Great Elm® GROUP

February 6, 2025

Fiscal Second Quarter
Ended December 31, 2024
NASDAQ: GEG



GEG Highlights

- Great Elm Capital Corp. ("GECC") raised an additional $13.2 million of equity at Net Asset Value ("NAV") in December 2024, bringing total capital raised in calendar 2024 to $147mm
- On February 4, 2025, the Company acquired the assets of Greenfield CRE, LLC ("Greenfield"), a leading construction management company and longstanding partner of Monomoy CRE, LLC ("MCRE"), forming Monomoy Construction Services, LLC
- Great Elm grew fee-paying assets under management ("FPAUM") by 17% year-over-year in the December 2024 quarter
- Base management fees from GECC grew 33% year-over-year to $1.2 million and Great Elm collected over $0.5 million of incentive fees from GECC for the December 2024 quarter
- Monomoy BTS completed construction of its second build-to-suit property after a successful sale in June 2024 of its first property
- Great Elm Credit Income Fund ("GECIF") delivered a strong return on invested capital of ~13.9% at December 31, 2024, since inception[1]
- Great Elm continues to repurchase shares via its share repurchase program. Through February 4, 2025, ~4.1 million shares have been repurchased for ~$7.4 million, at an average price of $1.83 per share
    - Book value per share was $2.30 as of December 31, 2024[2]
- Great Elm ended the quarter with ~$44 million[2] of cash to deploy across its growing alternative asset management platform



[1] Assumes invested at inception on November 1, 2023, and remained invested throughout the succeeding 14 months ended December 31, 2024, with distributions reinvested, net of founder's class fees and expenses. Performance results should not be regarded as final until audited financial statements are issued covering the period shown. Past performance is no guarantee of future results.

[2] Amount excludes Consolidated Funds.

GECC: $147mm of Equity & Debt Issued

GECC issued $49mm of equity and $98mm of debt in the last year

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$49 million of Equity Raised at NAV

In February 2024, issued 1.85 million shares at $12.97 (then current NAV) for $24 million

- GEG participated in $6 million of the $24 million; a strategic institutional investor participated in the other $18 million of the transaction

Issued 1.0 million shares at $12.03 (then current NAV) for $12 million in June 2024

- GEG made a $3 million investment in the special purpose vehicle which purchased the shares

In December 2024, issued 1.1 million shares at $12.06 (then current NAV) for $13 million

- GEG made a $3.3 million investment in the special purpose vehicle which purchased the shares

$56.5 million of GECCI Notes Issued

In April 2024, issued $34.5 million of 8.50% Notes due 2029 (the "GECCI Notes")

- Spread to Treasury more than 50bps improved compared to prior note issuance, driven by strong earnings and fresh equity capital
- Egan Jones rating upgrade to BBB (from BBB-)

Issued $22.0 million of additional GECCI Notes in July 2024 utilizing the Shelf

- Notes were issued in a registered direct offering with an institutional investor

$41.4 million of GECCH Notes Issued

In September 2024, issued $36.0 million of 8.125% Notes due 2029 (the "GECCH Notes")

- Proceeds used to refinance GECC's January 2025 maturity, leaving no maturities for 20 months
- Coupon reduced by 0.375% from the GECCI Notes issued earlier in the year

Issued $5.4 million of additional GECCH Notes in October 2024 via full exercise of the underwriters' overallotment option

About GEG

Great Elm Group, Inc. (GEG) is a publicly-traded, alternative asset manager focused on:

