



First Half Fiscal 2026

Funder Presentation

May 2026

#PowerOfPossible



Agenda

1. Organizational Overview
2. FHFY26 Program Performance
3. FHFY26 Financial Report
4. Strategic Priorities
5. Discussion

Presented by



Christine McMahon
President & CEO



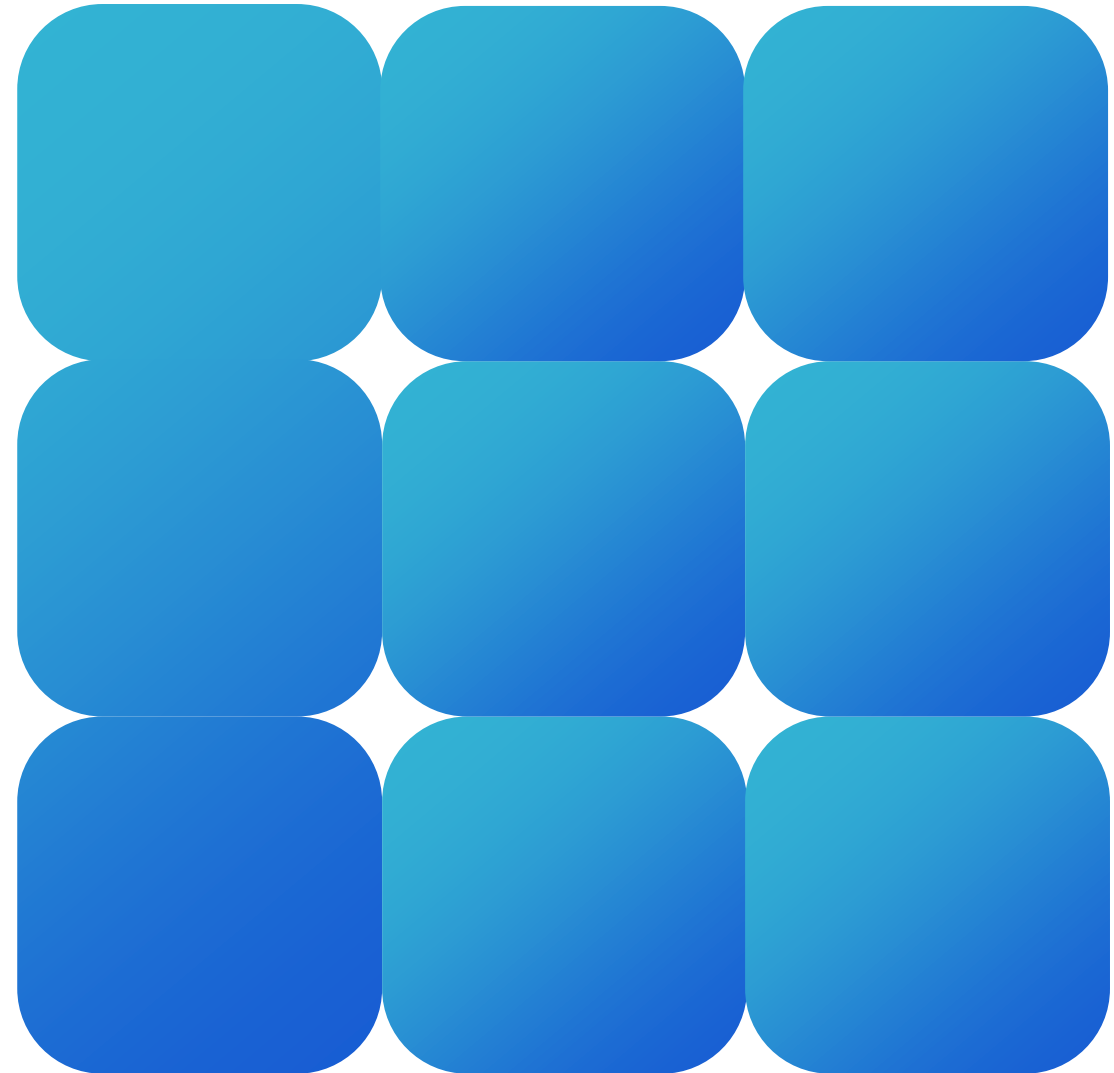
Carol Khoury
CFO

Commitment to Transparency

At Fedcap, we believe that transparency is not just a best practice; it is essential to build and maintain trust with our funders and our clients. While there is no rule or regulation requiring us to produce our biannual Funder Reports, we do so because we believe our funders, supporters, and government partners deserve a clear, candid view into the work we do, the resources we steward, and the impact we deliver.

This report reflects our commitment to providing timely, data-driven insights into both our programmatic achievements and our financial performance. It is designed to give you the information you need to assess our progress and hold us accountable.

We are deeply grateful to the diverse partners who make this work possible. Our government funders, philanthropic supporters, and fee-for-service clients each play a critical role in enabling us to deliver high-impact, scalable solutions for the individuals and communities we serve. Their investment—whether through public funding, charitable giving, or contracted services—provides the foundation that allows us to innovate, expand access, and achieve meaningful outcomes. We recognize that this trust comes with responsibility, and we remain committed to maximizing the value of every dollar entrusted to us in pursuit of lasting economic mobility and well-being.



Section 1

Organizational Overview



Our Guiding Principles

Sustainability.

Strategic financial management – meticulous planning, prudent investment, and a steadfast dedication to maintaining fiscal health over time.

Relevance.

Prioritizing long-term innovation within a dynamic and ever-changing landscape to serve as the catalyst for transformative progress for individuals, communities, and systems alike.

Impact.

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



Who We Serve

Fedcap provides comprehensive support for a broad cross-section of individuals facing barriers—including at-risk children, working families, veterans, individuals with disabilities, people affected by substance misuse, justice-involved individuals, and older workers.

