

An abstract graphic featuring several large, 3D, gold-colored arrows pointing upwards and to the right, set against a background of a blue grid with white lines. A white line graph with sharp peaks and valleys is overlaid on the grid, with a bright light source creating a lens flare effect at one of its peaks.

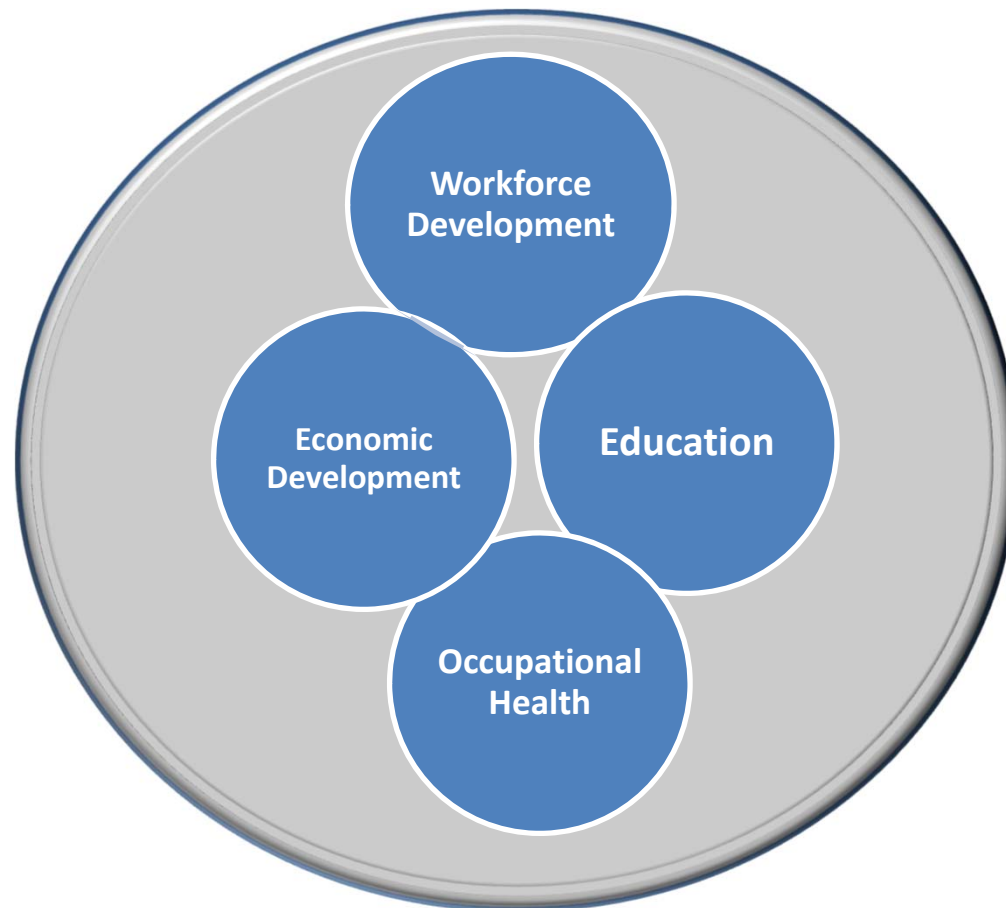
2016 Operating & Financial Results

The Mission: To create opportunities for people with barriers to economic well being

The Structure—Four Practice Areas Operating Within an Integrated, Regional Framework:

Economic Development, Workforce Development, Education & Occupational Health

The Metrics that Matter: Sustainable results for an evolving and expanding population



2016 Performance Aligned With Strategic Objectives

- ❖ Achieved industry-leading outcomes for individuals with barriers to economic well being
- ❖ Sustained and grew our distinctive expertise in our core markets
- ❖ Leveraged successful programs in new formats and geographies
- ❖ Utilized technology across practice areas to engage populations and measure results
- ❖ Replicated capacity building success via new contracts and assignments
- ❖ Served as a platform for smaller organizations with synergistic missions



2016 Fiscal Year Highlights

2016 Operating and Programmatic Highlights

- Increased individuals served to 107,413 across four practice areas within a regional framework - through organic and acquisition growth
- Placed 10,100 individuals in jobs
- Employed 1,585 people with barriers in our commercial businesses
- 31% growth in revenue
- Expanded presence in New England – from under \$5MM to over \$18MM annualized

