



Investor Presentation

November 2022



ReposiTrak

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.

- **30** consecutive quarters of **GAAP profitability** (since quarter ended 12/31/15)
- **Highly visible recurring revenue model** with **exceedingly low churn**
- Highly leverageable cost structure with **industry-leading productivity, growing earnings power, strong PEG growth and free cash generation**
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- **Superior technology platform** with **>340k connections** with tens of 000's distinct customers
- Recognized leader in the largest industry in the world, with a **\$2b+ total addressable market**
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A Massive \$2B+ U.S. Addressable Market

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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

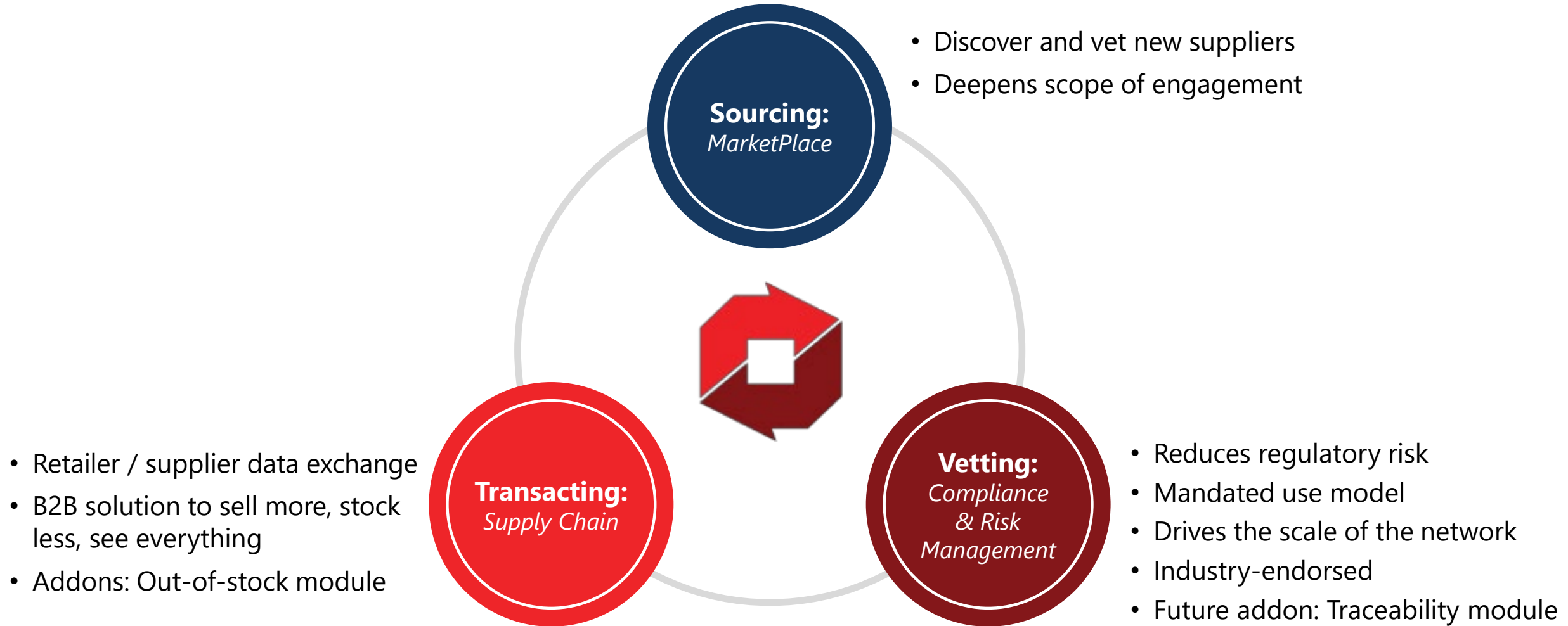


0-5 years



Three Solution Suites | One SaaS Platform

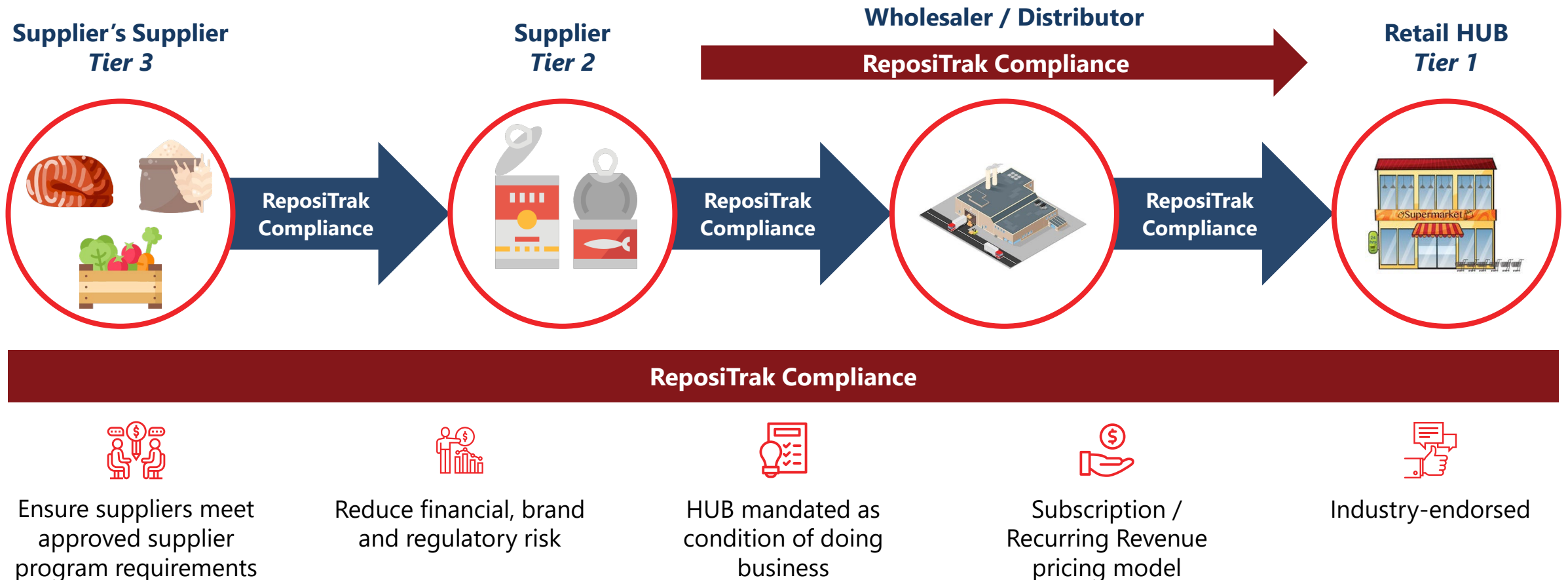
Our three "Application Suites" are integrated on one technology platform with massive scalability



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

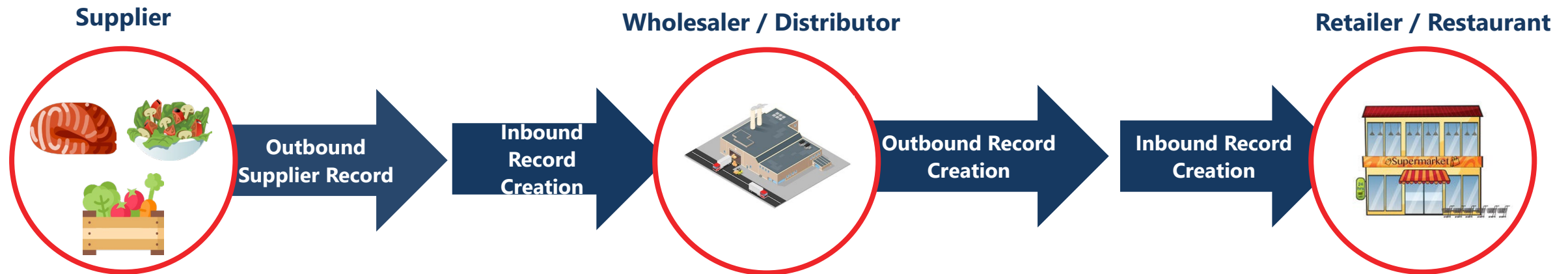
Track and Trace: The ReposiTrak Traceability Network

The Food Safety Modernization Act (FSMA) will impose additional burdens on food retailers and food service companies this November.