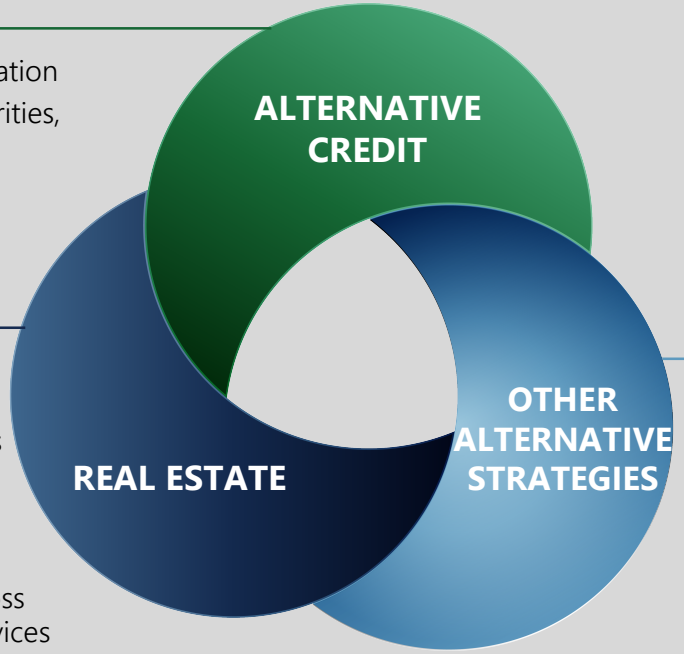
- Growing a scalable and diversified portfolio of long-duration and permanent capital vehicles
- Investing in credit, real estate, specialty finance and other alternative strategies

Alternative Credit

- Focus on income generation and capital preservation
- Investment in debt and income-generating securities, direct lending, CLOs, and special situations
- Active investment in specialty finance businesses including Factoring, Asset Based Lending, and Healthcare

Real Estate

- Full service, tenant-focused holder of industrial real estate across the United States
- Focus on single-tenant light industrial properties with building footprints on significant acreage
- Build-to-Suit "BTS" entity provides differentiated design-build solutions
- Integrated Construction entity serves needs across business verticals and third-party consulting services
- Actively seeking growth via other products



Other Alternative Strategies

- Active pursuit of new strategic businesses
- Focus on long duration "sticky" capital
- Alignment through GEG investment in funds
- Durable fee structure
- Operational leverage supported by existing GEG infrastructure

Our Goals

Improve Profitability

- Debt and equity capital raises at GECC expected to drive growth of future recurring fee revenue streams with high contribution margins
  - GEG's $12.3 million of investments in the GECC equity capital raises facilitated an increase greater than 40% in FPAUM at GECC
- GECC delivered strong performance, with base management fee growth of 33% YoY, and GEG collected incentive fees of ~$0.5 million for the quarter ended December 31, 2024
- Monomoy BTS completed construction of its second property in December 2024, after the sale of its first property in June 2024, which realized ~$1.2 million of profit

Expand Platform

- On February 4, 2025, GEG acquired the assets of Greenfield, a leading construction management company and longstanding partner, forming Monomoy Construction Services, LLC
- Monomoy BTS contracted its third project and significantly grew its pipeline of new projects, building expected future value
- Great Elm Credit Income Fund has delivered strong returns of ~13.9% inception to date through December 31, 2024, and is well-positioned for future growth[1]

Grow AUM

- In calendar 2024, GECC raised $147 million of capital, comprised of $49 million of equity at NAV, ~$56 million of 8.50% notes due 2029 and ~$42 million of 8.125% notes due 2029
- Grew FPAUM and AUM by approximately 17% and 14%, respectively, from prior year-end
- Positioned to expand the platform to create future AUM growth

[1] Assumes invested at inception on November 1, 2023, and remained invested throughout the succeeding 14 months ended December 31, 2024, with distributions reinvested, net of founder's class fees and expenses. Performance results should not be regarded as final until audited financial statements are issued covering the period shown. Past performance is no guarantee of future results.

