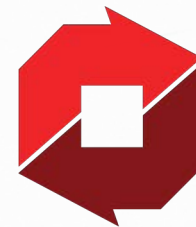




# Investor Presentation

November 2021



**ReposiTrak**

[repositrak.com](https://repositrak.com)

# Forward-Looking Statement

**Park City Group | NASDAQ:PCYG**

*Statements in this presentation that relate to Park City Group's future plans, objectives, expectations, performance, events and the like are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. Future events, risks and uncertainties, individually or in the aggregate, could cause actual results to differ materially from those expressed or implied in these statements. Those factors could include changes in economic conditions that may change demand for the Company's products and services and other factors discussed in the "forward-looking information" section and the "risk factor" section of the management's discussion and analysis included in the Company's report on Form 10-K and 10-Q or current reports on Form 8-K filed with the Securities and Exchange Commission. This presentation is comprised of interrelated information that must be interpreted in the context of all of the information provided and care should be exercised not to consider portions of this presentation out of context. Park City Group uses paid services of investor relations organizations to promote the Company to the investment community. Investments in any company should be considered speculative and prior to acquisition, should be thoroughly researched. Park City Group does not intend to update these forward-looking statements prior to announcement of quarterly or annual results.*



# Investment Highlights

Park City Group, owns the first fully-integrated, end-to-end supply chain management platform that helps retailers and wholesalers SOURCE, VET and TRANSACT with suppliers to accelerate sales, reduce risk and improve efficiencies.

- Recognized leader in the largest industry in the world, with a **\$2b+ total addressable market**
- Exclusively endorsed by major industry trade associations (FMI, GMDC, ROFDA and SQF)
- Superior technology platform with **>340k connections** with tens of 000's distinct customers
- Highly leverageable cost structure with **strong earnings power and ability to generate cash flow**
- Highly visible recurring revenue model with **exceedingly low churn**
- Strong balance sheet with \$20 m in cash and no debt at of September 30, 2021

# A Massive \$2B+ U.S. Addressable Market

Park City Group, owns the first fully-integrated, end-to-end supply chain management platform that helps retailers and wholesalers SOURCE, VET and TRANSACT with suppliers to accelerate sales, reduce risk and improve efficiencies.

## Market Trends

Three highly disruptive MEGA-TRENDS are driving demand for our solutions



### Increased Risk of Liability

- Federal regulation assigns food safety to retailers
- Increasingly complex supply chain
- Exposure to new civil and criminal liabilities
- Non-compliance puts brand equity at risk



### Rising Competitive Threats

- Disintermediation by new online channels
- Amazon / Whole Foods B2B sourcing capabilities
- Share shift to new formats and new entrants
- Need for increase efficiencies to maintain ROIC



### Escalating Consumer Demands

- Increasingly complex supply chain
- Regulation assigns food safety to retailers
- Exposure to new civil and criminal liabilities
- Non-compliance puts brand equity at risk





# Our Software Platform

ReposiTrak is a single integrated (SaaS) end to end solution that addresses - Compliance, Visibility, and Consumer Demands



## Industry Challenges

Regulation - Reduce Liability & Enhance Compliance

Sell More, Stock Less and Increase Fulfillment to Compete with Online

Enhance Supplier Sourcing to Address Consumer Demands



## Our Solution

Compliance

Supply Chain

MarketPlace



## Results

- ✓ “Mandated Use” model enables connection with potentially every supplier in the U.S. Food and Consumer Products supply chain
- ✓ Lowers inventory while increasing sales, leverages our network by increasing the revenue per connection
- ✓ Provides retailers and wholesalers with efficient, cost-effective means to FIND, CONNECT and TRANSACT with vendors to improve product assortment at lowest cost

**The ONLY solution that addresses ALL the challenges and connects ALL aspects of a retailer’s supply chain**



# Who Do We Serve?

*Our customers are a blue-chip portfolio of many of the largest retailers and the products in everyone's pantry and refrigerator.*