The National Grocers Association has signed a multiyear agreement with Park City Group, making ReposiTrak the NGA's official traceability and compliance partner.



Food traceability is already a part of ReposiTrak's proven supply chain and compliance platform.



ReposiTrak Traceability Network

Suppliers, wholesalers, Retailers, and Restaurants and their trading partners will need to maintain records of every movement of several fresh product categories from the point of origin to the point of sale to the consumer. ReposiTrak is uniquely positioned to **create the new** records required at inbound/outbound for the Wholesaler and inbound for the Retailer / Restaurant.

MarketPlace

Online **subscription** 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

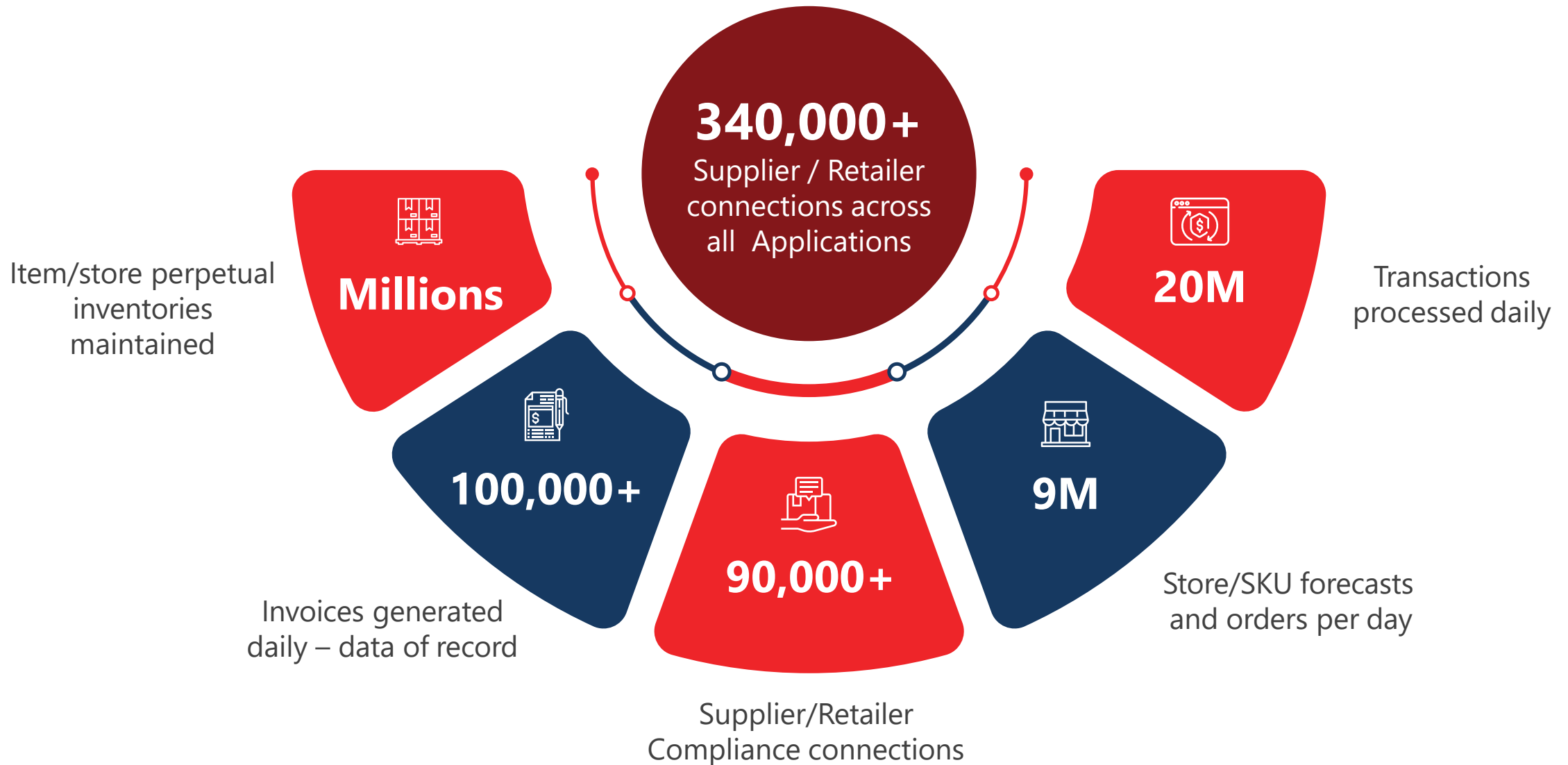
For Retailers and Wholesalers

- 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

Three Solutions: One Platform: Scaled & Proven



Scaling the Network

Supplier's
Supplier



Supplier
Tier 2



Wholesaler /
Distributor



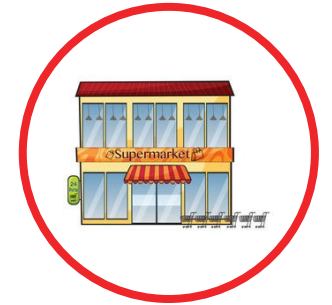
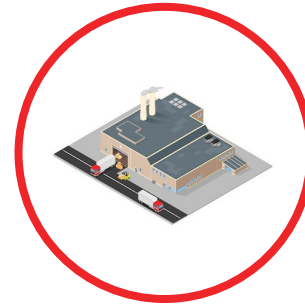
Retail HUB
Tier 1



- 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



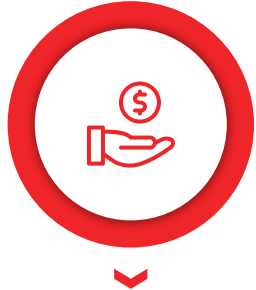
- HUB mandated model
 - Compliance is a condition of doing business
 - HUB is billed and deducts from supplier
- 27,000 current ReposiTrak Supplier Customers
- PCYG charges a setup fee and a monthly subscription
- Extremely low levels of churn



- 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.



Recurring Revenue

