The Fedcap Group: First Half FY 2022 Key Takeaways

Served 30,000 more people in the first half of 2022 than in the first half of 2021

Double-digit Revenue Growth Reflects Robust Domestic and International Service Platform

Top-tier performance on existing contracts has resulted in +99% win rate on recompetes; Innovation has resulted in winning new contracts

Strong programmatic, financial, and technology infrastructures support large roll outs
Top Tier Performance

- Achieved 96% of contract deliverables
- Leveraged Evidence Based Tools and Interventions
- Ensured Value Through Governance, Corporate Policies and Structure
- Invested in Communities Where We Work

300 Contracts Across 4 Countries
Increased Revenue is Driven By Organic Growth and Acquisitions

Overall Revenue growth for first half of FY 2022 14.4%

Domestic work represented 70% of First Half of FY 2022; International was 30%

Business Development Pipeline at March 31st, 2022 was $427MM

  68% of the Pipeline is new business and 32% recompetes.

  60% of the Pipeline is Domestic and 40% International.
Leveraged the Strength of Recent Acquisitions to Build out Education Practice

Apex Technical School acquisition continued to be a positive contributor to revenue.

Civic Hall acquisition provides a platform for Technology Training—to reskill and upskill workers to meet demand of transforming economy.

**Strategic Actions**

Planned launch of innovative digital training center—leveraging Apex and Civic Hall – the estimated 8000K sq foot digital training center is set to train up to 3000 students a year.

Partnership with Paul Smith College rounds out Education Practice continuum.

Expansion into training on “green technologies” allows us to train a workforce to enter this emerging field.
Expansion of Proprietary Single Stop Platform

In the first half of FY 2022 Single Stop served over **25,000 new people**, connecting them to over **$88 million in resources**.

We have expanded Pell grant screening functionality and added several new states.

Serving **10,000** college students in the first half of FY 2022 across 50 college campuses.

Benefits Screener provides users with information about federal and state benefits that meet their needs based on information they provide.

Premium case management tool allows partner organizations to follow individuals throughout their continuum of benefits.
International Growth

Ramped up large, multi-year contracts in the UK (England and Scotland) to provide support for individuals unemployed due to pandemic.

Continue to effectively manage large Canadian workforce development contract.

Responded to an RFP in Ireland and recently won a new award in Canada.
Impact Highlights
Workforce Development Impact Highlights

Job Placements

- 10,685 individuals placed in jobs
- This is compared to 5,808 job placements

Three Year Trend in Job Retention—Solid Performance

Salary

- 27% (2,912) of new job placements earned $17.00 or more per hour.
Education Impact Highlights

**Early Education (Children Ages 0-8)**  Served 2,164 children ages 0-8 + another 859 children with support services including emergency food and clothing. **93%** of children from inclusive childcare program entered regular kindergarten settings.

**Special Education—Fedcap School in New Jersey**  In the past three years 100% of the seniors graduated; **31% of youth were accepted into college** and another **31% were accepted into Trade Schools**.

**Transitional Education—Greenleaf Neurodiversity Community Center in Austin, Texas** assisted 110 youth/young adults with autism transition to adulthood with a job.

**Technical Training** 2,028 students achieved certifications in high growth sectors from **Apex Technical School and Career Design Schools**
Health Impact Highlights

23,270 people engaged in wellness services that assist individuals in obtaining and retaining employment.

3,812 veterans and their families received an array of wellness, educational and employment services from the Dixon Center.

ReServe has received multiple contracts in New York City totaling $10MM annually, deploying 734 ReServists to address the COVID-19 pandemic in the neighborhoods most adversely impacted. **To date this work has impacted nearly 730,000 New Yorkers.**
Economic Development Impact Highlights

A total of **1,798** people are employed in our commercial businesses. Individuals employed in our commercial businesses have a disability or barrier to employment.

**158 new jobs** were added in Total Facilities Management—our largest commercial enterprise. Average annual salary approaching $40,000.

Green energy is quickly becoming a source of jobs within our commercial businesses.
International: Strong Performance and Planned Growth
Fedcap UK-Strong Performance Contributes to Growth

Fedcap UK continues to grow. Last year our revenue grew to £23MM, from the previous year’s £11.8MM; and by 2023 we forecast this will increase by at least another 100%.

Fedcap is a trusted partner of the Scottish government in delivering their ‘dignity and respect, fairness and equality in work’ agenda—delivering services across the South of Scotland and as far North as Aberdeenshire.

In England we have implemented the Department for Work and Pensions flagship ‘Restart’ scheme, serving those people who have become long-term unemployed.

4,460 people placed in jobs across our programs in England and Scotland.

For the past three months, we have been at the top of the DWP league table in achieving sustainable outcomes for our customers. Our goal is to be the top strategic employer to DWP.

The Fedcap Group is committed to the United Kingdom and we look forward to developing our provision with our partners in 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 to provide tailored support for people unemployed including those with disabilities.

The original Network comprises 37 different organizations covering 1,600 kilometers.

To date, we have served 15,772 people across the Hamilton-Niagara catchment area in the province of Ontario.

Recently won an additional catchment area just northeast of Hamilton, which will begin integrated services in April of 2023.

In the Hamilton-Niagara catchment 86% of clients completing their employment plans have found jobs and 80 percent are working more than 20 hours a week.
Fedcap has achieved a 5-year compound first half growth rate of 7.3% from 2018 – 2022. Fiscal 2022 recurring revenues increased 14.4% from 2021 levels.
## Balance Sheet Highlights

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Key Financial Ratios

Income Statement
- Operating Margin: 0.88%
- Personnel Cost Ratio: 52%
- Program Expense Ratio: 88%

Balance Sheet
- Debt Coverage Ratio: 2.29
- Current Ratio: 2.20
- Average DSOs: 59 Days
Revenue Diversification

FY2010 - $74 Million
- Economic Development: 93%
- Workforce Development: 1%
- Education and Health: 6%

FY2021 - $331 Million
- Economic Development: 36%
- Workforce Development: 36%
- Education: 18%
- Health: 7%
- Other: 3%

FY2022P - $380 Million
- Economic Development: 31%
- Workforce Development: 45%
- Education: 16%
- Health: 6%
- Other: 2%

Education and Health
- FY2010: 6%
- FY2021: 7%
- FY2022P: 6%

Workforce Development
- FY2010: 1%
- FY2021: 36%
- FY2022P: 45%

Economic Development
- FY2010: 93%
- FY2021: 36%
- FY2022P: 31%

Other
- FY2010: 0%
- FY2021: 3%
- FY2022P: 2%
SUMMARY and OUTLOOK
Multiple Catalysts for Long-term Economic Well-being

Substantial benefits from Apex and Civic Hall acquisitions and partnership with Paul Smith College – addressing the reskilling and upskilling of workers, supplying a trained workforce to meet demands of transforming economy.

New Training Curriculum in Green Technologies will expand our ability to educate, prepare and train individuals for employment in the high demand areas of clean energy and renewables.

Commitment to innovation—identifying new strategies to affect change in people’s lives and the systems within which services are delivered.

As we make a positive impact on society, we are also managing to the highest Environmental, Social and Governance Standards (ESG) by reducing our energy usage, maintaining a collaborative working environment and prioritizing transparency.
Fiscal and Programmatic Performance Aligned with Strategic Objectives

- **Achived**: Industry-leading outcomes for individuals with barriers to economic well-being
- **Sustained and grew our expertise in core markets**: Leverage 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 and improving the lives of people with barriers to economic well-being.