Our Strategic Work Delivered Through Four Integrated Practice Areas



Education

We are dedicated to education as a means of fostering economic and social mobility. Our commitment starts with newborns and extends through adulthood, offering a diverse range of customized programs tailored to every stage of an individual's educational path, from cradle to career.

Workforce Development

We have a comprehensive solution for cultivating a skilled, job-ready workforce and delivering trained talent. Collaborating with businesses across our international footprint, spanning the US, Canada, and the UK, we address critical staffing requirements for employers.

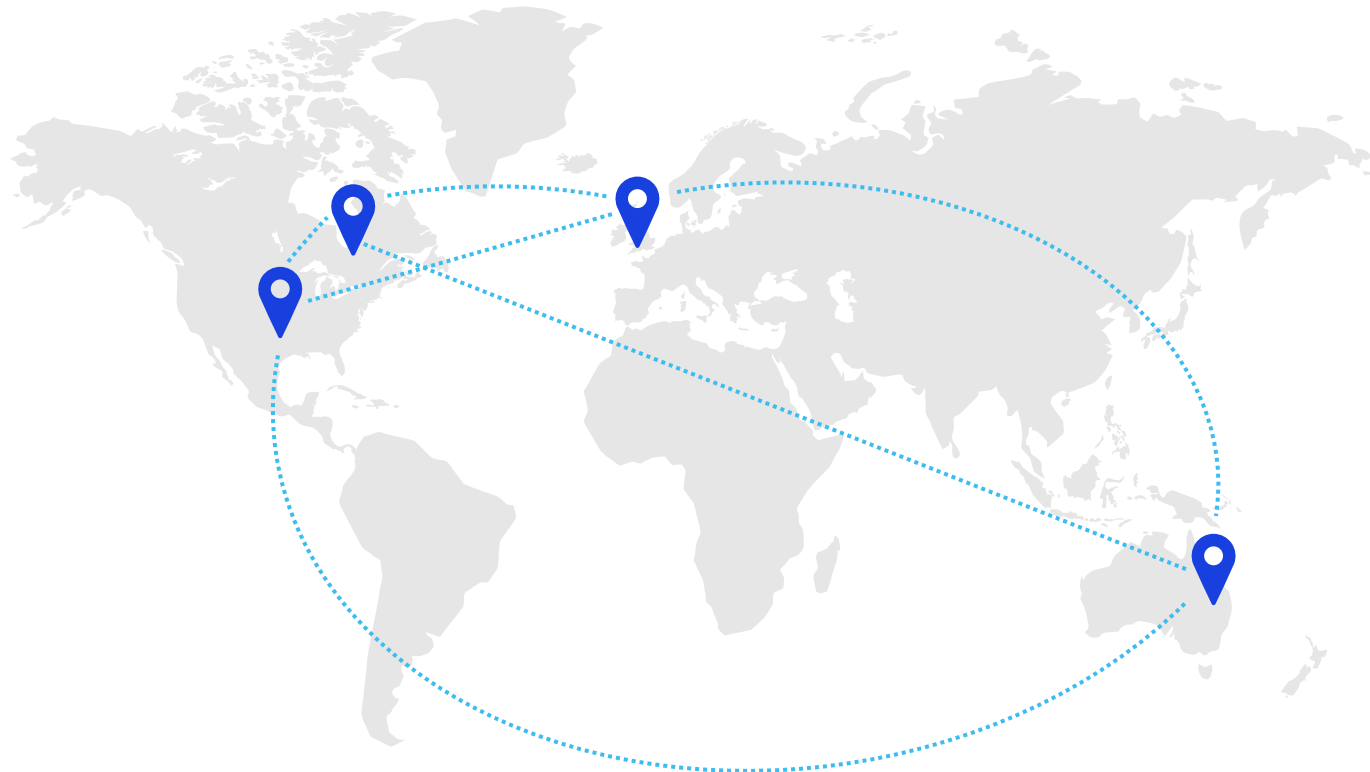
Health

We are focused on eliminating health barriers to economic well-being through integrated care coordination and community health initiatives, including our leading case management and benefits screening program, Single Stop.

Economic Development

We enhance the economic mobility and quality of life for individuals facing barriers by implementing strategies centered around job creation. This involves the establishment of a Community Development Financial Institution (CDFI) and the operation of social business enterprises tailored to provide employment opportunities specifically for those with barriers.

Delivered Locally by a Globally Integrated Network Advancing Economic Mobility



- 90 Years of Mission Impact
- 35 Affiliates Worldwide
- 300+ Contracts Globally
- Four Countries

Trusted by Government, Philanthropy, and Industry

Government



...and more

Philanthropy



...and more

Industry



...and more

First Half 2026 Highlights

Strong Operational and Financial Performance

- Achieved one of the strongest year-over-year increases in clients served in the first half of fiscal 2026, serving more than 252,264 individuals — a 58% year-over-year increase.
- Fedcap achieved \$209.7 million in operating revenue for first half fiscal 2026—marking a 11.4% increase over first half fiscal 2025.
- Retirement benefits for employees of Fedcap Social Enterprises grew from \$8 million to \$194.2 million, representing more than 24x growth.

Aggressive Expansion Into New Markets

- Acquired key organizations—The New School (UK) and The Community Collective Queensland (AUS)—to expand our reach into the international education, workforce, and IDD sectors.

Expanded Health Practice

- Recruited key executive leadership to accelerate the growth and strategic expansion of Fedcap’s Health Practice.
- Continued strong performance of the Single Stop program, connecting households to more than \$681 million in eligible benefits, with an average value of approximately \$27,400 per household.



