



Great Elm Group, Inc.  
Conference Call Presentation  
Fiscal Third Quarter  
Ended March 31, 2022

May 6, 2022  
NASDAQ: GEG

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](http://www.greatelmgroup.com) or at the SEC website [www.sec.gov](http://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.

## 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 via new fund launches, SMAs and co-investments
- 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
- Investment Manager to Great Elm Opportunities Fund, a private fund structured for a series of co-investment opportunities

### 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
- 349 employees

# Monomoy Properties Transaction

## **GEG is entering the Private REIT Industry through the acquisition of management agreements for Monomoy Properties, as well as a strategic investment of up to \$30 million**

- **This is a transformative transaction for GEG’s investment management business:**
  - Encapsulates all of GEG’s strategic growth objectives including the utilization of its tax attributes
  - Significant progress in GEG’s strategy to manage a diversified set of long duration and / or permanent capital vehicles
    - AUM increases from \$224 million to \$572 million<sup>(1)</sup> and Investment professionals increase from 7 to 17
  - Investment in Private REIT at NAV gaining exposure to diversified portfolio of desirable properties
  - *Monomoy Manager (“Monomoy Manager”)*: management company overseeing the day-to-day operations and investment process of the REIT
  - *Monomoy Properties (“Monomoy REIT”)*: private real estate investment trust with a 108 property portfolio of diversified net leased industrial assets representing \$348 million of gross real estate at fair value<sup>(1)</sup>

<sup>(1)</sup> As of December 31, 2021 with some figures based on March 31, 2022 estimates.

# Key Strategic Considerations – Monomoy Manager

*Acquisition of Monomoy Manager provides GEG the management of a long duration capital vehicle with significant opportunity to accelerate growth in management and property fee income*

Considerations	Commentary
<p><b>Long Duration Capital Vehicle</b></p>	<ul style="list-style-type: none"> <li>▪ Transaction gives GEG the management of another long duration capital vehicle                             <ul style="list-style-type: none"> <li>○ <i>Asset Management</i> fee of 1.0% of REIT NAV plus property management fee of 4.0% of gross rents</li> <li>○ <i>Long Duration</i>: 5% of NAV cap on investor redemptions annually, contractual ability to convert into permanent capital upon IPO</li> </ul> </li> </ul>
<p><b>Seasoned Management Team</b></p>	<ul style="list-style-type: none"> <li>▪ Acquiring entire 10 person operating team operating in Charleston, SC</li> </ul>
<p><b>Opportunity to Accelerate Growth</b></p>	<ul style="list-style-type: none"> <li>▪ GEG can accelerate Monomoy’s growth through its capital investment, structuring expertise and fundraising abilities                             <ul style="list-style-type: none"> <li>○ <i>Capital Investment</i>: GEG’s \$15 million commitment and intention to invest an additional \$15 million will increase annual management fees and property management fees upon deployment of that capital                                     <ul style="list-style-type: none"> <li>○ Leverages fixed cost base</li> </ul> </li> <li>○ <i>Structuring Expertise</i>: Anticipated “Special Allocation” of depreciation &amp; amortization expense should make an investment into the REIT more appealing for 3rd party investors – increasing fees for GEG</li> <li>○ <i>Fundraising Ability</i>: GEG’s directors and shareholders may be able to attract additional investment into the REIT</li> </ul> </li> </ul>

# Key Strategic Considerations – Monomoy REIT

*Underlying Monomoy REIT vehicle offers a unique portfolio of industrial property assets with significant runway for additional originations*

Considerations	Commentary
<b>Attractive Portfolio of Industrial Assets</b>	<ul style="list-style-type: none"><li>▪ GEG’s investment into the REIT represents the ability to own a piece of an attractive and hard to replicate portfolio of industrial properties</li><li>▪ The REIT has an established market position as a “landlord of choice” for large companies with significant outside storage requirements</li></ul>
<b>Secular Tailwinds</b>	<ul style="list-style-type: none"><li>▪ Monomoy is poised to capitalize on its focus on properties that we expect will benefit from macroeconomic secular shifts that include:<ul style="list-style-type: none"><li>○ De-globalization and onshoring of supply chains</li><li>○ Infrastructure /construction spending and energy resurgence</li></ul></li></ul>
<b>Strong Growth Expected</b>	<ul style="list-style-type: none"><li>▪ Significant room for growth with existing customers<ul style="list-style-type: none"><li>○ Potential for proprietary sourced transformative portfolio acquisitions with tenants</li><li>○ Build on success of completed ‘built-to-suit’ projects with attractive cap rates</li></ul></li></ul>
<b>Valuation Upside</b>	<ul style="list-style-type: none"><li>▪ Potential for meaningful multiple expansion upon IPO or strategic monetization of the REIT</li></ul>

