Our Focus: **Sustainability. Relevance. Impact.**

Building scalable solutions that advance the lives for people with barriers to economic well-being.

Government solutions alone are not sufficient.

Working within the government systems, inoculating them with small enhancements, intending to yield scalable results.

FY2023 Programmatic & Fiscal Release
Our Mission-Driven Structure Fuels Sustainable Growth & Results
Structure Built for Top-Tier Performance

Nimble, Data-Driven Structure

Drives Success

1. Core Financial Health
2. Top Tier Performance—Exceeding Contractual/Program Regulatory Requirements
3. Amplified Impact Across The Fedcap Group Platform: People, Systems, Communities
4. External Systems Impact; Develop & Implement Systems Change
5. Expand the Number of People Served
6 Key Takeaways in FY2023

1. We successfully navigated the economic challenges of FY2023, including high inflation, government budget cuts, and regulatory uncertainty that resulted in the elimination of several contracts and various project delays. Despite these obstacles, our revenue for FY2023 reached $363.4 million, reflecting an increase of 0.5% from $361.7 million in FY2022.

2. Our strategic financial planning, diversified revenue approach, and a robust business development pipeline (totaling $390.7 million—with an impressive 99% recompete win rate) allowed us to adeptly navigate the challenges of FY2023.

3. Our prudent planning and forward-thinking strategy project a promising 6% revenue growth for FY2024.

4. We served 230,000 people in various programs; put 25,600 individuals to work in sustainable employment—a 7% increase in job placement year-over-year and our greatest annual number of job placements in our nine-decade history.

5. We significantly enhanced our domestic and international program integration—enabling us to implement and scale best practices globally—including exporting the highly successful US Clubhouse mental health support model to the UK and importing the Restart jobs model from the UK to the US (Maine).

6. We launched several key strategic initiatives, including new Pre-K programs, expansion of benefits screened in our Single Stop platform, an expanded service footprint in Canada, and developing a CDFI.
Education Highlights
Education is Essential to Breaking Down Barriers to Economic Well-Being; Yet Too Many Barriered Communities are Left Behind

- The higher the level of post-secondary credential earned, the greater the lifetime earnings. On average, a person with a bachelor degree earns **75%** more over the course of a lifetime than a person who only completed high school.

- **70%** of all new jobs require some post-secondary credential.

- **60%** current workers will require training/upskilling before 2027.

- **34.3M** individuals between the ages of 20-64 in the US don’t have a post-secondary degree.

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### College Enrollment and Completion, by Wealth

<table>
<thead>
<tr>
<th></th>
<th>Richest 25 Percent</th>
<th>Poorest 25 Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enroll in College</td>
<td>80%</td>
<td>29%</td>
</tr>
<tr>
<td>Graduate by 25</td>
<td>68%</td>
<td>32%</td>
</tr>
</tbody>
</table>
Educated 2,330 individuals (an annual increase of 4.5%) in four states from Pre-K through post-secondary programs aligned with college credits. Our overall completion rate was 77%.

**FY2023 launched new:**
- Easterseals Pre-k program in Austin, Texas and a new state-of-the art facility with additional capacity in Port Jervis, NY
- Opened new Apex Technical School facility in Long Island City
- Expanded Apex Clean Energy Institute locations and programs

**Childhood Development**
- Nearly 30% of special need pre-k students are moving into traditional/regular kindergarten programs

**K-12**
- Our Fedcap Middle/High School graduate 100% of all eligible students

**Post-Secondary**
- Apex Technical School enrollment increased 23% year-over-year from 1,252 to 1,538, had a completion rate of 76%--far-exceeding the national average for community colleges of 43%, and had a 75% job placement rate
Workforce Development Highlights
FY2023 Job Placements: Strong Performance

- **25,600** job placements in FY2023—a 7% increase year-over-year and 184% increase since 2020.

- Strong job retention rates: **90%** (30-days), **82%** (90-days), and **78%** (180-days).
Deploying Innovative Technology to Maximize Training and Education Opportunities

- Deploying our new venture—FedcapVR Technologies—to be fully integrated into our education and workforce programs.

- FedcapVR will be an essential component to career exploration to tailor an individual’s training program to be qualified for sustainable, well-paying jobs.