5-year CAGR of 8%

- 99.9% recurring subscription revenue (as of 6/30/22) model with long-term contracts
- Growth drivers:
 - Expanding scale of our network of relationships
 - Increasing scope of customer engagement
- Low customer churn with 95%+ retention rate
- **Targeting 10-20% recurring revenue growth**



Expense Control and Productivity

FY 2022 Operating Margin 25%

- Largely fixed cost business across all applications
- Mandated use model translates to low customer acquisition costs
- Annual cash costs under \$12 million
- Modest investments required for growth
- Internally built tools replace expensive third-party solutions
- Revenue per employee roughly double industry average



Net Income, EPS and Cash Flow

Positive Free Cash Flow¹

- FY22 net margin of 22% vs. 12% (excluding PPP loan)
- FY22 EPS of \$0.18
- Share repurchase causing EPS to grow faster than Net Income to Common
- \$6.1M FY22 cash provided by operations



Traceability: A *massive* new industry challenge

FDA's **FSMA Section 204** creates a major opportunity for Park City Group



At the core of this proposal is a requirement for those who manufacture, process, pack or hold foods on the **Food Traceability List (FTL)** to establish and maintain records containing **Key Data Elements (KDEs)** associated with different **Critical Tracking Events (CTEs)**. While the proposed requirements would only apply to those foods on the FTL, they were designed to be suitable for all FDA-regulated food products. FDA would encourage the voluntary adoption of these practices industry-wide.