Section 2

Program Results

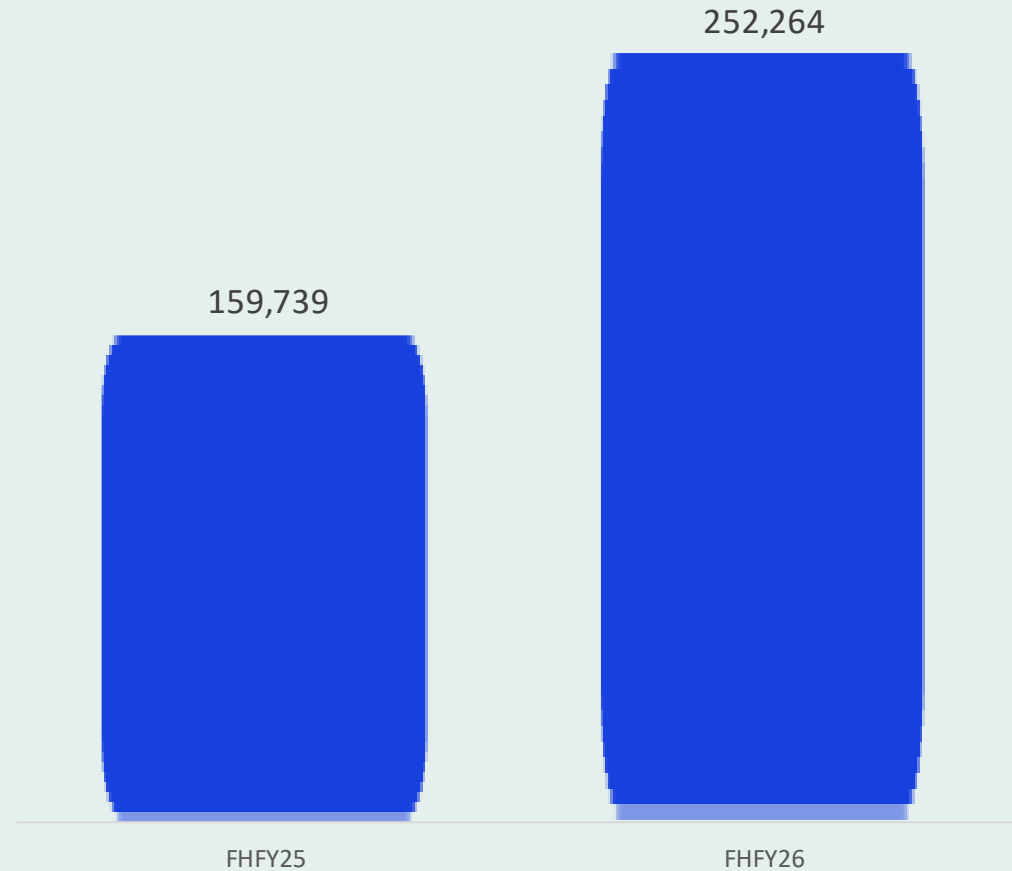


FHFY26 Clients Served

In FHFY26, Fedcap served more than 252,264 individuals, a 58% year-over-year increase. This significant growth and program impact reflects both the impact of several international acquisitions in education and economic development, as well as the continued maturation of key organic programs including Apex, TACT, Civic Hall, and Single Stop.



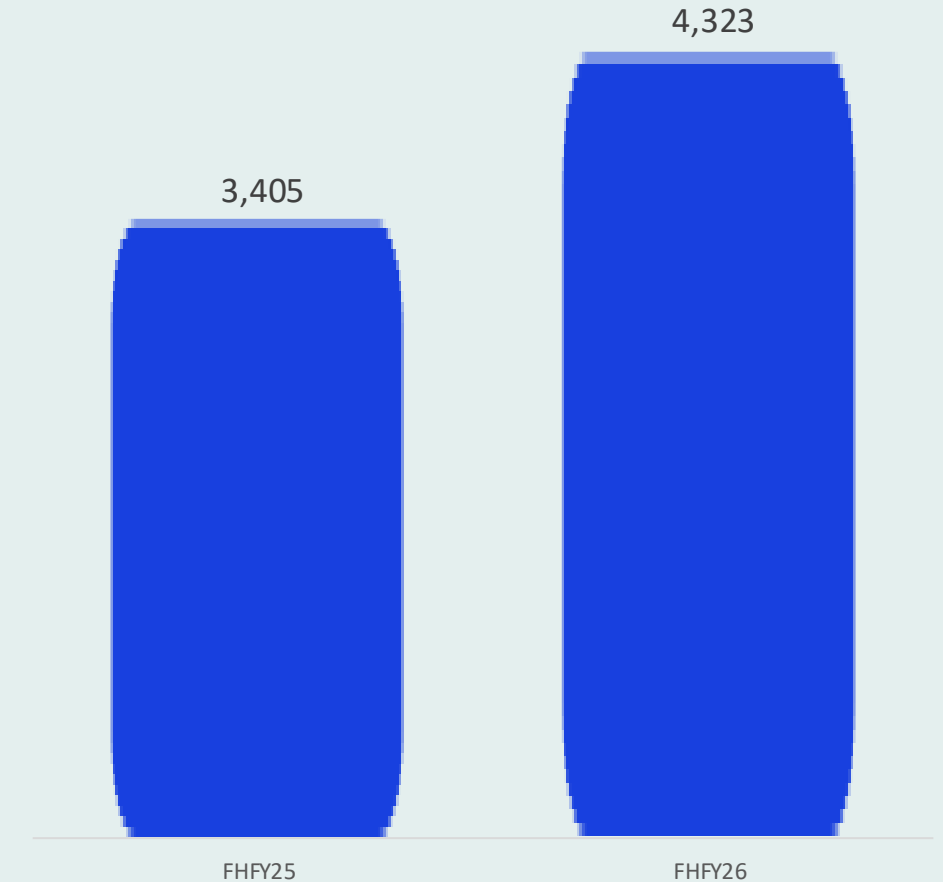
Clients Served, by FH Fiscal 2025 v FH Fiscal 2026



