summit Midstream Holdings, LLC second lien notes at approximately 99% of par value.
- the Company purchased $0.8 million in par value of Vantage Specialty Chemicals, Inc. second lien term loan at approximately 97% of par value.
- the Company purchased $1.0 million in par value of Mitchell second lien term loan due 2029 at 99% of par value.
- the Company sold $1.0 million in par value of Mitchell second lien term loan due 2029 at approximately 101% of par value.
- the Company sold 17,656 shares of Crestwood Equity Partners, LP Class A preferred equity units at an average of $10.21 per share.
- the Company purchased $1.2 million in par value of Viasat, Inc. receivables at 82% of par value.
- the company sold approximately $1.3 million of SPAC positions across 11 companies.

COVID-19

The global outbreak of the novel coronavirus (“COVID-19”) pandemic has disrupted economic markets and the economic impact, duration and spread of COVID-19 is uncertain at this time. The operational and financial performance of some of the portfolio companies in which we make investments has been and may further be significantly impacted by the COVID-19 pandemic, which may in turn impact the valuation of our investments, results of our operations and cash flows.

Our investment manager prioritizes the health and safety of employees and in early March 2020, GECM moved to a remote-working model for all employees. In addition, the officers of GECC have maintained regular communications with key service providers, including the fund administration, legal and accounting professionals, noting that those firms have similarly moved to remote-working models to the extent possible. Our employees and key service providers have been able to effectively transition to working remotely while maintaining a consistent level of capabilities and service, however, we will continue to monitor and make adjustments as necessary.

While we have been carefully monitoring the COVID-19 pandemic and its impact on our business and the business of our portfolio companies, we have continued to fund our existing debt commitments. In addition, we have continued to make, and expect to continue to make, new investments.

We cannot predict the full impact of the COVID-19 pandemic, including its duration in the United States and worldwide and the magnitude of the economic impact of the outbreak, including with respect to the travel restrictions, business closures and other quarantine measures imposed on service providers and other individuals by various local, state, and federal governmental authorities, as well as non-U.S. governmental authorities. As such, we are unable to predict the duration of any business and supply-chain disruptions, the extent to which the COVID-19 pandemic will negatively affect our portfolio companies' operating results or the impact that such disruptions may have on our results of operations and financial condition. Our portfolio is diversified across multiple industries and the direct and indirect impacts of the COVID-19 pandemic will be dependent on the specific circumstances for each portfolio company. For example, companies that derive revenues through in-person interactions with customers, such as restaurants and retail stores, have been and may be subject to reduced capacity or shutdowns based on local government advisories and regulations. Other companies may be better able to adapt to the changing environment by moving their workforce to a remote-working model and leveraging technology solutions to interact with customers.

Depending on the duration and extent of the disruption to the operations of our portfolio companies, we expect that certain portfolio companies may experience financial distress and possibly default on their financial obligations to us and their other capital providers. Although vaccines are available in various locations where we and our investments operate, it is possible the COVID-19 pandemic may continue to disrupt operations. We also expect that some of our portfolio companies may significantly curtail business operations, furlough or lay off employees and terminate service providers, and defer capital expenditures if subjected to prolonged and severe financial distress, which would likely impair their business on a permanent basis. These developments would likely result in a decrease in the value of our investment in any such portfolio company.

The COVID-19 pandemic and the related disruption and financial distress experienced by our portfolio companies may have material adverse effects on our investment income, particularly our interest income, received from our investments. In connection with the adverse effects of the COVID-19 pandemic, we may need to restructure our investments in some of our portfolio companies, which could result in reduced interest payments, an increase in the amount of PIK interest we receive, or result in permanent write-downs on our investments.

We will continue to monitor the rapidly evolving situation relating to the COVID-19 pandemic and guidance from U.S. and international authorities, including federal, state and local public health authorities and may take additional actions based on their recommendations. In these circumstances, there may be developments outside our control requiring us to adjust our plan of operation. As such, given the dynamic nature of this situation, we cannot reasonably estimate the impacts of COVID-19 on our financial condition, results of operations or cash flows in the future. To the extent our portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, it may have a material adverse impact on our future net investment income, the fair value of our portfolio investments, their financial condition and the results of operations and financial condition of our portfolio companies.

We are also subject to financial risks, including changes in market interest rates. As of September 30, 2021, approximately $103.9 million in principal amount of our debt investments bore interest at variable rates, which are generally based on LIBOR, and many of which are subject to certain floors. In connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks have reduced certain interest rates and LIBOR has decreased. A prolonged reduction in interest rates will reduce our gross investment income and could result in a decrease in our net investment income if such decreases in LIBOR are not offset by a corresponding increase in the spread over LIBOR that we earn on any portfolio investments or a decrease in our operating expenses. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk" for an analysis of the impact of hypothetical base rate changes in interest rates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are subject to financial market risks, including changes in interest rates. As of September 30, 2021, 26 debt investments in our portfolio bore interest at a fixed rate, and the remaining 20 debt investments were at variable rates, representing approximately $156.0 million and $103.9 million in principal debt, respectively. As of December 31, 2020, 10 debt investments in our portfolio bore interest at a fixed rate, and the remaining 20 debt investments were at variable rates, representing approximately $85.6 million and $105.0 million in principal debt, respectively. The variable rates are based upon the LIBOR.

To illustrate the potential impact of a change in the underlying interest rate on our net investment income, we have assumed a 1%, 2%, and 3% increase and 1%, 2%, and 3% decrease in the underlying LIBOR, and no other change in our portfolio as of September 30, 2021. We have also assumed there are no outstanding floating rate borrowings by the Company. See the following table for the effect the rate changes would have on net investment income.

LIBOR Increase (Decrease)	Increase (decrease) of Net Investment Income (in thousands)(1)
3.00%	$ 1,944
2.00%	1,296
1.00%	648
(1.00)%	(3)
(2.00)%	(3)
(3.00)%	(3)

(1) Several of our debt investments with variable rates contain a LIBOR floor. The actual increase (decrease) of net investment income reflected in the table above takes into account such LIBOR floors to the extent applicable.

Although we believe that this analysis is indicative of our existing interest rate sensitivity at September 30, 2021, it does not adjust for changes in the credit quality, size and composition of our portfolio, and other business developments, including borrowing under a credit facility, that could affect the net increase (decrease) in net assets resulting from operations. Accordingly, no assurances can be given that actual results would not differ materially from the results under this hypothetical analysis.

We may in the future hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of September 30, 2021, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”)). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic filings with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we, our investment adviser or administrator may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. A description of our legal proceedings is included in Note 6 of the unaudited consolidated financial statements attached to this report.

Item 1A. Risk Factors.

There have been no material changes in risk factors in the period covered by this report. See discussion of risk factors in Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Unless otherwise indicated, all references are to exhibits to the applicable filing by Great Elm Capital Corp. (the “Registrant”) under File No. 814-01211 with the Securities and Exchange Commission.

Exhibit Number	Description
3.1	Amended and Restated Charter of the Registrant (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 7, 2016)
3.2	Bylaws of the Registrant (incorporated by reference to Exhibit 2 to the Registration Statement on Form N-14 (File No. 333-212817) filed on August 1, 2016)
4.1	Fourth Supplemental Indenture, dated as of June 23, 2021, between Great Elm Capital Corp. and American Stock Transfer & Trust Company, LLC, as Trustee (incorporated by reference to Exhibit 4.1 to the 8-K filed on June 23, 2021)
4.2	Global Note (5.875% Note Due 2026) (incorporated by reference to Exhibit 4.2 to the 8-K filed on June 23, 2021)
10.1	Loan, Guarantee and Security Agreement, dated May 5, 2021, by and between Great Elm Capital Corp. and City National Bank (incorporated by reference to Exhibit 10.1 of the 8-K filed on May 6, 2021)
31.1*	Certification of the Registrant’s Chief Executive Officer (“CEO”)
31.2*	Certification of the Registrant’s Chief Financial Officer (“CFO”)
32.1*	Certification of the Registrant’s CEO and CFO

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	GREAT ELM CAPITAL CORP.	
Date: November 5, 2021	By:	/s/ Peter A. Reed
	Name:	Peter A. Reed
	Title:	Chief Executive Officer
Date: November 5, 2021	By:	/s/ Keri A. Davis
	Name:	Keri A. Davis
	Title:	Chief Financial Officer

GREAT ELM CAPITAL CORP.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES (unaudited)
Dollar amounts in thousands (except per share amounts)

	September 30, 2021	December 31, 2020
Assets		
Investments		
Non-affiliated, non-controlled investments, at fair value (amortized cost of $187,299 and $147,494, respectively)	$ 170,681	$ 112,116
Non-affiliated, non-controlled short-term investments, at fair value (amortized cost of $139,991 and $74,997, respectively)	139,986	74,998
Affiliated investments, at fair value (amortized cost of $127,254 and $109,840, respectively)	36,881	29,289
Controlled investments, at fair value (amortized cost of $34,786 and $7,630, respectively)	39,173	10,243
Total investments	386,721	226,646
Cash and cash equivalents	20,609	52,582
Restricted cash	5	600
Receivable for investments sold	1,820	-
Interest receivable	4,412	2,423
Dividends receivable	880	-
Due from portfolio company	3	837
Due from affiliates	11	-
Deferred financing costs	432	-
Prepaid expenses and other assets	336	240
Total assets	$ 415,229	$ 283,328
Liabilities		
Notes payable 6.50% due September 18, 2022 (including unamortized discount of $0 and $494, respectively)	$ -	$ 29,799
Notes payable 6.75% due January 31, 2025 (including unamortized discount of $852 and $1,042, respectively)	44,758	44,568
Notes payable 6.50% due June 30, 2024 (including unamortized discount of $1,202 and $1,529, respectively)	41,621	41,294
Notes payable 5.875% due June 30, 2026 (including unamortized discount of $2,137)	55,363	-
Revolving credit facility	10,000	-
Payable for investments purchased	152,624	75,511
Interest payable	56	328
Distributions payable	-	1,911
Accrued incentive fees payable	10,064	9,176
Due to affiliates	1,022	764
Accrued expenses and other liabilities	296	362
Total liabilities	$ 315,804	$ 203,713
Commitments and contingencies (Note 6)	$ -	$ -
Net Assets		
Common stock, par value $0.01 per share (100,000,000 shares authorized, 26,905,668 shares issued and outstanding and 23,029,453 shares issued and outstanding, respectively)	$ 269	$ 230
Additional paid-in capital	245,424	230,504
Accumulated losses	(146,268)	(151,119)
Total net assets	$ 99,425	$ 79,615
Total liabilities and net assets	$ 415,229	$ 283,328
Net asset value per share	$ 3.70	$ 3.46

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
Dollar amounts in thousands (except per share amounts)

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Investment Income:				
Interest income from:				
Non-affiliated, non-controlled investments	$ 3,765	$ 2,718	$ 9,337	$ 9,800
Non-affiliated, non-controlled investments (PIK)	63	-	161	-
Affiliated investments	305	246	889	716
Affiliated investments (PIK)	1,588	1,321	4,595	3,842
Controlled investments	151	90	161	188
Total interest income	5,872	4,375	15,143	14,546
Dividend income from:				
Non-affiliated, non-controlled investments	435	401	1,369	404
Controlled investments	480	880	1,440	1,760
Total dividend income	915	1,281	2,809	2,164
Other income from:				
Non-affiliated, non-controlled investments	561	295	642	351
Affiliated investments (PIK)	-	-	282	75
Controlled investments	25	-	25	12
Total other income	586	295	949	438
Total investment income	$ 7,373	$ 5,951	$ 18,901	$ 17,148
Expenses:				
Management fees	$ 876	$ 609	$ 2,301	$ 1,898
Incentive fees	382	482	888	810
Administration fees	175	152	511	547
Custody fees	13	20	39	59
Directors' fees	61	49	172	151
Professional services	937	287	1,613	794
Interest expense	3,147	2,225	7,636	6,920
Other expenses	209	194	561	468
Total expenses	$ 5,800	$ 4,018	$ 13,721	$ 11,647
Net investment income	$ 1,573	$ 1,933	$ 5,180	$ 5,501
Net realized and unrealized gains (losses):				
Net realized gain (loss) on investment transactions from:				
Non-affiliated, non-controlled investments	$ 1,770	$ (262)	$ 38	$ (11,760)
Affiliated investments	(110)	-	(4,162)	-
Controlled investments	-	-	140	-
Realized gain on repurchase of debt	-	120	-	1,237
Total net realized gain (loss)	1,660	(142)	(3,984)	(10,523)
Net change in unrealized appreciation (depreciation) on investment transactions from:				
Non-affiliated, non-controlled investments	(3,202)	3,544	13,994	(13,699)
Affiliated investments	(3,568)	319	(5,062)	(5,796)
Controlled investments	406	2,050	1,774	2,194
Total net change in unrealized appreciation (depreciation)	(6,364)	5,913	10,706	(17,301)
Net realized and unrealized gains (losses)	$ (4,704)	$ 5,771	$ 6,722	$ (27,824)
Net increase (decrease) in net assets resulting from operations	$ (3,131)	$ 7,704	$ 11,902	$ (22,323)
Net investment income per share (basic and diluted):	$ 0.07	$ 0.18	$ 0.22	$ 0.53
Earnings per share (basic and diluted):	$ (0.13)	$ 0.72	$ 0.50	$ (2.17)
Weighted average shares outstanding (basic and diluted):	23,914,447	10,660,894	23,610,050	10,307,771