# Overview of Monomoy Properties

*Monomoy Properties REIT, LLC is a private REIT with a diversified portfolio specializing in net leased industrial real estate assets  
Currently maintains a portfolio of 108 owned properties, representing \$348 million of real estate at fair value*

## Overview

- **Monomoy Properties is a private REIT with a diversified portfolio specializing in net leased industrial real estate assets:**

- Focus on single tenant light industrial properties with small building footprints on significant acreage
- Target investments in critical markets with favorable underlying economic trends and demographics
- Build mutually beneficial relationships and streamline the management of tenants' real estate
- Captive tenants lead to resilient rents and renewals throughout cycles
- Poised to benefit from ongoing secular shifts
- Deep industry experience, extensive contact network and exceptional underwriting

## Monomoy at a Glance

**108**

*Owned Properties*

**1.9 M / 553**

*Sq. Feet / Acres*

**27**

*States with Properties*

**41**

*Unique Tenants*

**\$348 M**

*Real Estate Fair Value*

**\$180 M**

*Net Asset Value*

**59%**

*Net Debt / Real Estate*

**\$26 M**

*Annual NOI*

**7.6%**

*Current Cap Rate*





## Proprietary Sourcing & Due Diligence

- Decades of industry experience and relationships
- Deep dive credit analysis

## Strong Real Estate Markets

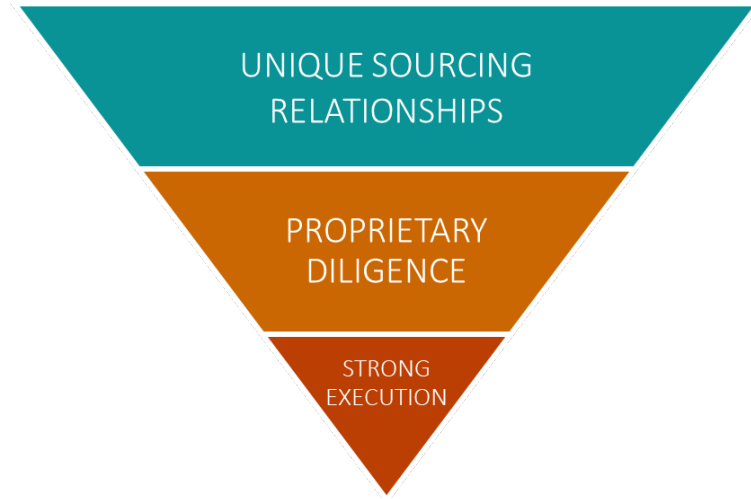
- Favorable demographics
- Positive underlying economic trends

## Reasonable Financial Leverage

- Significant liquidity and flexibility to grow
- Weighted average maturity of debt exceeds weighted average lease term reducing financing risk