15+ years



10-15 years



5-10 years

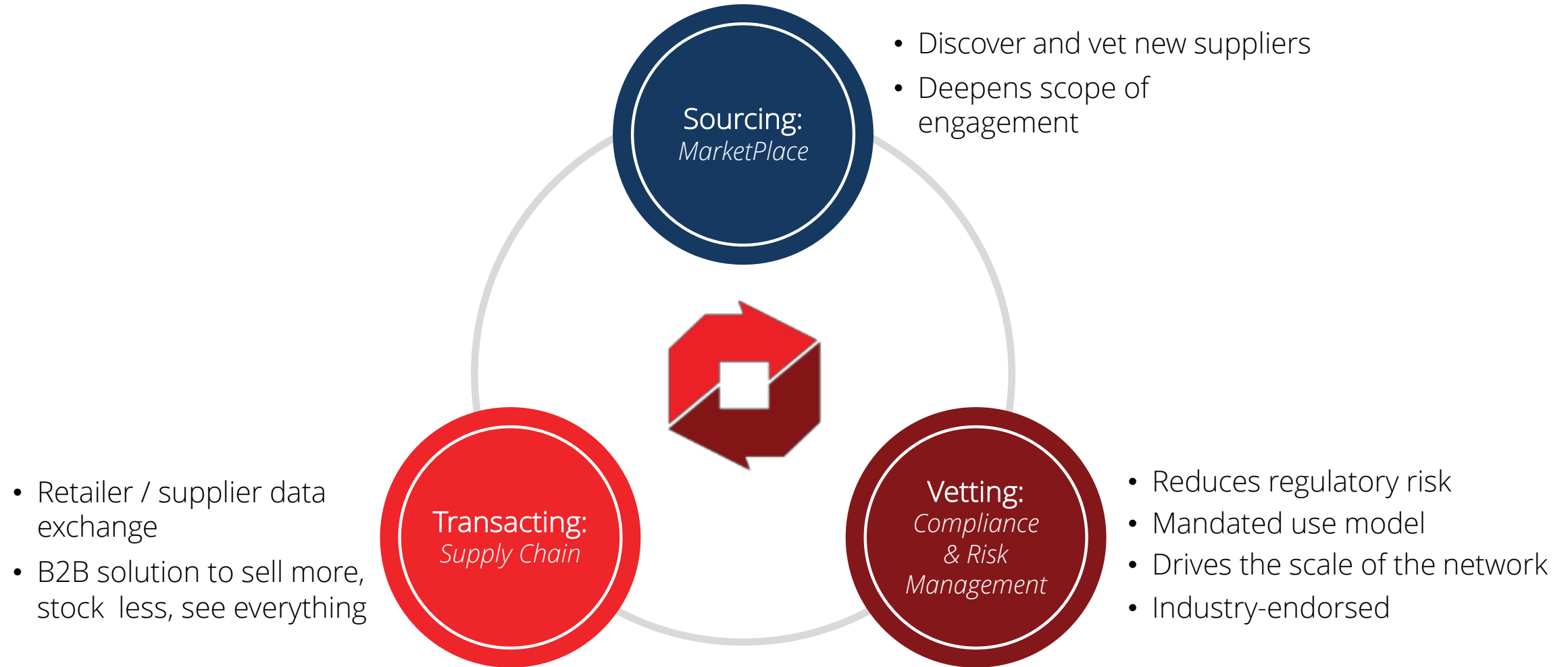


0-5 years



# Three Solution Suites | One Platform

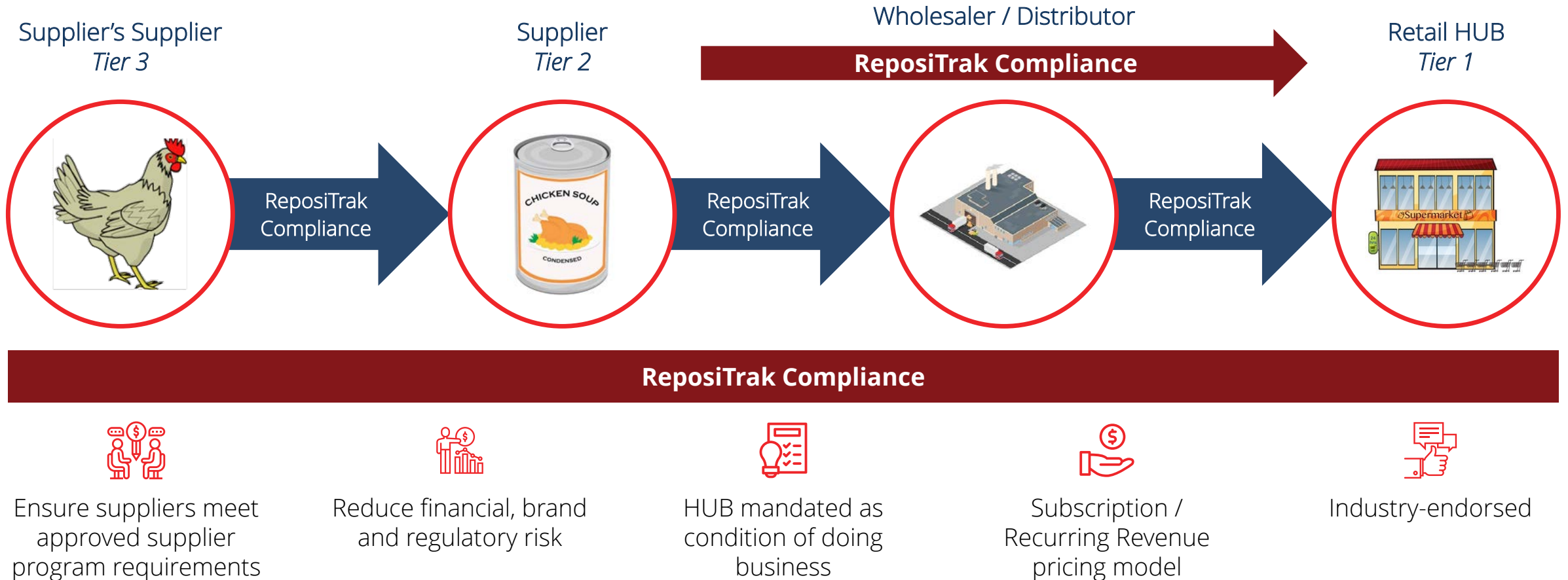
Our three “Application Suites” are integrated on one technology platform with massive scalability



# Compliance

ReposiTrak Compliance Management automates the compliance management process.

- 48 million people in the U.S. get sick from foodborne diseases leading to 128,000 hospital visits and 3,000 deaths each year – *CDC, September 2018.*
- The Food Safety Modernization Act (FSMA) mandates retailers and their suppliers be able to trace their products back to the floor or farm
- Wholesalers, grocery and convenience stores must be compliant or face criminal and civil penalties





# Supply Chain

ReposiTrak Supply Chain Mgmt. enables retailers to sell more, stock less and see everything via Scan-based Trading (SBT)

- SBT provides data analytics at the store level and offers a platform to enable “consignment selling” and direct store delivery
- Allows retailers to free up working capital by reconciling invoices with suppliers at the moment an item is purchased at the register
- Ability to track inventories, reduce out of stocks and allow for direct store delivery from suppliers to promote localization



## ReposiTrak Supply Chain



B2B solution to sell more, stock less, see everything



Scan-Based-Trading (consignment selling) – stocking without committing operating capital



Reduce out-of-stocks



Monthly Subscription /  
Recurring Revenue  
pricing model  
Direct Store Delivery



Direct Store Delivery

# MarketPlace

Online Platform to FIND, CONNECT and TRANSACT with vendors to improve product assortment, costs and compliance.

- Amazon's acquisition of Whole Foods has posed an existential threat for brick and mortar retailers who lack sophisticated technology
- Consumers are demanding more product diversification and localization from retailers which is challenging their supply chain
- Traditional processes and practices for retail distribution don't provide fulfillment necessary for emergency stocking and new products



## SEARCH + SAMPLE

Search by product & vendor attribute  
Find hot new products  
Request samples right in the app



## VET

Full compliance management included  
Control risk while growing your supplier base



## ON-BOARD

Complete supplier portal  
Automatically add new suppliers to existing systems



## ORDER

Place orders from HQ or stores  
Expand regional & local supplier base

### For Retailers and Wholesalers

- Find and vet suppliers for compliance and retail readiness
- Turnkey sourcing programs for events & promotions
- Find hot new products
- Seamlessly onboard suppliers
- Replace your order desk, process orders in MarketPlace