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (unaudited)
Dollar amounts in thousands

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Increase (decrease) in net assets resulting from operations:				
Net investment income	$ 1,573	$ 1,933	$ 5,180	$ 5,501
Net realized gain (loss)	1,660	(142)	(3,984)	(10,523)
Net change in unrealized appreciation (depreciation) on investments	(6,364)	5,913	10,706	(17,301)
Net increase (decrease) in net assets resulting from operations	(3,131)	7,704	11,902	(22,323)
Distributions to stockholders:				
Distributions(1)	(2,350)	(2,681)	(7,051)	(7,739)
Total distributions to stockholders	(2,350)	(2,681)	(7,051)	(7,739)
Capital transactions:				
Issuance of common stock, net	13,239	-	13,239	-
Common stock distributed	-	2,287	1,720	3,637
Net increase (decrease) in net assets resulting from capital transactions	13,239	2,287	14,959	3,637
Total increase (decrease) in net assets	7,758	7,310	19,810	(26,425)
Net assets at beginning of period	$ 91,667	$ 53,154	$ 79,615	$ 86,889
Net assets at end of period	$ 99,425	$ 60,464	$ 99,425	$ 60,464
Capital share activity				
Shares outstanding at the beginning of the period	**23,508,232**	**10,424,957**	**23,029,453**	**10,062,682**
Issuance of common stock	3,397,436	-	3,397,436	-
Common stock distributed	-	516,813	478,779	879,088
Shares outstanding at the end of the period	**26,905,668**	**10,941,770**	**26,905,668**	**10,941,770**

(1) Distributions were from distributable earnings for each of the periods presented.

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
Dollar amounts in thousands

	For the Nine Months Ended September 30,	
	2021	2020
Cash flows from operating activities		
Net increase (decrease) in net assets resulting from operations	$ 11,902	$ (22,323)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities:		
Purchases of investments	(164,792)	(75,086)
Net change in short-term investments	(4)	10,750
Capitalized payment-in-kind interest	(3,762)	(2,833)
Proceeds from sales of investments	50,126	48,097
Proceeds from principal payments	43,547	35,326
Net realized (gain) loss on investments	3,984	11,750
Net change in unrealized (appreciation) depreciation on investments	(10,706)	17,301
Amortization of premium and accretion of discount, net	(3,175)	(3,583)
Net realized gain on repurchase of debt	-	(1,237)
Amortization of discount (premium) on long term debt	1,156	906
Increase (decrease) in operating assets and liabilities:		
(Increase) decrease in interest receivable	(1,989)	(1,741)
(Increase) decrease in dividends receivable	(880)	14
(Increase) decrease in due from portfolio company	834	(133)
(Increase) decrease in due from affiliates	(11)	15
(Increase) decrease in prepaid expenses and other assets	(96)	(408)
Increase (decrease) in due to affiliates	1,146	594
Increase (decrease) in interest payable	(272)	12
Increase (decrease) in accrued expenses and other liabilities	(66)	(258)
Net cash provided by (used for) operating activities	(73,058)	17,163
Cash flows from financing activities		
Purchase of debt	-	(4,067)
Issuance of notes payable	55,255	-
Repayment of notes payable	(30,293)	-
Borrowings under credit facility	10,000	-
Proceeds from issuance of common stock	13,239	-
Payments of deferred financing costs	(469)	-
Distributions paid	(7,242)	(4,532)
Net cash provided by (used for) financing activities	40,490	(8,599)
Net increase (decrease) in cash	(32,568)	8,564
Cash and cash equivalents and restricted cash, beginning of period	53,182	4,606
Cash and cash equivalents and restricted cash, end of period	$ 20,614	$ 13,170
Supplemental disclosure of non-cash financing activities:		
Distributions declared, not yet paid	$ -	$ 908
Common stock distributed	$ 1,720	$ 3,637
Supplemental disclosure of cash flow information:		
Cash paid for excise tax	$ -	$ 233
Cash paid for interest	$ 6,753	$ 6,022

The following tables provide a reconciliation of cash and cash equivalents and restricted cash reported on the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts on the Consolidated Statements of Cash Flows:

	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 20,609	$ 52,582
Restricted cash	5	$ 600
Total cash and cash equivalents and restricted cash shown on the Consolidated Statements of Cash Flows	$ 20,614	$ 53,182

	September 30, 2020	December 31, 2019
Cash and cash equivalents	$ 12,570	$ 4,606
Restricted cash	600	-
Total cash and cash equivalents and restricted cash shown on the Consolidated Statements of Cash Flows	$ 13,170	$ 4,606

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited)
September 30, 2021
Dollar amounts in thousands

Portfolio Company	Industry	Security(1)	Notes	Interest Rate(2)	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class(15)
Investments at Fair Value										
ABB/Con-Cise Optical Group LLC 12301 NW 39th Street Coral Springs, FL 33065	Wholesale-Apparel, Piece Goods & Notions	1st Lien, Secured Loan	5	3M L + 5.00%, 6.00% Floor (6.00%)	12/01/2020	06/15/2023	$ 2,969	$ 2,802	$ 2,862	
AgroFresh Inc. One Washington Square 510-530 Walnut Street, Suite 1350 Philadelphia, PA 19106	Chemicals	1st Lien, Secured Loan		1M L + 6.25%, 7.25% Floor (7.25%)	03/31/2021	12/31/2024	3,455	3,462	3,463	
APTIM Corp. 4171 Essen Lane, Baton Rouge, LA 70809	Industrial	1st Lien, Secured Bond	11	7.75%	03/28/2019	06/15/2025	3,000	2,579	2,490	
Avanti Communications Group PLC Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	1.125 Lien, Secured Loan	4, 5, 6, 10, 11, 12	12.50%	02/16/2021	07/31/2022	4,275	4,275	4,275	
Avanti Communications Group PLC Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	1.25 Lien, Secured Loan	4, 5, 6, 10, 11, 12	12.50%	04/28/2020	07/31/2022	1,258	1,258	1,258	
Avanti Communications Group PLC Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	1.5 Lien, Secured Loan	4, 5, 6, 10, 11, 12	12.50%	05/24/2019	07/31/2022	10,425	10,425	10,425	
Avanti Communications Group PLC Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	2nd Lien, Secured Bond	4, 5, 6, 10, 11	9.00%	11/03/2016	10/01/2022	48,462	47,190	16,118	
Avanti Communications Group PLC Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	Common Equity	4, 5, 7, 10	n/a	11/03/2016	n/a	196,086,410	50,660	-	9.06%
Best Western Luling 3100 Richmond Ave, Houston, TX 77098	Hotel Operator	1st Lien, Secured Loan	5, 8, 9	1M L + 12.00%, 12.25% Floor (0.00%)	11/03/2016	12/18/2017	2,715	1,300	56	
Blueknight Energy Partners L.P. 6060 American Plaza, Suite 600, Tulsa, OK 74135	Oil & Gas	Series A Preferred Units		n/a	10/07/2020	n/a	150,000	898	1,222	0.44%

California Pizza Kitchen, Inc. 12181 Bluff Creek Drive, Playa Vista, CA 90094	Restaurants	Common Equity	5, 7	n/a	11/23/2020	n/a	100,000	8,816	5,775	2.50%
Cleaver-Brooks, Inc. 221 Law Street Thomasville, GA 31792	Industrial	Secured Bond		7.88%	05/05/2021	03/01/2023	5,000	4,970	4,925	
Crestwood Equity Partners LP 811 Main Street, Suite 3400 Houston, TX 77002	Oil & Gas	Class A Preferred Equity Units	10	n/a	06/19/2020	n/a	950,326	5,685	9,494	1.89%
Davidzon Radio, Inc. 2508 Coney Island Avenue, 2nd Floor Brooklyn, NY 1122	Radio Broadcasting	1st Lien, Secured Loan	5, 8, 9	1M L + 10.00%, 11.00% Floor (0.00%)	11/03/2016	03/31/2020	8,962	8,962	3,357	
ECL Entertainment, LLC 8978 Spanish Ridge Ave Las Vegas, NV 89148	Media & Entertainment	1st Lien, Secured Loan	5	1M L + 7.50%, 8.25% Floor (8.25%)	03/31/2021	04/30/2028	2,494	2,470	2,512	
Equitrans Midstream Corp. 2200 Energy Drive, Canonsburg, PA 15317	Oil & Gas	Preferred Equity	5, 10	n/a	07/01/2021	n/a	250,000	5,275	5,434	0.05%
Finastra Group Holdings, Ltd. 285 Madison Avenue, New York, NY 10017	Software Services	2nd Lien, Secured Loan	10	6M L + 7.25%, 8.25% Floor (8.25%)	12/14/2017	06/13/2025	2,000	1,954	2,009	
First Brands, Inc. 3255 West Hamlin Road, Rochester Hills, MI 48309	Transportation Equipment Manufacturing	2nd Lien, Secured Loan	5	3M L + 8.50%, 9.50% Floor (9.50%)	03/24/2021	03/24/2028	6,000	5,885	6,084	
Foresight Energy 211 North Broadway, Suite 2600, St. Louis, MO 63102	Oil & Gas	1st Lien, Term Loan	5	3M L + 8.00%, 9.50% Floor (9.50%)	07/29/2021	06/30/2027	6,140	6,181	6,176	
GAC HoldCo Inc. Suite 1220, 407 - 2nd Street S.W. Calgary, AB T2P 2Y3	Oil & Gas	Secured Bond	10	12.00%	07/27/2021	08/15/2025	3,250	3,147	3,230	
Gateway Casinos & Entertainment Limited 100-4400 Dominion Street, Burnaby BC V5G 4G3	Casinos & Gaming	2nd Lien, Secured Note	10	8.25%	11/17/2020	03/01/2024	5,000	4,642	5,075	
The GEO Group, Inc. 4955 Technology Way, Boca Raton, FL 33431	Consumer Services	Unsecured Bond	10	5.88%	03/09/2021	10/15/2024	3,000	2,453	2,490	
Greenway Health, LLC 4301 W. Boy Scout Blvd, Suite 800 Tampa, FL 33607	Technology	1st Lien, Revolver	5	3M L+ 3.75%, 3.75% Floor (3.90%)	01/27/2020	11/17/2023	-	(214)	-	
Greenway Health, LLC 4301 W. Boy Scout Blvd, Suite 800 Tampa, FL 33607	Technology	1st Lien, Revolver - Unfunded	5	0.50%	01/27/2020	11/17/2023	8,026	-	-	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	Subordinated Note	3, 5	11.00%	09/20/2021	09/20/2026	10,000	10,000	10,000	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	Revolver	3, 5	Prime + 1.25% (4.50%)	09/20/2021	09/20/2026	4,070	4,070	4,070	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	Revolver - Unfunded	3, 5	0.25%	09/20/2021	09/20/2026	930	-	-	

Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	Common Equity	3, 5	n/a	09/20/2021	n/a	n/a	7,250	7,250	62.87%
Levy/Stormer 905 South Boulevard East Rochester Hills, MI 48307	Specialty Finance	Loan	5	12.50%	05/13/2021	05/13/2024	3,229	3,211	3,229	
Levy/Stormer 905 South Boulevard East Rochester Hills, MI 48307	Specialty Finance	Loan - Unfunded	5	0.50%	05/13/2021	05/13/2024	271	-	-	
Mad Engine Global, LLC 6740 Cobra Way, San Diego, CA, 92121	Apparel	Term Loan	5	1M L + 7.00%, 8.00% Floor (8.00%)	06/30/2021	06/30/2027	3,000	2,927	2,942	
Martin Midstream Partners LP 4200 Stone Road, Kilgore, TX 75662	Oil & Gas	2nd Lien, Secured Note		11.50%	12/09/2020	02/28/2025	3,000	3,095	3,113	
Michael Baker International, LLC 500 Grant Street, Suite 5400, Pittsburgh, PA 15219	Services	Note		8.75%	07/15/2021	03/01/2023	3,000	3,020	3,023	
Mitchell International, Inc. 6220 Greenwich Drive San Diego, CA 92122	Software Services	2nd Lien, Secured Loan		1M L + 7.25%, 7.25% Floor (7.35%)	08/02/2019	12/01/2025	3,000	2,846	2,993	
Monitronics International, Inc. 1990 Wittington Place, Dallas, TX 75234	Home Security	Term Loan		1M L + 6.50%, 7.75 Floor (7.75%)	06/24/2021	03/29/2024	5,977	5,828	5,831	
Natural Resource Partners LP 1201 Louisiana Street, Suite 3400 Houston, TX 77002	Metals & Mining	Unsecured Notes		9.13%	06/12/2020	06/30/2025	7,462	6,869	7,518	
Par Petroleum, LLC 825 Town & Country Lane, Suite 1500, Houston, TX 77024	Oil & Gas	1st Lien, Secured Note	10	7.75%	10/30/2020	12/15/2025	3,000	2,597	2,999	
Perforce Software, Inc. 400 First Avenue North #200 Minneapolis, MN 55401	Technology	1st Lien, Secured Revolver	5	3M L + 4.25%, 4.25% Floor (4.40%)	01/24/2020	07/01/2024	-	(361)	-	
Perforce Software, Inc. 400 First Avenue North #200 Minneapolis, MN 55401	Technology	1st Lien, Secured Revolver - Unfunded	5	0.50%	01/24/2020	07/01/2024	4,375	-	(160)	
PFS Holdings Corp. 3747 Hecktown Road Easton, PA 18045	Food & Staples	1st Lien, Secured Loan	4, 5	3M L + 7.00%, 8.00% Floor (8.00%)	11/13/2020	11/13/2024	1,068	1,068	1,068	
PFS Holdings Corp. 3747 Hecktown Road Easton, PA 18045	Food & Staples	Common Equity	4, 5, 7	n/a	11/13/2020	n/a	5,231	12,378	3,737	5.22%
Prestige Capital Finance, LLC 400 Kelby St., 10th Floor Fort Lee, NJ 07024	Specialty Finance	Secured Note	3, 5, 10	11.00%	06/15/2021	06/15/2023	6,000	6,000	6,000	
Prestige Capital Finance, LLC 400 Kelby St., 10th Floor Fort Lee, NJ 07024	Specialty Finance	Common Equity	3, 5, 10	n/a	02/08/2019	n/a	100	7,466	11,853	80.00%
Quad/Graphics, Inc. N61 W23044 Harry's Way, Sussex, WI 53089	Media & Entertainment	Unsecured Bond		7.00%	03/31/2021	05/01/2022	2,000	1,977	2,028	

Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	1st Lien, Secured Revolver	5	6M L + 4.50%, 4.50% Floor (4.66%)	01/29/2019	12/20/2022	-	(267)	-	
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	1st Lien, Secured Revolver - Unfunded	5	0.50%	01/29/2019	12/20/2022	10,000	-	(131)	
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	2nd Lien, Secured Loan	5	6M L + 9.50%, 10.50% Floor (10.50%)	05/20/2019	12/20/2025	12,000	11,964	12,000	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue, Maryville, TN 37804	Restaurants	Secured Loan	5, 6	1M L + 12.00%, 13.25% Floor (13.25%), (7.25% Cash + 6.00% PIK)	02/24/2021	02/24/2025	3,685	3,685	3,469	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue, Maryville, TN 37804	Restaurants	Warrants	5, 7	n/a	02/24/2021	n/a	311,697	-	871	
Sound Finance Corporation 1851 Central Ave S, Suite 205, Kent, WA 98030	Specialty Finance	Receivable	5	10.50%	06/23/2021	06/23/2022	1,725	1,725	1,725	
Sound Finance Corporation 1851 Central Ave S, Suite 205, Kent, WA 98030	Specialty Finance	Receivable - Unfunded	5	n/a	06/23/2021	06/23/2022	275	-	-	
Sprout Holdings, LLC 90 Merrick Ave, East Meadow, NY 11554	Specialty Finance	Receivable	5	11.50%	06/30/2021	06/30/2022	1,831	1,831	1,831	
Sprout Holdings, LLC 90 Merrick Ave, East Meadow, NY 11554	Specialty Finance	Receivable - Unfunded	5	n/a	06/30/2021	06/30/2022	169	-	-	
Summit Midstream Holdings, LLC 910 Louisiana Street, Suite 4200, Houston, TX 77002	Oil & Gas	Unsecured Bond		5.75%	03/23/2021	04/15/2025	3,000	2,523	2,730	
Summit Midstream Partners LP 910 Louisiana Street, Suite 4200, Houston, TX 77002	Oil & Gas	Preferred Equity	7	n/a	06/03/2021	n/a	1,500,000	1,068	1,245	1.05%
Target Hospitality Corp. 2170 Buckthorne Place, Suite 440 The Woodlands, TX 77380	Hospitality	Corporate Bond	10	9.50%	05/13/2021	03/15/2024	4,000	3,998	4,080	
Tensar Corporation 2500 Northwinds Parkway, Suite 500 Alpharetta, GA 30009	Construction Materials Manufacturing	2nd Lien, Secured Loan	5	3M L + 12.00%, 13.00% Floor (13.00%)	11/20/2020	02/20/2026	10,000	9,698	9,914	
TRU (UK) Asia Limited Cannon Place, 78 Cannon Street, London, EC4N 6AF	Retail	Common Equity	5, 7, 10	n/a	07/21/2017	n/a	576,954	19,344	4,661	1.63%
TRU (UK) Asia Limited Liquidating Trust Cannon Place, 78 Cannon Street, London, EC4N 6AF	Retail	Common Equity	5, 7	n/a	07/21/2017	n/a	16,000	900	223	2.75%

Universal Fiber Systems 640 State Street, Bristol, TN 37620	Apparel	Term Loan B	5	13.90%	09/30/2021	09/29/2026	6,000	5,880	5,880	
Universal Fiber Systems 640 State Street, Bristol, TN 37620	Apparel	Term Loan C	5	13.90%	09/30/2021	09/29/2026	1,515	1,470	1,470	
Universal Fiber Systems 640 State Street, Bristol, TN 37620	Apparel	Warrants	5	n/a	09/30/2021	n/a	1,759	-	-	1.50%
Vantage Specialty Chemicals, Inc. 1751 Lake Cook Rd., Suite 550 Deerfield, IL 60015	Chemicals	Term Loan	5	3M L + 8.25%, 9.25% Floor (9.25%)	06/08/2021	10/26/2025	3,033	2,962	2,991	
Viasat, Inc. 6155 El Camino Real Carlsbad, CA 92009	Specialty Finance	Receivable	5	n/a	07/20/2021	12/15/2021	1,500	1,350	1,458	
W&T Offshore, Inc. 5718 Westheimer Road, Suite 700, Houston, TX 77057	Oil & Gas	Corporate Bond	10	9.75%	05/05/2021	11/01/2023	6,000	5,553	5,709	
Wynden Stark LLC 295 Madison Ave, 12th Floor, New York, NY 10017	Specialty Finance	Receivable	5	11.00%	03/15/2021	03/15/2022	1,128	1,128	1,128	
Wynden Stark LLC 295 Madison Ave, 12th Floor, New York, NY 10017	Specialty Finance	Receivable - Unfunded	5	n/a	03/15/2021	03/15/2022	7,272	-	-	
Investments in Special Purpose Acquisition Companies										
Ares Acquisition Corporation 245 Park Avenue, 44th Floor, New York, NY 10167	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	02/02/2021	n/a	99,790	980	972	0.10%
Ares Acquisition Corporation 245 Park Avenue, 44th Floor, New York, NY 10167	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/02/2021	n/a	20,000	18	17	0.10%
Austerlitz Acquisition Corporation I 1701 Village Center Circle, Las Vegas, NV 89134	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	02/26/2021	n/a	47,500	464	472	0.07%
Austerlitz Acquisition Corporation I 1701 Village Center Circle, Las Vegas, NV 89134	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/26/2021	n/a	12,500	12	21	0.07%
Austerlitz Acquisition Corporation II 1701 Village Center Circle, Las Vegas, NV 89134	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	02/26/2021	n/a	49,899	487	487	0.04%
Austerlitz Acquisition Corporation II 1701 Village Center Circle, Las Vegas, NV 89134	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/26/2021	n/a	12,500	12	13	0.04%
GigCapital4, Inc. 1731 Embarcadero Road, Palo Alto, CA 94303	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	02/09/2021	n/a	25,000	244	247	0.05%

GigCapital4, Inc. 1731 Embarcadero Road, Palo Alto, CA 94303	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/09/2021	n/a	8,333	6	9	0.07%
Ginko Bioworks Holdings, Inc. 27 Drydock Avenue, 8th Floor, Boston, MA 02210	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/24/2021	n/a	5,000	13	17	0.01%
Jaws Mustang Acquisition Corporation 1601 Washington Avenue, Suite 800, Miami Beach, FL 33139	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	02/02/2021	n/a	19,997	195	195	0.02%
Jaws Mustang Acquisition Corporation 1601 Washington Avenue, Suite 800, Miami Beach, FL 33139	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/02/2021	n/a	6,250	7	7	0.02%
Oyster Enterprises Acquisition Corp. 777 South Flagler Drive, Suite 800W, West Palm Beach, FL 33401	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	01/20/2021	n/a	25,000	243	244	0.11%
Oyster Enterprises Acquisition Corp. 777 South Flagler Drive, Suite 800W, West Palm Beach, FL 33401	Special Purpose Acquisition Company	Warrants	7, 10	n/a	01/20/2021	n/a	12,500	7	7	0.07%
Spartan Acquisition Corp. III 9 West 57th Street, 43rd Floor, New York, NY 10019	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	02/09/2021	n/a	40,000	389	395	0.07%
Spartan Acquisition Corp. III 9 West 57th Street, 43rd Floor, New York, NY 10019	Special Purpose Acquisition Company	Warrants	7, 10	n/a	02/09/2021	n/a	10,000	11	11	0.07%
VPC Impact Acquisition Holdings III 150 North Riverside Plaza, Suite 5200, Chicago, IL 60606	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	03/05/2021	n/a	40,000	393	394	0.16%
VPC Impact Acquisition Holdings III 150 North Riverside Plaza, Suite 5200, Chicago, IL 60606	Special Purpose Acquisition Company	Warrants	7, 10	n/a	03/05/2021	n/a	10,000	7	12	0.16%
VPC Impact Acquisition Holdings III 150 North Riverside Plaza, Suite 5200, Chicago, IL 60606	Special Purpose Acquisition Company	Common Equity	7, 10	n/a	03/05/2021	n/a	35,469	348	351	0.14%
VPC Impact Acquisition Holdings III 150 North Riverside Plaza, Suite 5200, Chicago, IL 60606	Special Purpose Acquisition Company	Warrants	7, 10	n/a	03/05/2021	n/a	10,000	7	17	0.16%
Miscellaneous	Special Purpose Acquisition Company	Equity	7, 10, 14	n/a	n/a	n/a	n/a	5,368	5,369	
Total Investments in Special Purpose Acquisition Companies								**9,211**	**9,257**	

Total Investments excluding Short-Term Investments (248.16% of Net Assets)								**349,339**	**246,735**
Short-Term Investments									
United States Treasury	Short Term	Treasury Bill		0.00%	09/29/2021	12/30/2021	140,000	139,991	139,986
Total Short-Term Investments (140.8% of Net Assets)								**139,991**	**139,986**
TOTAL INVESTMENTS (388.96% of Net Assets)			13					**$ 489,330**	**$ 386,721**
Other Liabilities in Excess of Assets (288.96% of Net Assets)									$ (287,296)
NET ASSETS									**$ 99,425**

(1) Great Elm Capital Corp.'s (the "Company") investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, are generally subject to limitations on resale, and may be deemed to be "restricted securities'' under the Securities Act.

