

GREAT ELM GROUP

Great Elm Group, Inc.

Conference Call Presentation
Fiscal Fourth Quarter and Year Ended June 30, 2022

September 12, 2022

NASDAQ: GEG

Disclaimer

Statements in this press release that are "forward-looking" statements, including statements regarding expected growth, profitability, acquisition opportunities and outlook involve risks and uncertainties that may individually or collectively impact the matters described herein. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made and represent Great Elm's assumptions and expectations in light of currently available information. These statements involve risks, variables and uncertainties, and Great Elm's actual performance results may differ from those projected, and any such differences may be material. For information on certain factors that could cause actual events or results to differ materially from Great Elm's expectations, please see Great Elm's filings with the SEC, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Additional information relating to Great Elm's financial position and results of operations is also contained in Great Elm's annual and quarterly reports filed with the SEC and available for download at its website www.greatelmgroup.com or at the SEC website www.sec.gov.

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 the Appendix for important information regarding the use of non-GAAP financial measures and reconciliations of non-GAAP measures to their most directly comparable GAAP measures.

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

Business Strategy

Growth Strategy

- Acquire management rights to permanent capital vehicles that utilize the expertise of our Board, management, and financial resources, including our NOLs
- Focus on driving asset growth in GECC and Monomoy
- Increase AUM through new fund launches, capital market financings and private fundraising initiative
- Leverage the existing team and infrastructure to generate incremental free cash flow

Business Operating Units

Investment Management

Great Elm Capital Management, Inc. ("GECM")

- SEC Registered Investment Advisor
- Investment Manager to Great Elm Capital Corp., a publicly traded BDC
- Investment Manager and Property Manager to Monomoy Properties REIT, LLC, a privately traded REIT

Operating Companies

Great Elm Durable Medical Equipment ("DME") Business

- Distributor of respiratory care equipment (CPAP, ventilators, oxygen) and sleep study services
- Services a large and growing segment of the population who suffer from sleep disorders
- Aging population, rising obesity rates and the prevalence of smoking are causative factors
- Operates in AK, AZ, KS, IA, MO, NE, OR, WA
- Approximately 350 employees

Fiscal 2022 Annual Highlights

Fiscal 2022 Annual Highlights

Consolidated

- Great Elm grew revenue by 12% year-over-year
- In June 2022, the company issued $27 million in aggregate principal amount of 7.25% Notes due 2027

IM

- GECM acquired the investment management agreement for Monomoy Properties REIT on May 5, 2022
- GECC grew AUM year-over-year
- In June 2022, GECC raised $37.5 million of new equity capital upon completion of its rights offering

Operating Companies

- DME grew revenue by 10% year-over-year
- Adjusted EBIDTDA increased 37% year-over-year excluding the decline in government stimulus
- In August 2021, the company completed the acquisition of MedOne Healthcare

Strong Year-over-Year Revenue Growth

As of June 30, 2022, approximately $821 million of net operating loss (NOL) carryforwards for Federal income tax purposes

Consolidated Summary Financials: By Quarter

(in millions)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue by segment					
DME	$ 16.5	$ 15.6	$ 15.7	$ 15.6	$ 15.4
Investment Management	1.5	1.0	1.0	1.0	0.9
General Corporate	0.2	0.2	0.2	0.2	0.3
Eliminations	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Consolidated	**$ 18.1**	**$ 16.6**	**$ 16.7**	**$ 16.5**	**$ 16.3**
Net income (loss) from continuing operations by segment[1]					
DME	$ (0.2)	$ (6.6)	$ 0.9	$ 2.1	$ 5.9
Investment Management	(1.8)	(4.0)	(2.6)	(0.1)	1.3
General Corporate	(2.8)	4.5	(2.5)	(1.8)	(8.3)
Consolidated	**$ (4.8)**	**$ (6.1)**	**$ (4.2)**	**$ 0.1**	**$ (1.1)**
Adj. EBITDA[1, 2] by segment					
DME	$ 3.6	$ 2.5	$ 2.6	$ 5.1	$ 4.3
Investment Management	(0.1)	(0.4)	(0.0)	0.1	0.1
General Corporate	(0.8)	(1.2)	(1.2)	(1.0)	(0.9)
Consolidated	**$ 2.7**	**$ 1.0**	**$ 1.4**	**$ 4.3**	**$ 3.5**

(1) Previously reported amounts below have been recast to reflect the full retrospective adoption of ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity and to conform with current segment organization. (2) Please refer to the disclaimers on slide 2 and the Adjusted EBITDA reconciliation tables in the Appendix.