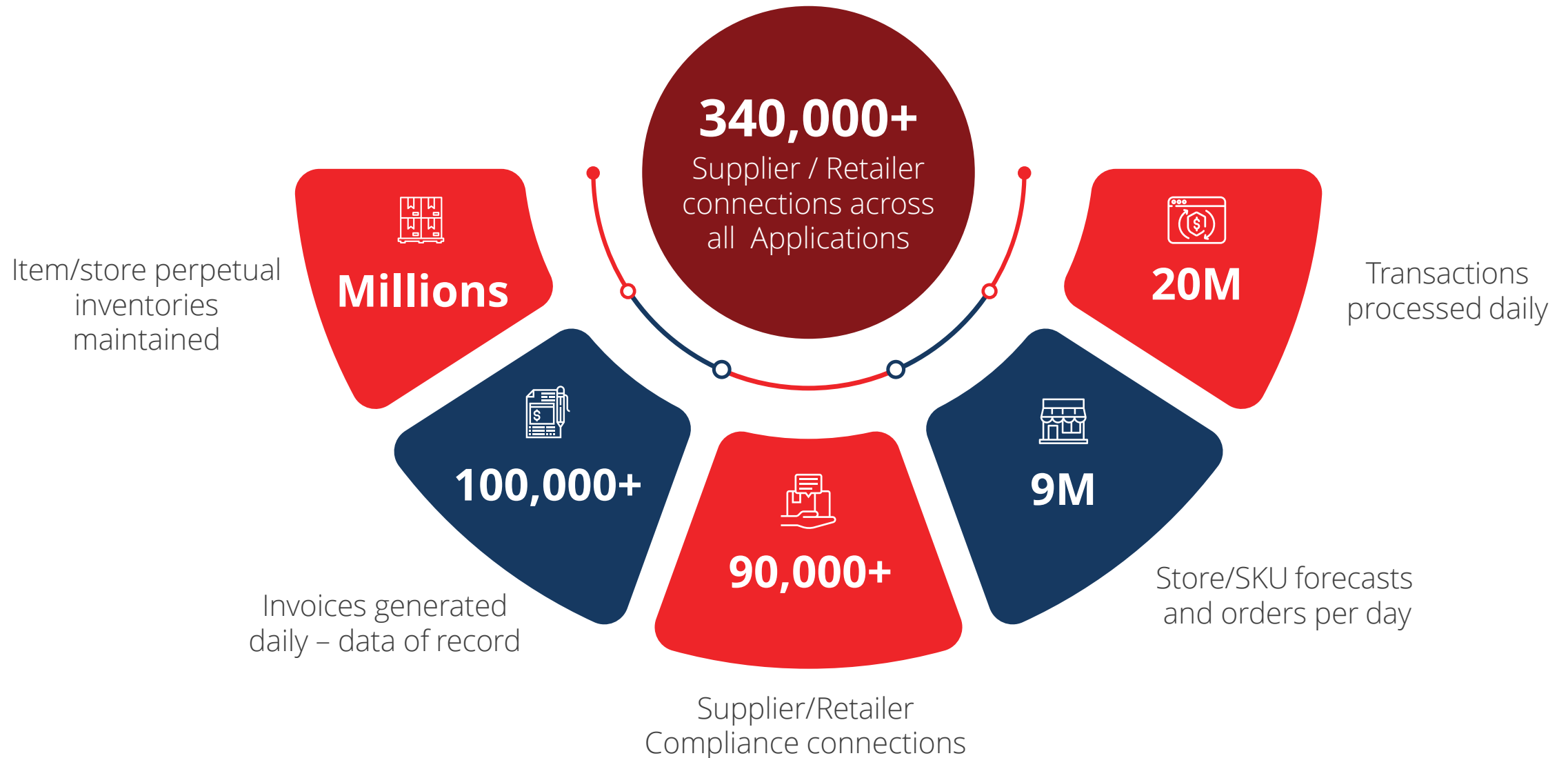
### For Suppliers

- Find new customers
- Promote your products
- We upload your products for you
- Get orders and grow
- Largest user network in the industry

## MarketPlace Use Cases

- Sourcing of non-core categories
  - Seasonal items
  - Specialty items
  - Localized items
  - Event related items
- Alternative supplier sourcing when an established supplier can't fulfill an order
- "Similar Supplier" enables HUBs to search for replacement vendors

