

THE
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GROUP
The Power of Possible

FY 2021 Funders/ Investors Report

December 16, 2021

Fiscal year 2021 KEY TAKEAWAYS

A year of great execution and forward-looking opportunities resulting from Federal legislation

Resilient performance supported by a strong programmatic, financial, and technology infrastructure

Maintained strong financial position, growth aligned with market demand

Leveraged deep domain expertise to achieve superior results

Significantly enhanced our technology domain expertise through acquisition and expansion

Positioned The Fedcap Group to address post-pandemic challenges and opportunities

Design solutions that focus on enhanced engagement with customers, stakeholders and funders



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Strong Results
Led by Top Tier
Performance
and Strategic
Acquisitions

Synergy in Markets and Capabilities



Education

18% of total business
50% revenue increase
over FY2020



Workforce Development

36% of total business
48% revenue increase
over FY2020



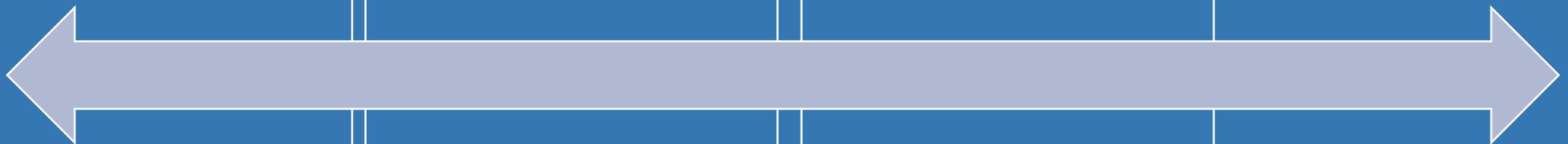
Economic Development

36% of total business
5% revenue increase
over FY2020

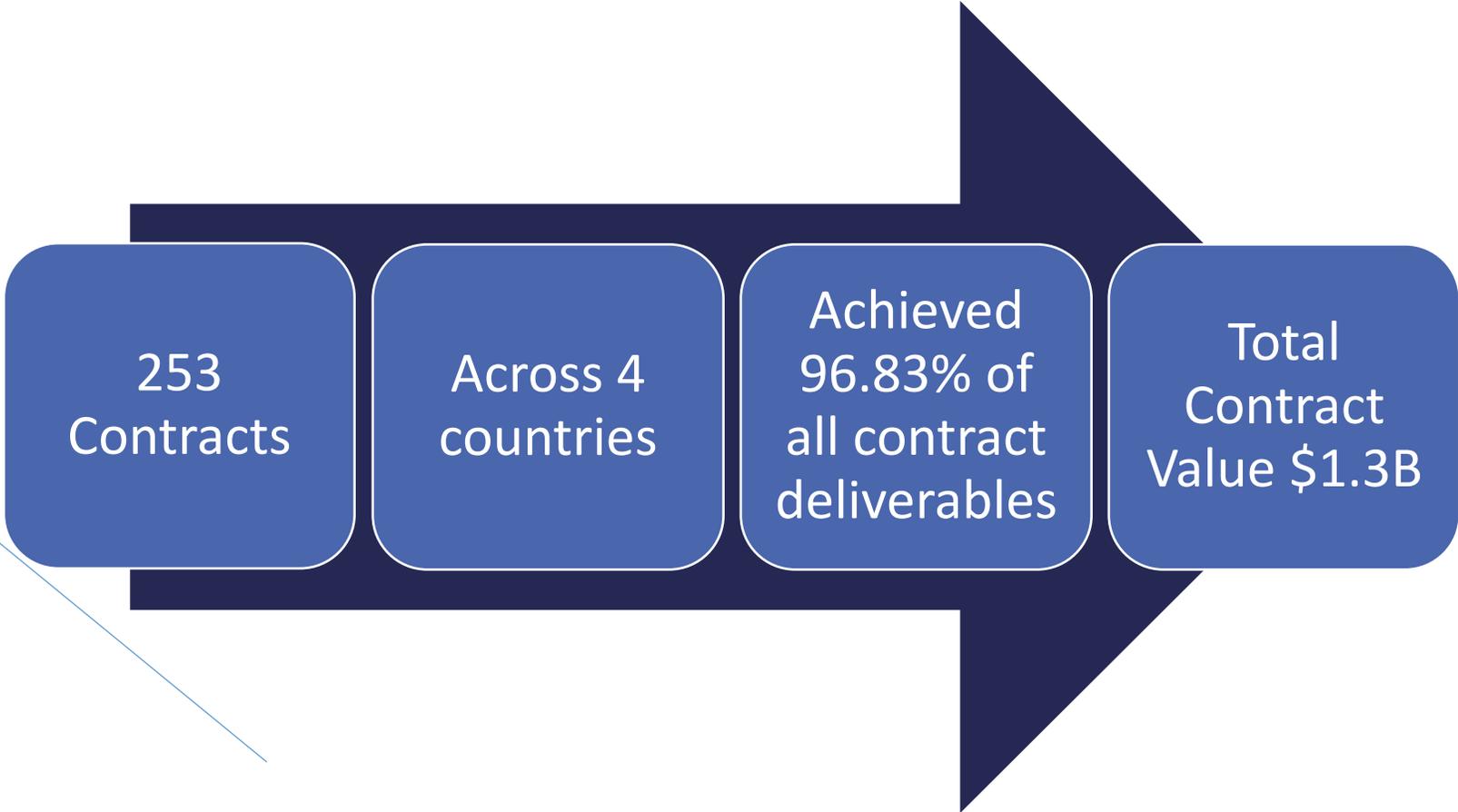


Occupational Health

7% of total business
25% revenue
decrease over FY2020
and continued
reductions anticipated



Top Tier Performance Driving Growth



Setting evidence-based targets to improve the lives of people we serve

Investing in the communities in which we work and live

Ensuring value through governance, corporate policies and structure

Increased Revenue is Driven by Both Organic and Acquisition Growth