(2) A majority of the Company's variable rate debt investments bear interest at a rate that is determined by reference to London Interbank Offered Rate (''LIBOR" or "L") and which is reset daily, monthly, quarterly or semiannually. For each debt investment, the Company has provided the interest rate in effect as of period end. If no reference to LIBOR is made, the rate is fixed. A floor is the minimum rate that will be applied in calculating an interest rate. A cap is the maximum rate that will be applied in calculating an interest rate. The one-month ("1M") LIBOR as of period end was 0.08%. The two-month ("2M") LIBOR as of period end was 0.11%. The three-month ("3M") LIBOR as of period end was 0.13%. The six-month ("6M") LIBOR as of period end was 0.16%.

(3) ''Controlled Investments'' are investments in those companies that are ''Controlled Investments'' of the Company, as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"). A company is deemed to be a ''Controlled Investment'' of the Company if the Company owns more than 25% of the voting securities of such company.

(4) ''Affiliate Investments'' are investments in those companies that are ''Affiliated Companies'' of the Company, as defined in the Investment Company Act, which are not ''Controlled Investments.'' A company is deemed to be an ''Affiliate'' of the Company if the Company owns 5% or more, but less than 25%, of the voting securities of such company.

(5) Investments classified as Level 3 whereby fair value was determined by the Company's board of directors (the "Board").

(6) Security pays, or has the option to pay, some or all of its interest in kind. As of September 30, 2021, each of the Avanti Communications Group, plc secured debt pay in kind and the rates above reflect the paid-in-kind ("PIK") interest rates. As of September 30, 2021, the Ruby Tuesday Operations, LLC secured loan pays a portion of its interest in kind as described above.

(7) Non-income producing security.

(8) Investment was on non-accrual status as of period end.

(9) The interest rate on these loans includes a default interest rate.

(10) Indicates assets that the Company believes do not represent ''qualifying assets'' under Section 55(a) of the Investment Company Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. Of the Company's total assets, 25.2% were non-qualifying assets as of period end.

(11) Security exempt from registration pursuant to Rule 144A under the Securities Act. Such security may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration.

(12) Under the terms of the credit agreement, this investment has an exit fee which requires the borrower to pay, in connection with each prepayment or other repayment a fee equal to 2.50% of the amount being repaid.

(13) As of period end, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was $13,674; the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was $117,264; the net unrealized depreciation was $(103,590); the aggregate cost of securities for Federal income tax purposes was $490,311.

(14) Represents previously undisclosed unrestricted securities, which the Company has held for less than one year.

(15) Percentage of class held refers only to equity held, if any, calculated on a fully diluted basis.

As of September 30, 2021, the Company's investments consisted of the following:

Investment Type	Investments at Fair Value	Percentage of Net Assets
Debt	$ 185,713	186.79%
Equity/Other	61,022	61.37%
Short-Term Investments	139,986	140.80%
Total	**$ 386,721**	**388.96%**

As of September 30, 2021, the industry composition of the Company’s portfolio at fair value was as follows:

Industry	Investments at Fair Value	Percentage of Net Assets
Specialty Finance	$ 48,544	48.82%
Oil & Gas	41,352	41.59%
Wireless Telecommunications Services	32,076	32.26%
Internet Media	11,869	11.94%
Apparel	10,292	10.35%
Restaurants	10,115	10.17%
Construction Materials Manufacturing	9,914	9.97%
Special Purpose Acquisition Company	9,257	9.31%
Metals & Mining	7,518	7.56%
Industrial	7,415	7.46%
Chemicals	6,454	6.49%
Transportation Equipment Manufacturing	6,084	6.12%
Home Security	5,831	5.87%
Casinos & Gaming	5,075	5.11%
Software Services	5,002	5.03%
Retail	4,884	4.91%
Food & Staples	4,805	4.83%
Media & Entertainment	4,540	4.57%
Hospitality	4,080	4.10%
Radio Broadcasting	3,357	3.38%
Services	3,023	3.04%
Wholesale-Apparel, Piece Goods & Notions	2,862	2.88%
Consumer Services	2,490	2.50%
Hotel Operator	56	0.06%
Technology	(160)	(0.16)%
Short-Term Investments	139,986	140.80%
Total	**$ 386,721**	**388.96%**

As of September 30, 2021, the geographic composition of the Company’s portfolio at fair value was as follows:

Geography	Investments at Fair Value	Percentage of Net Assets
United States	$ 342,900	344.88%
United Kingdom	38,746	38.97%
Canada	5,075	5.11%
Total	**$ 386,721**	**388.96%**

GREAT ELM CAPITAL CORP.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020
Dollar amounts in thousands

Portfolio Company	Industry	Security(1)	Notes	Interest Rate(2)	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value
Investments at Fair Value									
ABB/Con-Cise Optical Group LLC	Wholesale-Apparel, Piece Goods & Notions	1st Lien, Secured Loan	5	6M L + 5.00%, 6.00% Floor (6.00%)	12/01/2020	06/15/2023	$ 2,992	$ 2,758	$ 2,762
APTIM Corp.	Industrial	1st Lien, Secured Bond	11	7.75%	03/28/2019	06/15/2025	6,000	4,994	4,642
Avanti Communications Group PLC	Wireless Telecommunications Services	1.25 Lien, Secured Bond	4, 5, 6, 10, 11, 12	12.50%	04/28/2020	05/24/2021	1,148	1,148	1,148
Avanti Communications Group PLC	Wireless Telecommunications Services	1.5 Lien, Secured Bond	4, 5, 6, 10, 11, 12	12.50%	05/24/2019	05/24/2021	9,512	9,512	9,512
Avanti Communications Group PLC	Wireless Telecommunications Services	2nd Lien, Secured Bond	4, 5, 6, 10, 11	9.00%	11/03/2016	10/01/2022	46,375	44,280	18,610
Avanti Communications Group PLC	Wireless Telecommunications Services	Common Equity	4, 5, 7, 10	n/a	11/03/2016	n/a	196,086,410	50,660	-
Best Western Luling	Hotel Operator	1st Lien, Secured Loan	5, 8, 9	1M L + 12.00%, 12.25% Floor (0.00%)	11/03/2016	12/18/2017	2,715	1,300	1,203
Blueknight Energy Partners L.P.	Oil & Gas	Series A Preferred Units		n/a	10/07/2020	n/a	173,993	1,039	1,185
Boardriders, Inc.	Apparel & Textile Products	1st Lien, Secured Loan	5	3M L + 6.50%, 7.50% Floor (7.50%)	03/28/2019	04/06/2024	8,810	8,697	5,154
California Pizza Kitchen, Inc.	Restaurants	1st Lien, Secured Loan	5, 6	3M L + 10.00%, 11.50% Floor (11.50%)	11/23/2020	11/23/2024	6,250	5,836	6,250
California Pizza Kitchen, Inc.	Restaurants	2nd Lien, Secured Loan	5, 6	3M L + 13.50%, 15.00% Floor (15.00%)	11/23/2020	05/23/2025	1,873	1,873	1,873
California Pizza Kitchen, Inc.	Restaurants	Common Equity	5, 7	n/a	11/23/2020	n/a	150,716	12,514	2,347
Crestwood Equity Partners LP	Oil & Gas	Class A Preferred Equity Units	10	n/a	06/19/2020	n/a	2,157,906	12,912	16,120
Davidzon Radio, Inc.	Radio Broadcasting	1st Lien, Secured Loan	5, 8, 9	1M L + 10.00%, 11.00% Floor (0.00%)	11/03/2016	03/31/2020	8,962	8,962	3,763
Endurance International Group Holdings Inc	Technology	1st Lien, Secured Revolver	5, 10	3M L+ 4.00%, 4.00% Floor (4.23%)	02/19/2020	02/09/2021	-	(15)	-
Endurance International Group Holdings Inc	Technology	1st Lien, Secured Revolver - Unfunded	5, 10	0.38%	02/19/2020	02/09/2021	4,000	-	(9)
Finastra Group Holdings, Ltd.	Software Services	2nd Lien, Secured Loan	10	6M L + 7.25%, 8.25% Floor (8.25%)	12/14/2017	06/13/2025	2,000	1,946	2,001
First Brands, Inc.	Transportation Equipment Manufacturing	1st Lien, Secured Loan		2M L + 7.50%, 8.50% Floor (8.50%)	07/23/2020	02/02/2024	2,962	2,800	2,948
Gateway Casinos & Entertainment Limited	Casinos & Gaming	2nd Lien, Secured Note	10	8.25%	11/17/2020	03/01/2024	3,000	2,688	2,820
Greenway Health, LLC	Technology	1st Lien, Revolver	5	3M L+ 3.75%, 3.75% Floor (4.17%)	01/27/2020	02/17/2022	-	(622)	-
Greenway Health, LLC	Technology	1st Lien, Revolver - Unfunded	5	0.50%	01/27/2020	02/17/2022	8,026	-	(425)

Lenders' Funding, LLC	Specialty Finance	Receivable	5	15.00%	10/16/2020	06/01/2021	2,679	2,679	2,679
Lenders' Funding, LLC	Specialty Finance	Receivable - Unfunded	5	n/a	10/16/2020	06/01/2021	321	-	-
Martin Midstream Partners LP	Oil & Gas	2nd Lien, Secured Note		11.50%	12/09/2020	02/28/2025	110	106	105
Mitchell International, Inc.	Software Services	2nd Lien, Secured Loan		1M L + 7.25%, 7.25% Floor (7.40%)	08/02/2019	12/01/2025	3,000	2,824	2,895
Natural Resource Partners LP	Metals & Mining	Unsecured Notes		9.13%	06/12/2020	06/30/2025	4,367	3,840	3,996
OPS Acquisitions Limited and Ocean Protection Services Limited	Maritime Security Services	1st Lien, Secured Loan	4, 5, 8, 10	1M L + 12.00%, 12.50% Floor (0.00%)	11/03/2016	06/01/2018	4,903	4,240	19
OPS Acquisitions Limited and Ocean Protection Services Limited	Maritime Security Services	Common Equity	4, 5, 7, 10	n/a	11/03/2016	n/a	19	-	-
Par Petroleum, LLC	Oil & Gas	1st Lien, Secured Note	10	7.75%	10/30/2020	12/15/2025	3,000	2,544	2,880
PE Facility Solutions, LLC	Building Cleaning and Maintenance Services	1st Lien, Secured Loan B	3, 5, 8	1M L + 14.00%, (0.00%)	02/28/2017	02/27/2022	164	164	162
PE Facility Solutions, LLC	Building Cleaning and Maintenance Services	Common Equity	3, 5, 7	n/a	02/28/2017	n/a	1	-	-
PEAKS Trust 2009-1	Consumer Finance	1st Lien, Secured Note	5, 8, 10	1M L + 5.50%, 7.50% Floor (0.00%)	11/03/2016	01/27/2020	940	849	-
Perforce Software, Inc.	Technology	1st Lien, Secured Revolver	5	3M L + 4.25%, 4.25% Floor (4.40%)	01/24/2020	07/01/2024	875	514	827
Perforce Software, Inc.	Technology	1st Lien, Secured Revolver - Unfunded	5	0.50%	01/24/2020	07/01/2024	3,500	-	(191)
PFS Holdings Corp.	Food & Staples	1st Lien, Secured Loan	5	3M L + 7.00%, 8.00% Floor (8.00%)	11/13/2020	11/13/2024	1,076	1,076	1,076
PFS Holdings Corp.	Food & Staples	Common Equity	5, 7	n/a	11/13/2020	n/a	5,222	12,378	7,618
Prestige Capital Finance, LLC	Specialty Finance	Common Equity	3, 5, 10	n/a	02/08/2019	n/a	-	7,466	10,081
Research Now Group, Inc.	Internet Media	1st Lien, Secured Revolver	5	6M L + 4.50%, 4.50% Floor (4.81%)	01/29/2019	12/20/2022	6,947	6,525	6,906
Research Now Group, Inc.	Internet Media	1st Lien, Secured Revolver - Unfunded	5	0.50%	01/29/2019	12/20/2022	3,053	-	(142)
Research Now Group, Inc.	Internet Media	2nd Lien, Secured Loan	5	6M L + 9.50%, 10.50% Floor (10.50%)	05/20/2019	12/20/2025	12,000	11,959	11,972
Subcom, LLC	Telecommunications Services	1st Lien, Secured Revolver	5	3M L + 5.00%, 5.00% Floor (5.23%)	11/21/2019	11/02/2023	-	(1,370)	-
Subcom, LLC	Telecommunications Services	1st Lien, Secured Revolver - Unfunded	5	0.50%	11/21/2019	11/02/2023	10,000	-	(160)
Tallage Davis, LLC	Real Estate Services	1st Lien, Secured Loan	5	11.00%	03/20/2018	01/26/2023	200	200	200
Tallage Davis, LLC	Real Estate Services	1st Lien, Secured Loan - Unfunded	5	n/a	03/20/2018	01/26/2023	8,910	-	-
Tensar Corporation	Construction Materials Manufacturing	2nd Lien, Secured Loan	5	3M L + 12.00%, 13.00% Floor (13.00%)	11/20/2020	02/20/2026	10,000	9,656	9,676
TRU (UK) Asia Limited	Retail	Common Equity	5, 7, 10	n/a	07/21/2017	n/a	776,954	22,132	5,352
TRU (UK) Asia Limited Liquidating Trust	Retail	Common Equity	5, 7	n/a	07/21/2017	n/a	16,000	900	793
Viasat, Inc.	Specialty Finance	Receivable	5	n/a	10/23/2020	01/01/2021	3,000	3,000	3,000
Total Investments excluding Short-Term Investments (190.48% of Net Assets)								**264,964**	**151,648**
Short-Term Investments									
United States Treasury	Short Term	Treasury Bill		0%	03/30/2019	01/26/2021	75,000	74,997	74,998

