Great Elm Group, Inc.

Conference Call Presentation
Fiscal Third Quarter
Ended March 31, 2021

May 14, 2021

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.

Notable Highlights – Third Quarter Fiscal 2021

GREAT ELM GROUP

- **Overall, we see positive momentum in all aspects of our business**
  - DME is beginning to see signs of business recovery following pandemic impacts
  - DME acquisition program resumed this quarter, and optimistic for future acquisition opportunities
- **On March 1, 2021, Great Elm DME closed the acquisition of Advanced Medical DME, LLC and PM Sleep Lab, LLC ("AMPM"), providers of sleep testing, PAP, and other respiratory products and services**
  - Small tuck-in acquisition supports growth strategy through expansion and leverage of existing operating footprint; AMPM has 9 locations throughout Kansas and Missouri
  - Meaningfully increased the patient base by 2,500+ active patients; potential operating efficiencies and other added scale benefits
- **Investment Management had a productive quarter in positioning GECC for further growth**
  - GECC reported a significant increase in NAV per share during the period, largely due to unrealized gains as a result of positive developments at portfolio companies during the quarter
  - GECC entered into a new three-year $25 million revolving credit facility for greater flexibility and to support future investments
  - Simplified balance sheet and corporate structure at subsidiary, GECC GP Corp., resulting in a greater share of investment profits for GEG
  - Fully implemented Great Elm SPAC Opportunity Fund (GESOF) in order to increase AUM and drive additional fee revenue; $10 million invested at quarter-end to help seed this new vehicle

Consolidated Summary Financials: Q3 FY 2021

GREAT ELM GROUP

(in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Nine Months Ended March 31, 2021	Nine Months Ended March 31, 2020
Revenue By Segment				
DME	$ 13.1	$ 14.1	$ 42.3	$ 41.8
Investment Management	0.7	0.8	2.3	2.6
Real Estate	1.3	1.3	3.8	3.8
General Corporate	0.2	0.0	0.3	0.1
Eliminations	(0.2)	(0.0)	(0.3)	(0.1)
Consolidated	**$ 15.1**	**$ 16.2**	**$ 48.4**	**$ 48.2**
Net Income (Loss) by Segment				
DME	(5.1)	(1.4)	(8.4)	(2.9)
Investment Management	(0.3)	0.5	(0.7)	0.5
Real Estate	0.1	0.1	0.2	0.2
General Corporate	2.4	(11.1)	(3.7)	(15.0)
Consolidated	**$ (2.9)**	**$ (11.9)**	**$ (12.6)**	**$ (17.2)**
Adj. EBITDA[1] by Segment				
DME	3.4	2.5	8.1	9.1
Investment Management	0.0	0.3	0.3	1.0
Real Estate	1.1	1.2	3.4	3.4
General Corporate	(1.0)	(1.4)	(3.1)	(4.8)
Consolidated	**$ 3.6**	**$ 2.6**	**$ 8.7**	**$ 8.7**

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

Operating Companies: DME closes AMPM Acquisition

GREAT ELM GROUP

- **AMPM Acquisition**
  - On March 1, 2021 closed the acquisition of Advanced Medical DME, LLC and PM Sleep Lab, LLC ("AMPM"), providers of sleep testing, PAP, and other respiratory products and services in 9 locations throughout Kansas and Missouri, for purchase consideration of $1.1 million
  - Increased the patient base by 2,500+ active patients to provide full range of respiratory equipment and PAP resupply, and the opportunity to introduce ventilator and oxygen services and gain additional referral opportunities in the acquired markets
  - Potential operating efficiencies and procurement savings through better pricing and volumes
- **In fiscal 3Q21, Great Elm DME, Inc. ("DME") generated $13.1 million of revenue, $5.1 million of net loss and $3.4 million of adjusted EBITDA[1]**
  - Revenues overall decreased due to continued suppressed referral pipeline for new equipment set-ups and increased revenue reserve requirements; partially offset by organic growth in resupply sales and one month of contributions from the AMPM acquisition
  - Operating expenses decreased due to Employee Retention Credits received in the quarter and lower cost of rental equipment in line with reduced rental revenue
  - Physician referrals and new order volumes continued to be negatively impacted by COVID-19
    - New PAP patient setups declined 12.7% year over year, but has stabilized
    - Referrals for sleep studies down 15% y-o-y, but increased 8% from prior quarter to current quarter

