



Great Elm[®]

GROUP

May 5, 2023

Fiscal Third Quarter
Ended March 31, 2023

NASDAQ: GEG



GEG Completes its Transformation to a Focused Alternative Asset Manager from a Diversified Holding Company

- GEG is a publicly traded alternative asset manager growing a scalable and diversified portfolio of long-duration and permanent capital vehicles across credit, real estate, specialty finance and other alternative strategies
- Actions taken over the past year to transition the business include leadership and advisor additions, successful repositioning of its public BDC, entry into Private REIT industry, debt capital raise and fiscal Q2-Q3 non-core business divestitures providing for a clean, liquid balance sheet
- Platform is anchored by two fee-paying vehicles positioned for growth:
 - Great Elm Capital Corp (“GECC”)
 - Monomoy Properties REIT (“Monomoy”)
- Leadership is continuously evaluating opportunities to acquire management rights to long-duration asset management businesses



Transition to Focused Alternative Asset Manager



Positioned to Achieve Strategic Goals



Focus on Business Growth

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

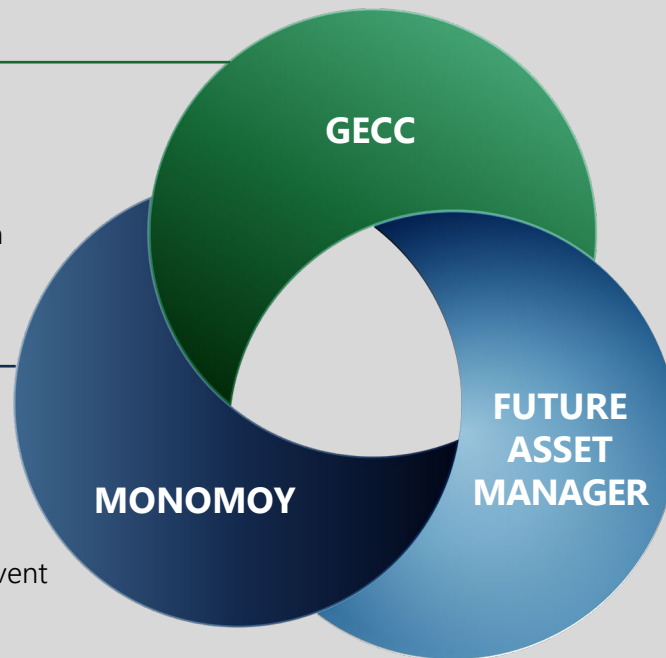
- Growing a scalable and diversified portfolio of long-duration and permanent capital vehicles
- Investing in credit, real estate, specialty finance and other alternative strategies

GECC

- Public BDC with \$230+ million AUM
- 21% 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

Monomoy

- Private Industrial REIT with \$380+ 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



Future Asset Manager

- Active process underway to identify new strategic business
- Focus on long duration “sticky” capital
- Alignment through GEG investment in funds
- Durable fee structure
- Operational leverage supported by existing GEG infrastructure

Note: Approximate amounts as of 3/31/2023

Our Goals

Going forward, we will focus on three simple goals

Grow AUM



**Improve
profitability**



**Execute on
expansion
opportunities**



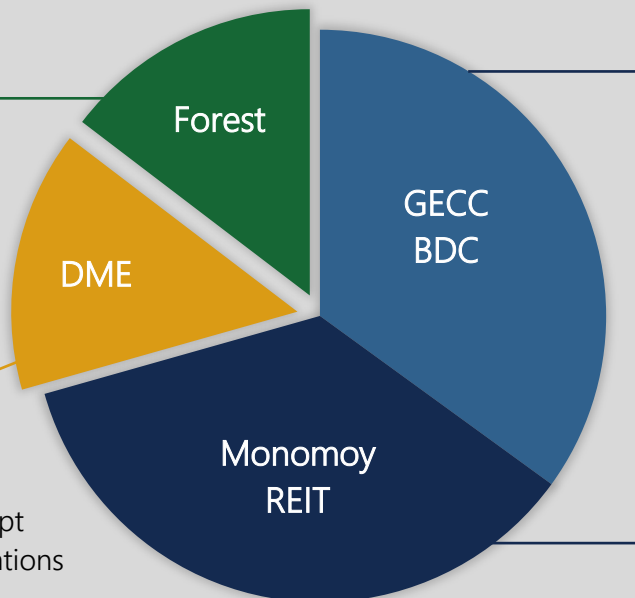
Fiscal Q2-Q3 Transactions Recap

Sale of Majority Interest in Forest for \$45 Million

- \$27 million from the right to put the remaining 19% ownership interest in Forest in January 2023
- \$18 million from sale of 61% of the common equity of Forest in December 2022