Overall growth for 2021 is a total of \$64MM (23%) full term over \$435MM

Organic Growth makes up \$41MM or 65% of total growth

- We won **66 new contracts** totaling \$94MM and 59 renewals totaling \$40MM for a total of 125 contracts at \$134MM
 - \$75MM of the \$134MM is UK growth
- We won **99%** of bids where we were re-competing
- We have a win rate for new contracts of **36%**
- We ended 2021 with a pipeline of \$41MM. As of December 2021, the pipeline is \$131MM Annual contract value and contract term value of \$435 MM

Increased Revenue is Driven by Both Organic and Acquisition Growth

Acquisitions made up 35% (\$23MM) of total growth

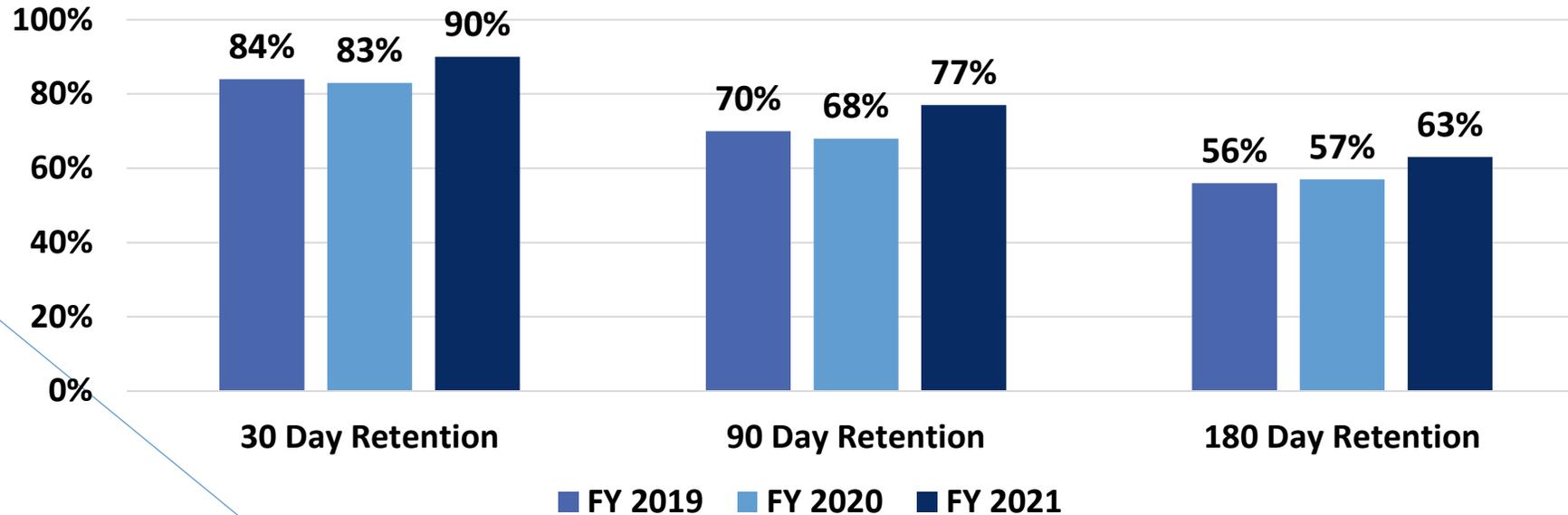
- FY 2021 saw an extremely successful first year of the **Apex**-Fedcap Group combination.
 - Since Apex was founded 60 years ago—it has graduated over 40K people as plumbers, electricians, and other high growth trades.
- In FY 2021 we combined with **Civic Hall**—an engagement and collaboration platform—to advance technology and problem-solving for the public good.
 - This coming year we hope to launch an innovative digital training center – a combined project leveraging Apex and Civic Hall – the estimated 80K sq foot digital training center is set to train up to 3000 students a year.
 - Our joint efforts will also address the re-skilling and up-skilling of workers whose jobs will be lost to automation.
 - With 355,000 jobs in the NYC tech ecosystem, half of which require high-tech skills, we are committed to supplying a trained workforce to meet the demand of our transforming economy and job landscape.