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

Operating Companies: DME Financial Detail

GREAT ELM GROUP

(in thousands)	Three Months Ended		Nine Months Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total Net Revenue:				
Sales and Services Revenue - Medical Equipment	$ 7,309	$ 7,549	$ 23,728	$ 21,497
Sales and Services Revenue - Sleep Studies	1,297	1,384	3,635	4,228
Total Sales and Services Revenue	8,606	8,933	27,363	25,725
Rental Income	4,511	5,198	14,907	16,028
Total Net Revenue	**$ 13,117**	**$ 14,131**	**$ 42,270**	**$ 41,753**
Adj. EBITDA[1]:				
GAAP Net Income	**$ (5,059)**	**$ (1,398)**	**$ (8,395)**	**$ (2,893)**
Interest expense	1,280	906	2,676	2,839
Depreciation and amortization	1,986	2,354	6,116	7,345
Transaction and integration related costs	380	540	2,646	1,276
Location closure	-	65	54	320
Mgmt fees	46	59	224	189
Other (income) / expense	4,795	-	4,765	(3)
Adj. EBITDA[1]	**$ 3,428**	**$ 2,526**	**$ 8,086**	**$ 9,073**
Cash Flow:				
Adj. EBITDA[1]	**$ 3,428**	**$ 2,526**	**$ 8,086**	**$ 9,073**
(Maintenance capex)	(14)	(64)	(68)	(584)
(Growth capex)	(1,632)	(2,258)	(4,727)	(6,496)
Transaction costs and integration costs paid, including ext of debt	(380)	(605)	(2,461)	(1,596)
Unleveraged free cash flow	**$ 1,402**	**$ (401)**	**$ 830**	**$ 397**
Interest expense paid	(1,011)	(870)	(2,327)	(3,601)
Scheduled debt amortization	-	(354)	(354)	(1,333)
Payments on equipment financing	(1,457)	(822)	(3,443)	(2,065)
Leveraged free cash flow	**$ (1,066)**	**$ (2,447)**	**$ (5,294)**	**$ (6,602)**

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

Investment Management: A Scalable, High Margin Business

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AUM GROWTH

Grow GECC's AUM through the issuance of additional debt and equity, supplemented by accretive acquisitions of other BDCs, resulting in an increase in fee revenue

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

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

AUM Growth

+

High Margins

+

Scalable Model

=

Free Cash Flow

SCALABLE MODEL

Investment team and infrastructure in place to support growth in AUM and new investment vehicles

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: Solid Progress and Momentum Increasing

GREAT ELM GROUP

- **In fiscal 3Q21, Investment Management generated $0.7 million of revenue, $0.3 million of net loss and $16 thousand of adjusted EBITDA[1]**
  - Revenue and profitability were stable and reflect the decreases in average assets on which management fees are calculated as a result of the impact of COVID-19 on the portfolio
  - Deployment accelerated throughout the quarter, ending solidly with $44 million in new investments (excluding SPACs)
  - NAV per share increased driven by unrealized gains as a result of positive developments at several portfolio companies
- **Great Elm SPAC Opportunity Fund, LLC (GESOF) successfully implemented**
  - Fully implemented Great Elm SPAC Opportunity Fund (GESOF) in order to increase AUM and drive additional fee revenue; $10 million invested at quarter-end to help seed new vehicle
- **Simplified balance sheet and corporate structure at subsidiary, GECC GP Corp., resulting in a greater share of investment profits for GEG**
- **Subsequent to quarter-end, GECC entered into a new $25 million revolving credit facility with City National Bank for greater flexibility and to support future investments**
  - Three-year facility at LIBOR rate plus 3.50%