## Stable Income

- Captive tenants
- Positive secular trends

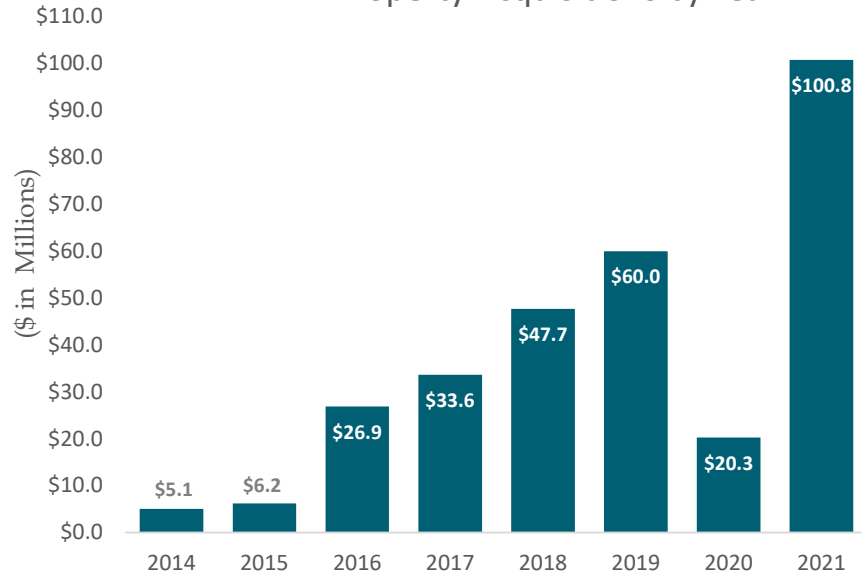


2,700+  
PROPERTIES  
EVALUATED

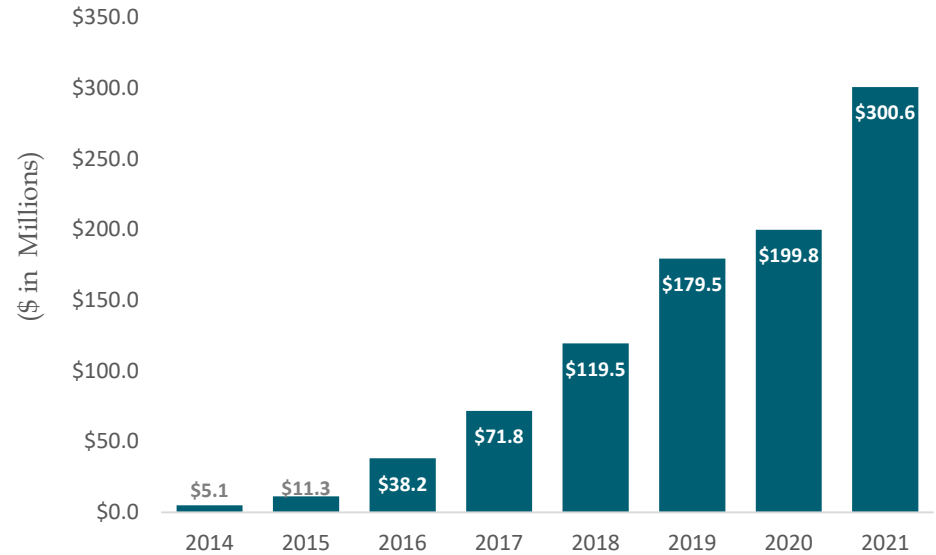
100  
CLOSINGS

330+  
PROPOSALS

## Property Acquisitions by Year



## Cumulative Property Acquisitions



# Current Tenants

*We believe that an integral part of our success is built on maintaining strong long lasting relationships with our tenants. Listed here are several of our top tenants.*



- **The acquisition has two components:**

- Acquisition of Monomoy Manager for a purchase price of \$10 million and potential earnout up to \$2 million
  - Transaction will be financed with a combination of GEG and GECC shares and a seller note
  - ICAM has the ability to receive two earnout payments up to \$1 million each following the fiscal years ending June 30, 2023 and June 30, 2024 based upon achievement of certain financial metrics.
- Targeted equity investment into Monomoy REIT of \$30 million to fund growth in originations
  - GEG has committed to fund \$15 million into Monomoy REIT and intends to invest an additional \$15 million over the next 12 months, although it has no contractual obligation to do so
  - On May 5th, GEG filed an S-1 registration statement for a senior secured notes offering

## Fiscal 2022 Third Quarter Highlights

Consolidated	IM	Operating Companies
Great Elm grew revenue by 20% year-over-year	GECM acquired the investment management agreement for Monomoy Properties REIT on May 5, 2022  GECC grew AUM year-over-year	DME grew revenue by 19% year-over-year  Strong PAP resupply sales and significant improvements in revenue reserves

## Strong Year-over-Year Revenue Growth

As of June 30, 2021, approximately \$952 million of net operating loss (NOL) carryforwards for Federal income tax purposes

# Consolidated Summary Financials: By Quarter

(in millions)