Consolidated Summary Financials: Year-Over-Year

(in millions)	Three Months Ended		Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue by Segment				
DME	$ 16.5	$ 15.4	$ 63.5	$ 57.6
Investment Management	$ 1.5	$ 0.9	$ 4.5	$ 3.2
General Corporate	$ 0.2	$ 0.3	$ 0.9	$ 0.6
Eliminations	$ (0.2)	$ (0.3)	$ (0.9)	$ (0.6)
Consolidated	**$ 18.1**	**$ 16.3**	**$ 68.0**	**$ 60.9**
Net Income (Loss) from Continuing Operations by Segment[1]				
DME	$ (0.2)	$ 5.9	$ (3.8)	$ (2.5)
Investment Management	$ (1.8)	$ 1.3	$ (8.6)	$ 2.7
General Corporate	$ (2.8)	$ (8.3)	$ (2.6)	$ (8.8)
Consolidated	**$ (4.8)**	**$ (1.1)**	**$ (15.0)**	**$ (8.5)**
Adj. EBITDA[1,2] by Segment				
DME	$ 3.6	$ 4.3	$ 13.8	$ 12.4
Investment Management	$ (0.1)	$ 0.1	$ (0.4)	$ 0.4
General Corporate	$ (0.8)	$ (0.9)	$ (4.1)	$ (4.2)
Consolidated	**$ 2.7**	**$ 3.5**	**$ 9.3**	**$ 8.6**

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Investment Management: A Scalable, High Margin Business

GREAT ELM GROUP

AUM GROWTH

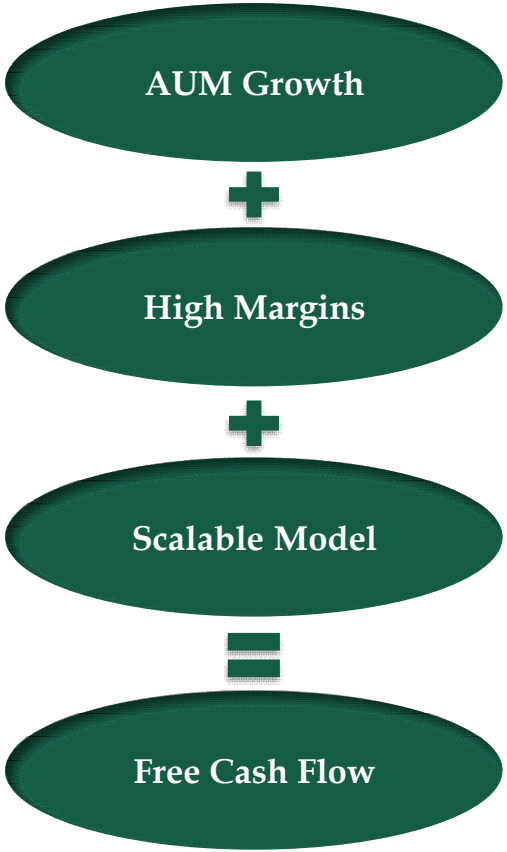
Grow GECC's and Monomoy's AUM through issuances of additional debt and equity, resulting in an increase in fee revenue

Grow the Investment Management business by leveraging the existing team to launch additional vehicles

SCALABLE MODEL

Infrastructure in place to support growth in AUM and new investment vehicles

Investment team in place to support growth in AUM



HIGH MARGINS

Given the largely fixed cost nature of the Investment Management business, we expect adjusted EBITDA margins to increase as our AUM increases and the business scales