Sale of DME Business for \$80 Million

- \$26 million of cash and 346k shares of Quipt stock net to GEG after repayment of obligations



GEG is Focused on Scaling Alternative Asset Management

- Great Elm Capital Corp (NASDAQ: GECC): Public BDC
- Monomoy Properties: Private Industrial REIT focusing on single-tenant properties

Summary Financial Position

GEG March 31, 2023 condensed balance sheet



\$ Million

Cash and Cash Equivalents	\$ 84.1
Investments	35.1
Other Current and LT Assets	17.9

Total Assets \$ 137.1

3/31/2023

Current Liabilities	\$ 5.6
Long-Term Debt	25.7
Convertible Notes	36.2
Other Liabilities	1.4

Total Liabilities \$ 68.9

Total Equity \$ 68.2

Total Liabilities & Equity \$ 137.1

Book Value per Share ~ \$2.34

GEG Appoints Jason Reese CEO



Jason Reese is a successful entrepreneur and financial services executive, with over 30 years of experience founding and growing multiple financial services and real estate companies.



Mr. Reese served as Executive Chairman of GEG's Board of Directors since February 2020.

Mr. Reese serves on the Investment Committee of Great Elm Capital Management.

He is the largest beneficial owner of GEG common stock through his position at ICAM and various affiliates.



Mr. Reese co-founded Imperial Capital Asset Management, LLC ("ICAM") and Imperial Capital, LLC ("Imperial"), in 1997.

He serves as the Chairman and CEO of ICAM.

ICAM is a registered investment advisor that manages or has managed various hedge funds, investment partnerships, and a private equity fund. Imperial is a registered broker-dealer.



Mr. Reese formed Monomoy Properties REIT, LLC ("Monomoy") in 2014.

He serves on the Monomoy CRE, LLC Investment Committee and Monomoy Board of Directors.

Monomoy focuses on the Industrial Outdoor Storage, alternative energy and commercial office sectors.



Mr. Reese is a founding member of City Ventures LLC, a California-based private homebuilder

He has served on the Board of Directors since its inception in 2009.



Mr. Reese was a principal with Gordon Investment Corporation, a merchant banking firm in New York and Dallas.

At Gordon, he focused on investing in distressed real estate transactions, high yield securities and leveraged buyouts.



Mr. Reese graduated with honors from Yale University with a B.S. in Electrical Engineering.

During his tenure at Yale, he was a member of the Men's Lacrosse team.

Mr. Reese has served on numerous committees that support various financial initiatives of the University.

GEG Board of Directors

Extensive Experience and Track Records in Asset Management



Jason Reese, Chairman & CEO

Mr. Reese is our Chairman and Chief Executive Officer. Mr. Reese is the Co-Founder, Chairman and Chief Executive Officer of Imperial Capital Asset Management, LLC ("ICAM") and the Co-Founder of Imperial Capital, LLC ("Imperial Capital"), both founded in 1997. During his time at Imperial Capital, Mr. Reese formed Monomoy Properties REIT, LLC in 2014, focusing on the Industrial Outdoor Storage sector and continues to serve on the Board of Directors. Mr. Reese is also a founding member of City Ventures, LLC, a California-based private home builder, and has served on the Board of Directors since its inception in 2009. Prior to Imperial Capital, Mr. Reese was a principal with Gordon Investment Corporation, a merchant banking firm in New York and Dallas, where he focused on investing in distressed real estate transactions, high yield securities and leveraged buyouts. Prior to his time at Gordon, Mr. Reese worked in the Corporate Finance Group at PaineWebber in New York. Mr. Reese graduated with honors from Yale University with a B.S. in Electrical Engineering.

David Matter

Mr. Matter has been a member of our Board of Directors since May 2022. Mr. Matter was previously a Managing Director at BlackRock where he served as the Co-Chief Investment Officer of BlackRock Alternative Advisors (BAA), BlackRock's Hedge Fund Solutions team. He chaired the BAA Investment Committee and was also a member of the BAA Management Committee and the Co-Investment Portfolio Management Group. Mr. Matter started his career as a financial analyst with American Funds-Capital Group and Bankers Trust before joining Quellos Group in 1998. At Quellos he was a Principal and member of the Investment Committee responsible for management of Absolute Return Strategy portfolios and Investment Research. The alternative investment management business of Quellos was subsequently acquired by BlackRock in 2007 where Mr. Matter stayed on. Mr. Matter earned a BA with a concentration in international relations from the University of Pennsylvania, an MBA with honors and an MA in international studies, both from the University of Washington, and holds the Chartered Financial Analyst ("CFA") designation from the CFA Institute. Mr. Matter brings to our Board of Directors investment expertise and extensive experience in capital markets.