# Three Solutions: One Platform: Scaled & Proven



# Scaling the Network

## Supplier's Supplier



## Supplier Tier 2



## Wholesaler / Distributor



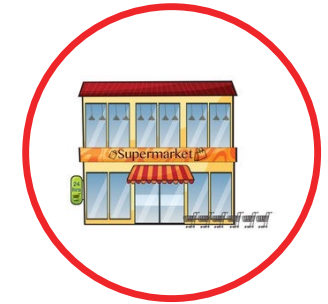
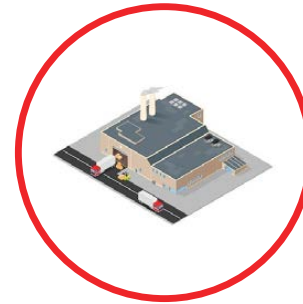
## Retail HUB Tier 1



- 10's of thousand supplier's supplier candidates to farm
- Targeting suppliers who are existing PCYG customers with HUB connections to bring their component suppliers into compliance
- Simplified pricing model with \$299 per month subscription revenue model



- HUB mandated model
  - Compliance is a condition of doing business
  - HUB is billed and deducts from supplier
- 27,000 current ReposiTrak Supplier Customers
- PCYG charges a setup fee and a monthly subscription
- Extremely low levels of churn

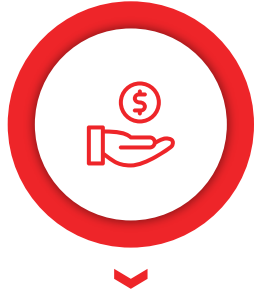


- 17 ReposiTrak HUB customers with 50,000+ retail locations
- Between 1,500-7,000 suppliers per HUB
- Each Supplier has on average, 70-150 component suppliers.
- Each Component Supplier has, on average, an additional 25-50 suppliers.



# Summing Up Our Business Model

Our strategy results in recurring revenue, rising operating margins and cash.



## Revenue

5-year CAGR of 9%

- 98% recurring subscription revenue (as of 3/31/21) model with long-term contracts
- Expanding scale of our network of relationships is the first driver of growth
- Increasing scope of customer engagement is the second driver of growth
- Low customer churn with
- >95% retention rate



## Profitability

Q4 FY 2021 Operating Margin 14%

- Largely fixed cost business across all applications
- Mandated use model translates to low customer acquisition costs
- Stable operating expense base, modest investments required for growth
- Suppliers can self-implement or engage our Success Team for assistance



## Cash Flow

Positive Free Cash Flow<sup>1</sup>

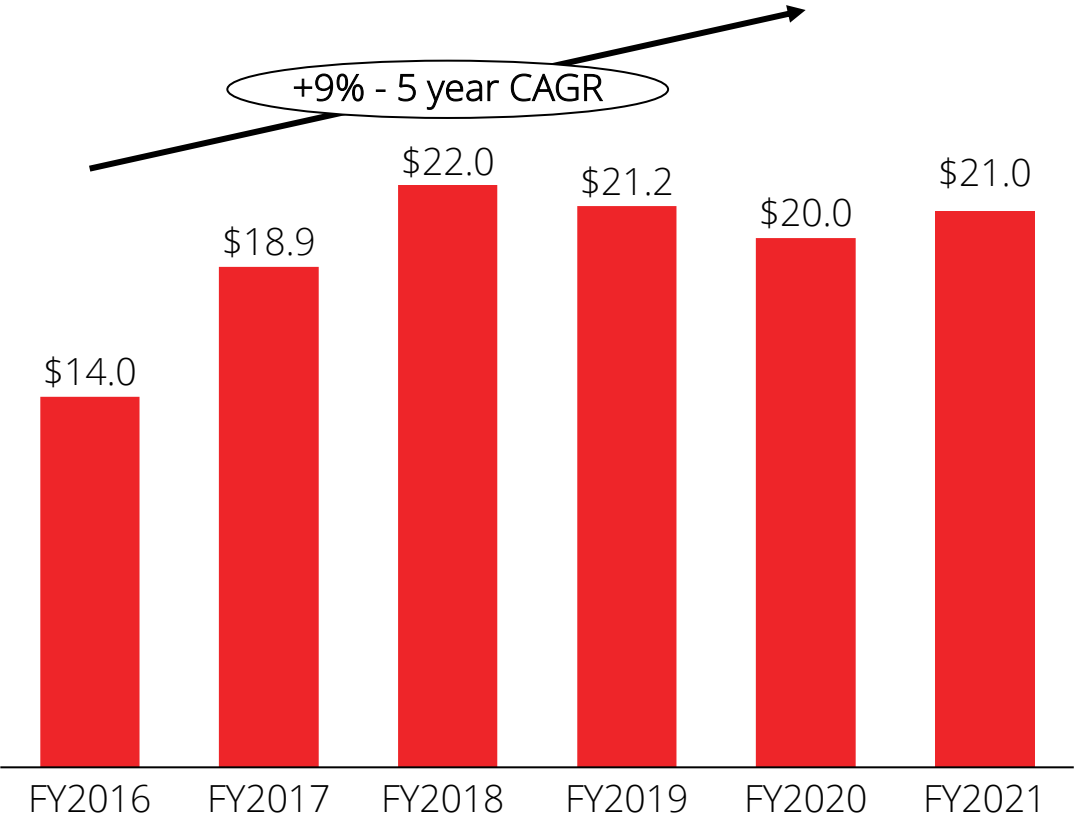
- CapEx requirements in the low to mid-single digits as a % of revenue, historically
- Well-capitalized balance sheet with \$24 million in cash and no debt
- \$3.7M FY21 free cash flow