GEG Managed Vehicles

ALTERNATIVE CREDIT

GECC

- Public BDC with $330+ million AUM
- ~12% of common stock held by GEG
- Base management fee of 1.5% on gross assets
- Income incentive fee of 20% after 7% hurdle on net assets

Private Funds

- Great Elm Credit Income Fund focuses on direct lending, syndicated credit and special situations
- Great Elm Opportunities Fund I participates in unique investment opportunities presented to the Great Elm investment team

REAL ESTATE

Monomoy REIT

- Private Industrial REIT with $400+ million AUM
- ~8% direct investment held by GEG
- Base management fee of 1% on net assets
- Property management fee of 4% on rents
- 20% performance fee charged upon liquidity event after 8% hurdle

Monomoy BTS

- Build-to-Suit entity develops properties to from “ground up” to meet specific needs of existing Monomoy tenant base
- Partners with tenants to deliver custom solutions utilizing services of in-house design and construction team

Summary Financial Position[1]

GEG December 31, 2024 condensed balance sheet, excluding Consolidated Funds

$ Million	
Cash	$ 44.3
Investments	56.4
Other Current and Long-Term Assets	29.6
Total Assets	**$ 130.3**

	12/31/2024
Current Liabilities	$ 3.6
Long-Term Debt	26.2
Convertible Notes	35.8
Other Liabilities	2.3
Total Liabilities	**$ 67.9**
Total Equity	**$ 62.4**
Total Liabilities & Equity	**$ 130.3**
Book Value per Share	**~ $2.30**

[1] Condensed balance sheet excludes the impact of consolidation of Consolidated Funds. Amounts related to Consolidated Funds include Cash of $2.6mm, Investments of $11.9mm, Other Assets of $0.2mm, Current Liabilities of $0.6mm, and Equity related to Non-Controlling Interests of $7.7mm, resulting in GEG's Investment and related Current Assets of $6.4mm.

GECC & Monomoy Highlights

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Great Elm CAPITAL CORP

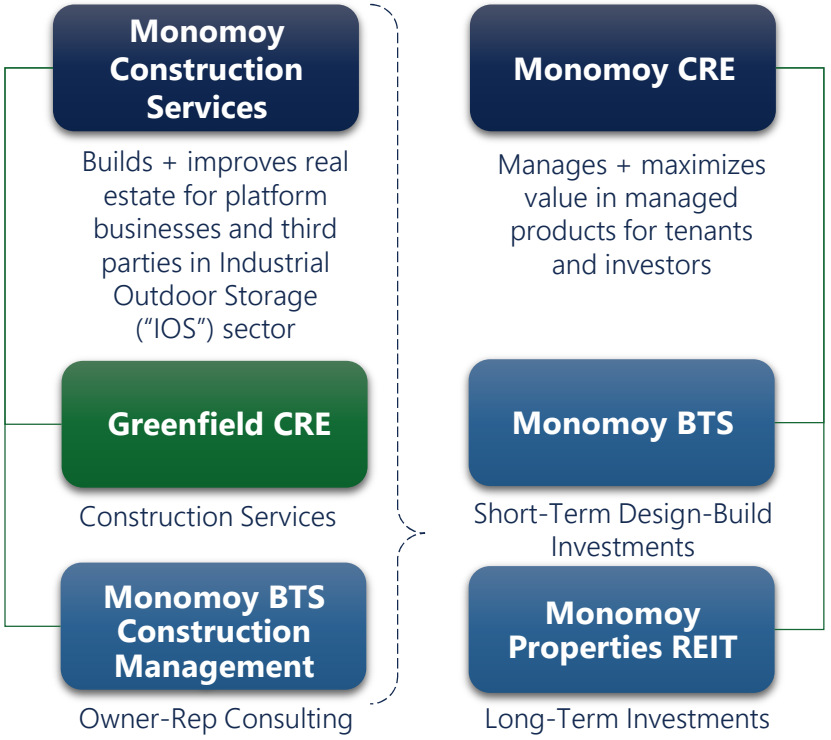
- Raised $13.2 million of equity at Net Asset Value ("NAV") through the issuance of approximately 1.1 million shares at NAV to Summit Grove Partners ("SGP")
  - GEG invested $3.3 million into SGP, further enhancing its credit platform
- Announced a 5.7% increase to its quarterly base distribution from $0.35 to $0.37 per share for the first calendar quarter of 2025 and declared a special cash distribution of $0.05 per share in December 2024
- Paid management fees of $1.2 million and cash incentive fees to GEG of over $0.5 million for the quarter ended December 31, 2024
- 14.0% annualized dividend yield on closing market price of $10.54, as of February 4, 2025