Matthew Drapkin, Vice Chairman

Mr. Drapkin is Chairman of the GECC Board and Chief Executive Officer & Portfolio Manager of Northern Right Capital, an alternative asset manager focused on small and mid cap public companies. Mr. Drapkin currently serves as Executive Chairman of Boardroom Alpha, Inc., an analytics company and has served on several public company boards. Before joining Northern Right Capital in December 2009, Mr. Drapkin had extensive investment experience, including his work as Head of Research, Special Situations, and Private Equity at ENSO Capital, a New York-based hedge fund, and Senior VP of Corporate Development at MacAndrews & Forbes. Mr. Drapkin began his career as an investment banker at Goldman, Sachs and Co where he advised companies on corporate finance and M&A matters. He holds a J.D. from Columbia Law School, an M.B.A. from Columbia Business School, and a B.A. in American History from Princeton University.

James Parmelee

Mr. Parmelee is a former member of the board of directors of The Meet Group based in New Hope, PA. Previously, Mr. Parmelee was a Partner in Peak Ten Management, a long/short equity fund backed by Tiger Management LLC focused on investing in the global information technology sector. Mr. Parmelee was responsible for the firm's investments in the software, IT infrastructure and Internet verticals. Prior to joining Peak Ten Management, Mr. Parmelee was a partner in Union Square Advisors LLC, a strategic advisory firm. Mr. Parmelee led the firm's global IT infrastructure practice providing strategic M&A advisory services to the firm's clients. From 1992 to 2004, Mr. Parmelee was a senior equity research analyst responsible for coverage of the data networking and telecommunications equipment sectors, primarily at Credit Suisse First Boston where he was most recently a Managing Director and served as the Global Coordinator of Technology Research for the firm. He holds an M.B.A. from Columbia Business School and a B.A. in Economics from Trinity College-Hartford. Mr. Parmelee brings to our Board of Directors investment expertise and extensive experience in capital markets.

James Hugar

Mr. Hugar has been a member of our Board of Directors since March 2020. Mr. Hugar was previously a member of the Board of Directors of Vitesse Semiconductor Corporation from 2009 until its acquisition in April 2015. Mr. Hugar was also on the Board of Advisors of American Relocation & Logistics, Inc., a privately-held company, until its sale in December 2017. Mr. Hugar retired from Deloitte & Touche, LLP where he was an audit partner from 1982 to 2008, specializing in the financial service industry. Prior to his retirement, he served as the partner-in-charge of the Southern California Investment Company and Broker/Dealer Practice Unit. Mr. Hugar holds a BS degree in Accounting from Pennsylvania State University and a MSBA degree from the University of California, Los Angeles and is a Certified Public Accountant. Mr. Hugar brings to our Board of Directors extensive financial and accounting experience.

Eric Scheyer

Mr. Scheyer has been a member of our Board of Directors since February 2020. Mr. Scheyer is a partner at Magnetar Capital, member of the Magnetar Management Committee and Magnetar Investment Committee and head of the Energy and Infrastructure group. Prior to joining Magnetar in 2005, Mr. Scheyer spent two years as a consultant at Caxton Associates. Prior to Caxton, Mr. Scheyer was a principal of Decorel Incorporated where he served as President of Decorel S.A. de C.V. and Executive Vice President of Decorel Inc. until the sale of the company to Newell Rubbermaid. Mr. Scheyer began his career at Donaldson, Lufkin & Jenrette focusing on the oil and gas sector. Previously, Mr. Scheyer served on the board of managers of Lightfoot Capital Partners GP LLC and the board of directors of Arc Logistics Partners LP. Mr. Scheyer holds a Bachelor of Arts in History from Trinity College in Hartford, Connecticut. Mr. Scheyer brings to our Board of Directors investment expertise and extensive experience in capital markets.