# Financial Summary

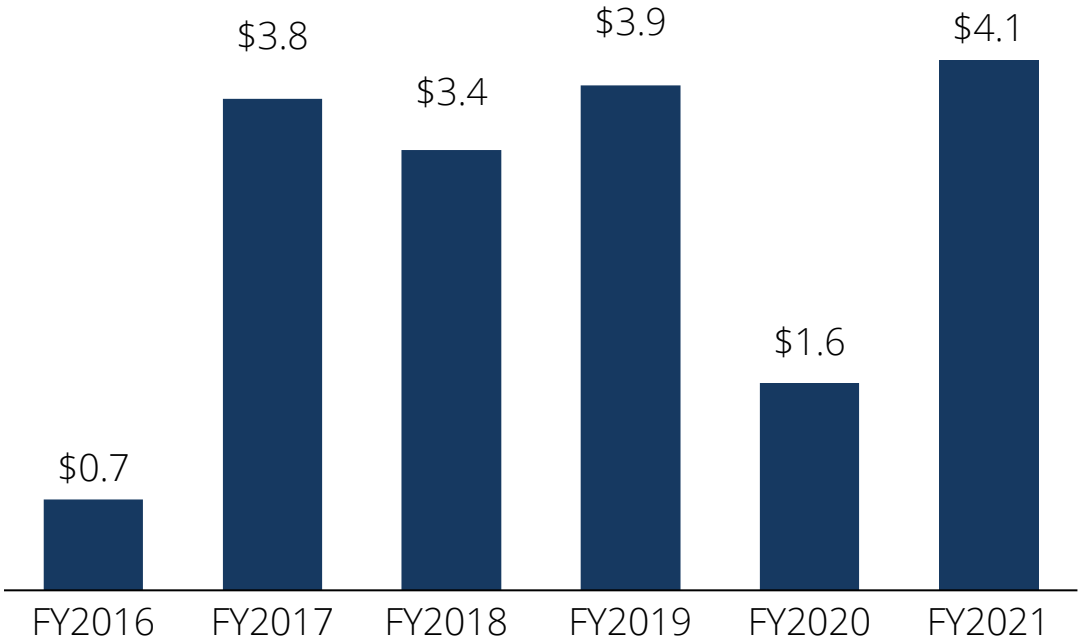
For the fiscal years ended June 30

Revenue growth and operating leverage drive increasing profitability

Revenue  
USD in millions



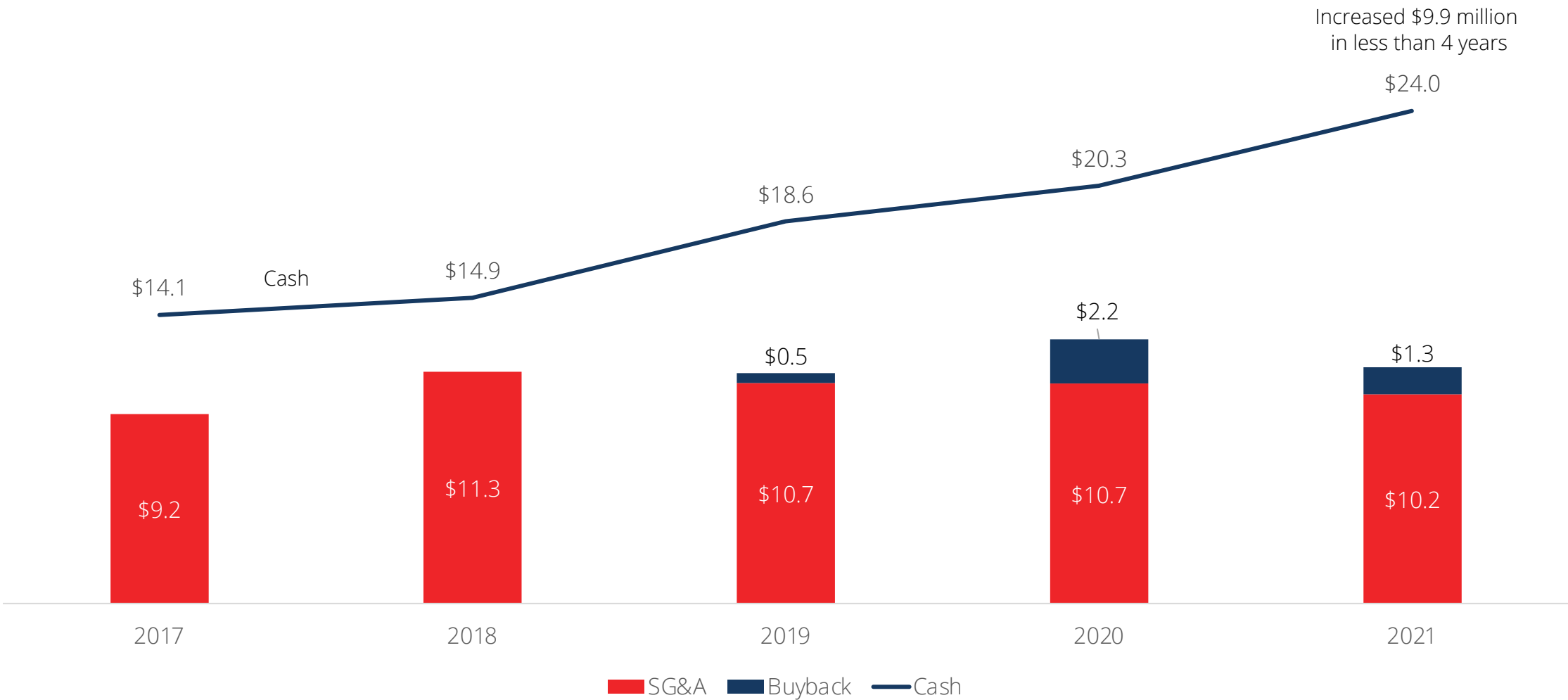
GAAP Net Income  
USD in millions



# Cash Flow Supports Buyback

SG&A reductions, operating leverage drive increasing cash balances and fund share repurchases

\$ in millions



# Solid Balance Sheet | Self-Funding Business Model

Strong operating cash flow is driving a growing cash balance and supports self-funding of capital expenditures and returns to shareholders

## Summary Balance Sheet and Cash Flow

	As of	
	9/30/2021	6/30/2021
Cash	\$20,431,158	\$24,070,322
Line of Credit	\$0	\$6,000,000
Preferred Stock (Series B and Series B-1)	\$8,377,770	\$8,377,770
Cash Provided by Operations (TTM)	\$5,296,528	\$5,401,815







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# Executive Leadership Team



**Randy Fields**  
Chairman & CEO

Co-founder Mrs. Fields Cookies, Co-founder Captiva Software



**John Merrill**  
CFO

Former CFO 360 Touch Advertising.  
Former CFO Track Group, Inc.  
(OTCQX: TRCK). Former CFO Park City  
Group 2006-2010.



**Ed Clissold**  
General Counsel

Previously served as General Counsel  
for Mrs. Fields' Cookies and was also  
in private practice



**Peter Larkin**  
Director

Principal of Larkin Public Affairs a  
leader in the food service industry for  
more than 40 years and former CEO  
of the National Grocers Association



**Ronald Hodge**  
Director

Former CEO of Delhaize America and  
former CEO of Hannaford Bros. Co.



**Robert Allen**  
Director

Former CEO of Southern Belle Dairy  
and EVP of Borden, Inc.