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

Investment Management: Segment Financial Detail

GREAT ELM GROUP

(in thousands)	Three Months Ended		Nine Months Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total revenues	**$ 728**	**$ 829**	**$ 2,261**	**$ 2,585**
GAAP Net Income	**$ (299)**	**$ 491**	**$ (715)**	**$ 451**
Stock based compensation	181	(373)	572	(100)
Interest expense, net	25	39	76	122
Depreciation and amortization expense	109	150	364	508
Adj. EBITDA[1]	**$ 16**	**$ 307**	**$ 297**	**$ 981**
Interest expense paid	-	(35)	(50)	(115)
Leveraged free cash flow	**$ 16**	**$ 272**	**$ 247**	**$ 866**

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

Real Estate: Overview

GREAT ELM GROUP

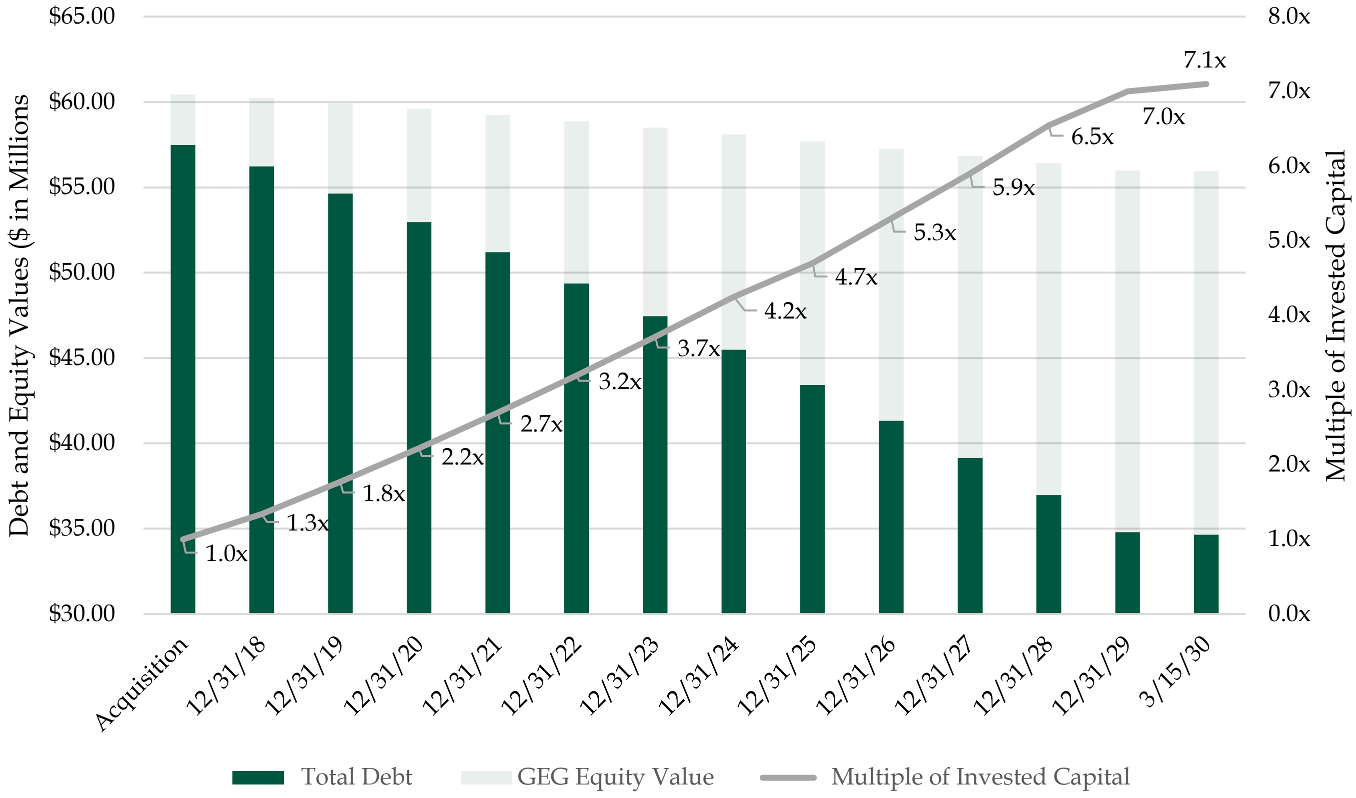
Our current Real Estate investment is attractive for the following reasons:

Limited Equity Capital Deployed	High Level of Non-Recourse Leverage
Generates stable, consistent cash flows	Monetization of Significant NOLs

Real Estate: Fort Myers – Organic Equity Growth

- Assuming a constant property value of $61.2 million, **GEG's equity value grows** as cash flows from the rental stream are utilized to amortize debt over the lease term

- GEG builds significant equity value[1] over time without any additional capital deployment



(1) Equity value is equal to the property value at acquisition minus the face value of the debt on a given date.