WORKFORCE DEVELOPMENT IMPACT HIGHLIGHTS

- **Job Placements**

- **13,316** individuals placed in jobs.
 - This is compared to 8,889 job placements in FY 2020.

- **Three Year Trend in Job Retention**



- **Salary**

- **32%** (4,163) of new job placements earned \$17.00 or more per hour. This is a significant increase from the rate of higher wage earners last year at 18%.

EDUCATION Impact Highlights (1)

Early Education (Children Ages 0-8)

- In FY 2021, we directly served 5,390 **children ages 0-8** across all programs of The Fedcap Group.
- Additionally, we reached 4,731 children with support services including emergency food and clothing.
- Early Intervention and Child Development Program Outcomes at or above State requirements:
 - **100%** of children from inclusive childcare program entered regular kindergarten settings at discharge
 - **72%** of children show greater than expected developmental progress.

EDUCATION Impact Highlights (2)

Transitional Education

- **Launched the Greenleaf Neurodiversity Community Center in Austin Texas**
 - This Center will offer services to assist young people with autism transition to adulthood with a job. Goals include:
 - 100% employment at age 23
 - 100% employment at age 28 with 25% higher wage than at age 23
 - 100% achieve independent housing by age 30

Technical Training

- 78% of students graduated from our Trade Schools (APEX, Career Design Schools) as compared to the national average of 59%.
 - Additionally, over 2,573 individuals served earned certifications in key labor sectors across our international footprint.

Higher Education

- Single Stop **assisted 9,706 college students** across 56 sites to meet their basic needs, helping them to stay in school.

A 2020 study by the RAND Corporation found that receipt of Single Stop services is associated student success metrics such as higher GPA, increased credits attempted, and higher persistence rates which all impact long term economic wellbeing.

Economic Development Impact Highlights

- **A total of 1,580 people** employed in our commercial businesses.
- **268 new jobs** were added in FY 2021 in Total Facilities Management –our largest commercial enterprise.
- Average wage: \$39,500.
- Individuals employed have a disability or significant barrier to economic well-being.
- **Significant expansion into green energy is planned – generating hundreds of new jobs.**
 - High Priority of Biden Administration
 - Funding to reduce climate footprint will enable additional growth in this key business line



OCCUPATIONAL HEALTH Impact Highlights

- **In FY 2021 40,845** people engaged in wellness services (behavioral and physical health care, treatment for substance use disorders) that assist individuals in obtaining and retaining employment (as compared to 48,739 in FY 2020).
- **13,758 veterans and their families** received an array of wellness services from the **Dixon Center in FY 2021**, as compared to 9,275 total in FY 2020.
- Won a \$1MM **public health** contract to educate and support people being vaccinated in NYC – enhancing people’s ability to re-enter the workforce.