Fiscal 2023 Third Quarter Highlights



Financial Highlights



Revenue

- FY 3Q23 revenue up 92% to \$1.9 million vs FY 3Q22 of \$1.0 million
- Increase primarily related to the May 2022 acquisition of the Monomoy REIT management agreement

Net Income

- Net loss from continuing operations of \$0.5 million for FY 3Q23, compared to net loss from continuing operations of \$6.5 million in FY 3Q22
- Driven by \$5.5 million improvement in net realized and unrealized gain on investments year-over-year

Adjusted EBITDA¹

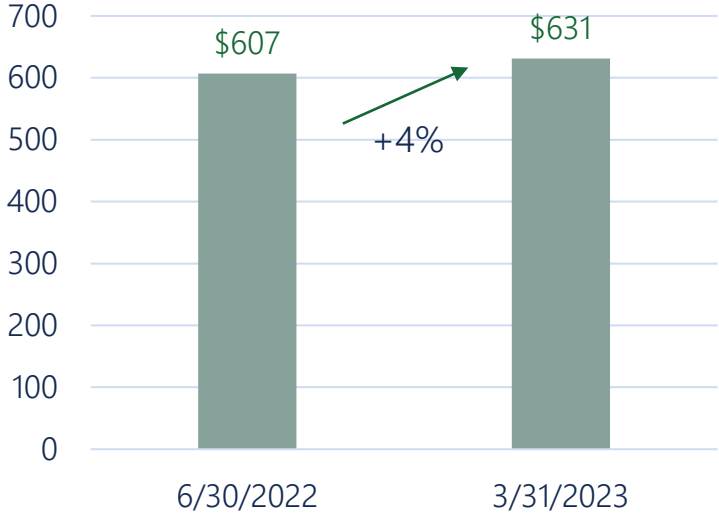
- FY 3Q23 Adjusted EBITDA of (\$1.2) million, compared to (\$1.6) million in FY 3Q22

¹ Please refer to the disclaimers on slide 19 and the Adjusted EBITDA reconciliation table on page 15

Assets Under Management

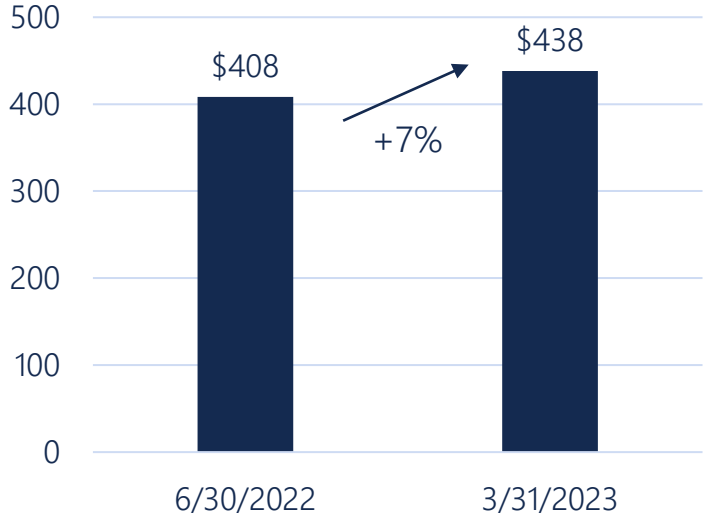


AUM



\$631 million of Assets Under Management ("AUM"), up 4% since June 30, 2022

FPAUM



\$438 million of Fee-Paying AUM ("FPAUM"), up 7% since June 30, 2022

Results By Quarter



(in thousands)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
NON-GAAP RECONCILIATION					
Net income (loss) from continuing operations - GAAP	\$ (455)	\$ 29,693	\$ (9,503)	\$ (5,237)	\$ (6,467)
Interest expense	1,095	1,955	1,974	1,674	1,286
Dividend income on investments	(941)	(1,345)	(1,386)	(1,222)	(642)
Income tax expense (benefit)	-	(231)	233	104	2
Depreciation and amortization	281	295	294	217	89
Non-cash compensation	660	645	941	639	578
(Gain) loss on investments, excluding investment in Forest	(1,964)	2,131	6,813	2,762	3,504
Gains related to sale of Forest	(25)	(34,897)	-	-	-
Transaction and integration related costs	-	425	46	188	92
Change in contingent consideration	120	130	(70)	-	-
Adj. EBITDA¹	\$ (1,229)	\$ (1,199)	\$ (658)	\$ (875)	\$ (1,558)
CASH FLOW					
Adj. EBITDA¹	\$ (1,229)	\$ (1,199)	\$ (658)	\$ (875)	\$ (1,558)
Capital expenditures	(7)	(19)	(11)	-	-
Transaction costs and integration costs paid	-	-	-	(188)	(92)
Unleveraged free cash flow	\$ (1,236)	\$ (1,218)	\$ (669)	\$ (1,063)	\$ (1,650)
Interest expense paid	(597)	(1,406)	(1,345)	(891)	(817)
Dividends received in cash on investments	941	1,345	1,386	1,158	548
Leveraged free cash flow¹	\$ (892)	\$ (1,279)	\$ (628)	\$ (796)	\$ (1,919)