# Nasdaq: PCYG

[www.parkcitygroup.com](http://www.parkcitygroup.com)

## INVESTMENT DATA

(NASDAQ: PCYG)

Headquarters: Murray, UT

Recent Stock Price: (11/15/2021): \$5.32

52-week range: \$4.48 - \$7.91

Diluted Shares Outstanding: 19.9M

Market Capitalization: \$103M

Insider Ownership: ~38%

*For more information:*

Investor Relations

435-645-2216

[investor-relations@parkcitygroup.com](mailto:investor-relations@parkcitygroup.com)

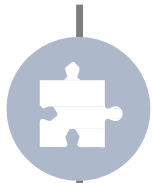
# Thank You

# Appendix



# Case Study: Local Sourcing With MarketPlace

*A top-tier retailer uses MarketPlace Store Ordering to drive incremental sales and product diversity by localizing purchasing decisions for a seasonal category*



## Retailer Challenge

A large retailer wanted help with stocking and selling “Beach” related items without managing this non-core category through its centralized purchasing and distribution infrastructure.



## Our Solution

### MarketPlace Store Ordering

- We created a digital catalog of “Beach” related items from compliant suppliers which were preapproved by the retailer’s corporate buying group.
- Deployed a store level ordering platform which enabled local managers to order items and have them delivered directly to their stores.
- Enabled better inventory management and no stock outs through direct fulfillment resulting in higher sales.



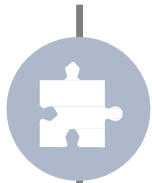
## Results

- Higher sales for the retailer on a year-over-year basis from the category in the same amount of retail space.
- A happy group of referenceable suppliers see an increase in sales from this larger new customer.



# Case Study: Compliance Beyond Food Safety

*ReposiTrak enables a top five grocery chain to manage a major sustainability initiative across its private label brands*



## Retailer Challenge

A large international grocery chain was looking to differentiate and grow its private label brands by highlighting their “sustainable” characteristics.



## Our Solution

### Compliance Management | Sustainability Requirements

- We developed a specialized campaign which added “sustainability” traits to the compliance characteristics it required from its private label suppliers.
- With the “sustainability” traits defined, we drove this characteristics deeper into the customers’ private label brands.
- With our solution in place, this retailer benchmarked “sustainability” in its private label and used it as a metric to compensate its managers.



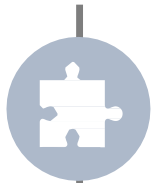
## Results

- As a result of our efforts, this customer was better able to manage the characteristics of its private label brands driving these higher margin products to a greater percentage of overall sales



# Case Study: Capital Efficiencies with Supply Chain

## Top-tier grocer achieves over \$130 Million in working capital benefits through adoption of scan-based trading



### Retailer Challenge

A high-end, top-tier regional grocer in the competitive northeast corridor was seeking to free up working capital for store investment.



### Our Solution

#### Supply Chain | Scan-based Trading, Analytics, Store-level Replenishment

- We implemented *Scan-based-Trading* (SBT) across a number of its direct- store-delivery (DSD) vendors, significantly reducing its inventory investment.
- Further improvements in working capital came from an overlay of additional *Supply Chain* applications, including *Scoretracker* (analytics), *Store Level Replenishment* for better order forecasting.



### Results

- Through the implementation of our *Supply Chain* applications, the customer was able to free up over \$130 million in working capital, while generating higher sales from better aligned inventory and replenishment management



# Exclusively Endorsed in the Industry



“ReposiTrak augments our food and drug safety efforts...with a **proven, comprehensive and easy-to-implement solution** that **doesn't require systems changes** and is extremely cost effective.”

---



“We see the ReposiTrak system becoming an **industry standard** for the retail supply chain, helping all trading partners **meet the new federal food safety requirements**, reducing unsalable products and keeping the end consumer healthy.”

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“We were looking for a technology partner to help us **raise the bar** not only with our data management and reporting, but also with upgrades to all of our user interfaces. It made perfect sense to partner with ReposiTrak because of their **experience in the industry** and technical capabilities.”

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“ReposiTrak is a **pioneering innovator** in delivering robust retail management software solutions for our rapidly changing industry. This technology will equip our members with a toolbox for success in a constantly evolving marketplace. We are thrilled to partner with ReposiTrak as we continue to advance and expand our ecosystem.”