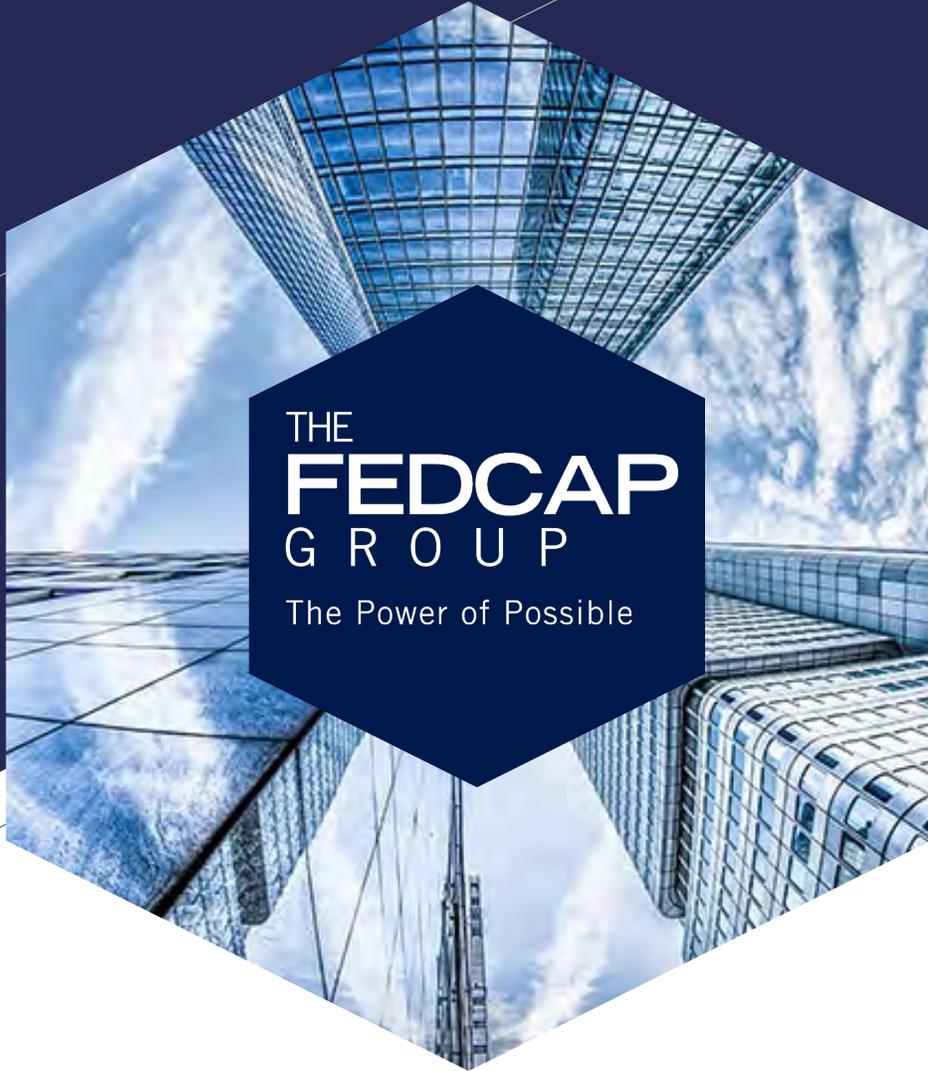
International:
Strong
Performance and
Planned Growth

Fedcap UK-Strong Growth

- Our UK business continues to grow. Last year our revenue grew to £23m, from the previous year's £11.8m; and by 2023 we forecast this will increase by at least another 100%.
- We are proud to be trusted partners of the Scottish government in delivering their '*dignity and respect, fairness and equality in work*' agenda – we now deliver services across the South of Scotland and as far North as Aberdeenshire.
- In England we are implementing the Department for Work and Pensions flagship 'Restart' scheme, serving those people who have become long term unemployed.
 - We have placed 584 people in jobs and have opened 15 new offices across North West and Southern England
- The Fedcap Group is committed to the United Kingdom and we look forward to developing our provision with our partners in both the Department of Work and Pensions, the Scottish Government and beyond.

Fedcap Canada—Strong Impact Results

- Fedcap Canada was awarded a \$56MM (Canadian Dollars) annual contract to serve as the Administrative lead for the Hamilton-Niagara region of Ontario. This will grow to \$65MM in 2022.
- Network is comprised of 41 different organizations covering 1,600 kilometers.
- We are providing tailored support for people unemployed, including those with disabilities.
- **To date, we have served 15,722 people across the Hamilton-Niagara catchment area in the province of Ontario.**
 - 4,599—of those 60% were receiving social services—this is an increase from 29% prior to Fedcap Canada
- We were recently asked to bid on a new contract covering all of Ontario.



