

Great Elm Group, Inc.

January 3, 2023
NASDAQ: GEG



GEG Announced Two Transformative Deals Today Closing Out an Eventful 2022 in a Position of Strength

Sale of GEG's Majority Ownership Interest in Forest

Approximately \$45 million of cash from:

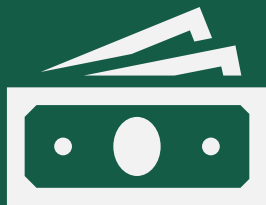
- \$18 million from sale of 61% of the common equity of Forest
- \$27 million expected from the right to put the remaining 19% ownership interest in Forest

Sale of GEG's DME Business for \$80 million

- \$26 million of cash and 346k shares of Quipt stock net to GEG after repayment of obligations
- Eliminates the "Operating Companies" segment
- Allows GEG to focus on scaling its Investment Management Business

Combined the Transactions

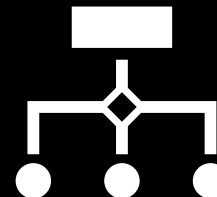
Add \$70 million+
of cash to GEG's
balance sheet



Provide significant
capital to accelerate
growth of the
Investment
Management
Business



Simplify the
organization and
reporting
structure





Pro Forma Capital Structure⁽¹⁾

\$000s

Cash	93,132
Investments ⁽²⁾	33,188
Cash + Investments	\$126,320
Long term debt	26,945
Short term notes payable	5,661
Convertible notes	36,085
Total Debt	\$68,691
Net Cash and Investments	\$57,629

Note: As a result of the transactions, GEG is expected to retain approximately \$154 million of the NOLs it held as of 6/30/2022, of which approximately \$131 million are able to be used for taxable income in Fiscal 2023 (other than gains resulting from the Forest transaction) but expire on 6/30/2023.

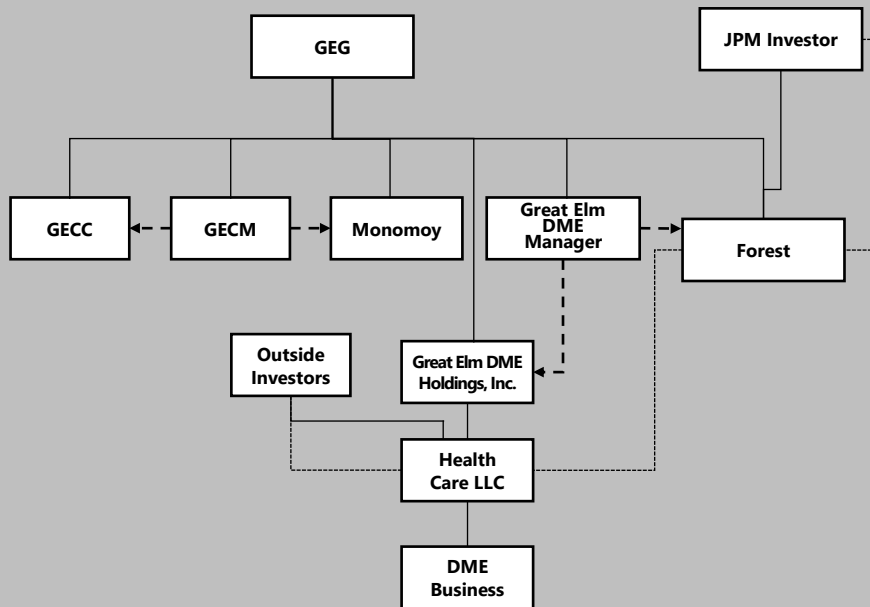
(1) Great Elm Group 9/30/2022 capital structure pro forma for the DME and Forest transactions. Debt balances reflect principal outstanding as of 9/30/2022.

(2) Includes GECC shares, the investment in Monomoy, and approximately 346k shares of Quipt common stock associated with the sale of the DME business.

Simplified Organization

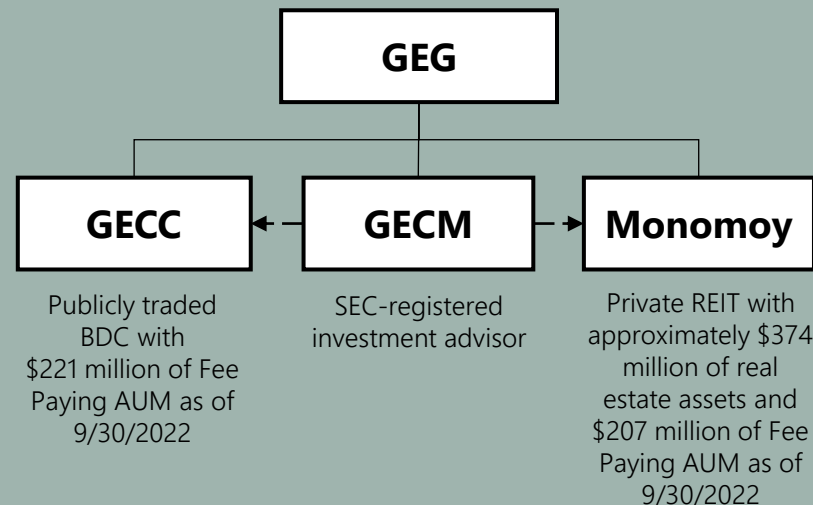
November 2022 Summary Structure

Complex Structure With Two Segments



Pro Forma Summary Structure

Streamlined Organization Focused on Building a Diversified Asset Management Business



Strategic Initiatives Recap

1Q22

GECC Leadership
and Board
Enhancements

2Q22

Monomoy
Management
Agreement
Acquired
•
\$27 million
Unsecured Bond
Issued

3Q22

GECC Management
Agreement Amended
•
GECC Rights
Offering Closed

4Q22

Forest
Transaction
•
Sale of
DME Business

2023+

Continued Focus on
Strategic Initiatives to
Grow the Investment
Management Business

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.