Real Estate: Segment Financial Detail

GREAT ELM GROUP

(in thousands)	Three Months Ended		Nine Months Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total revenues	**$ 1,276**	**$ 1,276**	**$ 3,824**	**$ 3,820**
GAAP Net Income	**$ 73**	**$ 67**	**$ 211**	**$ 187**
Interest expense, net	645	654	1,942	1,967
Depreciation and amortization expense	430	430	1,291	1,291
Adj. EBITDA[1]	**$ 1,148**	**$ 1,151**	**$ 3,444**	**$ 3,445**
<u>**Cash Flow:**</u>				
Adj. EBITDA[1]	**$ 1,148**	**$ 1,151**	**$ 3,444**	**$ 3,445**
Non-cash rental income	(136)	(162)	(432)	(500)
Unleveraged free cash flow	**$ 1,012**	**$ 989**	**$ 3,012**	**$ 2,945**
Interest expense paid	(425)	(444)	(1,290)	(1,347)
Scheduled debt amorization	(587)	(545)	(1,722)	(1,598)
Leveraged free cash flow	**$ -**	**$ -**	**$ -**	**$ -**

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

General Corporate: Segment Financial Detail

GREAT ELM GROUP

(in thousands)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Nine Months Ended March 31, 2021	Nine Months Ended March 31, 2020
Total revenue	**$ 162**	**$ 34**	**$ 298**	**$ 114**
Operating costs and expenses:				
Public company costs	(1,162)	(746)	(2,427)	(2,904)
Stock-based compensation	(31)	(106)	(354)	(334)
Other general and administrative	(777)	(950)	(1,927)	(1,699)
Operating loss	**$ (1,808)**	**$ (1,768)**	**$ (4,410)**	**$ (4,823)**
Depreciation & Amortization	(1)	-	-	-
Dividend and interest income	1,785	491	3,638	1,608
Unrealized gain on GECC investment	(1,112)	(9,794)	(388)	(11,603)
Unrealized gain / (loss) - Consolidated Fund	125	-	-	-
Interest expense, net	(1,460)	(155)	(2,583)	(155)
Income tax	43	148	(6)	5
Other	4,795	-	-	-
GAAP net loss	**$ 2,367**	**$ (11,078)**	**$ (3,749)**	**$ (14,968)**
Adj. EBITDA[1]:				
GAAP net income (loss)	**$ 2,367**	**$ (11,078)**	**$ (3,749)**	**$ (14,968)**
Management fee	(46)	(34)	(182)	(114)
Stock based compensation	435	106	758	334
Transaction costs and integration	155	291	416	926
GECC dividend income	(554)	(490)	(2,400)	(1,568)
Unrealized gain, interest, taxes, and depreciation	(2,265)	9,802	(1,750)	11,755
Interest income from preferred stock	(1,168)	-	-	-
Other	35	-	35	(1,135)
Adj. EBITDA[1]	**$ (1,041)**	**$ (1,403)**	**$ (3,121)**	**$ (4,770)**
Cash Flow:				
Adj. EBITDA[1]	**$ (1,041)**	**$ (1,403)**	**$ (3,121)**	**$ (4,770)**
Interest expense paid	965	-	-	-
Capital expenditures	-	-	-	(3)
Transaction costs and integration costs paid	(155)	(291)	(416)	(926)
Unleveraged free cash flow	**$ (231)**	**$ (1,694)**	**$ (2,572)**	**$ (5,699)**
GECC dividends paid	-	490	147	1,470
Levered free cash flow	**$ (231)**	**$ (1,204)**	**$ (2,425)**	**$ (4,229)**

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

Financial Review: 3Q21 Consolidating Balance Sheets (Unaudited)