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Investment in Technology To Advance Public Good

Software as a Service

SaaS

- Achieved ISO/IEC 27001 certification in Information Security Management Systems from the prestigious British Standards Institution (BSI) for our proprietary software products, Single Stop™ and FedcapCARES™
- Successfully launched FedcapCARES™ Client Portal, providing program participants with a suite of tools to engage with program staff, search for new employment, or upload requested documentation and more.
- Successfully launched our FedcapCARES™ Case Management System globally in Canada and the United Kingdom, featuring heavy data integration with our government funder systems
- Continued to innovate and distribute new features to our proprietary software platforms.



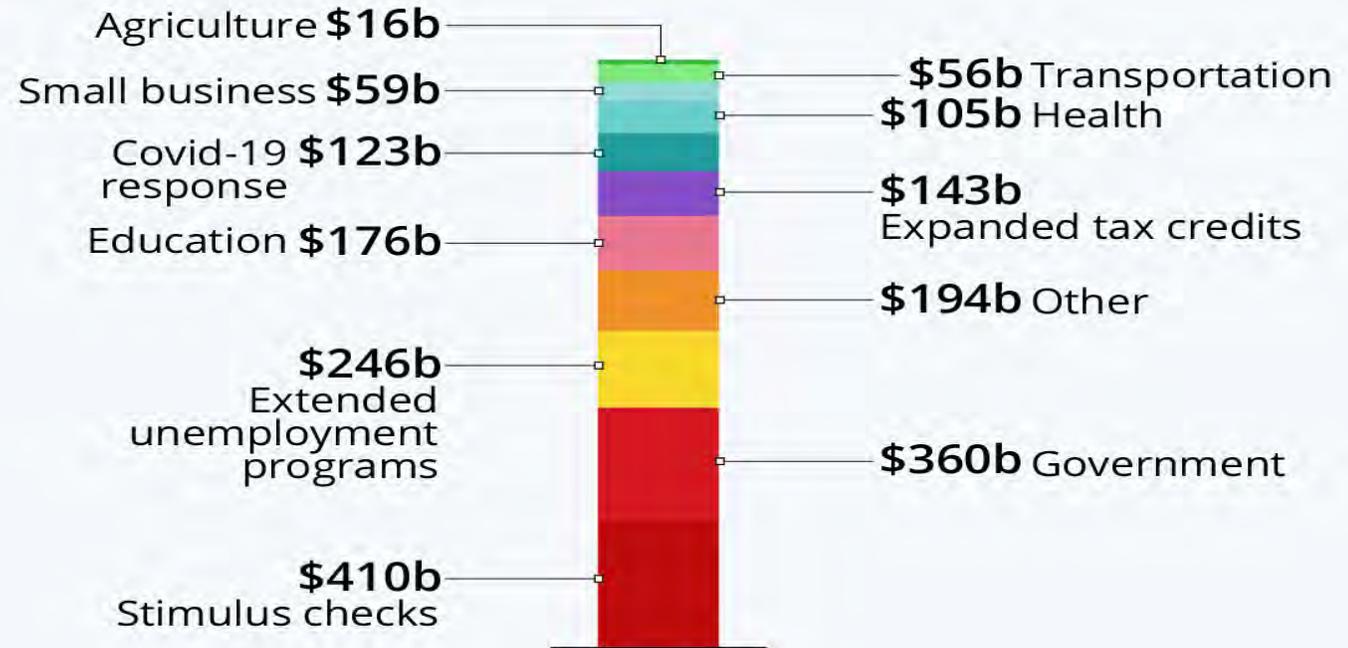
Single Stop Expands Technology Platform

- Since 2017, The Fedcap Group has **invested \$2.4MM** to upgrade the Single Stop technology, increase its functionality, expand eligibility determination for a growing number of government programs
- **Next Generation**
 - Available via an “app” to individuals across the country—supported by a live help desk team that answers questions and helps people complete applications.
 - We envision kiosks in grocery stores, drug stores, college cafeterias, guidance counselor offices, large retail centers and more.
- **Since launched in 2007, over 2.1 million households have been served and families have drawn down over \$6.79 billion dollars in critically needed resources.**
- In 2021, Single Stop served **24,231** people and drew down **\$69,852MM** in critically needed resources.
- **In 2021, Single Stop assisted 9,706** college students across 56 sites to meet their basic needs, helping them to stay in school. (In a 2020 study the **RAND Corporation found that receipt of Single Stop services is associated with student success metrics such as higher GPA, increased credits attempted, and higher persistence rates which all impact long term economic wellbeing.**)

Outlook Investment Areas and Targets

What's In The \$1.9 Trillion Stimulus Package?