FREE CASH FLOW

Growth in AUM in the Investment Management business coupled with its high margins and scalable business model could result in operating leverage and, thus, the potential for growth in adjusted EBITDA and free cash flow

Investment Management

In fiscal 4Q22, Investment Management generated $1.5 million of revenue, a $1.8 million net loss and ($0.1) Adjusted EBITDA[1]

- Year over year revenue growth driven by an increase in the average assets on which management fees are calculated
- Increased revenue was more than offset by higher selling, general and administrative expenses due to an increase in allocated payroll costs, bonus accruals and consulting fees

Quarterly Highlight

Great Elm Capital Management, Inc., a subsidiary of GEG, acquired the investment management agreement for Monomoy Properties REIT on May 5, 2022

Monomoy's diversified portfolio of industrial properties is poised for sustainable growth reflecting the REIT's differentiated positioning, secular market shifts, and strong tenant relationships

Monomoy Properties is a private real estate investment trust

- 114-property portfolio of diversified net leased industrial assets
- $358 million of gross real estate at fair value

(1) Please refer to the disclaimers on slide 2 and the Adjusted EBITDA reconciliation tables in the Appendix.

Investment Management: By Quarter

(in thousands)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total revenues	**$ 1,524**	**$ 988**	**$ 1,021**	**$ 983**	**$ 949**
GAAP net income (loss) from continuing operations[1]	**$ (1,800)**	**$ (3,981)**	**$ (2,631)**	**$ (140)**	**$ 1,311**
Non-cash compensation	268	262	946	396	185
Interest expense, net	89	24	24	24	25
Dividend income on managed products	(1,158)	(548)	(549)	(554)	(554)
Gain (loss) on managed products	2,312	3,770	2,055	305	(981)
Depreciation and amortization expense	217	89	108	109	109
Adj. EBITDA[1,2]	**$ (72)**	**$ (384)**	**$ (47)**	**$ 140**	**$ 95**
Capital expenditures	-	-	(3)	-	-
Interest expense paid	-	-	-	-	-
Dividend income received in cash on managed products	1,158	548	1,103	554	554
Scheduled debt amorization	-	-	-	-	-
Leveraged free cash flow[3]	**$ 1,086**	**$ 164**	**$ 1,053**	**$ 694**	**$ 649**

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Investment Management: Year-Over-Year

(in thousands)	Three Months Ended		Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Total revenues	**$ 1,524**	**$ 949**	**$ 4,516**	**$ 3,210**
Net income (loss) from continuing operations - GAAP[1]	**$ (1,800)**	**$ 1,311**	**$ (8,552)**	**$ 2,723**
Non-cash compensation	268	185	1,872	757
Interest expense, net	89	25	161	101
Dividend income on managed products	(1,158)	(554)	(2,809)	(2,954)
Gain (loss) on managed products	2,312	(981)	8,442	(721)
Depreciation and amortization expense	217	109	523	473
Adj. EBITDA[1,2]	**$ (72)**	**$ 95**	**$ (363)**	**$ 379**
Capital expenditures	-	-	(3)	-
Interest expense paid	-	-	-	(50)
Dividend income received in cash on managed products	1,158	554	3,363	701
Scheduled debt amorization	-	-	-	-
Leveraged free cash flow[3]	**$ 1,086**	**$ 649**	**$ 2,997**	**$ 1,030**

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Operating Companies: DME – Operating Highlights

- **In fiscal 4Q22, DME generated $16.5 million of revenue, a $0.2 million net loss and $3.6 million of Adjusted EBITDA[1]**
  - Revenue increased due to continued organic growth in resupply sales and contributions from the AMPM and MedOne acquisitions
  - These acquisitions expand DME's geographic reach and achieve synergies through operational integration initiatives
  - 37% Adjusted EBITDA growth year-over-year normalized for government stimulus
  - Normalized for employee retention payroll tax credits claimed under the CARES Act in the prior year period, Adjusted EBITDA increased by $1.6 million.
  - Operations benefitted from higher sales in part due to the strengthening of our Midwest business in Kansas and Missouri as a result of our AMPM acquisition, as well as lower operating cost due to a continued focus on prudent expense management.
- **For the full year ended June 30, 2022, DME generated total revenue, net income and Adjusted EBITDA[1] of $63.5 million, ($3.8) million and $13.8 million, respectively, compared to $57.6 million, ($2.5) million and $12.4 million in the prior 12-month period ended June 30, 2021. Adjusted EBITDA increased $3.7 million or 37% year over year excluding the decline in government stimulus benefits.**

(1) Please refer to the disclaimers on slide 2 and the Adjusted EBITDA reconciliation tables in the Appendix.