- Managing a wide range of virtual reality simulations to meet the unique and evolving needs the labor market, including solar & wind energy, construction, and welding.
Workforce Highlights

- Increased our influence internationally.
- Demonstrated ability to win larger contracts.
- Deployed cutting-edge immersive technology.
- Secured significant market share opportunities.
- High job placement and retention rates; increased wages.

Why Work Matters
A recent report by the Center on Budget and Policy Priorities:

...adults in poverty are significantly better off if they get a job, work more hours, or receive a wage hike.
Key FY2023 Statistics

- **55.87k** individuals screened
- **$504.7M** total value of benefits
- **$17.6k** average eligible amount per household
- Expanded screening to critical programs, such as Low-Income Home Energy Assistance Program—LIHEAP
- Entered new states: California and Illinois
Economic Development Highlights
Economic Development: Sustainable, Well-Paying Jobs

• **1,060** individuals directly employed by a company of The Fedcap Group.

• Average salary is **$42,550** annually—more than **30% higher** than the average annual salary on minimum wage (factoring a minimum wage of $15.00 per hour).

• Planning for a wave of retirements with a renewed focus on strengthening the workforce pipeline in facilities management in partnership with Apex Technical School.
### 403(b) Plans in Aggregate

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2022</th>
<th>2023</th>
<th>% Change 2022-2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets Under Management</strong></td>
<td>$8M</td>
<td>$111M</td>
<td>$124.4M</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total Employee Participants</strong></td>
<td>374</td>
<td>1,474</td>
<td>2,459</td>
<td>67%</td>
</tr>
</tbody>
</table>
Economic Development: Building Wealth and Community Through New CDFI

• Current CDFI’s aren’t realizing their full potential of maximizing investment and equity opportunities in barriered communities.

• We’ve launched Fedcap Investment, utilizing a $125K technical assistance grant from the U.S. Treasury and we spent FY2023 developing program and structure of CDFI.

• We have set a goal of raising $6M over the next three years to lend for low-cost equity investments, technical assistance, home ownership, small business loans, and project-based investments.
International Highlights
FY2023: Enhanced Domestic and International Program Integration—Bringing Best Practices to Global Scale
FY2023: Enhanced Domestic and International Program Integration—Bringing Best Practices to Global Scale

The UK successfully imported our US-based Clubhouse model.
US successfully imported the UK Restart program—designed for long-term unemployed people to start working. Launches in 2024.

The UK successfully imported our US-based Clubhouse model.
Exported Our Successful US Clubhouse Model to UK

The UK successfully imported our US-based Clubhouse model—Chelton Loft, founded by Fedcap 30 years ago. Clubhouses provide help and training, and developing community for individuals coping with serious mental illness.

- Launched two clubhouses: Riverside Clubhouse (Staines, South Central England) and The Hive Clubhouse (Burnley, Northwest England)
- **68%** of members reported improvements via Work and Social Adjustment Scale
- **60%** of members reported improvement via Warwick-Edinburgh Mental Wellbeing Scale

FY2023 Programmatic & Fiscal Release
International Programs Continue to Greatly Exceed Contract Obligations—Canada

Performance on the Ministry's Key Performance Indicators (KPI) for Inclusion Groups

<table>
<thead>
<tr>
<th>KPI</th>
<th>Goal</th>
<th>Actual</th>
<th>% Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario Disability Support Program</td>
<td>4.20%</td>
<td>12.0%</td>
<td>+287%</td>
</tr>
<tr>
<td>Persons with Disabilities</td>
<td>8.00%</td>
<td>34.1%</td>
<td>+426%</td>
</tr>
<tr>
<td>Indigenous</td>
<td>3.20%</td>
<td>5.00%</td>
<td>+157%</td>
</tr>
<tr>
<td>Youth with Higher Support Needs</td>
<td>18.0%</td>
<td>21.3%</td>
<td>+118%</td>
</tr>
<tr>
<td>Francophone</td>
<td>1.30%</td>
<td>4.00%</td>
<td>+311%</td>
</tr>
<tr>
<td>Newcomer/Asylum Seekers</td>
<td>4.00%</td>
<td>14.9%</td>
<td>+372%</td>
</tr>
</tbody>
</table>
Financial Results
Capacity to Support Growth and Expansion