Composition of the American Rescue Plan Act
(in billion U.S. dollars)



Source: The Wall Street Journal



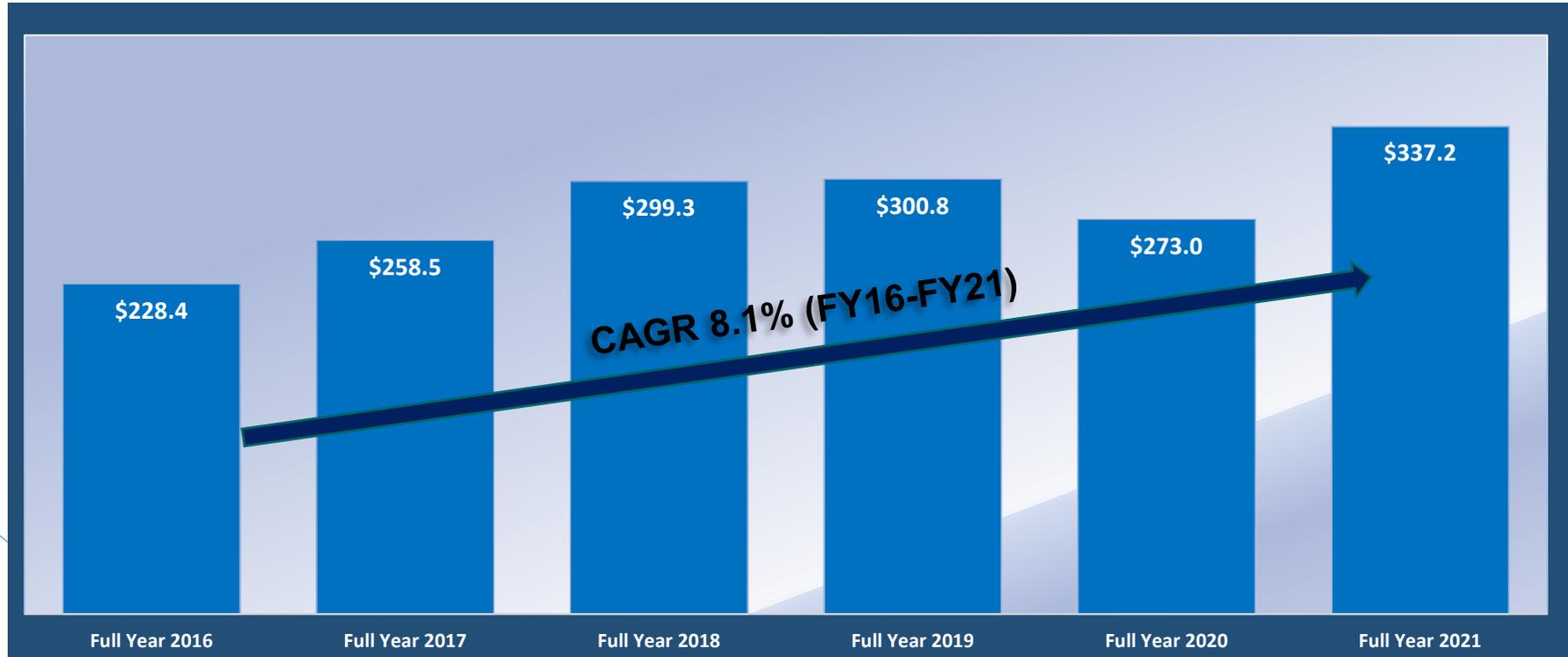


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Core Financial Health

Growth and Expansion

Full Year Revenue Growth: 2016-2021 (in Millions)



- The Fedcap Group has achieved a 5-year compound annual growth rate of 8.1% from 2016 - 2021
- Increased revenue in FY21 reflects The Fedcap Group's UK contract win, ramp up of Canada operations and a full-year of Apex Technical School operations (vs. 1 month in FY20)
- FY25 revenue goal is \$470MM. Reflects 8.7% growth from FY21