¹ Please refer to the disclaimers on slide 19

Results Year-Over-Year



<i>(in thousands)</i>	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
NON-GAAP RECONCILIATION				
Net income (loss) from continuing operations - GAAP	\$ (455)	\$ (6,467)	\$ 19,735	\$ (14,006)
Interest expense	1,095	1,286	5,024	3,872
Dividend income on investments	(941)	(642)	(3,672)	(1,939)
Income tax expense (benefit)	-	2	2	(83)
Depreciation and amortization	281	89	870	307
Non-cash compensation	660	578	2,246	2,572
(Gain) loss on investments, excluding investment in Forest	(1,964)	3,504	6,980	5,334
Gains related to sale of Forest	(25)	-	(34,922)	-
Transaction and integration related costs	-	92	471	311
Change in contingent consideration	120	-	180	-
Adj. EBITDA¹	\$ (1,229)	\$ (1,558)	\$ (3,086)	\$ (3,632)
CASH FLOW				
Adj. EBITDA¹	\$ (1,229)	\$ (1,558)	\$ (3,086)	\$ (3,632)
Capital expenditures	(7)	-	(37)	(3)
Transaction costs and integration costs paid	-	(92)	-	(311)
Unleveraged free cash flow¹	\$ (1,236)	\$ (1,650)	\$ (3,123)	\$ (3,946)
Interest expense paid	(597)	(817)	(3,348)	(2,397)
Dividends received in cash on investments	941	548	3,672	2,205
Leveraged free cash flow¹	\$ (892)	\$ (1,919)	\$ (2,799)	\$ (4,138)

¹ Please refer to the disclaimers on slide 19

Financial Review: FY 3Q23 Balance Sheet



(in thousands)

	March 31, 2023	June 30, 2022
ASSETS		
Cash and cash equivalents	84,118	22,281
Receivables from managed funds	2,421	2,445
Investments at fair value	35,104	48,042
Investments at fair value, consolidated funds	-	2,543
Prepaid and other current assets	946	665
Identifiable intangible assets, net	12,391	13,250
Real estate under development	1,683	-
Other assets	719	836
Assets held for sale	-	78,025
Total assets	137,382	168,087
LIABILITIES		
Accrued expenses and other liabilities	4,429	3,853
Related party payables	1,300	1,606
Related party notes payable	-	6,270
Long-term debt	25,737	25,532
Convertible notes	36,176	35,187
Preferred stock - Forest	-	34,099
Other liabilities	1,283	1,732
Liabilities held for sale	-	17,554
Total liabilities	68,925	125,833
Stockholders' equity and non-controlling interest	68,457	42,254
Total liabilities, non-controlling interest and stockholders' equity	137,382	168,087

Financial Review: FY 3Q23 Income Statement



(in thousands)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Revenues	1,898	988	5,637	2,992
Operating costs and expenses:				
Investment management expenses	2,593	1,592	6,893	4,748
Depreciation and amortization	281	89	870	307
Selling, general and administrative	1,893	1,582	5,441	4,620
Expenses of consolidated funds	-	42	46	139
Total operating costs and expenses	4,767	3,305	13,250	9,814
Operating loss	(2,869)	(2,317)	(7,613)	(6,822)
Dividends and interest income	1,520	642	4,432	1,939
Net realized and unrealized gain (loss) on investments	1,989	(3,220)	17,434	(5,055)
Net realized and unrealized loss on investments of consolidated funds	-	(284)	(16)	(279)
Gain on sale of Forest	-	-	10,524	-
Interest expense	(1,095)	(1,286)	(5,024)	(3,872)
(Loss) income before income taxes from continuing operations	(455)	(6,465)	19,737	(14,089)
Income tax (expense) benefit	-	(2)	(2)	83
Net (loss) income from continuing operations	(455)	(6,467)	19,735	(14,006)
Net income from discontinued operations	12,203	332	13,202	3,818
Net income (loss)	11,748	(6,135)	32,937	(10,188)

Contact Information

Investor Relations Contact

geginvestorrelations@greatelmcap.com



Disclaimer



Statements in this presentation 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 Securities and Exchange Commission (“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.