MONOMOY CRE

- Monomoy BTS sold its first property and completed construction on its second property, while maintaining a strong project pipeline
  - Completed construction of its first build-to-suit property in October 2024, after the property sale in June 2024, realizing approximately $1.2 million in profit, and completed construction of its second property in December 2024
  - Remains focused on selling its second completed property and made meaningful progress on its third project
- Monomoy REIT maintained strong activity throughout Fiscal 2Q25:
  - Closed on three property purchases for ~$3.8 million
  - Closed quarter with strong pipeline of transaction opportunities and open requirements from tenants

GEG Launches Monomoy Construction Services (MCS)

- On February 4, 2025, Great Elm acquired Greenfield CRE, LLC ("Greenfield"), a leading construction management company and longstanding partner of Monomoy CRE, LLC ("MCRE"), our real estate investment manager
- In connection with the transaction, Great Elm launched Monomoy Construction Services, LLC ("MCS") and combined Greenfield with Monomoy BTS Construction Management to launch a full-service, fully-integrated construction business
- MCS will be dedicated to serving Great Elm's various real estate verticals, as well as expanding its existing third-party consulting business
- MCS combines the construction talent from Greenfield with in-house civil engineering and land planning talent at Monomoy BTS Construction Management to operate adjacent to its Asset Management business serving the industrial real estate market
- With MCS, Monomoy will offer a full-service, in-house suite of project management, procurement, construction management, asset management, market analysis and feasibility services for its industrial real estate tenants



Fiscal 2025 Second Quarter Highlights

Great Elm GROUP

Fiscal 2Q25 Financial Highlights

Revenue

- Fiscal 2Q25 revenue grew 24% to $3.5 million compared to $2.8 million in the prior-year period
- Growth primarily driven by increased revenue from Monomoy BTS, Corp. (“MBTS”) and increased GECC management fees, due to growth in FPAUM

Net Income

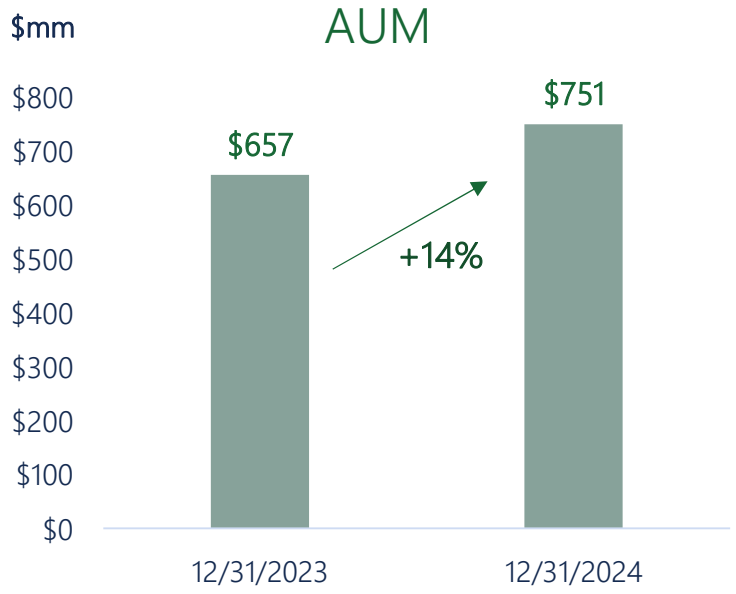
- Net income from continuing operations of $1.4 million for Fiscal 2Q25, compared to a net loss from continuing operations of ($0.2) million in the prior-year period

Adjusted EBITDA[1]