Operating Companies: DME – By Quarter

(in thousands)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total net revenue					
Sales and services revenue - medical equipment	$ 9,487	$ 8,976	$ 8,968	$ 8,730	$ 8,566
Sales and services revenue - sleep studies	1,521	1,383	1,309	1,346	1,531
Total sales and services revenue	11,008	10,359	10,277	10,076	10,097
Rental income	5,533	5,275	5,451	5,479	5,276
Total net revenue	**$ 16,541**	**$ 15,634**	**$ 15,728**	**$ 15,555**	**$ 15,373**
GAAP net income (loss) from continuing operations[1]	**$ (244)**	**$ (6,620)**	**$ 937**	**$ 2,082**	**$ 5,906**
Interest expense	1,142	1,269	1,289	1,287	1,274
Depreciation and amortization	2,079	2,003	2,040	2,142	2,079
Transaction and integration related costs, including ext of debt	1,573	63	176	219	461
Change in contingent consideration	259	68	(285)	(163)	(126)
Location closure	-	-	-	-	-
Mgmt fees	119	117	60	130	168
Other (income) / expense	(1,361)	5,612	(1,584)	(560)	(5,457)
Adj. EBITDA[1,2]	**$ 3,567**	**$ 2,512**	**$ 2,633**	**$ 5,137**	**$ 4,305**
(Maintenance capex)	(51)	(28)	(17)	(48)	(219)
(Growth capex)	(843)	(2,149)	(1,464)	(1,948)	(1,881)
Transaction costs and integration costs paid, including ext of debt	(614)	(63)	(176)	(219)	(340)
Unleveraged free cash flow	**$ 2,059**	**$ 272**	**$ 976**	**$ 2,922**	**$ 1,865**
Interest expense paid	(855)	(979)	(1,000)	(1,000)	(989)
Scheduled debt amortization	-	-	-	-	-
Leveraged free cash flow[3]	**$ 1,204**	**$ (707)**	**$ (24)**	**$ 1,922**	**$ 876**

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Operating Companies: DME – Year-Over-Year

(in thousands)	Three Months Ended		Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Total Net Revenue:				
Sales and Services Revenue - Medical Equipment	$ 9,487	$ 8,566	$ 36,161	$ 32,294
Sales and Services Revenue - Sleep Studies	1,521	1,531	5,559	5,166
Total Sales and Services Revenue	11,008	10,097	41,720	37,460
Rental Income	5,533	5,276	21,738	20,183
Total Net Revenue	**$ 16,541**	**$ 15,373**	**$ 63,458**	**$ 57,643**
Adj. EBITDA[1,2]:				
Net income (loss) from continuing operations - GAAP[1]	**$ (244)**	**$ 5,906**	**$ (3,845)**	**$ (2,489)**
Interest expense	1,142	1,274	4,987	3,950
Depreciation and amortization	2,079	2,079	8,264	8,195
Transaction and integration related costs, including ext of debt	1,573	461	2,031	3,107
Change in contingent consideration	259	(126)	(121)	(126)
Location closure	-	-	-	54
Mgmt fees	119	168	426	392
Other (income) / expense	(1,361)	(5,457)	2,107	(692)
Adj. EBITDA[1,2]	**$ 3,567**	**$ 4,305**	**$ 13,849**	**$ 12,391**
(Maintenance capex)	(51)	(219)	(144)	(287)
(Growth capex)	(843)	(1,881)	(6,404)	(7,340)
Transaction costs and integration costs paid, including ext of debt	(614)	(340)	(1,072)	(2,801)
Unleveraged free cash flow	**$ 2,059**	**$ 1,865**	**$ 6,229**	**$ 1,963**
Interest expense paid	(855)	(989)	(3,834)	(3,316)
Scheduled debt amortization	-	-	-	(354)
Leveraged free cash flow[3]	**$ 1,204**	**$ 876**	**$ 2,395**	**$ (1,707)**