	Three Months Ended				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
<b>Revenue by segment</b>					
DME	\$ 15.6	\$ 15.7	\$ 15.6	\$ 15.4	\$ 13.1
Investment Management	1.0	1.0	1.0	0.9	0.7
General Corporate	0.2	0.2	0.2	0.3	0.2
Eliminations	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)
<b>Consolidated</b>	<b>\$ 16.6</b>	<b>\$ 16.7</b>	<b>\$ 16.5</b>	<b>\$ 16.3</b>	<b>\$ 13.8</b>
<b>Net income (loss) from continuing operations by segment<sup>1</sup></b>					
DME	\$ (6.6)	\$ 0.9	\$ 2.1	\$ 5.9	\$ (5.1)
Investment Management	(4.0)	(2.6)	(0.1)	1.3	(0.7)
General Corporate	4.5	(2.5)	(1.8)	(8.3)	3.0
<b>Consolidated</b>	<b>\$ (6.1)</b>	<b>\$ (4.2)</b>	<b>\$ 0.1</b>	<b>\$ (1.1)</b>	<b>\$ (2.8)</b>
<b>Adj. EBITDA<sup>1,2</sup> by segment</b>					
DME	\$ 2.5	\$ 2.6	\$ 5.1	\$ 4.3	\$ 3.4
Investment Management	(0.4)	(0.0)	0.1	0.1	0.0
General Corporate	(1.2)	(1.2)	(1.0)	(0.9)	(1.2)
<b>Consolidated</b>	<b>\$ 1.0</b>	<b>\$ 1.4</b>	<b>\$ 4.3</b>	<b>\$ 3.5</b>	<b>\$ 2.3</b>

(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		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Revenue by Segment</b>				
DME	\$ 15.6	\$ 13.1	\$ 46.9	\$ 42.3
Investment Management	1.0	0.7	3.0	2.3
General Corporate	0.2	0.2	0.6	0.3
Eliminations	(0.2)	(0.2)	(0.6)	(0.3)
<b>Consolidated</b>	<b>\$ 16.6</b>	<b>\$ 13.8</b>	<b>\$ 49.9</b>	<b>\$ 44.5</b>
<b>Net Income (Loss) from Continuing Operations by Segment<sup>1</sup></b>				
DME	\$ (6.6)	\$ (5.1)	\$ (3.6)	\$ (8.4)
Investment Management	(4.0)	(0.7)	(6.8)	1.4
General Corporate	4.5	3.0	0.2	(0.5)
<b>Consolidated</b>	<b>\$ (6.1)</b>	<b>\$ (2.8)</b>	<b>\$ (10.2)</b>	<b>\$ (7.4)</b>
<b>Adj. EBITDA<sup>1,2</sup> by Segment</b>				
DME	\$ 2.5	\$ 3.4	\$ 10.3	\$ 8.1
Investment Management	(0.4)	0.0	(0.3)	0.3
General Corporate	(1.2)	(1.2)	(3.3)	(3.3)
<b>Consolidated</b>	<b>\$ 1.0</b>	<b>\$ 2.3</b>	<b>\$ 6.6</b>	<b>\$ 5.1</b>

(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.

- **In fiscal 3Q22, DME generated \$15.6 million of revenue, a \$6.6 million net loss and \$2.5 million of Adjusted EBITDA<sup>1</sup>**
  - 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
  - The \$6.6 million net loss includes \$5.6 million in intercompany charges related to the valuation of an embedded derivative that eliminates in consolidation.
  - Normalized for employee retention payroll tax credits claimed under the CARES Act in the prior year period, Adjusted EBITDA increased by \$1.4 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
  
- **Over the trailing 12 month period ended March 31, 2022, DME generated total revenue, net income and Adjusted EBITDA<sup>1</sup> of \$62.3 million, \$2.3 million and \$14.6 million, respectively, compared to \$56.2 million, (\$5.6) million and \$15.0 million in the prior 12-month period ended March 31, 2021. Normalized for stimulus benefits received under the CARES Act, Adjusted EBITDA was \$9.9 million and \$7.7 million for the 12 month periods ended March 31, 2022 and 2021, respectively.**