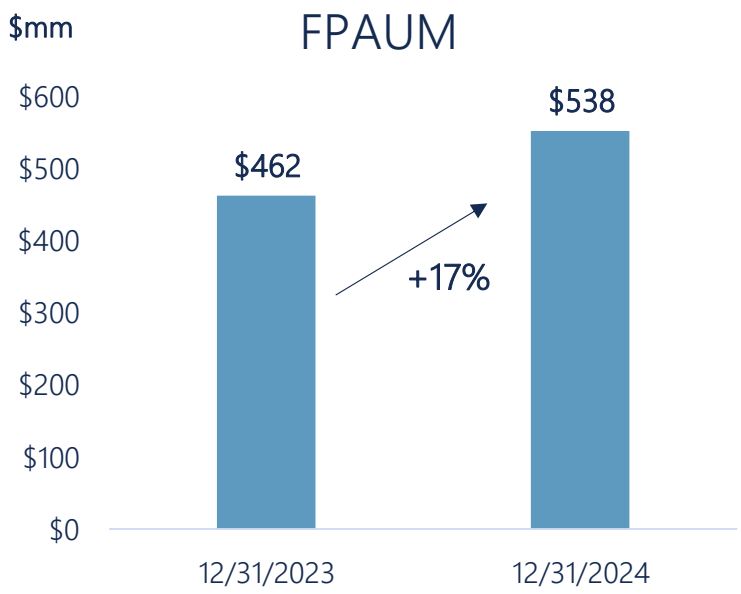
- Fiscal 2Q25 Adjusted EBITDA of $1.0 million, compared to $0.6 million in Fiscal 2Q24

[1] Please refer to the disclaimers on slide 18 and the Adjusted EBITDA reconciliation table on slide 15.

Assets Under Management



$751 million of Assets Under Management ("AUM") as of December 31, 2024, up 14% from December 31, 2023



$538 million of Fee-Paying AUM ("FPAUM") as of December 31, 2024, up 17% from December 31, 2023

Financial Review: Fiscal 2Q25 Balance Sheet

(in thousands)	December 31, 2024	June 30, 2024
ASSETS		
Cash and cash equivalents	$ 44,288	$ 48,147
Restricted cash	-	1,571
Receivables from managed funds	3,725	2,259
Investments in marketable securities	-	9,929
Investments at fair value	49,918	44,585
Prepaid and other current assets	5,275	1,215
Identifiable intangible assets, net	10,510	11,037
Real estate assets, net	6,524	5,769
Other assets	3,554	1,839
Assets of consolidated funds	14,693	14,095
Total assets	**$ 138,487**	**$ 140,446**
LIABILITIES		
Accounts payable and accrued expenses	3,002	7,326
Related party payables	254	634
Long-term debt	26,231	26,090
Convertible notes	35,838	34,900
Other liabilities	2,594	1,039
Payable for securities purchased	19	-
Liabilities of consolidated funds	491	262
Total liabilities	**$ 68,429**	**$ 70,251**
Stockholders' equity and non-controlling interest	**$ 70,058**	**$ 70,195**
Total liabilities, non-controlling interest and stockholders' equity	**$ 138,487**	**$ 140,446**

Financial Review: Fiscal 2Q25 Income Statement

(In thousands)	Three months ended December 31, 2024	Three months ended December 31, 2023	Six months ended December 31, 2024	Six months ended December 31, 2023
Revenues	**$ 3,507**	**$ 2,819**	**$ 7,499**	**$ 6,129**
Cost of Revenues	458	-	1,093	-
Operating costs and expenses:				
Investment management expenses	3,431	2,839	6,489	5,601
Depreciation and amortization	284	283	557	566
Selling, general and administrative	1,306	2,393	3,312	4,108
Expenses of Consolidated Funds	5	-	21	-
Total operating costs and expenses	**$ 5,026**	**$ 5,515**	**$ 10,379**	**$ 10,275**
Operating loss	**(1,977)**	**(2,696)**	**(3,973)**	**(4,146)**
Dividends and interest income	1,567	2,072	3,125	4,058
Net realized and unrealized gain	2,428	1,204	6,206	4,488
Net realized and unrealized loss on investments of Consolidated Funds	(29)	114	249	114
Interest and other income of Consolidated Funds	395	128	779	128
Interest expense	(1,030)	(1,061)	(2,058)	(2,123)
(Loss) income before income taxes from continuing operations	**$ 1,354**	**$ (239)**	**$ 4,328**	**$ 2,519**
Income tax benefit (expense)	-	-	-	-
Net (loss) income from continuing operations	**$ 1,354**	**$ (239)**	**$ 4,328**	**$ 2,519**
Net income (loss) from discontinued operations	**-**	**-**	**-**	**16**
Net (loss) income	**$ 1,354**	**$ (239)**	**$ 4,328**	**$ 2,535**