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General Corporate: By Quarter

(in thousands)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total revenue	**$ 231**	**$ 230**	**$ 172**	**$ 243**	**$ 281**
Operating costs and expenses[1]:					
Public company costs	(578)	(893)	(878)	(993)	(429)
Non-cash compensation	(21)	(21)	(22)	(29)	(20)
Other general and administrative	(875)	(781)	(677)	(664)	(975)
Operating loss	**$ (1,243)**	**$ (1,465)**	**$ (1,405)**	**$ (1,443)**	**$ (1,143)**
Depreciation & Amortization	-	-	(1)	-	-
Dividend and interest income	1,168	1,296	1,315	1,317	1,125
Interest expense, net	(1,583)	(1,263)	(1,269)	(1,269)	(1,167)
Income tax	(107)	20	65	1	(1,669)
Gains / losses on passive investments	(450)	266	428	102	-
Other income (expense), net	(590)	5,612	(1,598)	(544)	(5,442)
GAAP net income (loss) from continuing operations[1]	**$ (2,805)**	**$ 4,466**	**$ (2,465)**	**$ (1,836)**	**$ (8,296)**
Management fee	(119)	(117)	(60)	(130)	(168)
Non-cash compensation	371	316	280	372	240
Transaction and integration related costs, including ext of debt	(581)	92	35	184	254
Interest, taxes, and depreciation	1,690	1,243	1,205	1,268	2,836
Interest income from preferred stock	(1,106)	(1,202)	(1,220)	(1,218)	(1,186)
Dividend income	(62)	(96)	(95)	(99)	-
Gain (loss) on passive investments	450	(266)	(428)	(102)	-
Change in value of embedded derivative	1,361	(5,612)	1,598	544	5,442
Adj. EBITDA[1,2]	**$ (801)**	**$ (1,176)**	**$ (1,150)**	**$ (1,017)**	**$ (878)**
Capital expenditures				-	-
Interest expense paid	(54)	140	161	169	141
Transaction costs and integration costs paid	(188)	(92)	(35)	(184)	(254)
Levered free cash flow[3]	**$ (1,043)**	**$ (1,128)**	**$ (1,024)**	**$ (1,032)**	**$ (991)**

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General Corporate: Year-Over-Year

(in thousands)	Three Months Ended		Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Total revenue	**$ 231**	**$ 281**	**$ 876**	**$ 579**
Operating costs and expenses[1]:				
Public company costs	(578)	(429)	(3,342)	(2,856)
Non-cash compensation	(21)	(20)	(93)	(374)
Other general and administrative	(875)	(975)	(2,997)	(2,891)
Operating loss	**$ (1,243)**	**$ (1,143)**	**$ (5,556)**	**$ (5,542)**
Depreciation and amortization	-	-	(1)	(1)
Dividend and interest income	1,168	1,125	5,096	2,363
Interest expense, net	(1,583)	(1,167)	(5,384)	(3,251)
Income tax	(107)	(1,669)	(21)	(1,675)
Gains / losses on passive investments	(450)	-	346	-
Other income (expense), net	(590)	(5,442)	2,880	(647)
Net income (loss) from continuing operations - GAAP[1]	**$ (2,805)**	**$ (8,296)**	**$ (2,640)**	**$ (8,753)**
Management fee	(119)	(168)	(426)	(350)
Non-cash compensation	371	240	1,339	998
Transaction and integration related costs	(581)	254	(270)	670
Interest, taxes, and depreciation	1,690	2,836	5,406	4,927
Interest income on preferred stock	(1,106)	(1,186)	(4,746)	(2,354)
Dividend income	(62)	-	(352)	-
Gain (loss) on investments	450	-	(346)	-
Change in value of embedded derivative	1,361	5,442	(2,109)	647
Adj. EBITDA[1,2]	**$ (801)**	**$ (878)**	**$ (4,144)**	**$ (4,215)**
Capital expenditures	-	-	-	-
Interest expense paid	(54)	141	416	1,106
Transaction costs and integration costs paid	(188)	(254)	(499)	(670)
Levered free cash flow[3]	**$ (1,043)**	**$ (991)**	**$ (4,227)**	**$ (3,779)**