$ in thousands	Durable Medical Equipment	Investment Management	Real Estate	Corporate	Elimination	Consolidated
ASSETS						
Cash and cash equivalents, including restricted cash	$ 4,961	$ 822	$ 1,004	$ 18,518	$ -	$ 25,305
Accounts receivable, net	7,172	937	-	554	(14)	8,649
Investments at fair value	-	-	-	18,835	-	18,835
Investments at fair value, consolidated fund NAV	-	-	-	13,457	14	13,471
Inventory	1,187	-	-	-	-	1,187
Property and equipment, net	8,061	26	52,271	2	-	60,360
Identifiable intanglible assets, net	7,428	1,929	4,497	-	-	13,854
Goodwill	50,658	-	-	-	-	50,658
Right of use asset	4,308	968	-	-	-	5,276
Other assets	3,123	205	1,656	648	(218)	5,414
Total Assets	$ 86,898	$ 4,887	$ 59,428	$ 52,014	$ (218)	$ 203,009
LIABILITIES						
Accounts payable & accrued liabilities	$ 8,502	$ 608	$ 557	$ 1,948	$ (218)	$ 11,397
Deferred revenue	5,374	-	-	-	-	5,374
Lease and other liabilities	5,153	1,098	478	(161)	-	6,568
Long term debt	(40)	-	54,041	-	-	54,001
Related party notes payable	-	3,072	-	(3,072)	-	-
Convertible notes	-	-	-	21,036	-	21,036
Preferred stock - HC LLC	35,866	-	-	(34,287)	-	1,578
Preferred stock - Forest	-	-	-	33,896	-	33,896
Equipment financing	2,238	-	-	-	-	2,238
Intercompany, net [1]	28,729	8,219	2,978	(39,926)	-	-
Total Liabilities	85,822	12,997	58,054	(20,566)	(218)	136,088
EQUITY	1,076	(8,110)	1,374	72,580	-	66,921
Total Liabilities and Equity	$ 86,898	$ 4,887	$ 59,428	$ 52,014	$ (218)	$ 203,009

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

Financial Review: 3Q21 Consolidating Income Statement (Unaudited)

GREAT ELM GROUP

	For the three months ended March 31, 2021					
$ in thousands	Durable Medical Equipment	Investment Management	Real Estate	Corporate	Elimination	Consolidated
Total Revenues	$ 13,117	$ 739	$ 1,276	$ 162	$ (173)	$ 15,121
Cost of revenue	(5,463)	-	-	-	-	(5,463)
Depreciation and amortization expense	(508)	(109)	(430)	(1)	-	(1,048)
Selling, general and administration	(6,130)	(904)	(128)	(2,000)	173	(8,989)
Total operating costs and expenses	(12,101)	(1,013)	(558)	(2,001)	173	(15,500)
Operating income (loss)	1,016	(274)	718	(1,839)	-	(379)
Dividends and interest income	-	-	-	1,785	(1,231)	554
Unrealized gain (loss) on investments	-	-	-	(957)	-	(957)
Interest expense, net	(1,280)	(25)	(645)	(1,460)	1,231	(2,179)
Other income (expense), net	(4,795)	-	-	4,795	-	-
Income (loss) before taxes	(5,059)	(299)	73	2,324	-	(2,961)
Income tax benefit	-	-	-	43	-	43
Net income (loss), net of tax	**(5,059)**	**(299)**	**73**	**2,367**	**-**	**(2,918)**
Adjusted EBITDA [1]	**$ 3,428**	**$ 16**	**$ 1,148**	**$ (1,041)**	**$ -**	**3,550**

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

Our Business Operating Segments

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
- 362 employees

Investment Management

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

- SEC Registered Investment Advisor
- Investment Advisor to Great Elm Capital Corp. (Nasdaq: GECC), a publicly-traded business development company
- Three IMAs with a leading institutional investor
- Manager of the Great Elm Opportunities Fund, a fund structured for a series of co-investment opportunities
- Manager of future funds, co-investments and separately managed accounts

Real Estate

- Office property located in Fort Myers, FL
- Fully leased, triple-net basis through March 2030
- Limited equity capital deployed, and building equity value over time with no additional capital necessary
- Monetizes significant NOLs