Education

- Served 4,323 students across early childhood, primary, secondary, transitional, and post-secondary trade programs—an increase of more than 27% compared to the first half of 2025.
- Continued growth through acquisitions across our international footprint, including The New School and Big Picture Learning in the U.K.
- Additional growth driven by new organic programming, including Apex Training’s launch of a comprehensive and flexible green skills program at Scotland’s National Retrofit Centre at the BE-ST Innovation Campus, Apex’s formal launch of its culinary training program in New York City, and TACT’s expansion in Carbondale, Colorado.
- Continued program innovation with launch of global integrated eSports STEM workforce initiative, bringing together Civic Hall and Fedcap’s U.K. division to drive cross-regional collaboration and aligned programming.
- Demonstrated excellence and impact across Fedcap’s education portfolio:
 - With TACT marking its 10-year anniversary and serving more than 5,600 students, alongside national recognition of its culinary program through a feature in The New York Times.
 - The Verdancy Group achieved an international quality standard recognizing excellence in customer support and service delivery.
- Completion rate for our educational programs stood at 88%, and among those completing, 75% secured jobs in the sectors for which they were trained. These strong indicators underscore both the relevance of our curricula and the robust support services surrounding our students.

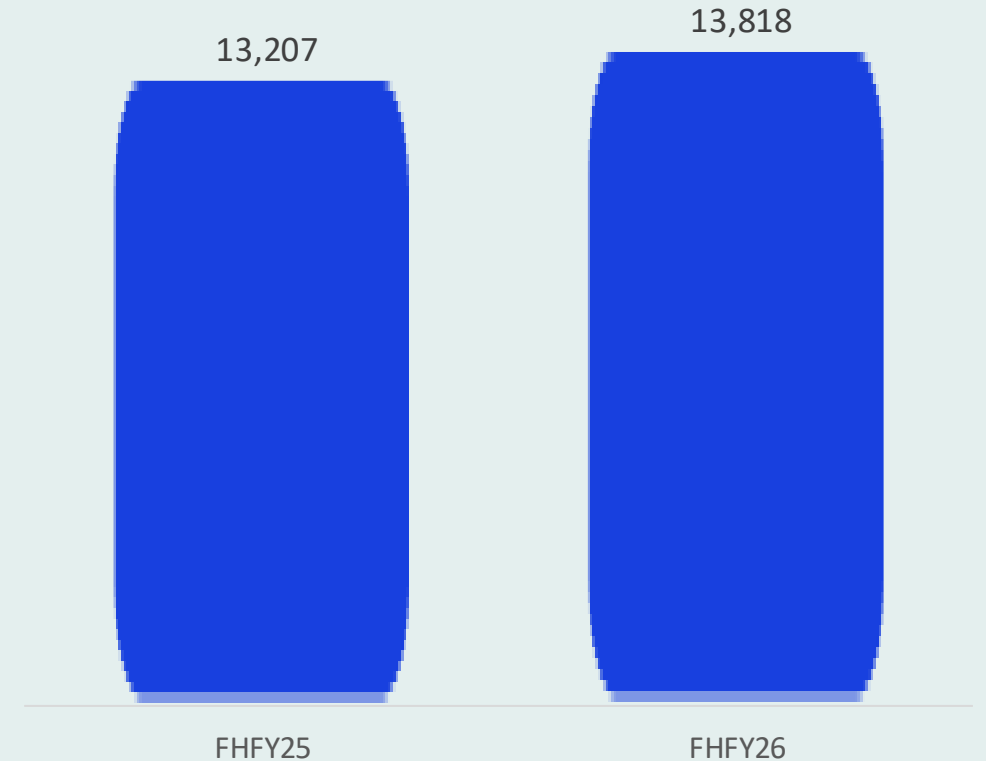
Students Enrolled, FH Fiscal 2025 v FH Fiscal 2026



Workforce Development

- In FY2025, Fedcap placed 13,818 individuals into employment—representing a 4.6% increase over first half 2025.
- Retention outcomes remained among the strongest in the sector, with
 - 93% of individuals employed at 30 days,
 - 87% at 90 days, and
 - 84% at 180 days.
- Acquired The Community Collective QLD, marking our entry into the Australian market through a NDIS-registered provider specializing in disability services and employment pathways. The organization has a strong track record of supporting individuals with disabilities into employment and delivering community-based services.
- Granted a one-year extension to the UK’s Restart program where we continue to perform strongly across all key performance metrics, including innovations in sustainable employment for individuals with mental health through our clubhouses.
- Secured two new workforce contracts in New York City WeCARE and PACE.

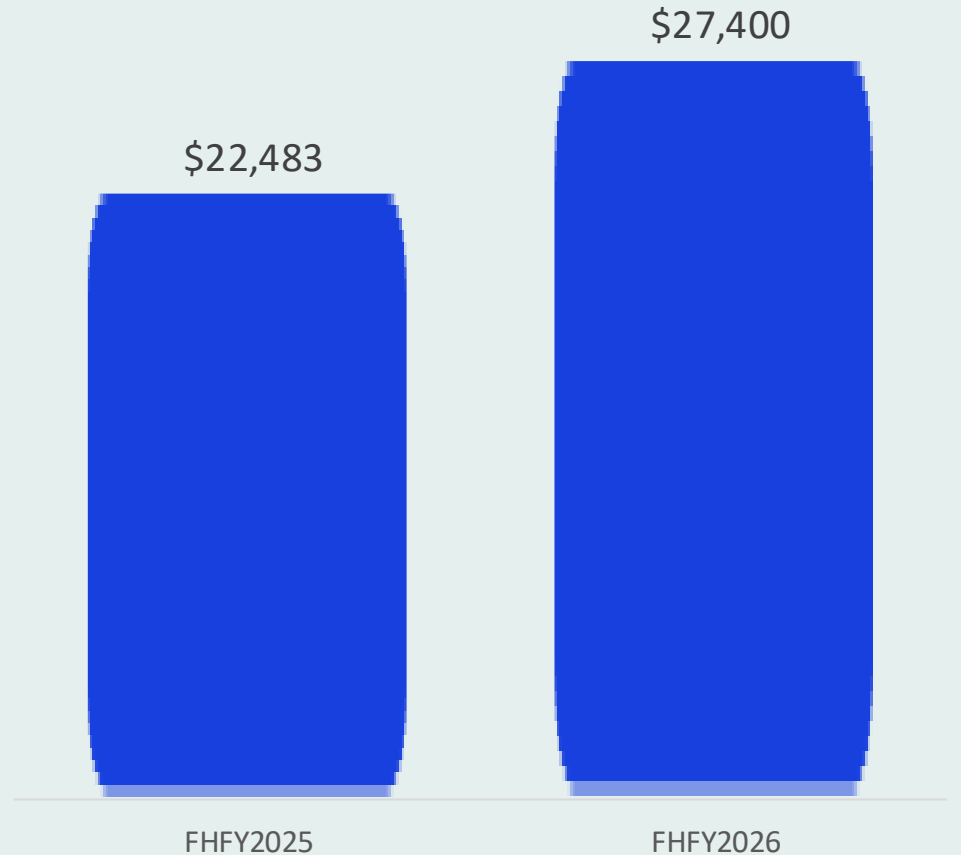
Job Placements, FH Fiscal 2025 v FH Fiscal 2026