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Financial Review: 4Q22 Consolidating Balance Sheets (Unaudited)

$ in thousands	Durable Medical Equipment	Investment Management	Corporate	Elimination	Consolidated
ASSETS					
Cash and cash equivalents	$ 1,313	$ 807	$ 21,475	$ -	$ 23,595
Accounts receivable, net	5,867	2,553	-	(108)	8,312
Investments at fair value	-	47,889	153	-	48,042
Investments at fair value, consolidated fund NAV	-	2,424	-	108	2,532
Inventory	898	-	-	-	898
Property and equipment, net	8,025	17	0	-	8,042
Identifiable intanglible assets, net	5,921	13,250	-	-	19,171
Goodwill	52,463	-	-	-	52,463
Right of use asset	2,989	733	-	-	3,722
Other assets	549	103	647	-	1,299
Total Assets	$ 78,025	$ 67,776	$ 22,275	$ -	$ 168,076
LIABILITIES					
Accounts payable & accrued liabilities	$ 9,573	$ 3,344	$ 2,116	$ -	$ 15,033
Deferred revenue	1,218	-	-	-	1,218
Lease and other liabilities	3,121	927	794	-	4,842
Long term debt	-	-	25,532	-	25,532
Related party notes payable	-	6,270	-	-	6,270
Convertible notes	-	-	35,187	-	35,187
Preferred stock - HC LLC	40,149	-	(39,501)	-	648
Preferred stock - Forest	-	-	34,099	-	34,099
Equipment financing	2,993	-	-	-	2,993
Intercompany, net [1]	20,512	67,754	(88,266)	-	-
Total Liabilities	77,566	78,295	(30,039)	-	125,822
EQUITY	459	(10,519)	52,314	-	42,254
Total Liabilities and Equity	$ 78,025	$ 67,776	$ 22,275	$ -	$ 168,076

(1) Intercompany balances, including intercompany borrowings and GEG investments in subsidiaries. All intercompany balances eliminate in consolidation.

Financial Review: 4Q22 Consolidating Income Statement (Unaudited)

$ in thousands	For the three months ended June 30, 2022				
	Durable Medical Equipment	Investment Management	Corporate	Elimination	Consolidated
Total Revenues	$ 16,541	$ 1,524	$ 231	$ (231)	18,065
Cost of revenue	(5,921)	-	-	-	(5,921)
Depreciation and amortization expense	(413)	(217)	-	-	(630)
Selling, general and administration	(9,711)	(1,864)	(1,474)	231	(12,818)
Total operating costs and expenses	(16,045)	(2,081)	(1,474)	231	(19,369)
Operating income (loss)	496	(557)	(1,243)	-	(1,304)
Dividends and interest income	-	1,158	1,168	(1,106)	1,220
Gain (loss) on investments	-	(2,312)	(450)	-	(2,762)
Interest expense, net	(1,142)	(89)	(1,583)	1,106	(1,709)
Extinguishment of debt	(959)	-	769	-	(190)
Other income (expense), net	1,361	-	(1,359)	-	2
Income (loss) before taxes	(244)	(1,800)	(2,698)	-	(4,742)
Income tax benefit	-	-	(107)	-	(107)
Net income (loss) from continuing operations, net of tax	**(244)**	**(1,800)**	**(2,805)**	-	**(4,849)**
Adjusted EBITDA [1]	**$ 3,567**	**$ (72)**	**$ (801)**	**$ -**	**2,694**

(1) Please refer to the disclaimers on slide 2 and the Adjusted EBITDA reconciliation tables in the Appendix.