2016 Operating and Programmatic Highlights (contd.)

- Expanded PrepNOW!™ to Los Angeles
 - PrepNOW! is achieving a 35% college entrance rate for youth in foster care and an 81% college persistent rate - significantly ahead of national rates
- Notified of \$60MM, 6-year contract in Maine to serve TANF population
- Signed a contract to provide services in 24 middle schools in Broward County Florida through our ReServe Program — building on success in reducing youth truancy by 9%
- Signed a consultative contract in New Hampshire to develop Regional Access Point Services – rapid response, screening and referral for individuals struggling with Substance Use Disorder
- Notified of award of \$27.6MM, 3-year contract to serve TANF population in New York City

2016 M&A Highlights

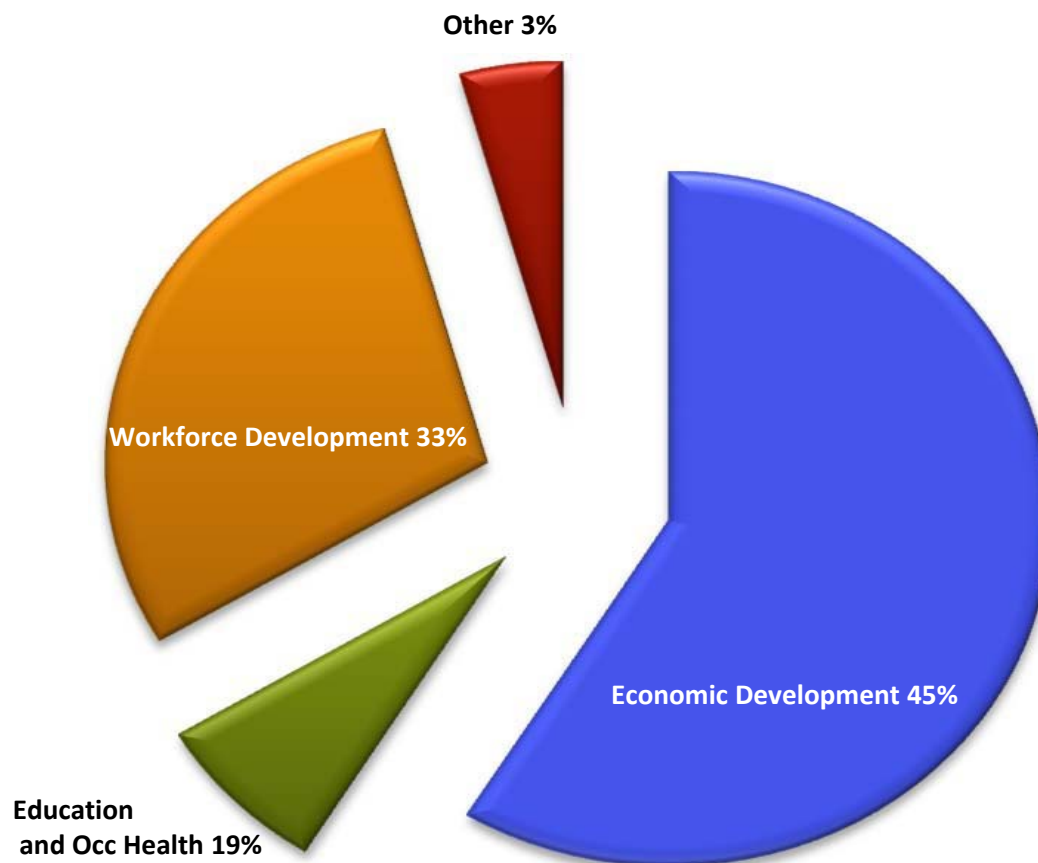
- Combined with Granite Pathways to expand our presence in New England and our capacity to provide behavioral health services
 - Basis for our combination with Seacoast Pathways – enabling us to build critical supports for individuals with mental health issues
- Combined with ESRI – advancing our close working partnership with National Easter Seals and further expanding our presence in New England
- Announced combination with SingleStop — a \$25MM national nonprofit
 - **Markets Served:** 8 States, 100 Sites, NY, Boston, Washington DC, Gulf Coast (Louisiana – Florida), North Carolina, and California
 - Over 1 million households served
 - \$3 Billion Impact
 - ROI: 20 to 1
 - 2 White house SIF Awards

2016 Advisory Services

- **National Center for Innovation and System Improvement** to provide technical assistance and training to 2,800 state and nonprofit agency personnel on:
 - Employment of the Previously Incarcerated
 - Employment of Individuals with Intellectual/Development Disabilities
 - Supporting youth in care going to college and persisting
 - Employment of the Chronically Unemployed
- Awarded grant from Kessler Foundation to develop an employment environment for individuals with I/DD in northern Jersey
- Received funding from NY State Rehab Association (NYSRA) to create an employment culture for people with I/DD within NYSRA membership
- Awarded contract with Rhode Island Department of Education to provide technical assistance to schools on youth with I/DD transitioning to adulthood