Total Short-Term Investments (94.20% of Net Assets)		74,997	74,998
TOTAL INVESTMENTS (284.68% of Net Assets)	13	**$ 339,961**	**$ 226,646**
Other Liabilities in Excess of Assets (184.68% of Net Assets)			$ (147,031)
NET ASSETS			**$ 79,615**

(1) The Company’s investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933 and, therefore, are generally subject to limitations on resale, and may be deemed to be “restricted securities’’ under the Securities Act of 1933.

(2) A majority of the Company’s variable rate debt investments bear interest at a rate that is determined by reference to London Interbank Offered Rate (‘‘LIBOR” or “L”) and which is reset daily, monthly, quarterly or semiannually. For each debt investment, the Company has provided the interest rate in effect as of period end. If no reference to LIBOR is made, the rate is fixed. A floor is the minimum rate that will be applied in calculating an interest rate. A cap is the maximum rate that will be applied in calculating an interest rate. The one month (“1M”) LIBOR as of period end was 0.14%. The two month (“2M”) LIBOR as of period end was 0.19%. The three month (“3M”) LIBOR as of period end was 0.24%. The six month (“6M”) LIBOR as of period end was 0.26%.

(3) ‘‘Controlled Investments’’ are investments in those companies that are ‘‘Controlled Investments’’ of the Company, as defined in the Investment Company Act. A company is deemed to be a ‘‘Controlled Investment’’ of the Company if the Company owns more than 25% of the voting securities of such company.

(4) ‘‘Affiliate Investments’’ are investments in those companies that are ‘‘Affiliated Companies’’ of the Company, as defined in the Investment Company Act, which are not ‘‘Controlled Investments.’’ A company is deemed to be an ‘‘Affiliate’’ of the Company if the Company owns 5% or more, but less than 25%, of the voting securities of such company.

(5) Investments classified as Level 3 whereby fair value was determined by the Company's board of directors.

(6) Security pays, or has the option to pay, all of its interest in kind. As of December 31, 2020, each of the Avanti Communications Group, plc secured bonds and California Pizza Kitchen, Inc. pay in kind ("PIK") and the rates above reflect the PIK interest rates.

(7) Non-income producing security.

(8) Investment was on non-accrual status as of period end.

(9) The interest rate on these loans includes a default interest rate.

(10) Indicates assets that the Company believes do not represent ‘‘qualifying assets’’ under Section 55(a) of the Investment Company Act. Qualifying assets must represent at least 70% of the Company’s total assets at the time of acquisition of any additional non-qualifying assets. Of the Company’s total assets, 24.2% were non-qualifying assets as of period end.

(11) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. Such security may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration.

(12) Under the terms of the credit agreement, this investment has an exit fee which requires the borrower to pay, in connection with each prepayment or other repayment a fee equal to 2.50% of the amount being repaid.

(13) As of period end, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was $28,019; the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was $124,342; the net unrealized depreciation was $(96,323); the aggregate cost of securities for Federal income tax purposes was $322,969.

As of December 31, 2020 the Company's investments consisted of the following:

Investment Type		Investments at Fair Value	Percentage of Net Assets
Debt	$	108,152	135.85%
Equity/Other		43,496	54.63%
Short-Term Investments		74,998	94.20%
Total	**$**	**226,646**	**284.68%**

As of December 31, 2020 the industry composition of the Company's portfolio at fair value was as follows:

Industry		Investments at Fair Value	Percentage of Net Assets
Wireless Telecommunications Services	$	29,270	36.76%
Oil & Gas		20,290	25.49%
Internet Media		18,736	23.53%
Specialty Finance		15,760	19.80%
Restaurants		10,470	13.15%
Construction Materials Manufacturing		9,676	12.15%
Food & Staples		8,694	10.92%
Retail		6,145	7.72%
Apparel & Textile Products		5,154	6.47%
Software Services		4,896	6.15%
Industrial		4,642	5.83%
Metals & Mining		3,996	5.02%
Radio Broadcasting		3,763	4.74%
Transportation Equipment Manufacturing		2,948	3.70%
Casinos & Gaming		2,820	3.55%
Wholesale-Apparel, Piece Goods & Notions		2,762	3.47%
Hotel Operator		1,203	1.51%
Technology		202	0.25%
Real Estate Services		200	0.25%
Building Cleaning and Maintenance Services		162	0.20%
Maritime Security Services		19	0.02%
Consumer Finance		-	0.00%
Telecommunications Services		(160)	-0.20%
Short-Term Investments		74,998	94.20%
Total	**$**	**226,646**	**284.68%**

As of December 31, 2020 the geographic composition of the Company's portfolio at fair value was as follows:

Geography	Investments at Fair Value	Percentage of Net Assets
United States	$ 187,184	235.11%
United Kingdom	36,642	46.02%
Canada	2,820	3.55%
Total	**$ 226,646**	**284.68%**

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION

Great Elm Capital Corp. (the "Company") was formed on April 22, 2016 as a Maryland corporation. The Company is structured as an externally managed, non-diversified closed-end management investment company. The Company elected to be regulated as a business development company (a "BDC") under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Company is managed by Great Elm Capital Management, Inc., a Delaware corporation ("GECM"), a subsidiary of Great Elm Group, Inc., a Delaware corporation ("GEG").

The Company seeks to generate current income and capital appreciation through debt and income generating equity investments, including investments in specialty finance businesses.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The Company's functional currency is U.S. dollars and these consolidated financial statements have been prepared in that currency. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to Regulation S-X and Regulation S-K. These financial statements reflect all adjustments (consisting of normal recurring items or items discussed herein) that management believes are necessary to fairly state results for the interim periods presented. Results of operations for interim periods are not necessarily indicative of annual results of operations. The Company is an investment company following accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *Financial Services – Investment Companies*.

Basis of Consolidation. Under the Investment Company Act, Article 6 of Regulation S-X and GAAP, the Company is generally precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services and benefits to the Company. The accompanying consolidated financial statements include the Company's accounts and the accounts of the Company's wholly-owned subsidiary, TFC-SC Holdings, LLC. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

Revenue Recognition. Interest and dividend income, including income paid in kind, is recorded on an accrual basis. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments, are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment if such fees are fixed in nature. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, and end-of-term or exit fees that have a contingency feature or are variable in nature are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are generally included in interest income.

Interest income received as paid-in-kind ("PIK") is reported separately in the Statements of Operations. Income is included as PIK if the instrument solely provides for settlement in kind. In the event that the borrower can settle in kind or via cash payment, the income is not included as PIK until the borrower elects to pay in kind and the payment is received by the Company. In the event there is a lesser cash rate in a PIK toggle instrument, income is accrued at the lesser cash rate until the coupon is paid in kind and such larger payment is received by the Company.

Certain of the Company's debt investments were purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate debt instruments are generally amortized using the effective-interest or constant-yield method assuming there are no material questions as to collectability.

Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation). The Company measures realized gains or losses by the difference between the net proceeds from the repayment or sale of an investment and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method. Net change in unrealized appreciation or depreciation reflects the net change in portfolio investment values and portfolio investment cost bases during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Cash and Cash Equivalents. Cash and cash equivalents typically consist of bank demand deposits. Restricted cash consists of collateral for unfunded positions held by counterparties.

Valuation of Portfolio Investments. The Company carries its investments in accordance with ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), which defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. Fair value is generally based on quoted market prices provided by independent pricing services, broker or dealer quotations or alternative price sources. In the absence of quoted market prices, broker or dealer quotations or alternative price sources, investments are measured at fair value as determined by the Board.

Due to the inherent uncertainties of valuation, certain estimated fair values may differ significantly from the values that would have been realized had a ready market for these investments existed, and these differences could be material. See Note 4.

The Company values its portfolio investments at fair value based upon the principles and methods of valuation set forth in policies adopted by the Board. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (1) are independent of the Company, (2) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary), (3) are able to transact for the asset, and (4) are willing to transact for the asset (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. The Company generally obtains market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker-dealers or market makers. Short term debt investments with remaining maturities within ninety days are generally valued at amortized cost, which approximates fair value. Debt and equity securities for which market quotations are not readily available, which is the case for many of the Company's investments, or for which market quotations are deemed not to represent fair value, are valued at fair value using a consistently applied valuation process in accordance with the Company's documented valuation policy that has been reviewed and approved by the Board, who also approve in good faith the valuation of such securities as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that the Company may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of the Company's investments than on the fair values of the Company's investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where the Company believes that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security cause current market quotations to not reflect the fair value of the security.

The valuation process approved by the Board with respect to investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value is as follows:

- The investment professionals of GECM provide recent portfolio company financial statements and other reporting materials to an independent valuation firm (or firms) approved by the Board;
- Such firms evaluate this information along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented, discussed, and iterated with senior management of GECM;
- The fair value of investments comprising in the aggregate less than 5% of the Company's total capitalization and individually less than 1% of the Company's total capitalization may be determined by GECM in good faith in accordance with the Company's valuation policy without the employment of an independent valuation firm.
- The Company's audit committee recommends, and the Board approves, the fair value of the investments in the Company's portfolio in good faith based on the input of GECM, the independent valuation firms (to the extent applicable) and the business judgment of the audit committee and the Board, respectively.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Company may take into account in determining the fair value of its investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, and enterprise values.

Investments in revolvers or delayed draw loans may include unfunded commitments for which the Company's acquisition cost will be offset by compensation received on the portion of the commitment that is unfunded. As a result, the purchases of a commitment that is not fully funded may result in a negative cost basis for the funded commitment. The fair value of the unfunded commitment is adjusted for price appreciation or depreciation and may result in a negative fair value for the unfunded commitment.

Foreign Currency Translation. Amounts denominated in foreign currencies are translated into U.S. dollars on the following basis: (1) investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates effective on the date of valuation; and (2) purchases and sales of investments and income and expense items denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates prevailing on the transaction dates. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

U.S. Federal Income Taxes. From inception to September 30, 2016, the Company was a taxable association under Internal Revenue Code of 1986, as amended (the "Code"). The Company has elected to be taxed as a regulated investment company ("RIC") under subchapter M of the Code. The Company intends to operate in a manner so as to qualify for the tax treatment applicable to RICs in that taxable year and all future taxable years. In order to qualify as a RIC, among other things, the Company will be required to timely distribute to its stockholders at least 90% of investment company taxable income ("ICTI") including PIK interest, as defined by the Code, for each taxable year in order to be eligible for tax treatment under subchapter M of the Code. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of current year dividend distributions into the next tax year. Any such carryover ICTI must be distributed prior to the 15th day of the ninth month after the tax year-end. So long as the Company maintains its status as a RIC, it generally will not be subject to corporate-level U.S. federal income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as distributions. Rather, any tax liability related to income earned by the Company represents obligations of the Company's stockholders and will not be reflected in the consolidated financial statements of the Company.