Driving Shareholder Value

GREAT ELM GROUP

Business Segment	Strategy
Operating Companies	▪ Target undercapitalized small and mid-sized companies where we can partner with management to accelerate earnings and cash flow growth ▪ Focus on growing Great Elm DME, Inc. both organically and via an expansion strategy that targets existing and adjacent markets
Investment Management	▪ Focus on driving asset growth in GECC ▪ Increase AUM via new fund launches, SMAs and co-investments and leverage the existing team and infrastructure to generate incremental free cash flow
Real Estate	▪ Seek to enhance the value of our existing Fort Myers property through property improvement and lease modification ▪ Seek other opportunities like the Fort Myers transaction that utilize modest equity capital and monetize significant NOLs

Strong Shareholder Alignment

GREAT ELM GROUP

Employee Share Ownership

- Employees of GEG collectively own approximately 2.0 million shares of GEG, representing approximately 8% of GEG's outstanding shares[1]

+

Director Share Ownership

- The directors of GEG beneficially own approximately 5.4 million shares of GEG in the aggregate, representing approximately 20% of GEG's outstanding shares

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Significant Alignment of Interest

- When combined, **insider ownership totals approximately 28% 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 restricted shares that are subject to both performance and service vesting and is based on the share count pro forma for the vesting of said restricted shares.

Appendix

Corporate Reorganization and Financing Transaction

OVERVIEW

- On December 29, 2020, we completed a reorganization of our corporate structure and executed a financing transaction with **J.P. Morgan Broker-Dealer Holdings** ("JPM"), wherein JPM invested a total of $37.7 million
- **Great Elm Capital Group, Inc.** ("GEC") changed its name to **Forest Investments, Inc.** ("Forest") and became a subsidiary of a new parent holding company, **Great Elm Group, Inc.** ("Great Elm" or "GEG")
- Common shares of GEC automatically converted into common shares of Great Elm Group, and began trading on NASDAQ under a new ticker "GEG"; GEC stock was delisted and deregistered

