

Great Elm Capital Corp.

NASDAQ: GECC

June 2017



GREAT ELM CAPITAL

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Great Elm Capital Corp. • 800 South Street, Suite 230, Waltham, MA 02453 • 617-375-3006

GECC PROFILE

Great Elm Capital Corp. (NASDAQ: GECC) is an externally managed, specialty finance company focused on investing in the debt instruments of middle market companies. GECC has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended. GECC is externally managed by Great Elm Capital Management, Inc. (“GECM”), a wholly-owned subsidiary of Great Elm Capital Group, Inc. (NASDAQ: GEC).

GECC’s investment objective is to generate total returns through the combination of current income and capital appreciation, while seeking to protect against risk of permanent capital loss. GECC invests predominantly in the senior secured and unsecured debt securities of middle market companies, which GECM defines as companies with enterprise values between \$100 million and \$2 billion. GECC typically purchases such securities in the secondary market with a focus on catalyst-driven, total-return investment opportunities.

STOCK INFORMATION (as of 3/31/2017)

Shares Outstanding: 11.6 million as of 5/10/2017
Distribution Yield: 7.3% of NAV and 9.0% of market price¹

KEY STATISTICS (as of 3/31/2017; NII for Q1/17)

Net Investment Income (NII): \$4.1 million
NII per Share: \$0.32
Net Asset Value (NAV): \$170.4 million
Net Asset Value Per Share: \$13.59
Q3 2017 Distribution: \$0.083 per share per month

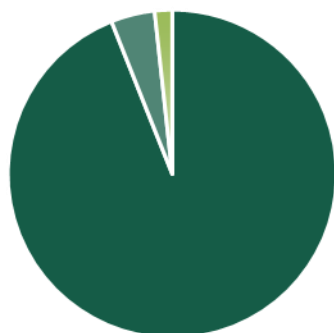
INVESTMENT HIGHLIGHTS

- Catalyst-driven middle market credit portfolio with an emphasis on secured bonds and loans
- Fundamental, in-depth research by a team of sector-focused research analysts
- Significant alignment of interest between the manager and stockholders through manager’s ownership in the equity and shareholder-friendly IMA

INVESTMENT PORTFOLIO (as of 3/31/2017)

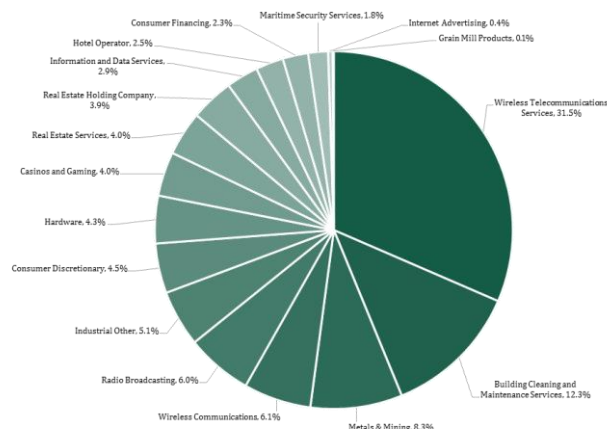
- Debt investments in 20 companies with a total fair value of \$149.6 million; equity investments in seven companies with a fair value of \$2.6 million
- 94.0% of the portfolio is invested in senior and / or secured debt
- 12.63% weighted average current yield on debt portfolio with a weighted average price of \$0.78
- \$66.8 million in cash and cash equivalents

INVESTMENT BY ASSET TYPE



- 1st Lien / Senior Secured Debt
- Unsecured Debt
- Equity / Other

INVESTMENT BY INDUSTRY



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GECC'S KEY STRENGTHS

Experienced External Manager

- GECC is externally managed by Great Elm Capital Management, Inc., a wholly-owned subsidiary of Great Elm Capital Group, Inc. (NASDAQ: GEC)
- The GECM investment team has significant experience in middle market credit investing with 100+ years of aggregate investment experience
- This experienced team is focused on delivering a differentiated BDC strategy with a focus on catalyst-driven and special situations secondary market opportunities, while opportunistically originating custom financings
- GECM employs a team of 14 people across investments, finance, compliance and investor relations

Alignment of Interest with Management

- Great Elm Capital Group, Inc., the parent company of GECM, owns approximately 16.9% of the shares of GECC (as of 5/10/2017)
- Stockholder-friendly investment management agreement with base management fees of 1.5% on average gross assets, excluding cash
- Income incentive fee subject to a 7% hurdle and a total return look-back provision
- \$15 million 10b5-1 stock buyback program implemented in November 2016 to systematically buy shares when GECC trades below 90% of NAV as a part of a \$50 million buyback program
- \$10 million self-tender announced in April and closed in May at approximately 85% of 3/31/2017 NAV

GECC'S OFFICERS

- Peter A. Reed, President & Chief Executive Officer
- Michael J. Sell, Chief Financial Officer & Treasurer
- Robert Wilson, Chief Compliance Officer

GECM'S INVESTMENT COMMITTEE

- Peter A. Reed, Chief Investment Officer
- John S. Ehlinger, Portfolio Manager
- Adam M. Kleinman, COO & General Counsel
- Adam W. Yates, Portfolio Manager

FOOTNOTES:

1) Distribution yield based on monthly distribution rate vs. 3/31/2017 NAV and 5/9/2017 closing market price.

DISCLAIMER:

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