If the Company does not distribute (or is not deemed to have distributed) each calendar year the sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Minimum Distribution Amount"), the Company will generally be required to pay an excise tax equal to 4% of the amount by the which Minimum Distribution Amount exceeds the distributions for the year. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, the Company accrues excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

The Company has not accrued any excise tax expense for the three and nine months ended September 30, 2021. The Company accrued $17 of excise tax expense for the year ended December 31, 2020.

At December 31, 2020, the Company, for federal income tax purposes, had capital loss carryforwards of $54,887 which will reduce its taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Internal Revenue Code, and thus will reduce the amount of distributions to stockholders, which would otherwise be necessary to relieve the Company of any liability for federal income tax. On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the "Modernization Act") was signed into law. The Modernization Act changed the capital loss carryforward rules as they relate to regulated investment companies. Capital losses generated in tax years beginning after the date of enactment may now be carried forward indefinitely, and retain the character of the original loss. Of the capital loss carryforwards at December 31, 2020, $44,058 are limited losses and available for use subject to annual limitation under Section 382. Of the capital losses at December 31, 2020, $16,815 are short-term and $38,072 are long term.

ASC 740 *Accounting for Uncertainty in Income Taxes* ("ASC 740") provides guidance on the accounting for and disclosure of uncertainty in tax position. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Based on its analysis of its tax position for all open tax years (the current and prior years, as applicable), the Company has concluded that it does not have any uncertain tax positions that met the recognition or measurement criteria of ASC 740. Such open tax years remain subject to examination and adjustment by tax authorities.

3. SIGNIFICANT AGREEMENTS AND RELATED PARTIES

Investment Management Agreement. The Company has an investment management agreement (the "Investment Management Agreement") with GECM. Beginning on November 4, 2016, the Company began accruing for GECM's fees for its services under the Investment Management Agreement. This fee consists of two components: a base management fee and an incentive fee.

The Company’s Chief Executive Officer is also the chief investment officer of GECM, and the chief executive officer and a member of the board of directors of GEG. The Company’s Chief Compliance Officer is also the chief operating officer, chief compliance officer and general counsel of GECM, and the president and chief operating officer of GEG. The Company’s Chief Financial Officer is also the chief financial officer of GECM.

Management Fee The base management fee is calculated at an annual rate of 1.50% of the Company’s average adjusted gross assets, including assets purchased with borrowed funds. The base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of the Company’s gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the then current calendar quarter. Base management fees for any partial quarter are prorated.

For the three and nine months ended September 30, 2021 management fees amounted to $876 and $2,301, respectively. For the three and nine months ended September 30, 2020 management fees amounted to $609 and $1,898, respectively. As of September 30, 2021 and December 31, 2020, $876 and $613 remained payable, respectively.

Incentive Fee The incentive fee consists of two components that are independent of each other with the result that one component may be payable even if the other is not. One component of the incentive fee is based on income (the “Income Incentive Fee”) and the other component is based on capital gains (the “Capital Gains Incentive Fee”).

The Income Incentive Fee is calculated on a quarterly basis as 20% of the amount by which the Company’s pre-incentive fee net investment income (the “Pre-Incentive Fee Net Investment Income”) for the quarter exceeds a hurdle rate of 1.75% (7.0% annualized) of the Company’s net assets at the end of the immediately preceding calendar quarter, subject to a “catch-up” provision pursuant to which GECM receives all of such income in excess of the 1.75% level but less than 2.1875% (8.75% annualized) and subject to a total return requirement (described below). The effect of the “catch-up” provision is that, subject to the total return provision, if pre-incentive fee net investment income exceeds 2.1875% of the Company’s net assets at the end of the immediately preceding calendar quarter, in any calendar quarter, GECM will receive 20.0% of the Company’s pre-incentive fee net investment income as if the 1.75% hurdle rate did not apply. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the then current quarter.

Pre-Incentive Fee Net Investment Income includes any accretion of original issue discount, market discount, PIK interest, PIK dividends or other types of deferred or accrued income, including in connection with zero coupon securities, that the Company and its consolidated subsidiaries have recognized in accordance with GAAP, but have not yet received in cash (collectively, “Accrued Unpaid Income”). Pre-Incentive Fee Net Investment Income does not include any realized capital gains or losses or unrealized capital appreciation or depreciation. Accrued Unpaid Income as of September 30, 2021 was $36,698. Accrued Unpaid Income includes capitalized PIK income of $20,786 on investments still held at September 30, 2021. Accrued Unpaid Income as of December 31, 2020 was $29,989, which included capitalized PIK income of $17,680 on investments still held at December 31, 2020.

Any Income Incentive Fee otherwise payable with respect to Accrued Unpaid Income (collectively, the “Accrued Unpaid Income Incentive Fees”) is deferred, on a security by security basis, and becomes payable only if, as, when and to the extent cash is received by the Company or its consolidated subsidiaries in respect thereof. Any Accrued Unpaid Income that is subsequently reversed in connection with a write-down, write-off, impairment or similar treatment of the investment giving rise to such Accrued Unpaid Income will, in the applicable period of reversal, (1) reduce Pre-Incentive Fee Net Investment Income and (2) reduce the amount of Accrued Unpaid Income Incentive Fees previously deferred.

The Company will defer cash payment of any Income Incentive Fee otherwise payable to the investment adviser in any quarter (excluding Accrued Unpaid Income Incentive Fees with respect to such quarter) that exceeds (1) 20% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the most recent twelve full calendar quarter period ending on or prior to the date such payment is to be made (the "Trailing Twelve Quarters") less (2) the aggregate incentive fees that were previously paid to the investment adviser during such Trailing Twelve Quarters (excluding Accrued Unpaid Income Incentive Fees during such Trailing Twelve Quarters and not subsequently paid). "Cumulative Pre-Incentive Fee Net Return" during the relevant Trailing Twelve Quarters means the sum of (a) pre-incentive fee net investment income in respect of such Trailing Twelve Quarters less (b) net realized capital losses and net unrealized capital depreciation, if any, in each case calculated in accordance with GAAP, in respect of such Trailing Twelve Quarters.

Under the Capital Gains Incentive Fee, the Company is obligated to pay GECM at the end of each calendar year 20% of the aggregate cumulative realized capital gains from November 4, 2016 through the end of that year, computed net of aggregate cumulative realized capital losses and aggregate cumulative unrealized depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees.

For the nine months ended September 30, 2021 and 2020, the Company incurred Income Incentive Fees of $888 and $810, respectively. As of September 30, 2021 and December 31, 2020, $10,064 and $9,176 of Income Incentive Fees, respectively, remained payable and none was immediately payable after calculating the total return requirement. These payable amounts may include both Accrued Unpaid Income Incentive Fees and amounts deferred under the total return requirement and will become due upon meeting the criteria described above. For the nine months ended September 30, 2021 and the year ended December 31, 2020, the Company did not have any Capital Gains Incentive Fees accrual.

The Investment Management Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GECM and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GECM's services under the Investment Management Agreement or otherwise as an investment adviser of the Company.

Administration Fees. The Company has an administration agreement (the "Administration Agreement") with GECM to provide administrative services, including, among other things, furnishing the Company with office facilities, equipment, clerical, bookkeeping and record keeping services. The Company will reimburse GECM for its allocable portion of overhead and other expenses of GECM in performing its obligations under the Administration Agreement.

GECM agreed that the aggregate amount of expenses accrued for reimbursement pursuant to the Administration Agreement that pertain to direct compensation costs of financial, compliance and accounting personnel that perform services for the Company, inclusive of the fees charged by any sub-administrator to provide such financial, compliance and/or accounting personnel to the Company (the "Compensation Expenses"), during the year ending November 4, 2017, when taken together with Compensation Expenses reimbursed or accrued for reimbursement by the Company pursuant to the Investment Management Agreement during such period, shall not exceed 0.50% of the Company's average net asset value during such period.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GECM and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GECM's services under the Administration Agreement or otherwise as administrator for the Company.

For the nine months ended September 30, 2021 and 2020, the Company incurred expenses under the Administration Agreement of $511 and $547, respectively. As of September 30, 2021 and December 31, 2020, $146 and $151 remained payable, respectively.

4. FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the amount that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

The fair value hierarchy under ASC 820 prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The levels used for classifying investments are not necessarily an indication of the risk associated with investing in these securities. The three levels of the fair value hierarchy are as follows:

Basis of Fair Value Measurement

Level 1 Investments valued using unadjusted quoted prices in active markets for identical assets.

Level 2 Investments valued using other unadjusted observable market inputs, e.g. quoted prices in markets that are not active or quotes for comparable instruments.

Level 3 Investments that are valued using quotes and other observable market data to the extent available, but which also take into consideration one or more unobservable inputs that are significant to the valuation taken as a whole.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Note 2 should be read in conjunction with the information outlined below.

The table below presents the valuation techniques and the nature of significant inputs generally used in determining the fair value of Level 2 and Level 3 Instruments.

Level 2 Instruments Valuation Techniques and Significant Inputs

Equity, Bank Loans, Corporate Debt, and Other Debt Obligations	The types of instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency may include commercial paper, most government agency obligations, certain corporate debt securities, certain mortgage-backed securities, certain bank loans, less liquid publicly-listed equities, certain state and municipal obligations, certain money market instruments and certain loan commitments. Valuations of Level 2 debt and equity instruments can be verified to quoted prices, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g. indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Level 3 Instruments Valuation Techniques and Significant Inputs

Bank Loans, Corporate Debt, and Other Debt Obligations

Valuations are generally based on discounted cash flow techniques, for which the significant inputs are the amount and timing of expected future cash flows, market yields and recovery assumptions. The significant inputs are generally determined based on an analysis of market comparables, transactions in similar instruments and/or recovery and liquidation analyses.

Equity

Recent third-party investments or pending transactions are considered to be the best evidence for any change in fair value. When these are not available, the following valuation methodologies are used, as appropriate and available:

- Transactions in similar instruments;
- Discounted cash flow techniques;
- Third party appraisals; and
- Industry multiples and public comparables.

Evidence includes recent or pending reorganizations (for example, merger proposals, tender offers and debt restructurings) and significant changes in financial metrics, including:

- Current financial performance as compared to projected performance;
- Capitalization rates and multiples; and
- Market yields implied by transactions of similar or related assets.

As noted above, the income and market approaches were used in the determination of fair value of certain Level 3 assets as of September 30, 2021 and December 31, 2020. The significant unobservable inputs used in the income approach are the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate or market yield would result in a decrease in the fair value. Included in the consideration and selection of discount rates is risk of default, rating of the investment (if any), call provisions and comparable company valuations. The significant unobservable inputs used in the market approach are based on market comparable transactions and market multiples of publicly traded comparable companies. Increases or decreases in market multiples would result in an increase or decrease, respectively, in the fair value.