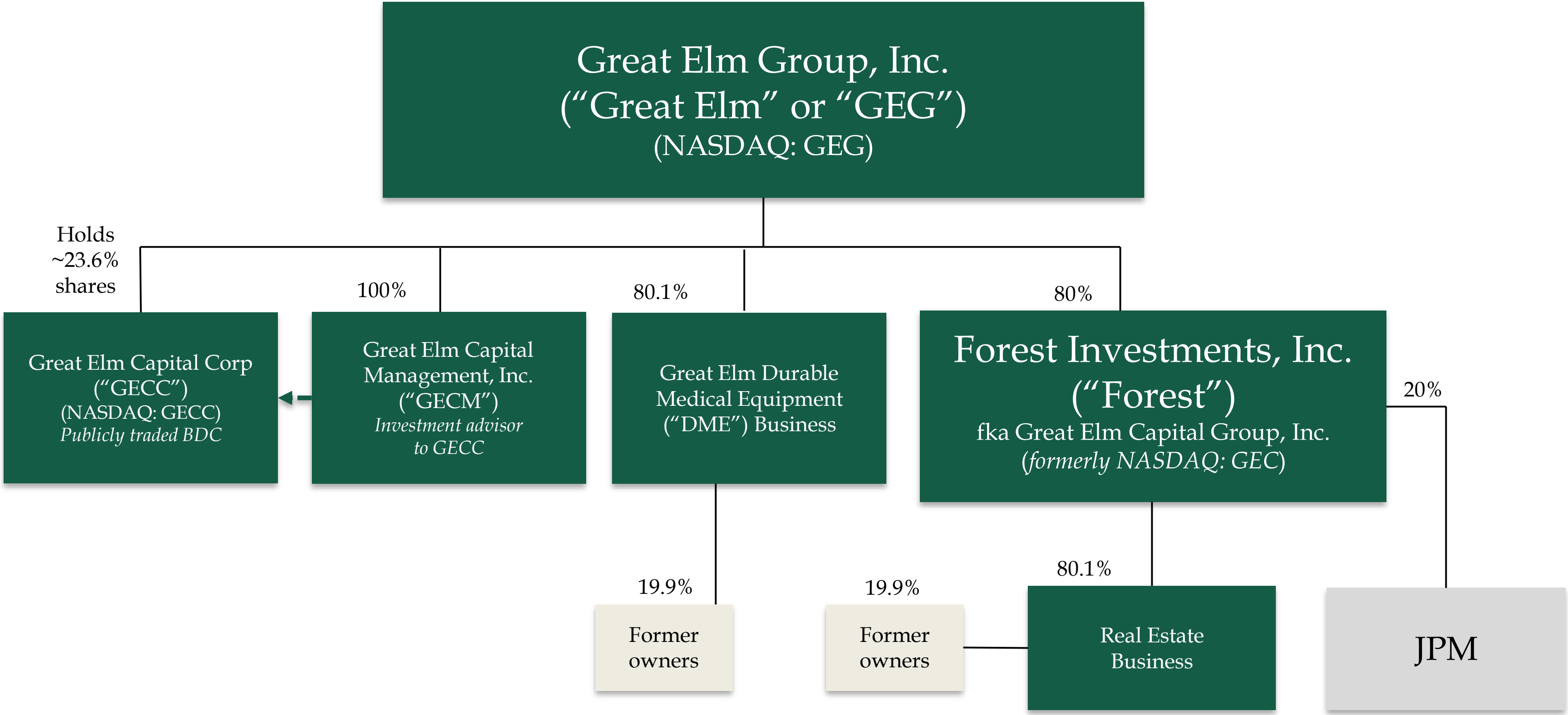
JPM FINANCING DETAILS

- JPM purchased Preferred Shares and common equity of Forest
  - Forest issued to JPM $35 million of 9.0% Preferred Shares maturing 2027
  - JPM also purchased 20% of the common equity of Forest for $2.7 million
- Proceeds were used to refinance DME's existing term loan of approximately $24.8 million and provide growth capital; DME also distributed approximately $2.3 million to GEG inclusive of fees and expenses

DISTRIBUTIONS AND OWNERSHIP

- Forest distributed to GEG its common ownership of the DME business, its ownership of the Investment Management business, its GECC shares and its cash, and retained ownership of the Real Estate business and a preferred interest in the DME business
- Forest also retained its U.S. Federal NOLs, which were unaffected and remain usable across the Great Elm platform

Organization: Structure



Note: Chart is designed to be illustrative following the JPM financing transaction and does not include all entities comprising Great Elm Group, Inc's corporate structure.

Appendix: Non-GAAP Reconciliation

GREAT ELM GROUP

$ in thousands	Durable Medical Equipment	Investment Management	Real Estate	Corporate	Consolidated
	For the three months ended March 31, 2021				
EBITDA:					
Net income (loss) - GAAP	**$ (5,059)**	**$ (299)**	**$ 73**	**$ 2,367**	**$ (2,918)**
Interest expense	1,280	25	645	1,460	3,410
Interest income from preferred stock	-	-	-	(1,168)	(1,169)
Depreciation & amortization	1,986	109	430	1	2,526
Tax benefit	-	-	-	(43)	(43)
EBITDA	**(1,793)**	**(165)**	**1,148**	**2,617**	**1,807**
Adjusted EBITDA					
Stock based compensation	-	181	-	435	616
Employee compensation in GECC shares	-	-	-	35	35
GECC dividend income	-	-	-	(554)	(554)
GECC unrealized (gains) / losses	-	-	-	1,112	1,112
Other (income) expense	4,795	-	-	(4,795)	-
Transaction and integration costs [1]	380	-	-	155	535
DME management and monitoring fees	46	-	-	(46)	-
Adjusted EBITDA	**$ 3,428**	**$ 16**	**$ 1,148**	**$ (1,041)**	**$ 3,551**

(1) Transaction and integration related costs include costs to acquire and integrate acquired businesses. This also represents change in contingent consideration liability since the initial valuation at the acquisition date.