Financial Review: 2022 Consolidating Income Statement (Unaudited)

$ in thousands	For the year ended June 30, 2022				
	Durable Medical Equipment	Investment Management	Corporate	Elimination	Consolidated
Total Revenues	$ 63,458	$ 4,516	$ 876	$ (876)	67,974
Cost of revenue	(23,944)	-	-	-	(23,944)
Depreciation and amortization expense	(1,737)	(523)	(1)	-	(2,261)
Selling, general and administration	(33,569)	(6,751)	(6,432)	876	(45,876)
Total operating costs and expenses	(59,250)	(7,274)	(6,433)	876	(72,081)
Operating income (loss)	4,208	(2,758)	(5,557)	-	(4,107)
Dividends and interest income	-	2,809	5,098	(4,746)	3,161
Gain (loss) on investments	-	(8,442)	346	-	(8,096)
Interest expense, net	(4,987)	(161)	(5,384)	4,746	(5,786)
Extinguishment of debt	(959)	-	769	-	(190)
Other income (expense), net	(2,107)	-	2,109	-	2
Income (loss) before taxes	(3,845)	(8,552)	(2,619)	-	(15,016)
Income tax benefit	-	-	(21)	-	(21)
Net income (loss) from continuing operations, net of tax	**(3,845)**	**(8,552)**	**(2,640)**	-	**(15,037)**
Adjusted EBITDA [1]	**$ 13,849**	**$ (363)**	**$ (4,144)**	**$ -**	**9,342**

(1) Please refer to the disclaimers on slide 2 and the Adjusted EBITDA reconciliation tables in the Appendix.

Strong Shareholder Alignment

GREAT ELM GROUP

Employee Share Ownership

- Employees of GEG collectively own approximately 1.9 million shares of GEG, representing approximately 6% of GEG's outstanding shares

+

Director Share Ownership

- The directors of GEG beneficially own approximately 10.0 million shares of GEG in the aggregate, representing approximately 34% (including funds under management) of GEG's outstanding shares

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Significant Alignment of Interest

- When combined, **insider ownership totals approximately 40% of the outstanding shares**
- We believe this level of insider ownership results in a **significant and long-term alignment of interest** between the shareholders and the insiders of GEG

(1) This includes shares issued under restricted stock awards that are subject to service vesting and is based on the share count pro forma for the vesting of said restricted shares.

Appendix

Appendix: Non-GAAP Reconciliation

$ in thousands	For the three months ended June 30, 2022			
	Durable Medical Equipment	Investment Management	Corporate	Consolidated
EBITDA:				
Net income (loss) - GAAP[1]	**$ (244)**	**$ (1,800)**	**$ (2,805)**	**$ (4,849)**
Interest expense	1,142	89	1,583	2,814
Interest income from preferred stock	-	-	(1,106)	(1,106)
Depreciation & amortization	2,079	217	-	2,296
Tax expense	-	-	107	107
EBITDA	**2,977**	**(1,494)**	**(2,221)**	**(738)**
Adjusted EBITDA[1,3]				
Non-cash compensation	-	268	371	639
Dividend income	-	(1,158)	(62)	(1,220)
(Gains) / Losses on investments	-	2,312	450	2,762
Other (income) expense	(1,361)	-	1,361	-
Transaction and integration related costs, including ext of debt [2]	1,573	-	(581)	992
Change in contingent consideration	259	-	-	259
DME management and monitoring fees	119	-	(119)	-
Adjusted EBITDA[1,3]	$ 3,567	$ (72)	$ (801)	$ 2,694

(1) Previously reported amounts below have been recast to reflect the full retrospective adoption of ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity and to conform with current segment organization. (2) Transaction and integration related costs include costs to acquire and integrate acquired businesses. (3) Please refer to the disclaimers on slide 2.