Balance Sheet Highlights

(\$MM)	Full Year 2017	Full Year 2018	Full Year 2019	Full Year 2020	Full Year 2021
Cash and Investments	\$29.1	\$29.0	\$18.5	\$34.2	\$49.3
Total Assets	\$155.6	\$172.0	\$178.8	\$192.0	\$210.5
Long-Term Debt*	\$64.0	\$73.3	\$93.0	\$93.5	\$109.8*
Net Assets	\$35.6	\$37.0	\$37.6	\$38.1	\$43.0

*Includes capital lease obligation for 210 East 43rd Street of \$35.8MM and PPP loan of \$10MM (expected to be forgiven in FY2022)
 NOTE: 2020 credit lines totaling \$28.0MM available for working capital needs, were refinanced in FY2021 and increased to \$42.5MM.

Key Financial Ratios

Income Statement

- **Operating Margin: 1.47%**
- **Personnel Cost Ratio: 52%**
- **Program Expense Ratio: 88%**

Balance Sheet

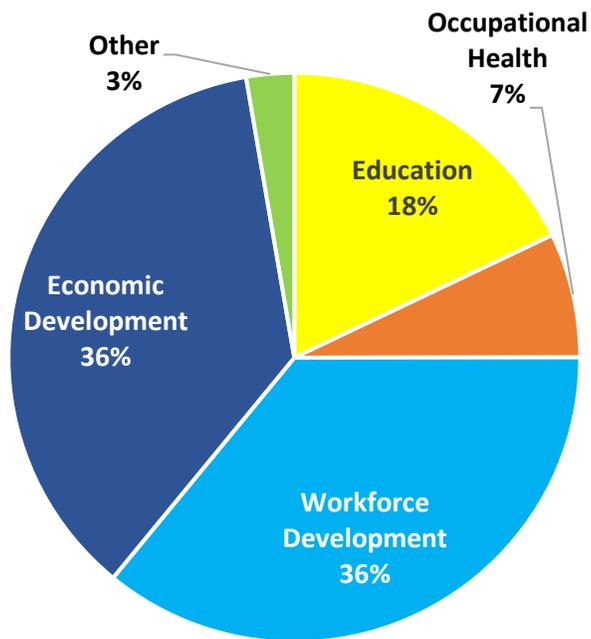
- **Debt Coverage Ratio: 2.15**
- **Current Ratio: 2.05**
- **Average DSOs: 69 Days**