Health Results

- Growth in the Health Practice was led by the continued success of our leading case management and benefits screening platform. In first-half of fiscal 2026:
 - Served more than 24,833 households,
 - Connected households to over \$681 million in eligible benefits,
 - Resulting in an average value of \$27,400 per household.
- Single Stop entered a partnership with Navy Federal Credit Union integrating benefits screening and access tools into financial services for more than 15 million members.
- Expanded Fedcap's Health Practice through the acquisition of Healthcare Ready, adding nationally recognized expertise in emergency preparedness, disaster response coordination, and healthcare supply chain resilience, with a strong focus on continuity of care for barriered communities.
- Recruited a senior health practice leader to run the global health portfolio.
- Provided wellness services to 19,064 people.

Average Household Benefit from Single Stop Benefits Screening, First Half of Fiscal 2025 v Fiscal 2026



Economic Development Results

Driving Wage and Wealth

In first half 2026, our Economic Development Practice continued to build on its 90-year legacy of expanding opportunity through social enterprise. Through its national portfolio of social enterprises, Fedcap directly employed more than 1,000 individuals, the vast majority of whom are people with disabilities or other significant barriers to competitive employment.

Our commitment to long-term economic security extends beyond wages alone. Retirement assets for direct client-service workers increased from \$8.4 million in 2010 to \$194.2 million in 2026, a powerful indicator of institutional values in action.

1,123 employees in social enterprise programs across US and UK

\$51,871 average wage of social enterprise employees, 67.9% higher than the NYS minimum wage

Retirement Benefits of Employees of Fedcap Social Enterprises
403(b) Plan in Aggregate

	2010	2022	2023	2024	2025	2026
Total Assets Under Management	\$8MM	\$111MM	\$124.4MM	\$137.8MM	\$178.5MM	\$194.2MM
Total Employee Participants*	374	1,474	2,459	3,871	4,908	5,646

Strategic Deployment of AI

Across the enterprise, Fedcap is advancing a coordinated portfolio of AI initiatives designed to improve client outcomes, scale programs more efficiently, and increase staff productivity. Our approach balances innovation with responsible deployment through deliberate pilot testing, built-in safeguards from the outset, and a strong focus on privacy, security, accuracy, and responsible use. We are pursuing a measured strategy that emphasizes scaling only those solutions that demonstrate clear value and meaningful outcomes.

Fedcap CARES Platform

Helps case managers focus on higher-value client engagement

Client-Facing

- Generative AI Resume Builder
- Real-Time Translation
- AI Job Matching + Skill Gap Analysis
- AI Career Path Explorer

Staff Productivity Tools

- AI Note Assistant
- AI Smart Search
- AI Knowledge Base
- AI Insights Hub
- Smart Scheduling
- Smart Form Fill
- Voice-to-Notes Capture

Benni — Single Stop's AI Benefits Assistant

Built using proprietary Single Stop data and verified public information and designed with safeguards to protect sensitive information

Core Functionality

- Step-by-step public benefits guidance
- Helps users apply for and maintain benefits

Platform Architecture

- Centralized knowledge base
- Shared core AI prompt
- State-specific configuration layers
- Scalable multi-state rollout beginning early 2027
- Initial launch planned in New York and additional states

Internal Productivity & Staff Enablement

- AI-assisted bid writing
- Integration of AI-assisted software engineering tools
- AI-enabled tools for job seekers
- Several Other Productivity AI PILOTS

Civic Hall & Sector Leadership

Fedcap's Civic Hall continues to advance sector-wide innovation through:

- AI education initiatives and workforce development programming
- Public convenings and forums
- Cross-sector collaboration around responsible AI adoption
- Spurring new technology in its incubator