(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				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
<b>Total net revenue</b>					
Sales and services revenue - medical equipment	\$ 8,976	\$ 8,968	\$ 8,730	\$ 8,566	\$ 7,309
Sales and services revenue - sleep studies	1,383	1,309	1,346	1,531	1,297
Total sales and services revenue	10,359	10,277	10,076	10,097	8,606
Rental income	5,275	5,451	5,479	5,276	4,511
<b>Total net revenue</b>	<b>\$ 15,634</b>	<b>\$ 15,728</b>	<b>\$ 15,555</b>	<b>\$ 15,373</b>	<b>\$ 13,117</b>
<b>GAAP net income (loss) from continuing operations<sup>1</sup></b>	<b>\$ (6,620)</b>	<b>\$ 937</b>	<b>\$ 2,082</b>	<b>\$ 5,906</b>	<b>\$ (5,059)</b>
Interest expense	1,269	1,289	1,287	1,274	1,280
Depreciation and amortization	2,003	2,040	2,142	2,079	1,986
Transaction and integration related costs, including ext of debt	63	176	219	461	380
Change in contingent consideration	68	(285)	(163)	(126)	-
Location closure	-	-	-	-	-
Mgmt fees	117	60	130	168	46
Other (income) / expense	5,612	(1,584)	(560)	(5,457)	4,795
<b>Adj. EBITDA<sup>1,2</sup></b>	<b>\$ 2,512</b>	<b>\$ 2,633</b>	<b>\$ 5,137</b>	<b>\$ 4,305</b>	<b>\$ 3,428</b>
(Maintenance capex)	(28)	(17)	(48)	(219)	(14)
(Growth capex)	(2,149)	(1,464)	(1,948)	(1,881)	(2,008)
Transaction costs and integration costs paid, including ext of debt	(63)	(176)	(219)	(340)	(380)
<b>Unleveraged free cash flow</b>	<b>\$ 272</b>	<b>\$ 976</b>	<b>\$ 2,922</b>	<b>\$ 1,865</b>	<b>\$ 1,026</b>
Interest expense paid	(979)	(1,000)	(1,000)	(989)	(1,011)
Scheduled debt amortization	-	-	-	-	-
<b>Leveraged free cash flow<sup>1</sup></b>	<b>\$ (707)</b>	<b>\$ (24)</b>	<b>\$ 1,922</b>	<b>\$ 876</b>	<b>\$ 15</b>

(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.

# Operating Companies: DME – Year-Over-Year

(in thousands)

	Three Months Ended		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Total Net Revenue:</b>				
Sales and Services Revenue - Medical Equipment	\$ 8,976	\$ 7,309	\$ 26,674	\$ 23,728
Sales and Services Revenue - Sleep Studies	1,383	1,297	4,038	3,635
Total Sales and Services Revenue	10,359	8,606	30,712	27,363
Rental Income	5,275	4,511	16,205	14,907
<b>Total Net Revenue</b>	<b>\$ 15,634</b>	<b>\$ 13,117</b>	<b>\$ 46,917</b>	<b>\$ 42,270</b>
<b>Adj. EBITDA<sup>2</sup>:</b>				
<b>Net income (loss) from continuing operations - GAAP</b>	<b>\$ (6,620)</b>	<b>\$ (5,059)</b>	<b>\$ (3,601)</b>	<b>\$ (8,395)</b>
Interest expense	1,269	1,280	3,845	2,676
Depreciation and amortization	2,003	1,986	6,185	6,116
Transaction and integration related costs, including ext of debt	63	380	458	2,646
Change in contingent consideration	68	-	(380)	-
Location closure	-	-	-	54
Mgmt fees	117	46	307	224
Other (income) / expense	5,612	4,795	3,468	4,765
<b>Adj. EBITDA<sup>2</sup></b>	<b>\$ 2,512</b>	<b>\$ 3,428</b>	<b>\$ 10,282</b>	<b>\$ 8,086</b>
(Maintenance capex)	(28)	(14)	(93)	(68)
(Growth capex)	(2,149)	(2,008)	(5,561)	(5,459)
Transaction costs and integration costs paid, including ext of debt	(63)	(380)	(458)	(2,461)
<b>Unleveraged free cash flow</b>	<b>\$ 272</b>	<b>\$ 1,026</b>	<b>\$ 4,170</b>	<b>\$ 98</b>
Interest expense paid	(979)	(1,011)	(2,979)	(2,327)
Scheduled debt amortization	-	-	-	(354)
<b>Leveraged free cash flow</b>	<b>\$ (707)</b>	<b>\$ 15</b>	<b>\$ 1,191</b>	<b>\$ (2,583)</b>

(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.

# Investment Management: A Scalable, High Margin Business

## AUM GROWTH

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

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

AUM Growth



High Margins



Scalable Model



Free Cash Flow

## 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

## SCALABLE MODEL

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

Investment team in place to support growth in AUM

## 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

**In fiscal 3Q22, Investment Management generated \$1.0 million of revenue, a \$4.0 million net loss and (\$0.4) Adjusted EBITDA<sup>1</sup>**