Revenue Diversification

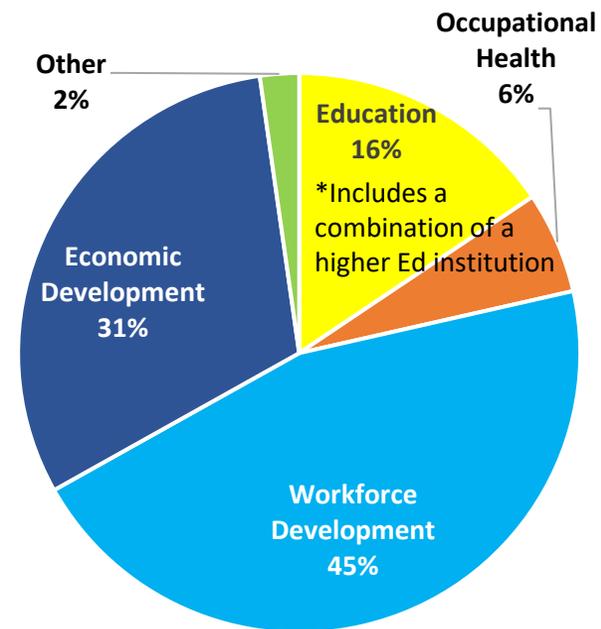
FY2010 - \$74 Million



FY2021 - \$337 Million



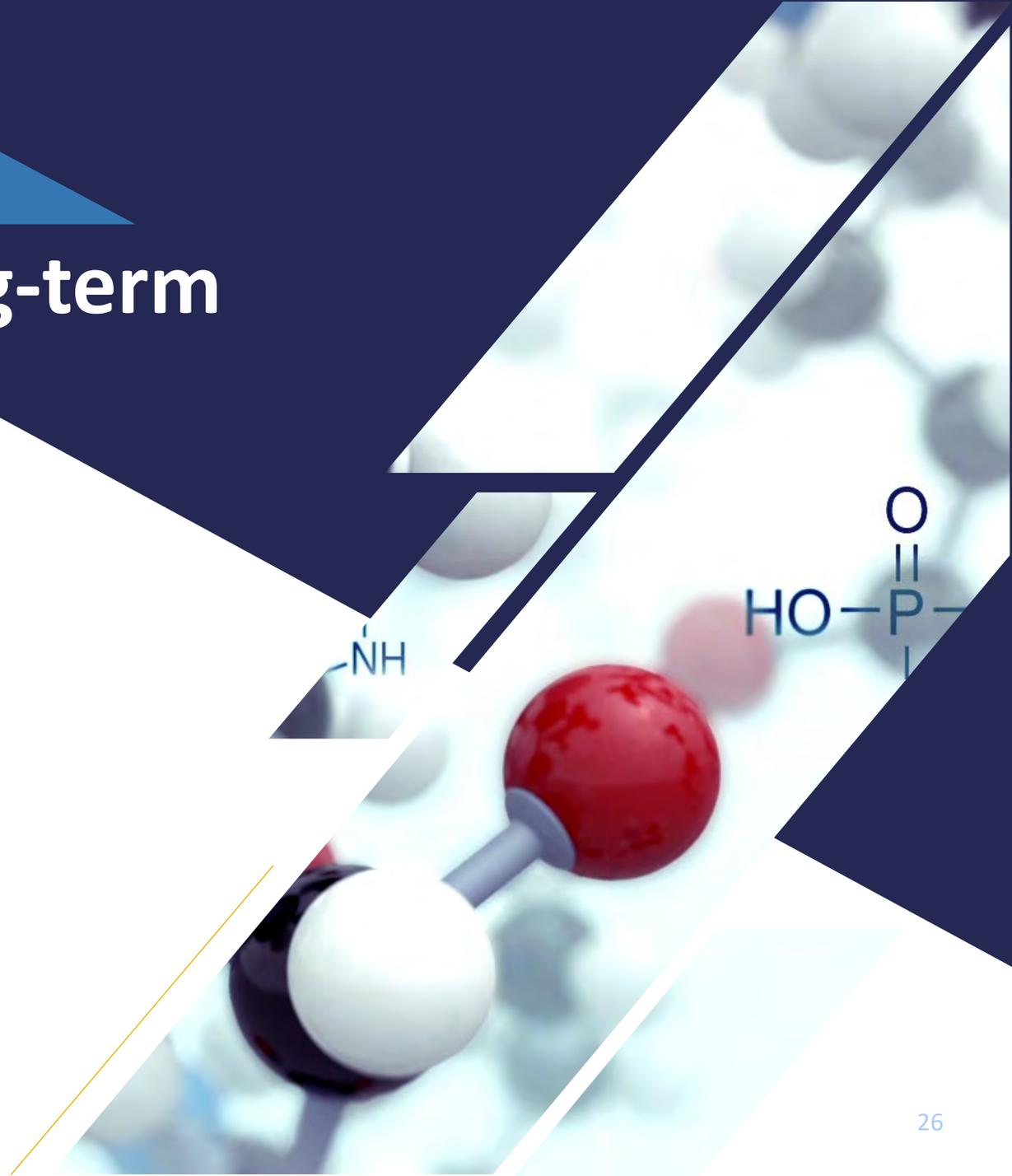
FY2022P - \$380 Million



SUMMARY

Multiple Catalysts for Long-term Economic Wellbeing

- Strategic response to Federal Funding Opportunities
- IT Modernization
- Crisis Response Capacity
- Top-Tier Performance
- Strength in High Growth Markets



QUESTIONS?

Fiscal and Programmatic Performance Aligned with Strategic Objectives



ACHIEVED
INDUSTRY-LEADING
OUTCOMES FOR
INDIVIDUALS WITH
BARRIERS TO
ECONOMIC WELL-
BEING



SUSTAINED AND
GREW OUR
EXPERTISE IN CORE
MARKETS



LEVERAGED
SUCCESSFUL
PROGRAMS IN NEW
FORMATS AND NEW
GEOGRAPHIES



UTILIZED
TECHNOLOGY
ACROSS PRACTICE
AREAS TO ENGAGE
POPULATIONS AND
MEASURE RESULTS



SERVED AS A
GROWTH PLATFORM
FOR LIKE-MINDED
ORGANIZATIONS
WITH SYNERGISTIC
MISSIONS

OUR MISSION

The Fedcap Group is committed to creating opportunities for people with barriers to economic well-being.

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