Note: Net realized and unrealized gain (loss) on investments includes an approximate $1.0 million unrealized gain on Great Elm's investments in SPV's for the three months ended December 31, 2024. Aggregate net realized and unrealized gain (loss) on Great Elm's investments in SPV's from inception to date are approximately $0.7 million.

Results By Quarter

(in thousands)	Three Months Ended December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
NON-GAAP RECONCILIATION					
Net income (loss) from continuing operations - GAAP	**$ 1,354**	**$ 2,974**	**$ (578)**	**$ (2,883)**	**$ (239)**
Interest expense	1,030	1,028	1,137	1,074	1,061
Income tax expense (benefit)	-	-	101	-	-
Depreciation and amortization	284	273	271	271	283
Non-cash compensation	755	1,117	688	698	839
(Gain) loss on investments	(2,399)	(4,056)	(465)	2,622	(1,318)
Change in contingent consideration	-	(6)	20	(554)	18
Adj. EBITDA	**$ 1,024**	**$ 1,330**	**$ 1,174**	**$ 1,228**	**$ 644**
CASH FLOW					
Adj. EBITDA	**$ 1,024**	**$ 1,330**	**$ 1,174**	**$ 1,228**	**$ 644**
Capital expenditures	(138)	(148)	(3)	443	(340)
Unleveraged free cash flow	**886**	**1,182**	**1,171**	**1,671**	**304**
Interest expense paid	(494)	(488)	(489)	(483)	(494)
Leveraged free cash flow	**$ 392**	**$ 694**	**$ 682**	**$ 1,188**	**$ (190)**

Note: Please refer to the disclaimers on slide 18.

Results Year-Over-Year

(in thousands)	Three months ended December 31, 2024	Three months ended December 31, 2023	Six months ended December 31, 2024	Six months ended December 31, 2023
NON-GAAP RECONCILIATION				
Net income (loss) from continuing operations - GAAP	**$ 1,354**	**$ (239)**	**$ 4,328**	**$ 2,519**
Interest expense	1,030	1,061	2,058	2,123
Income tax expense (benefit)	-	-	-	-
Depreciation and amortization	284	283	557	566
Non-cash compensation	755	839	1,872	1,726
(Gain) loss on investments	(2,399)	(1,318)	(6,455)	(4,602)
Change in contingent consideration	-	18	(6)	36
Adj. EBITDA	**$ 1,024**	**$ 644**	**$ 2,354**	**$ 2,368**
CASH FLOW				
Adj. EBITDA	**$ 1,024**	**$ 644**	**$ 2,354**	**$ 2,368**
Capital expenditures	(138)	(340)	(286)	(458)
Unleveraged free cash flow	**$ 886**	**$ 304**	**$ 2,068**	**$ 1,910**
Interest expense paid	(494)	(494)	(982)	(982)
Leveraged free cash flow	**$ 392**	**$ (190)**	**$ 1,086**	**$ 928**

Note: Please refer to the disclaimers on slide 18.

Contact Information

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Disclaimer

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Non-GAAP Financial Measures

The SEC has adopted rules to regulate the use in filings with the SEC, and in public disclosures, of financial measures that are not in accordance with US GAAP, such as adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and free cash flow. See slides 15 & 16 for reconciliations of non-GAAP measures to their most directly comparable GAAP measures.

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