The Fedcap Group is projected to achieve a 5-year compound annual growth rate of 9.0% from 2020 - 2024

CAGR 9.0% (FY20-FY24)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Year 2020</td>
<td>$273.5</td>
</tr>
<tr>
<td>Full Year 2021</td>
<td>$330.6</td>
</tr>
<tr>
<td>Full Year 2022</td>
<td>$361.7</td>
</tr>
<tr>
<td>Full Year 2023</td>
<td>$363.4</td>
</tr>
<tr>
<td>Projected 2024</td>
<td>$385.6</td>
</tr>
</tbody>
</table>
## Balance Sheet Highlights

The Fedcap Group Net Assets Have Grown 38.3% Over 5-Years

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2019</th>
<th>Full Year 2020</th>
<th>Full Year 2021</th>
<th>Full Year 2022</th>
<th>Full Year 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Investments</strong></td>
<td>$18.5</td>
<td>$34.2</td>
<td>$54.0</td>
<td>$65.0</td>
<td>$34.9</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$178.8</td>
<td>$192.0</td>
<td>$211.7</td>
<td>$258.4</td>
<td>$358.3</td>
</tr>
<tr>
<td><strong>Long-Term Debt</strong></td>
<td>$93.0</td>
<td>$110.4</td>
<td>$109.5</td>
<td>$152.1</td>
<td>$249.1</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$37.6</td>
<td>$38.1</td>
<td>$43.6</td>
<td>$48.3</td>
<td>$52.0</td>
</tr>
</tbody>
</table>
Revenue Diversification

FY2010
$74 Million

Economic Development, 93%
Workforce Development, 1%
Education & Health, 6%

FY2022
$362 Million

Economic Development, 36%
Workforce Development, 44%
Education, 18%
Other, 2% Health, 6%

FY2023
$363 Million

Economic Development, 34%
Workforce Development, 42%
Education, 15%
Other, 3% Health, 6%
Key Financial Ratio

Income Statement
Operating Margin: **1.04%**
Personnel Cost Ratio: **54%**
Program Expense Ratio: **88%**

Balance Sheet
Debt Coverage Ratio: **2.06**
Current Ratio: **1.79**
Average DSOs: **64 Days**
Looking Forward
Our Values: Commitment to Sustainability

We’ve adhering to the United Nation’s construct on ESG.
Our Values: Commitment to Sustainability

We are developing clear positive impacts from the Environmental, Social, and Governance perspective for our 23 organizations under The Fedcap Group.

**Environmental**
- Greenhouse Gas Emissions
- Waste & Pollution
- Water Use
- Greenhouse Gas Emissions

**Social**
- Workforce & Diversity
- Safety Management
- Customer Engagement
- Building Community

**Governance**
- Structure & Oversight
- Code & Values
- Transparency
- Mitigating Risk
Fedcap Rehab TFM diverted 71.7% of waste (764 tons) from landfills to recycling this past year for all properties the company manages.

- Reduced Carbon Footprint by **1,235** Metric Tons
- **275 Gas Engine Cars** Off the Road for 1 Year
- Reduction of Energy Use for **155 Homes** for 1 Year
- **20,500** Trees Grown Over 10 Years
Looking Forward: FY2024 – the Path to 2030

Leverage Philanthropic Dollars and Robust Pipeline to Bring Programs to Scale

Drive Data-Driven Innovation that Break Down Barriers to Economic Well-Being

Enhance Culture of Innovation

Continued Integration of Four Practice Areas

Supported by Data-Driven Interventions

Scaling Best Practices Globally

Maximize Current Program Through Four Practice Areas and Expand Into New Markets

Workforce

Education

Health

Economic Development

Organic Growth

Risk Mitigation Analysis

Acquisition

Economic Well-Being

Excellence in Core Corporate Services, Fine-Tuned for Continuous Improvement

Continued Financial Prudence Built for Growth & Innovation Aligned to Mission

Committed Senior Leadership & Workforce

Enhanced Communications and Amplification Plan

Driving New Ideas Through the Community Impact Policy Institute

FY2023 Programmatic & Fiscal Release
Questions?