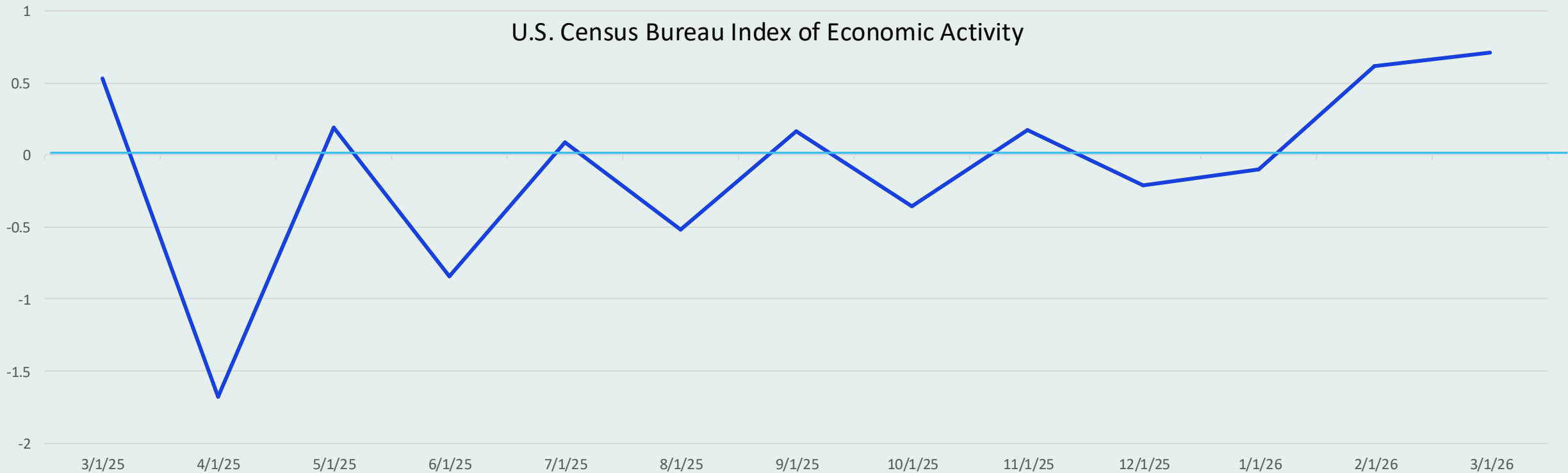
Section 3

Financial Results



Environment of Continued Volatility

The U.S. Census Bureau's IDEA index reflects significant volatility, with sharp swings between expansion and contraction, signaling an uneven and uncertain economic environment. For Fedcap, this translates into fluctuating labor market conditions that reinforce the importance of our ongoing diversification strategy to mitigate against this volatility and ensure stability across programs and revenue streams.



Source: The U.S. Census Bureau Index of Economic Activity (IDEA). IDEA is a weighted combination of 15 of the Census Bureau's primary economic data series. Anything below 0 is loss; anything above 0 is growth.

Total Revenue

FHFY26: \$209.7, 11.4% Y-0-Y increase

Fedcap achieved \$209.7 million in operating revenue for first half fiscal 2026—marking an 11.4% increase over first half fiscal 2025. We are projected to achieve \$432.2 million in FY26.

This performance is especially notable given the continued global uncertainty, which disrupted funding cycles and strained operations across the country.

Revenue by Year (in millions)



Financial Summary

Mid-fiscal year, Fedcap has a strong financial foundation that supports continued program growth, long-term investment, and organizational resilience. As of the mid-point in 2026, Fedcap held \$58.7 million in cash and investments, providing sufficient liquidity to maintain operations, meet working-capital needs, and responsibly manage timing fluctuations in government contracts and reimbursement cycles. Long-term liabilities of \$144.8 million are aligned with prudent debt-management practices and represent investments that fuel long-term program delivery and revenue generation.

(\$MM)	Half Year 2021	Half Year 2022	Half Year 2023	Half Year 2024	Half Year 2025	Half Year 2026
Cash and Investments	\$33.7	\$50.2	\$47.4	\$27.5	\$35.3	\$58.7
Total Assets	\$190.0	\$213.7	\$364.8	\$409.9	\$389.1	\$413.8
Long-Term Debt	\$107.7	\$115.3	\$152.0	\$158.3	\$146.5	\$144.8
Net Assets	\$38.6	\$45.1	\$50.7	\$98.6	\$99.1	\$107.1

Key Performance Indicators

Fedcap achieved an operating margin of 0.96% of gross revenue in midway through FY26, up from 0.15 in the prior year. Operating efficiency remains strong, with personnel costs at 52.8% of gross revenue and program expenses at 88%, reflecting disciplined financial management and continued investment in mission-driven services.