- 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**

- 108-property portfolio of diversified net leased industrial assets
- \$348 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				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
<b>Total revenues</b>	\$ 988	\$ 1,021	\$ 983	\$ 949	\$ 728
<b>GAAP net income (loss) from continuing operations<sup>1</sup></b>	\$ (3,981)	\$ (2,631)	\$ (140)	\$ 1,311	\$ (732)
Non-cash compensation	262	946	396	185	181
Interest expense, net	24	24	24	25	25
Dividend income on managed products	(548)	(549)	(554)	(554)	(554)
Gain (loss) on managed products	3,770	2,055	305	(981)	984
Depreciation and amortization expense	89	108	109	109	109
<b>Adj. EBITDA<sup>1,2</sup></b>	\$ (384)	\$ (47)	\$ 140	\$ 95	\$ 13
Capital expenditures	-	(3)	-	-	-
Interest expense paid	-	-	-	-	-
Dividend income paid on managed products	548	1,103	554	554	-
Scheduled debt amortization	-	-	-	-	-
<b>Leveraged free cash flow<sup>1</sup></b>	\$ 164	\$ 1,053	\$ 694	\$ 649	\$ 13

(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.

# Investment Management: Year-Over-Year

(in thousands)

	Three Months Ended		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Total revenues</b>	\$ 988	\$ 728	\$ 2,992	\$ 2,261
<b>Net income (loss) from continuing operations - GAAP<sup>1</sup></b>	\$ (3,981)	\$ (732)	\$ (6,752)	\$ 1,415
Non-cash compensation	262	181	1,604	572
Interest expense, net	24	25	72	76
Dividend income on managed products	(548)	(554)	(1,651)	(2,400)
Gain (loss) on managed products	3,770	984	6,130	260
Depreciation and amortization expense	89	109	306	364
<b>Adj. EBITDA<sup>1,2</sup></b>	\$ (384)	\$ 13	\$ (291)	\$ 287
Capital expenditures	-	-	(3)	-
Interest expense paid	-	-	-	(50)
Dividend income paid on managed products	548	-	2,205	147
Scheduled debt amortization	-	-	-	-
<b>Leveraged free cash flow<sup>1</sup></b>	\$ 164	\$ 13	\$ 1,911	\$ 384

(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.



# General Corporate: By Quarter

(in thousands)	Three Months Ended				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
<b>Total revenue</b>	\$ 230	\$ 172	\$ 243	\$ 281	\$ 162
<b>Operating costs and expenses<sup>1</sup>:</b>					
Public company costs	(893)	(878)	(993)	(429)	(1,162)
Non-cash compensation	(21)	(22)	(29)	(20)	(31)
Other general and administrative	(781)	(677)	(664)	(975)	(777)
<b>Operating loss</b>	\$ (1,465)	\$ (1,405)	\$ (1,443)	\$ (1,143)	\$ (1,808)
Depreciation & Amortization	-	(1)	-	-	(1)
Dividend and interest income	1,296	1,315	1,317	1,125	1,231
Interest expense, net	(1,263)	(1,269)	(1,269)	(1,167)	(1,287)
Income tax	20	65	1	(1,669)	43
Gains / losses on passive investments	266	428	102	-	-
Change in value of embedded derivative	5,612	(1,598)	(544)	(5,442)	4,795
<b>GAAP net income (loss) from continuing operations<sup>1</sup></b>	\$ 4,466	\$ (2,465)	\$ (1,836)	\$ (8,296)	\$ 2,973
Management fee	(117)	(60)	(130)	(168)	(46)
Non-cash compensation	316	280	372	240	470
Transaction and integration related costs	92	35	184	254	155
Interest, taxes, and depreciation	1,243	1,205	1,268	2,836	1,245
Interest income from preferred stock	(1,202)	(1,220)	(1,218)	(1,186)	(1,168)
Dividend income	(96)	(95)	(99)	-	-
Gain (loss) on passive investments	(266)	(428)	(102)	-	-
Change in value of embedded derivative	(5,612)	1,598	544	5,442	(4,795)
<b>Adj. EBITDA<sup>1,2</sup></b>	\$ (1,176)	\$ (1,150)	\$ (1,017)	\$ (878)	\$ (1,166)
Capital expenditures	-	-	-	-	-
Interest expense paid	140	161	169	141	965
Transaction costs and integration costs paid	(92)	(35)	(184)	(254)	(155)
<b>Levered free cash flow<sup>1</sup></b>	\$ (1,128)	\$ (1,024)	\$ (1,032)	\$ (991)	\$ (356)

(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.