Revenue by Practice Area – Fiscal 2016

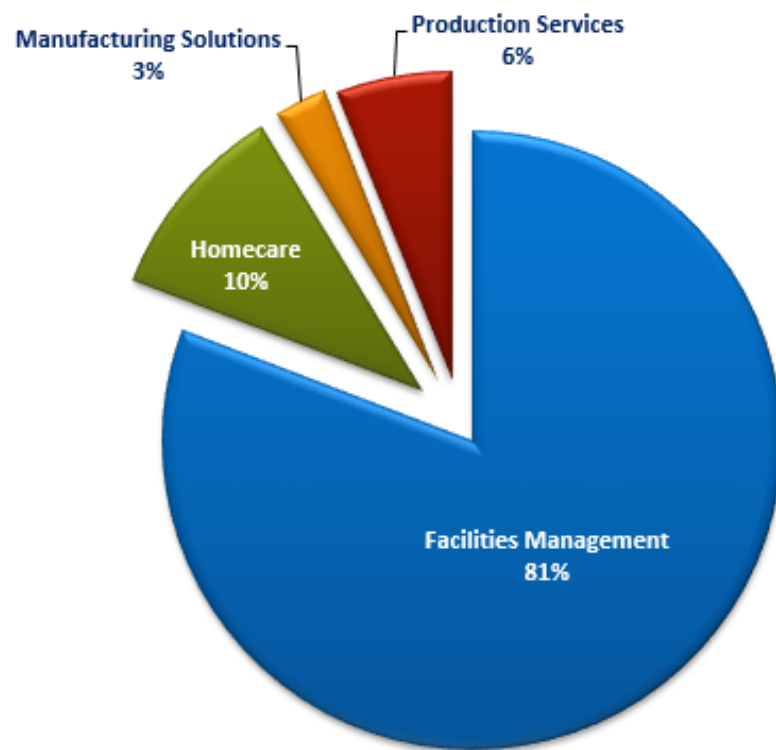
- ❖ A balanced portfolio anchored by Economic Development & Workforce Development



Economic Development Practice Highlights

45%
Revenue

- ❖ Employed over 1,550 people with barriers to employment
- ❖ Expanded TFM, security and staffing services
- ❖ Further developed commercial client base – most notably in Printing and Document Imaging
- ❖ **Record: \$102.5M in revenue**



Workforce Development Practice Highlights

33%
Revenue

- ❖ Workforce Development increased to 33% of our business from <1% in 2010, resulting in a more a balanced portfolio
- ❖ Placed 10,100 individuals in jobs.
- ❖ Awarded 6 new contracts in New York City to serve TANF population including the older workers and previously incarcerated populations—contracts total \$9.2MM annually
- ❖ Awarded \$10MM annual statewide contract to serve TANF population in Maine

Occupational Health and Education Practice Highlights

19%
Revenue

- ❖ Broadened re-integration services designed to reduce recidivism for people involved in the criminal justice system
- ❖ Expanded services in response to the major opioid crisis facing individuals and communities – awarded a large contract in NH to build a system of response and referral
- ❖ Further expanded our child development services through acquisition of Easter Seals Rhode Island