Income Statement

0.96%
Operating Margin

52.8%
Personnel Cost Ratio

88%
Program Expense Ratio

Balance Sheet

1.87
Current Ratio

6.12
A/R Turnover Ratio

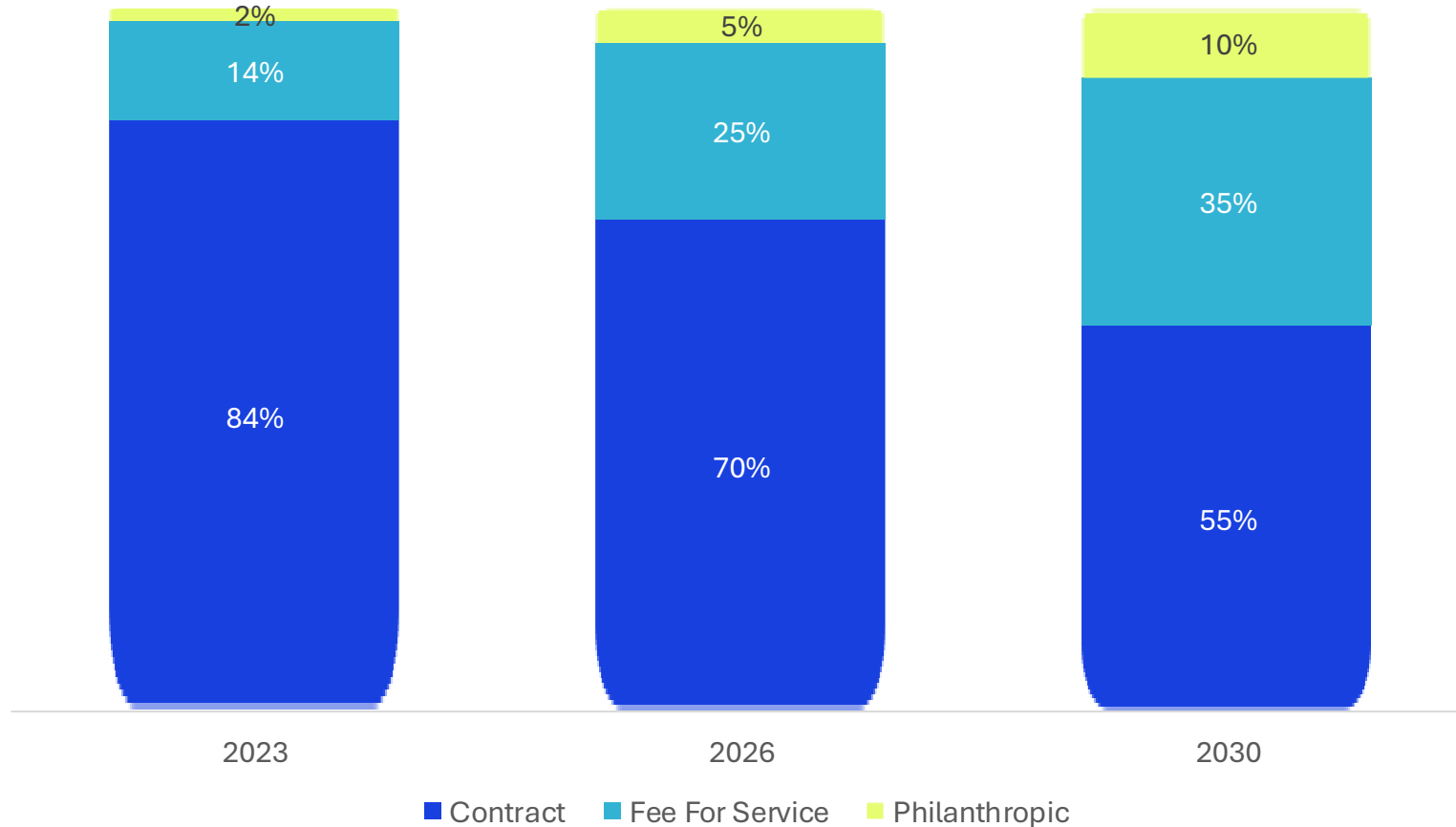
60
Avg. DSOs

Sources of Revenue, by Type

Fedcap's revenue portfolio is a diverse mix of government and institutional contracts, fee for service, and philanthropic support.

Government contracts remain our primary revenue source, accounting for 70% of total revenue. While we will continue to aggressively pursue contracts, the uncertainty and fluidity of government environments across our footprint reinforce the need for a more balanced revenue model.

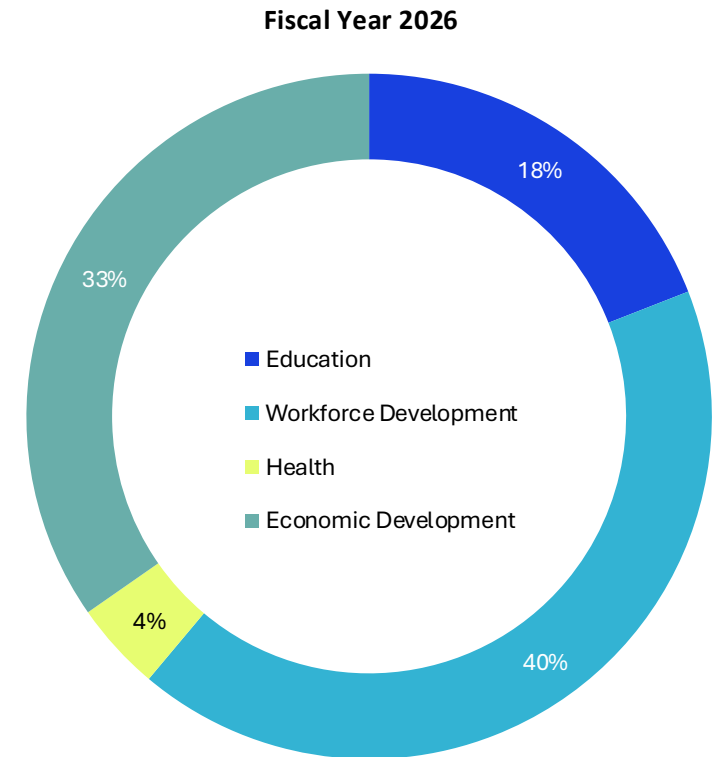
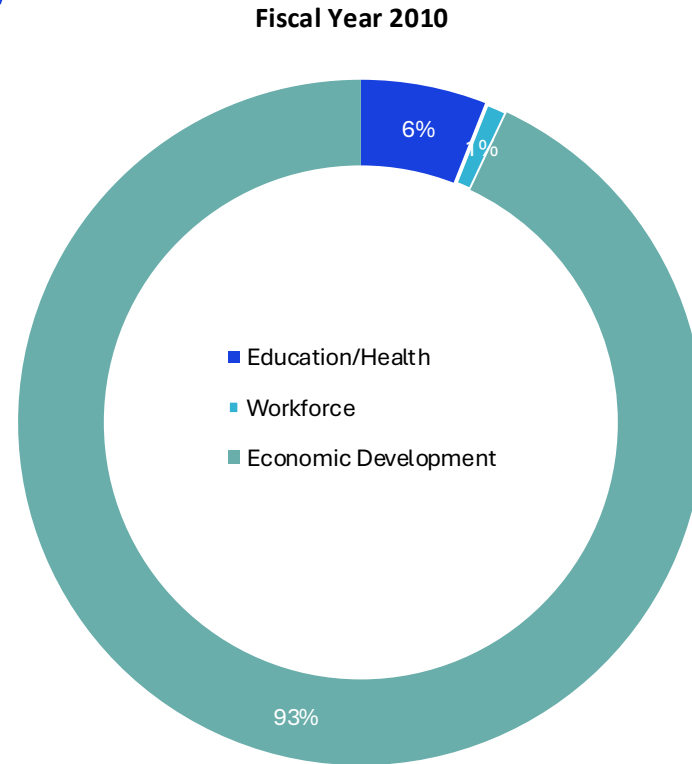
Our growth strategy prioritizes expanded fee-for-service revenue, particularly within education and health. The continued growth of our education practice has already strengthened our diversification through tuition-based programs, and we project that fee-for-service revenue will represent 35% of total revenue by 2030.