# General Corporate: Year-Over-Year

(in thousands)

	Three Months Ended		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Total revenue</b>	\$ 230	\$ 162	\$ 645	\$ 298
<b>Operating costs and expenses<sup>1</sup>:</b>				
Public company costs	(893)	(1,162)	(2,764)	(2,427)
Non-cash compensation	(21)	(31)	(72)	(354)
Other general and administrative	(781)	(777)	(2,122)	(1,916)
<b>Operating loss</b>	\$ (1,465)	\$ (1,808)	\$ (4,313)	\$ (4,399)
Depreciation and amortization	-	(1)	(1)	(2)
Dividend and interest income	1,296	1,231	3,928	1,239
Interest expense, net	(1,263)	(1,287)	(3,801)	(2,086)
Income tax	20	43	86	(6)
Gains / losses on passive investments	266	-	796	-
Change in value of embedded derivative	5,612	4,795	3,470	4,795
<b>Net income (loss) from continuing operations - GAAP<sup>1</sup></b>	\$ 4,466	\$ 2,973	\$ 165	\$ (459)
Management fee	(117)	(46)	(307)	(182)
Non-cash compensation	316	470	968	793
Transaction and integration related costs	92	155	311	417
Interest, taxes, and depreciation	1,243	1,245	3,716	2,094
Interest income on preferred stock	(1,202)	(1,168)	(3,640)	(1,168)
Dividend income	(96)	-	(290)	-
Gain (loss) on investments	(266)	-	(796)	-
Change in value of embedded derivative	(5,612)	(4,795)	(3,470)	(4,795)
<b>Adj. EBITDA<sup>1,2</sup></b>	\$ (1,176)	\$ (1,166)	\$ (3,343)	\$ (3,300)
Capital expenditures	-	-	-	-
Interest expense paid	140	965	470	965
Transaction costs and integration costs paid	(92)	(155)	(311)	(417)
<b>Levered free cash flow<sup>1</sup></b>	\$ (1,128)	\$ (356)	\$ (3,184)	\$ (2,752)

(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.

# Financial Review: 3Q22 Consolidating Balance Sheets (Unaudited)

<i>\$ in thousands</i>	<b>Durable Medical Equipment</b>	<b>Investment Management</b>	<b>Corporate</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,031	\$ 568	\$ 16,147	\$ -	\$ 22,746
Accounts receivable, net	6,284	1,464	96	(168)	7,676
Investments at fair value	-	13,419	5,741	-	19,160
Investments at fair value, Consolidated Fund NAV	-	13,787	-	168	13,955
Inventory	949	-	-	-	949
Property and equipment, net	7,403	19	1	-	7,423
Identifiable intangible assets, net	6,209	1,524	-	-	7,733
Goodwill	52,463	-	-	-	52,463
Right of use asset	3,299	725	-	-	4,024
Other assets	608	238	716	(319)	1,243
<b>Total Assets</b>	<b>\$ 83,246</b>	<b>\$ 31,744</b>	<b>\$ 22,701</b>	<b>\$ (319)</b>	<b>\$ 137,372</b>
<b>LIABILITIES</b>					
Accounts payable & accrued liabilities	\$ 8,759	\$ 1,057	\$ 2,186	\$ (319)	\$ 11,683
Deferred revenue	1,420	-	-	-	1,420
Lease and other liabilities	3,439	895	276	-	4,610
Related party notes payable	-	2,996	(2,996)	-	-
Convertible notes	-	-	34,278	-	34,278
Preferred stock - HC LLC	46,265	-	(44,629)	-	1,636
Preferred stock - Forest	-	-	34,058	-	34,058
Equipment financing	2,711	-	-	-	2,711
Intercompany, net <sup>(1)</sup>	20,625	33,163	(53,788)	-	-
<b>Total Liabilities</b>	<b>83,219</b>	<b>38,111</b>	<b>(30,615)</b>	<b>(319)</b>	<b>90,396</b>
<b>EQUITY</b>	<b>27</b>	<b>(6,367)</b>	<b>53,316</b>	<b>-</b>	<b>46,976</b>
<b>Total Liabilities and Equity</b>	<b>\$ 83,246</b>	<b>\$ 31,744</b>	<b>\$ 22,701</b>	<b>\$ (319)</b>	<b>\$ 137,372</b>