The following summarizes the Company's investment assets categorized within the fair value hierarchy as of September 30, 2021:

Assets	Level 1	Level 2	Level 3	Total
Debt	$ -	$ 63,706	$ 122,007	$ 185,713
Equity/Other	21,218	-	39,804	61,022
Short Term Investments	139,986	-	-	139,986
Total investment assets	$ 161,204	$ 63,706	$ 161,811	$ 386,721

The following summarizes the Company's investment assets categorized within the fair value hierarchy as of December 31, 2020:

Assets	Level 1	Level 2	Level 3	Total
Debt	$ -	$ 22,287	$ 85,865	$ 108,152
Equity/Other	17,305	-	26,191	43,496
Short Term Investments	74,998	-	-	74,998
Total investment assets	$ 92,303	$ 22,287	$ 112,056	$ 226,646

The following is a reconciliation of Level 3 assets for the nine months ended September 30, 2021:

Level 3	Beginning Balance as of January 1, 2021	Net Transfers In/Out	Purchases(1)	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)(2)	Sales and Settlements(1)	Net Amortization of Premium/ Discount	Ending Balance as of September 30, 2021
Debt	$ 85,865	$ -	$ 93,853	$ (6,047)	$ 491	$ (54,763)	$ 2,608	$ 122,007
Equity/Other	26,191	-	12,525	(2,429)	7,574	(4,057)	-	39,804
Total investment assets	**$ 112,056**	**$ -**	**$ 106,378**	**$ (8,476)**	**$ 8,065**	**$ (58,820)**	**$ 2,608**	**$ 161,811**

The following is a reconciliation of Level 3 assets for the year ended December 31, 2020:

Level 3	Beginning Balance as of January 1, 2020	Net Transfers In/Out	Purchases(1)	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)(2)	Sales and Settlements(1)	Net Amortization of Premium/ Discount	Ending Balance as of December 31, 2020
Debt	$ 120,431	$ (3,735)	$ 68,317	$ (2,332)	$ (18,844)	$ (81,823)	$ 3,851	$ 85,865
Equity/Other	23,549	-	24,893	-	(21,428)	(823)	-	26,191
Total investment assets	**$ 143,980**	**$ (3,735)**	**$ 93,210**	**$ (2,332)**	**$ (40,272)**	**$ (82,646)**	**$ 3,851**	**$ 112,056**

(1) Purchases may include new deals, additional fundings (inclusive of those on revolving credit facilities), refinancings, capitalized PIK income, and securities received in corporate actions and restructurings. Sales and Settlements may include scheduled principal payments, prepayments, sales and repayments (inclusive of those on revolving credit facilities), and securities delivered in corporate actions and restructuring of investments.

(2) The net change in unrealized appreciation relating to Level 3 assets still held at September 30, 2021 totaled $207 consisting of the following: ($6,495) related to debt investments and $6,702 related to equity investments. The net change in unrealized depreciation relating to Level 3 assets still held at December 31, 2020 totaled $(45,879) consisting of the following: $(24,452) related to debt investments and $(21,427) relating to equity/other.

There were no transfers into or out of Level 3 during the nine months ended September 30, 2021.

One investment with a fair value of $(11,801) was transferred from Level 3 to Level 2 as a result of increased pricing transparency during the year ended December 31, 2020. Two investments with an aggregate fair value of $8,066 were transferred from Level 2 to Level 3 as a result of decreased pricing transparency during the year ended December 31, 2020.

The following tables below present the ranges of significant unobservable inputs used to value the Company's Level 3 assets as of September 30, 2021 and December 31, 2020, respectively. These ranges represent the significant unobservable inputs that were used in the valuation of each type of instrument, but they do not represent a range of values for any one instrument. For example, the lowest yield in 1st Lien Debt is appropriate for valuing that specific debt investment, but may not be appropriate for valuing any other debt investments in this asset class. Accordingly, the ranges of inputs presented below do not represent uncertainty in, or possible ranges of, fair value measurements of the Company's Level 3 assets.

As of September 30, 2021

Investment Type	Fair value	Valuation Technique(1)	Unobservable Input(1)	Range (Weighted Average)(2)
Debt	$ 68,802	Income Approach	Discount Rate	2.24% - 27% (11.78%)
	32,076	Market Approach	Earnings Multiple	1.75 - 3.75 (2.75)
		Income Approach	Discount Rate	18.50% - 20.50% (19.50%)
	21,420	Recent Transaction		
	(291)	Income Approach	Implied Yield	1.58% - 6.59% (2.93%)
Total Debt	**$ 122,007**			
Equity/Other	$ 21,365	Market Approach	Earnings Multiple	0.16 - 11.25 (4.20)
		Income Approach	Discount Rate	12.75% - 36.50% (27.24%)
	$ 7,250	Recent Transaction		
	$ 5,532	Market Approach	Earnings Multiple	0.15 - 4.75 (2.11)
	5,434	Income Approach	Discount Rate	13.34%
	223	Asset Recovery / Liquidation (4)		
Total Equity/Other	**$ 39,804**			

As of December 31, 2020

Investment Type	Fair value	Valuation Technique(1)	Unobservable Input(1)	Range (Weighted Average)(2)
Debt	$ 37,393	Market Approach	Earnings Multiple	0.35 - 4.50 (3.15)
		Income Approach	Discount Rate	16.25% - 30.00% (18.93%)
	6,906	Income Approach	Discount Rate	6.67%
		Quotes		$98.81
	41,447	Income Approach	Discount Rate	2.24% - 45.25% (14.75%)
	(100)	Income Approach	Implied Yield	2.63% - 6.66% (4.86%)
	219	Asset Recovery / Liquidation(4)		
Total Debt	**$ 85,865**			
Equity/Other	$ 12,428	Market Approach	Earnings Multiple	0.35 - 4.50 (2.33)
		Income Approach	Discount Rate	16.25% - 37.50% (34.33%)
	12,970	Market Approach	Earnings Multiple	0.15 - 17.75 (6.44)
	793	Asset Recovery / Liquidation(4)		
Total Equity/Other	**$ 26,191**			

(1) The fair value of any one instrument may be determined using multiple valuation techniques or unobservable inputs.

(2) Weighted average for an asset category consisting of multiple investments is calculated by weighting the significant unobservable input by the relative fair value of the investment. The range and weighted average for an asset category consisting of a single investment represents the significant unobservable input used in the fair value of the investment.

(3) Comparable price may include broker quotes for the exact security or similar securities.

(4) Investments valued using the asset recovery or liquidation technique include investments for which valuation is based on current financial data without a discount rate applied.

5. DEBT

Revolver

On May 5, 2021, the Company entered into a Loan, Guarantee and Security Agreement (the “Loan Agreement”) with City National Bank (“CNB”). The Loan Agreement provides for a senior secured revolving line of credit of up to $25 million (subject to a borrowing base as defined in the Loan Agreement). The Company may request to increase the revolving line in an aggregate amount not to exceed $25 million, which increase is subject to the sole discretion of CNB. The maturity date of the revolving line is May 5, 2024. Borrowings under the revolving line bear interest at a rate equal to (i) the London Inter-bank Offered Rate plus 3.50%, (ii) a base rate plus 2.00% or (iii) a combination thereof, as determined by the Company. As of September 30, 2021, there were $10 million in borrowings outstanding under the revolving line.

Borrowings under the revolving line are secured by a first priority security interest in substantially all of the Company’s assets, subject to certain specified exceptions. The Company has made customary representations and warranties and is required to comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar loan agreements. In addition, the Loan Agreement contains financial covenants requiring (i) net assets of not less than $65 million, (ii) asset coverage equal to or greater than 160% and (iii) bank asset coverage equal to or greater than 300%, in each case tested as of the last day of each fiscal quarter of the Company. Borrowings are also subject to the leverage restrictions contained in the Investment Company Act of 1940, as amended. In October 2021 the Loan Agreement was amended to require an asset coverage equal to or greater than 150%.

Unsecured Notes

On September 13, 2017, the Company issued $28,375 in aggregate principal amount of 6.50% notes due 2022 (the "GECCL Notes"). On September 29, 2017, the Company issued an additional $4,256 of the GECCL Notes upon full exercise of the underwriters’ over-allotment option.

The Company redeemed all of the issued and outstanding GECCL Notes on July 23, 2021 at 100% of the principal amount plus accrued and unpaid interest thereon from April 30, 2021 through, but excluding, the redemption date, July 23, 2021.

On January 11, 2018, the Company issued $43,000 in aggregate principal amount of 6.75% notes due 2025 (the "GECCM Notes"). On January 19, 2018 and February 9, 2018, the Company issued an additional $1,898 and $1,500 of the GECCM Notes upon partial exercise of the underwriters’ over-allotment option.

On June 18, 2019, the Company issued $42,500 in aggregate principal amount of 6.50% notes due 2024 (the "GECCN Notes"), which included $2,500 of the GECCN Notes issued in connection with the partial exercise of the underwriters’ over-allotment option. On July 5, 2019, the Company issued an additional $2,500 of the GECCN Notes upon another partial exercise of the underwriters’ over-allotment option.

On June 23, 2021, the Company issued $50,000 in aggregate principal amount of 5.875% notes due 2026 (the "GECCO Notes"). On July 9, 2021, the Company issued an additional $7,500 of the GECCO Notes upon full exercise of the underwriters’ over-allotment option.

The Notes are our unsecured obligations and rank equal with all of our outstanding and future unsecured unsubordinated indebtedness. The unsecured notes are effectively subordinated, or junior in right of payment, to indebtedness under our Loan Agreement and any other future secured indebtedness that the Company may incur and structurally subordinated to all future indebtedness and other obligations of our subsidiaries. The Company pays interest on the unsecured notes on March 31, June 30, September 30 and December 31 of each year. The GECCM Notes, GECCN Notes and GECCO Notes will mature on January 31, 2025, June 30, 2024 and June 30, 2026, respectively. The GECCM Notes and GECCN Notes are currently callable at the Company’s option and the GECCO Notes can be called on or after June 30, 2023. Holders of the unsecured notes do not have the option to have the unsecured notes repaid prior to the stated maturity date. The unsecured notes were issued in minimum denominations of $25 and integral multiples of $25 in excess thereof.

As part of the offerings, the Company incurred fees and costs, which are treated as a reduction of the carrying amount of the debt on the Company Statements of Assets and Liabilities. These deferred financing costs presented as a reduction to the Notes payable balance are being amortized into interest expense over the term of the Notes.

The Company may repurchase the Notes in accordance with the Investment Company Act and the rules promulgated thereunder.

Information about the Company's senior securities (including debt securities and other indebtedness) is shown in the following table:

As of	Total Amount Outstanding(1)	Asset Coverage Ratio Per Unit(2)	Involuntary Liquidation Preference Per Unit(3)	Average Market Value Per Unit(4)
December 31, 2016				
2020 Notes	$ 33,646	$ 6,168	N/A	$ 1.02
December 31, 2017				
GECCL Notes	$ 32,631	$ 5,010	N/A	$ 1.02
December 31, 2018				
GECCL Notes	$ 32,631	$ 2,393	N/A	$ 1.01
GECCM Notes	46,398	2,393	N/A	0.98
December 31, 2019				
GECCL Notes	$ 32,631	$ 1,701	N/A	$ 1.01
GECCM Notes	46,398	1,701	N/A	1.01
GECCN Notes	45,000	1,701	N/A	1.00
December 31, 2020				
GECCL Notes	$ 30,293	$ 1,671	N/A	$ 0.89
GECCM Notes	45,610	1,671	N/A	0.84
GECCN Notes	42,823	1,671	N/A	0.84
September 30, 2021				
GECCM Notes	$ 45,610	$ 1,638	N/A	$ 1.00
GECCN Notes	42,823	1,638	N/A	1.00
GECCO Notes	57,500	1,638	N/A	1.01
Revolving Credit Facility	10,000	1,638	N/A	-

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of Great Elm's total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it.

(4) The average market value per unit for the Notes, as applicable, is based on the average daily prices of such Notes and is expressed per $1 of indebtedness.

The terms of the unsecured notes are governed by a base indenture, dated as of September 18, 2017, by and between the Company and American Stock Transfer & Trust Company, LLC, as trustee (as supplemented with respect to each series of notes, the "Indenture"). The Indenture's covenants, include restrictions on certain activities in the event the Company falls below the minimum asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act, as well as covenants requiring the Company to provide financial information to the holders of the Notes and the Trustee if the Company ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the Indenture. The Investment Company Act limits, with certain exceptions, the Company's borrowing such that its asset coverage ratio, as defined in the Investment Company Act, is at least 1.5 to 1 after such borrowing.

As of September 30, 2021, the Company's asset coverage ratio was approximately 163.8%.

As of September 30, 2021 and December 31, 2020, the Company was in compliance with all covenants under the Indenture.

For the three and nine months ended September 30, 2021 and 2020, the components of interest expense were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Borrowing interest expense	$ 2,499	$ 1,954	$ 6,480	$ 6,014
Amortization of acquisition premium	648	271	1,156	906
Total	$ 3,147	$ 2,225	$ 7,636	$ 6,920
Weighted average interest rate(1)	8.21%	7.43%	7.77%	7.59%
Average outstanding balance	$ 152,145	$ 119,117	$ 131,453	$ 121,779

(1) Annualized.