Appendix: Non-GAAP Reconciliation (cont.): Prior Year Period

$ in thousands	Durable Medical Equipment	Investment Management [1]	Corporate	Consolidated
	For the three months ended June 30, 2021			
EBITDA:				
Net income (loss) - GAAP[1]	**$ 5,906**	**$ 1,311**	**$ (8,296)**	**$ (1,079)**
Interest expense	1,274	25	1,167	2,466
Interest income from preferred stock	-	-	(1,186)	(1,186)
Depreciation & Amortization	2,079	109	-	2,188
Tax expense	-	-	1,669	1,669
EBITDA	**9,259**	**1,445**	**(6,646)**	**4,058**
Adjusted EBITDA[1,3]				
Non-cash compensation	-	185	240	425
Dividend income	-	(554)	-	(554)
(Gains) / Losses on investments	-	(981)	-	(981)
Other (income) expense	(5,457)	-	5,442	(15)
Transaction and integration related costs, including ext of debt [2]	461	-	254	715
Change in contingent consideration	(126)	-	-	(126)
DME management and monitoring fees	168	-	(168)	-
Adjusted EBITDA[1,3]	$ 4,305	$ 95	$ (878)	$ 3,522

(1) Previously reported amounts below have been recast to reflect the full retrospective adoption of ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity and to conform with current segment organization. (2) Transaction and integration related costs include costs to acquire and integrate acquired businesses. (3) Please refer to the disclaimers on slide 2.

Appendix: Non-GAAP Reconciliation

$ in thousands	For the year ended June 30, 2022			
	Durable Medical Equipment	Investment Management	Corporate	Consolidated
EBITDA:				
Net income (loss) - GAAP[1]	**$ (3,845)**	**$ (8,552)**	**$ (2,640)**	**$ (15,037)**
Interest expense	4,987	161	5,384	10,532
Interest income from preferred stock	-	-	(4,746)	(4,746)
Depreciation & amortization	8,264	523	1	8,788
Tax expense	-	-	21	21
EBITDA	**9,406**	**(7,868)**	**(1,980)**	**(442)**
Adjusted EBITDA[1,3]				
Non-cash compensation	-	1,872	1,339	3,211
Dividend income	-	(2,809)	(352)	(3,161)
(Gains) / Losses on investments	-	8,442	(346)	8,096
Other (income) expense	2,107	-	(2,109)	(2)
Transaction and integration costs, including ext of debt [2]	2,031	-	(270)	1,761
Change in contingent consideration	(121)	-	-	(121)
DME management and monitoring fees	426	-	(426)	-
Adjusted EBITDA[1,3]	$ 13,849	$ (363)	$ (4,144)	$ 9,342

(1) Previously reported amounts below have been recast to reflect the full retrospective adoption of ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity and to conform with current segment organization. (2) Transaction and integration related costs include costs to acquire and integrate acquired businesses. (3) Please refer to the disclaimers on slide 2.

Appendix: Non-GAAP Reconciliation (cont.): Prior Year Period

$ in thousands	For the year ended June 30, 2021			
	Durable Medical Equipment	Investment Management [1]	Corporate	Consolidated
EBITDA:				
Net income (loss) - GAAP[1]	**$ (2,489)**	**$ 2,723**	**$ (8,753)**	**$ (8,519)**
Interest expense	3,950	101	3,251	7,302
Interest income from preferred stock	-	-	(2,354)	(2,354)
Depreciation & Amortization	8,195	473	1	8,669
Tax expense	-	-	1,675	1,675
EBITDA	**9,656**	**3,297**	**(6,180)**	**6,773**
Adjusted EBITDA[1,3]				
Non-cash compensation	-	757	998	1,755
Dividend income	-	(2,954)	-	(2,954)
(Gains) / Losses on investments	-	(721)	-	(721)
Other (income) expense	(764)	-	647	(117)
Transaction and integration costs, including ext of debt [2]	3,107	-	670	3,777
Change in contingent consideration	-	-	-	-
DME management and monitoring fees	392	-	(350)	42
Adjusted EBITDA[1,3]	**$ 12,391**	**$ 379**	**$ (4,215)**	**$ 8,555**

(1) Previously reported amounts below have been recast to reflect the full retrospective adoption of ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity and to conform with current segment organization. (2) Transaction and integration related costs include costs to acquire and integrate acquired businesses. (3) Please refer to the disclaimers on slide 2.

Appendix: Contact Information



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