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

# Financial Review: 3Q22 Consolidating Income Statement (Unaudited)

	For the three months ended March 31, 2022				
<i>\$ in thousands</i>	Durable Medical Equipment	Investment Management	Corporate	Elimination	Consolidated
Total Revenues	\$ 15,634	\$ 988	\$ 230	\$ (230)	\$ 16,622
Cost of revenue	(6,070)	-	-	-	(6,070)
Depreciation and amortization expense	(428)	(89)	-	-	(517)
Selling, general and administration	(8,875)	(1,634)	(1,695)	230	(11,974)
Total operating costs and expenses	(15,373)	(1,723)	(1,695)	230	(18,561)
Operating income (loss)	261	(735)	(1,465)	-	(1,939)
Dividends and interest income	-	548	1,296	(1,202)	642
(Gains) / losses on investments	-	(3,770)	266	-	(3,504)
Interest expense, net	(1,269)	(24)	(1,263)	1,202	(1,354)
Other income (expense), net	(5,612)	-	5,612	-	-
Income (loss) before taxes	(6,620)	(3,981)	4,446	-	(6,155)
Income tax benefit	-	-	20	-	20
Net income (loss) from continuing operations	(6,620)	(3,981)	4,466	-	(6,135)
<b>Adjusted EBITDA</b>	<b>\$ 2,512</b>	<b>\$ (384)</b>	<b>\$ (1,176)</b>	<b>\$ -</b>	<b>952</b>

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

# Strong Shareholder Alignment

Employee Share  
Ownership



Director  
Share Ownership



Significant  
Alignment of  
Interest

- Employees of GEG collectively own approximately 1.9 million shares of GEG, representing approximately 7% of GEG's outstanding shares
- The directors of GEG beneficially own approximately 6.2 million shares of GEG in the aggregate, representing approximately 23% of GEG's outstanding shares
- When combined, **insider ownership totals approximately 30% 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

**For the three months ended March 31, 2022**

*\$ in thousands*

	<b>Durable Medical Equipment</b>	<b>Investment Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>EBITDA:</b>				
<b>Net income (loss) from continuing operations - GAAP</b>	\$ (6,620)	\$ (3,981)	\$ 4,466	\$ (6,135)
Interest expense	1,269	24	1,263	2,556
Interest income from preferred stock	-	-	(1,202)	(1,202)
Depreciation & amortization	2,003	89	-	2,092
Tax expense (benefit)	-	-	(20)	(20)
<b>EBITDA</b>	<b>(3,348)</b>	<b>(3,868)</b>	<b>4,507</b>	<b>(2,709)</b>
Adjusted EBITDA				
Non-cash compensation	-	262	316	578
Change in contingent consideration	68	-	-	68
Dividend income	-	(548)	(96)	(644)
(Gains) / losses on investments	-	3,770	(266)	3,504
Other (income) expense	5,612	-	(5,612)	-
Transaction and integration related costs <sup>(2)</sup>	63	-	92	155
DME management and monitoring fees	117	-	(117)	-
<b>Adjusted EBITDA</b>	<b>\$ 2,512</b>	<b>\$ (384)</b>	<b>\$ (1,176)</b>	<b>\$ 952</b>

(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.



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

	For the three months ended March 31, 2021			
	Durable Medical Equipment	Investment Management <sup>(1)</sup>	Corporate <sup>(1)</sup>	Consolidated
<i>\$ in thousands</i>				
<b>EBITDA:</b>				
Net income (loss) from continuing operations - GAAP	\$ (5,059)	\$ (732)	\$ 2,973	\$ (2,818)
Interest expense	1,280	25	1,287	2,592
Interest income from preferred stock	-	-	(1,168)	(1,168)
Depreciation & amortization	1,986	109	1	2,096
Tax expense (benefit)	-	-	(43)	(43)
<b>EBITDA</b>	<b>(1,793)</b>	<b>(598)</b>	<b>3,050</b>	<b>659</b>
Adjusted EBITDA				
Non-cash compensation	-	181	470	651
Dividend income	-	(554)	-	(554)
(Gains) / losses on investments	-	984	-	984
Other (income) expense	4,795	-	(4,795)	-
Transaction and integration related costs <sup>(2)</sup>	380	-	155	535
DME management and monitoring fees	46	-	(46)	-
<b>Adjusted EBITDA</b>	<b>\$ 3,428</b>	<b>\$ 13</b>	<b>\$ (1,166)</b>	<b>\$ 2,275</b>

(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.



**Investor Relations Contact:**  
Michael Kim  
[investorrelations@greatelmcap.com](mailto:investorrelations@greatelmcap.com)