Sources of Revenue, by Practice

Since 2010, Fedcap has intentionally diversified its portfolio across our four core and integrated practice areas—education, workforce development, health, and economic development. Workforce Development has expanded rapidly and is now the organization’s largest practice, driven by significant government partnerships and strong placement outcomes. Education has emerged as our fastest-growing practice, driven by a strategic mix of acquisitions both domestically and internationally and new program launches in high-demand fields such as clean energy, traditional trades, and technology and innovation.

We are now accelerating growth in Health, where robust funding opportunities are aligned with our mission and global need, including a new health organization called InSynergy.

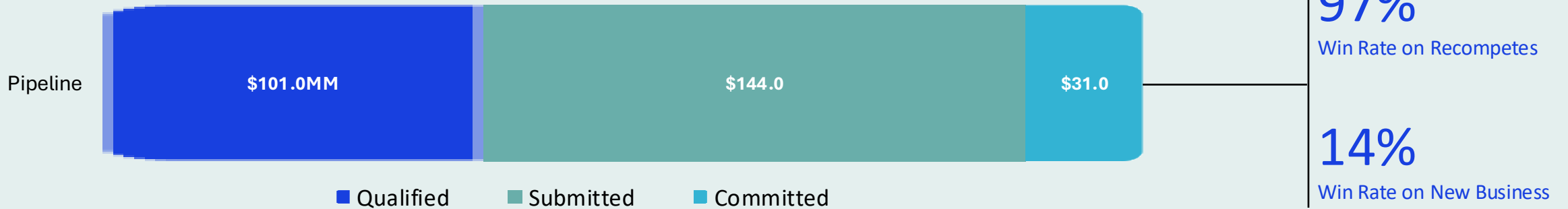


Business Pipeline

Fedcap’s pipeline and diversified contract portfolio serve as a critical buffer against market fluctuations and global volatility. We now have a \$3.67 billion prospect pipeline, positioning the organization for sustained expansion across all practice areas.

Fedcap executed \$62.7MM in annual new or recompile business in the first half of fiscal 2026 with a 14%-win rate on new business and 97%-win rate on recompetes, up from 88% last fiscal year.

Current Qualified Pipeline \$277MM



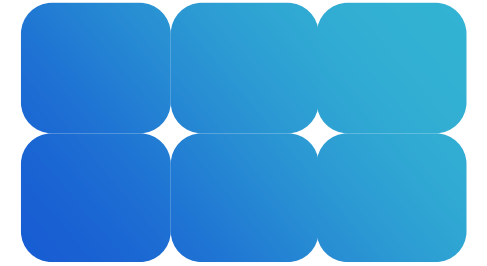
FHFY26 Executed Business \$62.7MM



Section 4

Strategic Priorities





Strategic Priorities: Fiscal 2026

International Expansion

- Continue expansion across the U.K. in education, social enterprise, workforce development, and health sectors
- Advance growth opportunities in Australia, including the acquisition and integration of The Community Collective QLD (TCCQ)
- Expand education and workforce development opportunities across Fedcap's Canadian footprint
- Scale international criminal justice education and workforce initiatives, particularly in the U.K.

Advance Policy & Market Opportunities

- Address youth disengagement in the U.K., particularly individuals not in education, employment, or training (NEET)
- Respond to emerging opportunities within Australia's evolving national disability framework
- Expand health-focused programming, including mental health, emergency response, and benefits enrollment for barriered populations
- Scale social enterprise initiatives including TFM, fashion & lifestyle partnerships through Runway of Dreams & expansion of the GAMUT Seal of Approval
- Develop evidence-based strategic approaches to U.S. work requirement policies that advance economic mobility

Deployment of Advanced SaaS & AI Technology

- Integrate advanced SaaS and AI-enabled platforms across the enterprise, including Single Stop, Civic Hall AI platforms, Fedcap Cares, and Verdancy's green-skills learning platform
- Leverage technology to modernize operations, improve customer experience, and drive scalable, data-informed outcomes

Growth Strategy—Scaling Success

Fedcap's three-prong balanced approach achieves year-over-year growth and sustainability against political and economic headwinds

Organic Growth-60%

Expansion of programs in existing service footprint or new areas.

Acquisition—25%

Attaining existing mission-aligned organizations that can be leveraged within organization.

New Programs—15%

Launching new programs, products, or services in high demand areas.

Achieved Through Exemplary Performance



Excellence in Program Delivery



Fiscal Discipline



Delivered through State-of-the-Art System Design

Community Impact Policy Institute

Driving Strategy

- Our strategic work is being driven by our revamped Community Impact Policy Institute, led by nationally recognized experts and fellows in their respective fields, providing ongoing insights, research, consulting, and capacity-building support across the organization. During the first half of Fiscal Year 2026, the Institute released a series of leading reports providing analysis and policy recommendations on key strategic initiatives, including:
 - Expanding the Fedcap UK Clubhouse Sustainable Employment Model
 - Protecting Health in Child Care Expansion
 - Recommendations to End Youth Inactivity in the U.K.: A National Framework for Re-Engagement
 - It Takes a Village: Opening Doors to Child Care Through Seamless Integration with the Education System
- The Institute also expanded its research and advocacy capacity through the acquisition of Spotlight on Poverty and Opportunity further strengthening Fedcap's ability to shape national conversations around economic mobility and well-being.



Section 5

Discussion





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