2016 Financial Performance

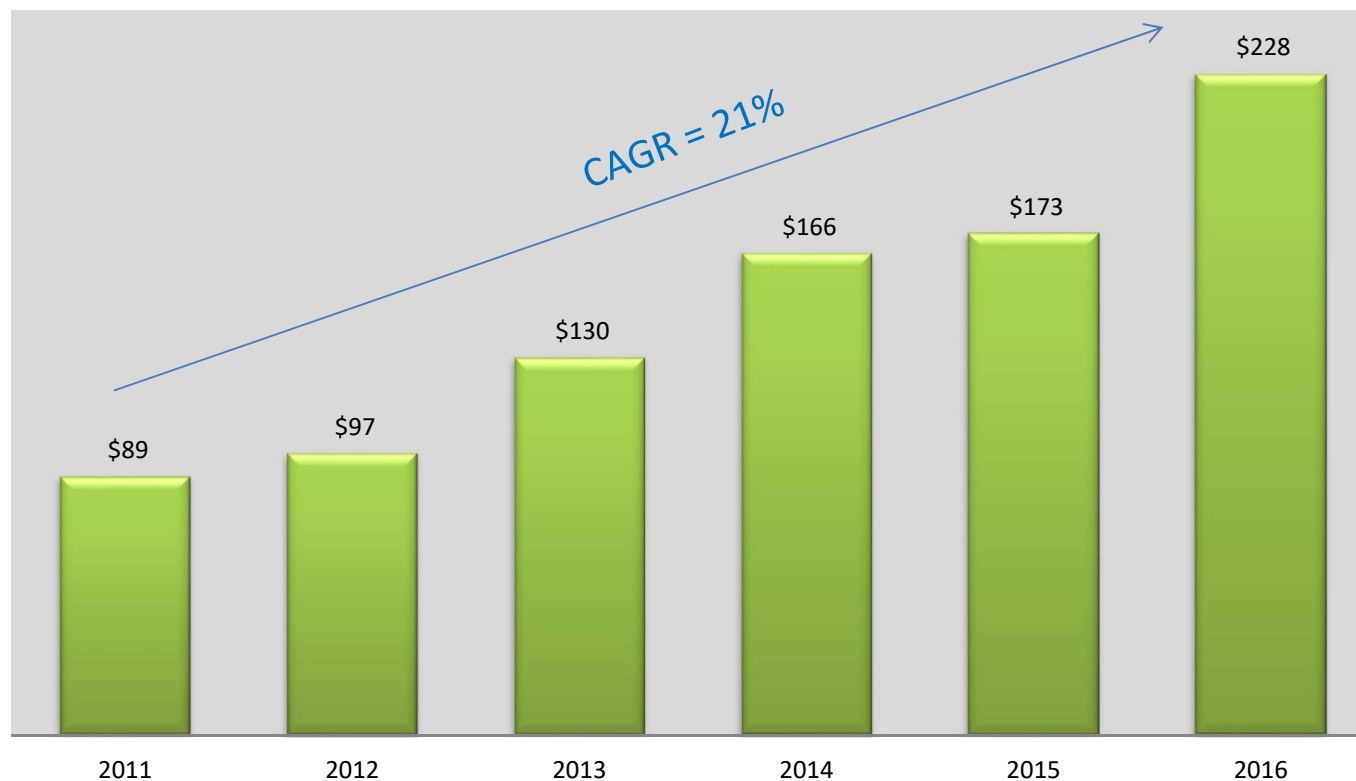
Relevant, Sustainable, Impact

2016 Financial Review

- ❖ 31% year-on-year growth in total revenues
- ❖ 2016 growth was 60% organic and 40% due to acquisitions
- ❖ 2016 program expenses accounted for 87% of operating expenses
- ❖ Infrastructure investments in HRIS and Oracle Cloud platform
- ❖ Subsidiary operations added with Easter Seals Rhode Island, Granite Pathways and Red Mango
- ❖ 2016 “EBIDA” climbed to \$6MM from \$5MM in the prior year
 - ❖ 19% increase Year-over-year

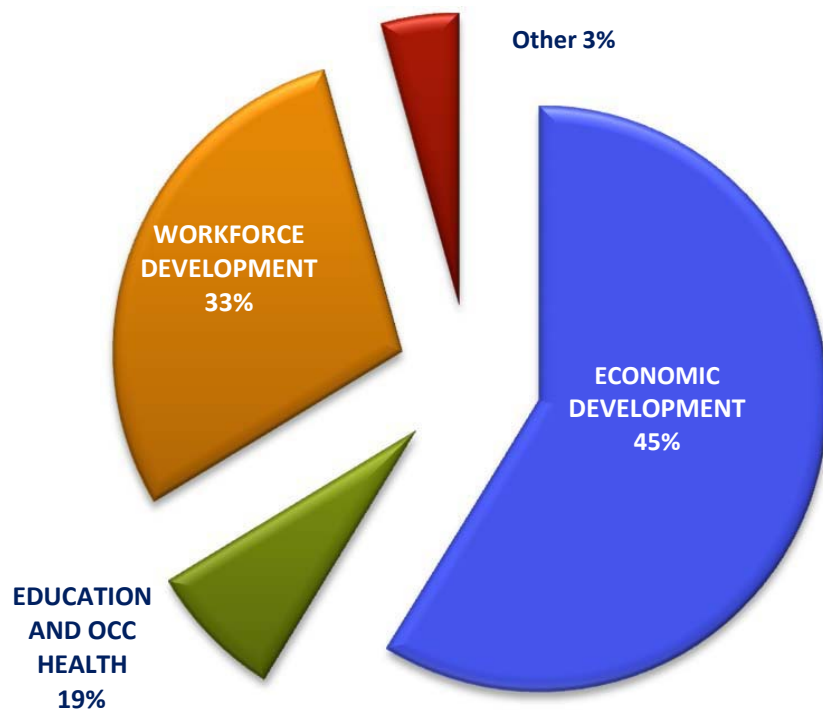
Total Revenue: Fiscal Year End 2012 – 2016