The fair value of the Company's Notes are determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of the Company's Notes is determined by utilizing market quotations at the measurement date as they are Level 1 securities.

	September 30, 2021		
Facility	**Commitments**	**Borrowings Outstanding**	**Fair Value**
Unsecured Debt - GECCM Notes	$ 45,610	$ 45,610	$ 45,793
Unsecured Debt - GECCN Notes	42,823	42,823	43,645
Unsecured Debt - GECCO Notes	57,500	57,500	58,535
Total	$ 145,933	$ 145,933	$ 147,973

	December 31, 2020		
Facility	**Commitments**	**Borrowings Outstanding**	**Fair Value**
Unsecured Debt - GECCL Notes	$ 30,293	$ 30,293	$ 30,148
Unsecured Debt - GECCM Notes	45,610	45,610	43,877
Unsecured Debt - GECCN Notes	42,823	42,823	40,682
Total	$ 118,726	$ 118,726	$ 114,707

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. As of September 30, 2021, the Company had approximately $31,318 in unfunded loan commitments, subject to the Company's approval in certain instances, to provide debt financing to certain of its portfolio companies. To the degree applicable, unrealized gains or losses on these commitments as of September 30, 2021 are included in the Company's Statements of Assets and Liabilities and the corresponding Schedule of Investments. The Company believes that it had sufficient cash and other liquid assets on its balance sheet to satisfy the unfunded commitments. In addition, the Company has the ability to draw on its revolving line of credit to manage cash flows. The Company has considered the net increases in net assets and negative cash flows from operations and has concluded that it has the ability to meet its obligations in the ordinary course of business based upon an evaluation of its cash position and sources of liquidity.

From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company rights under contracts with the Company portfolio companies.

The Company is named as a defendant in a lawsuit filed on March 5, 2016, and captioned Intrepid Investments, LLC v. London Bay Capital, which is pending in the Delaware Court of Chancery. The plaintiff immediately agreed to stay the action in light of an ongoing mediation among parties other than the Company. This lawsuit was brought by a member of Speedwell Holdings (formerly known as The Selling Source, LLC), one of the Company's portfolio investments, against various members of and lenders to Speedwell Holdings. The plaintiff asserts claims of aiding and abetting, breaches of fiduciary duty, and tortious interference against the Company. In June 2018, Intrepid Investments, LLC ("Intrepid") sent notice to the court and defendants effectively lifting the stay and triggering defendants' obligation to respond to the Intrepid complaint. In September 2018, the Company joined the other defendants in a motion to dismiss on various grounds. In February 2019, Intrepid filed a second amended complaint to which defendants filed a renewed motion to dismiss in March 2019. The Company intends to defend the matter as necessary.

In July 2016, Full Circle filed suit in the District Court of Caldwell County, Texas against, among others, Willis Pumphrey for breach of a guaranty agreement arising from a loan transaction with Full Circle. Dr. Pumphrey, a personal guarantor of the loan made by Full Circle, the Company's predecessor in interest, brought counterclaims in (i) the District Court of Caldwell County, Texas and (ii) the District Court of Harris County, Texas against, among others, Justin Bonner, an employee of GECM, in each case, alleging breach of a confidentiality agreement and tortious interference with Dr. Pumphrey's attempted sale of a business in which he owned an interest. In August 2017, Dr. Pumphrey voluntarily withdrew his complaint against Mr. Bonner and Full Circle in the District Court of Harris County, Texas. In November 2017, Dr. Pumphrey voluntarily withdrew his complaint without prejudice against Full Circle in the District Court of Caldwell County, Texas. On November 29, 2017, Dr. Pumphrey refiled his claims in the District Court of Harris County, Texas naming Full Circle, MAST Capital, GECC and GECM as defendants. Dr. Pumphrey is seeking between $2 million and $6 million in damages. GECC believes Dr. Pumphrey's claims to be frivolous and intends to vigorously defend them. Furthermore, the Company continues to pursue the initial claims against Dr. Pumphrey in the District Court of Caldwell County, Texas. In September 2019, the Company received a judgment in the Company's favor from the District Court of Caldwell County, Texas. On June 4, 2020, Dr. Pumphrey, filed a Chapter 11 Bankruptcy Petition in the United States Bankruptcy Court for the Southern District of Texas. The Company is conducting mediation with Dr. Pumphrey and the other significant creditors in connection with the Chapter 11 proceeding.

7. INDEMNIFICATION

Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business the Company expects to enter into contracts that contain a variety of representations which provide general indemnifications. The Company's maximum exposure under these agreements cannot be known; however, the Company expects any risk of loss to be remote.

8. FINANCIAL HIGHLIGHTS

Below is the schedule of financial highlights of the Company:

	For the Nine Months Ended September 30,	
	2021	2020
Per Share Data:(1)		
Net asset value, beginning of period	$ 3.46	$ 8.63
Net investment income	0.22	0.53
Net realized gains (loss)	(0.17)	(1.02)
Net change in unrealized appreciation (depreciation)	0.45	(1.86)
Net increase (decrease) in net assets resulting from operations	0.50	(2.35)
Issuance of common stock	0.04	-
Distributions declared from net investment income(2)	(0.30)	(0.75)
Net decrease resulting from distributions to common stockholders	(0.30)	(0.75)
Net asset value, end of period	$ 3.70	$ 5.53
Per share market value, end of period	$ 3.49	$ 3.38
Shares outstanding, end of period	26,905,668	10,941,770
Total return based on net asset value(3)	18.57%	(25.03)%
Total return based on market value(3)	8.35%	(47.85)%
Ratio/Supplemental Data:		
Net assets, end of period	99,425	60,464
Ratio of total expenses to average net assets (4),(5)	20.46%	27.14%
Ratio of incentive fees to average net assets(4)	1.01%	1.44%
Ratio of net investment income to average net assets(4),(5)	8.19%	13.53%
Portfolio turnover	48%	51%

(1) The per share data was derived by using the weighted average shares outstanding during the period, except where such calculations deviate from those specified under the instructions to Form N-2.

(2) The per share data for distributions declared reflects the actual amount of distributions of record per share for the period.

(3) Total return based on net asset value is calculated as the change in net asset value per share, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return based on market value is calculated as the change in market value per share, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return does not include any estimate of a sales load or commission paid to acquire shares.

(4) Average net assets used in ratio calculations is calculated using monthly ending net assets for the period presented. For the nine months ended September 30, 2021 and 2020 average net assets were $88,183 and $56,318, respectively.

(5) Annualized for periods less than one year.

9. AFFILIATED AND CONTROLLED INVESTMENTS

Affiliated investments are defined by the Investment Company Act, whereby the Company owns between 5% and 25% of the portfolio company's outstanding voting securities and the investments are not classified as controlled investments. The aggregate fair value of non-controlled, affiliated investments at September 30, 2021 represented 37% of the Company's net assets.

Controlled investments are defined by the Investment Company Act, whereby the Company owns more than 25% of the portfolio company's outstanding voting securities or maintains the ability to nominate greater than 50% of the board representation. The aggregate fair value of controlled investments at September 30, 2021 represented 39% of the Company's net assets.

Fair value as of September 30, 2021 along with transactions during the nine months ended September 30, 2021 in these affiliated investments and controlled investments was as follows:

	For the Nine Months Ended September 30, 2021								
Issue(1)	Fair value at December 31, 2020	Gross Additions(2)	Gross Reductions(3)	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Fair value at September 30, 2021	Interest Income(4)	Fee Income	Dividend Income
Non-Controlled, Affiliated Investments									
Avanti Communications Group PLC									
1.125 Lien, Secured Loan	$ -	$ 4,275	$ -	$ -	$ -	$ 4,275	$ 323	$ 282	$ -
1.25 Lien, Secured Loan	1,148	110	-	-	-	1,258	113	-	-
1.5 Lien, Secured Loan	9,512	913	-	-		10,425	936	-	-
2nd Lien, Secured Bond	18,610	2,910	-	-	(5,402)	16,118	4,046	-	-
Common Equity (9% of class)	-	-	-	-	-	-	-	-	-
	29,270	8,208	-	-	(5,402)	32,076	5,418	282	-
OPS Acquisitions Limited and Ocean Protection Services Limited									
1st Lien, Secured Loan	19	-	78	(4,162)	4,221	-	-	-	-
Common Equity (19% of class)	-	-	-	-	-	-	-	-	-
	19	-	78	(4,162)	4,221	-	-	-	-
PFS Holdings Corp.									
1st Lien, Secured Loan	1,076	-	8	-	-	1,068	66	-	-
Common Equity (5% of class)	7,618	-	-	-	(3,881)	3,737	-	-	-
	8,694	-	8	-	(3,881)	4,805	66	-	-
Totals	**$ 37,983**	**$ 8,208**	**$ 86**	**$ (4,162)**	**$ (5,062)**	**$ 36,881**	**$ 5,484**	**$ 282**	**$ -**
Controlled Investments									
Lenders' Funding, LLC									
Subordinated Note	-	10,000	-	-	-	10,000	33	25	-
Revolver	-	4,605	535	-	-	4,070	6	-	-
Equity (63% of class)	-	7,250	-	-	-	7,250	-	-	-
	-	21,855	535	-	-	21,320	39	25	-
PE Facility Solutions, LLC									
1st Lien, Secured Term Loan B	162	-	164	-	2	-	-	-	-
Common Equity (87% of class)	-	-	140	140	-	-	-	-	-
	162	-	304	140	2	-	-	-	-
Prestige Capital Finance, LLC									
Note	-	6,000	-	-	-	6,000	122	-	-
Equity (80% of class)	10,081	-	-	-	1,772	11,853	-	-	1,440
	10,081	6,000	-	-	1,772	17,853	122	-	1,440
Totals	**$ 10,243**	**$ 27,855**	**$ 839**	**$ 140**	**$ 1,774**	**$ 39,173**	**$ 161**	**$ 25**	**$ 1,440**

(1) Non-unitized equity investments are disclosed with percentage ownership in lieu of quantity.

(2) Gross additions include increases resulting from new or additional portfolio investments, capitalized PIK income, accretion of discounts and the exchange of one or more existing securities for one or more new securities.

(3) Gross reductions include decreases resulting from principal collections related to investment repayments or sales and the exchange of one or more existing securities for one or more new securities.

(4) Income amounts include accrued PIK income.

10. SUBSEQUENT EVENTS

The Board authorized the distribution for the quarter ending March 31, 2022 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.

Since September 30, 2021:

- $3,000 in par value of Mitchell International, Inc. ("Mitchell") second lien term loan due 2025 was redeemed at 100% of par value.
- the Company purchased $1,000 in par value of Summit Midstream Holdings, LLC second lien notes at approximately 99% of par value.
- the Company purchased $840 in par value of Vantage Specialty Chemicals, Inc. second lien term loan at approximately 97% of par value.
- the Company purchased $1,000 in par value of Mitchell second lien term loan due 2029 at 99% of par value.
- the Company sold $1,000 in par value of Mitchell second lien term loan due 2029 at approximately 101% of par value.
- the Company sold 17,656 shares of Crestwood Equity Partners, LP Class A preferred equity units at an average of $10.21 per share.
- the Company purchased $1,206 in par value of Viasat, Inc. receivables at 82% of par value.
- the company sold approximately $1,328 of SPAC positions across 11 companies.

Exhibit 31.1

Certification of Chief Executive Officer

I, Peter A. Reed, Chief Executive Officer of Great Elm Capital Corp., a Maryland corporation (the "Registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: November 5, 2021

/s/ Peter A. Reed
Peter A. Reed
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer

I, Keri A. Davis, Chief Financial Officer of Great Elm Capital Corp., a Maryland corporation (the “Registrant”), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e))) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Dated: November 5, 2021

/s/ Keri A. Davis
Keri A. Davis
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to
18 U.S.C. 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with this Quarterly Report on Form 10-Q of Great Elm Capital Corp., a Maryland corporation (the "Registrant"), for the three months ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Peter A. Reed, as Chief Executive Officer of the Registrant, and Keri A. Davis, as Chief Financial Officer of the Registrant, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of each of the undersigned's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: November 5, 2021

/s/ Peter A. Reed
Peter A. Reed
Chief Executive Officer
(Principal Executive Officer)

/s/ Keri A. Davis
Keri A. Davis
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)