Appendix: Non-GAAP Reconciliation (Continued)

GREAT ELM GROUP

	For the three months ended March 31, 2020				
$ in thousands	Durable Medical Equipment	Investment Management	Real Estate	Corporate	Consolidated
EBITDA:					
Net income (loss) - GAAP	**$ (1,398)**	**$ 491**	**$ 67**	**$ (11,078)**	**$ (11,918)**
Interest expense	906	39	654	155	1,754
Depreciation & amortization	2,354	150	430	1	2,935
Tax benefit	-	-	-	(148)	(148)
EBITDA	**1,862**	**680**	**1,151**	**(11,070)**	**(7,377)**
Adjusted EBITDA					
Stock based compensation	-	(373)	-	106	(267)
GECC dividend income	-	-	-	(490)	(490)
GECC unrealized (gains) / losses	-	-	-	9,794	9,794
Transaction and integration costs [1]	540	-	-	291	831
Pharmacy buildout	65	-	-	-	65
DME management and monitoring fees	59	-	-	(34)	25
Adjusted EBITDA	**$ 2,526**	**$ 307**	**$ 1,151**	**$ (1,403)**	**$ 2,581**

(1) Transaction and integration related costs include costs to acquire and integrate acquired businesses. This also represents change in contingent consideration liability since the initial valuation at the acquisition date.

Appendix: Non-GAAP Reconciliation (Continued)

GREAT ELM GROUP

$ in thousands	For the nine months ended March 31, 2021 Durable Medical Equipment	Investment Management	Real Estate	Corporate	Consolidated
EBITDA:					
Net income (loss) - GAAP	**$ (8,395)**	**$ (714)**	**$ 211**	**$ 1,171**	**$ (7,727)**
Interest expense	2,676	76	1,942	2,584	7,278
Interest income from preferred stock	-	-	-	(1,168)	(1,168)
Depreciation & amortization	6,116	364	1,291	2	7,773
Tax expense	-	-	-	6	6
EBITDA	**397**	**(274)**	**3,444**	**2,596**	**6,163**
Adjusted EBITDA					
Stock based compensation	-	572	-	758	1,330
GECC dividend income	-	-	-	(2,400)	(2,400)
GECC unrealized (gains) / losses	-	-	-	454	454
Other (income) expense	4,765	-	-	(4,795)	(30)
Transaction and integration costs [1]	706	-	-	417	1,123
Extinguishment of debt	1,866	-	-	-	1,866
Severance	74	-	-	-	74
Pharmacy closure	54	-	-	-	54
DME management and monitoring fees	224	-	-	(182)	42
Adjusted EBITDA	**$ 8,087**	**$ 299**	**$ 3,444**	**$ (3,153)**	**$ 8,675**

(1) Transaction and integration related costs include costs to acquire and integrate acquired businesses. This also represents change in contingent consideration liability since the initial valuation at the acquisition date.

Appendix: Non-GAAP Reconciliation (Continued)

GREAT ELM GROUP

$ in thousands	For the nine months ended March 31, 2020 Durable Medical Equipment	Investment Management	Real Estate	Corporate	Consolidated
EBITDA:					
Net income (loss) - GAAP	**$ (2,893)**	**$ 451**	**$ 187**	**$ (14,968)**	**$ (17,223)**
Interest expense	2,839	122	1,967	155	5,083
Depreciation & amortization	7,344	508	1,291	2	9,145
Tax benefit	-	-	-	(5)	(5)
EBITDA	**7,290**	**1,081**	**3,445**	**(14,816)**	**(3,000)**
Adjusted EBITDA					
Stock based compensation	-	(100)	-	334	234
Contingent consideration [1]	-	-	-	(1,135)	(1,135)
GECC dividend income	-	-	-	(1,567)	(1,567)
GECC unrealized (gains) / losses	-	-	-	11,603	11,603
Other (income) expense	(3)	-	-	-	(3)
Transaction and integration costs [1]	1,276	-	-	926	2,202
Pharmacy buildout	320	-	-	-	320
DME management and monitoring fees	189	-	-	(114)	75
Adjusted EBITDA	**$ 9,071**	**$ 981**	**$ 3,445**	**$ (4,768)**	**$ 8,729**

(1) Transaction and integration related costs include costs to acquire and integrate acquired businesses. This also represents change in contingent consideration liability since the initial valuation at the acquisition date.

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