Revenue Fiscal Year ended September 30 (\$ Millions)

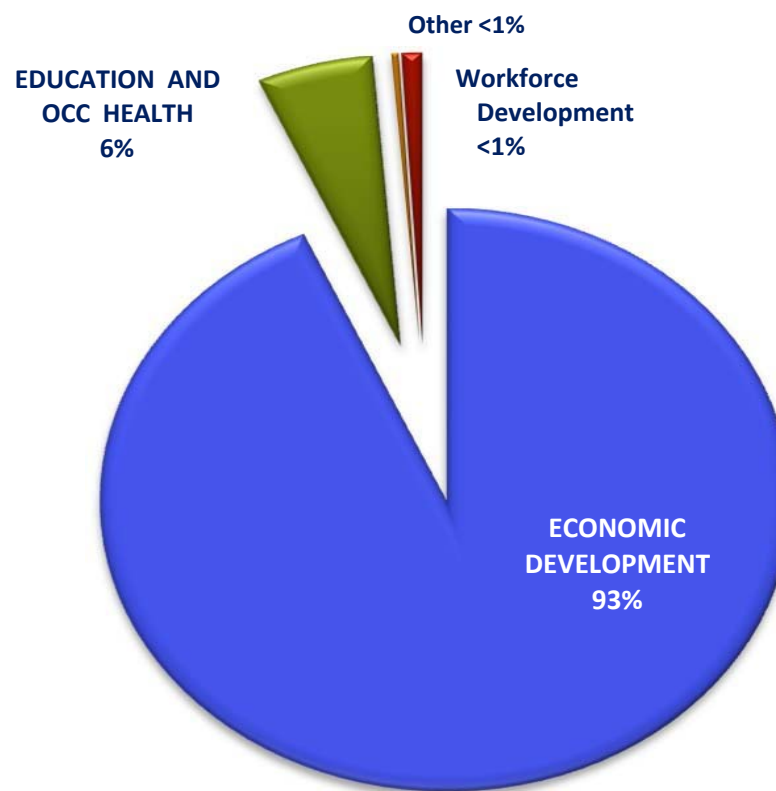


Revenue Diversification Trend

Fiscal 2016



Fiscal 2010



Balance Sheet

09/30/2013

09/30/2014

09/30/2015

09/30/2016

\$ Millions

Cash & Investments	9.1	23.6	29.1	29.3
Total Assets	42.0	111.5	142.5	144.9
Long-Term Debt	3.9	59.4	*75.8	*79.3
Net Assets	20.1	34.7	34.9	35.3

* Includes the Headquarters' mortgage and capital lease on "service" campus.

Key Financial Ratios

- Income Statement

- Operating Margin: 0.14%
- Personnel as a % of Operating Expenses: 62%

- Balance Sheet

- Debt Coverage Ratio: 3.2
- Debt to total assets: 54%
- Current Ratio: 2.2
- Average DSOs: 54 Days

Transformational Acquisitions Strengthen Fedcap's Outcomes

Eight acquisitions since 2011 have broadened Fedcap's offerings and have extended our reach to new populations and geographies:

- Wildcat (2011) — strong presence in workforce development and credibility in serving previously-incarcerated individuals
- ReServe (2012) — natural fit with Fedcap's workforce development practice area and expanded services to older workers
- Community Work Services (2013) — provided major service hub in New England, expanded workforce development
- Easter Seals New York (2015) — high profile brand with substantial qualifications in today's foremost issues
- Granite Pathways (2016) — to expand our regional footprint and to lead our Occupational Health efforts in New Hampshire
- Seacoast Pathways (2016) — combined with Granite Pathways
- Easter Seals Rhode Island (2016) — expanded our child development services and New England presence
- Single Stop (2016) — innovative brand that provides "single stop" access to entitlements and expansion of our presence across the country

Summary

Reputation

Recognized subject matter experts in key markets: Economic Development, Workforce Development, Education, & Occupational Health

Financial Strength & Growth Potential

- *Strong Balance Sheet*
- *Family of brands benefits from added qualifications & expertise*
- *Robust contract & acquisition pipeline*

Engagement

Positive client outcomes result in increasing individual and corporate donors, business partnerships, foundation support

Talent & Technology

Significant investment in human capital and infrastructure