THE WALL STREET JOURNAL.

By [Suman Bhattacharyya](#)
Feb. 1, 2022 5:30 am ET

The rule, which the FDA expects to complete in November, would require the food industry to maintain records associated with critical tracking events on the supply chain for certain products, according to Frank Yiannas, deputy commissioner for food policy and response at the FDA. Those events include growing, receiving, transforming, creating and shipping food products, according to the proposed rule...."

<https://www.wsj.com/articles/fda-official-says-new-rule-could-boost-blockchain-based-food-tracking-11643711402>

Traceability: ReposiTrak is the Solution

Through Supply Chain solutions already in use (Scan-based Trading), ReposiTrak already provides track and trace, affordably, and at scale

Minimal cost to retailer and supplier

Platform already exists and uses existing data.

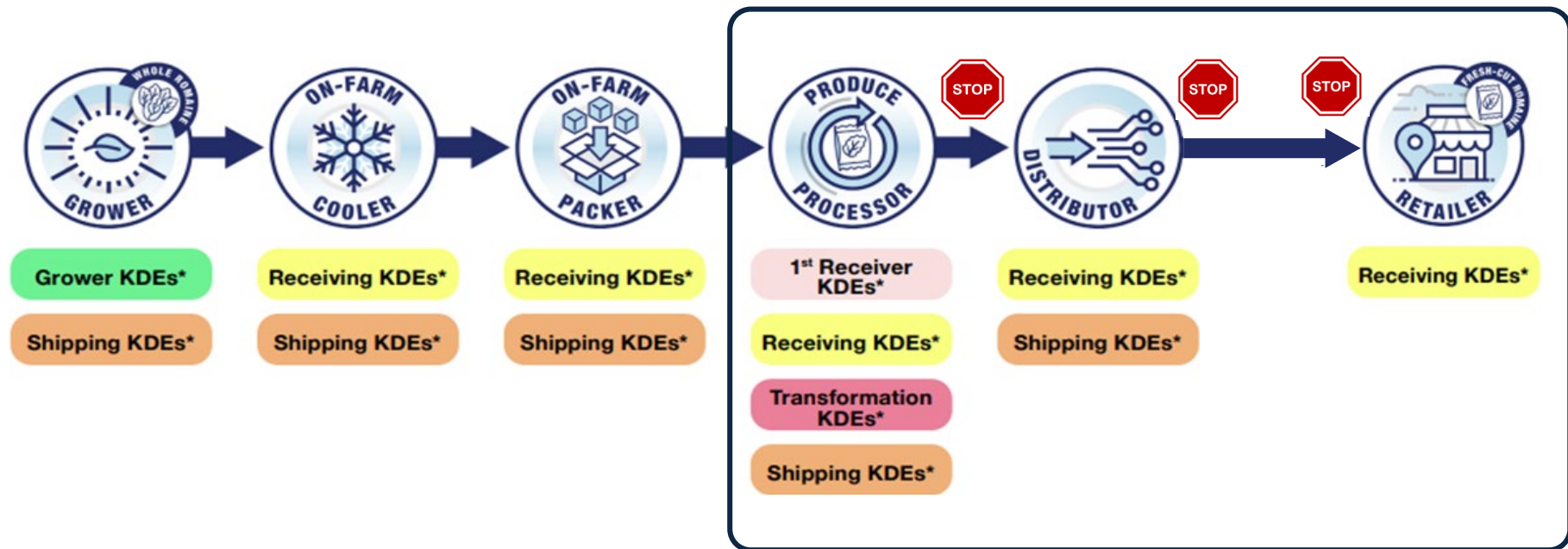
Easy to adopt, use and verify

Works for companies with any level of technical sophistication supporting speedy adoption.

Meet or exceed FDA regulations

ReposiTrak enables traceability for not just FDA's Food Traceability List foods, but any product in the supply chain.

ReposiTrak breaks through the data choke points that  traceability

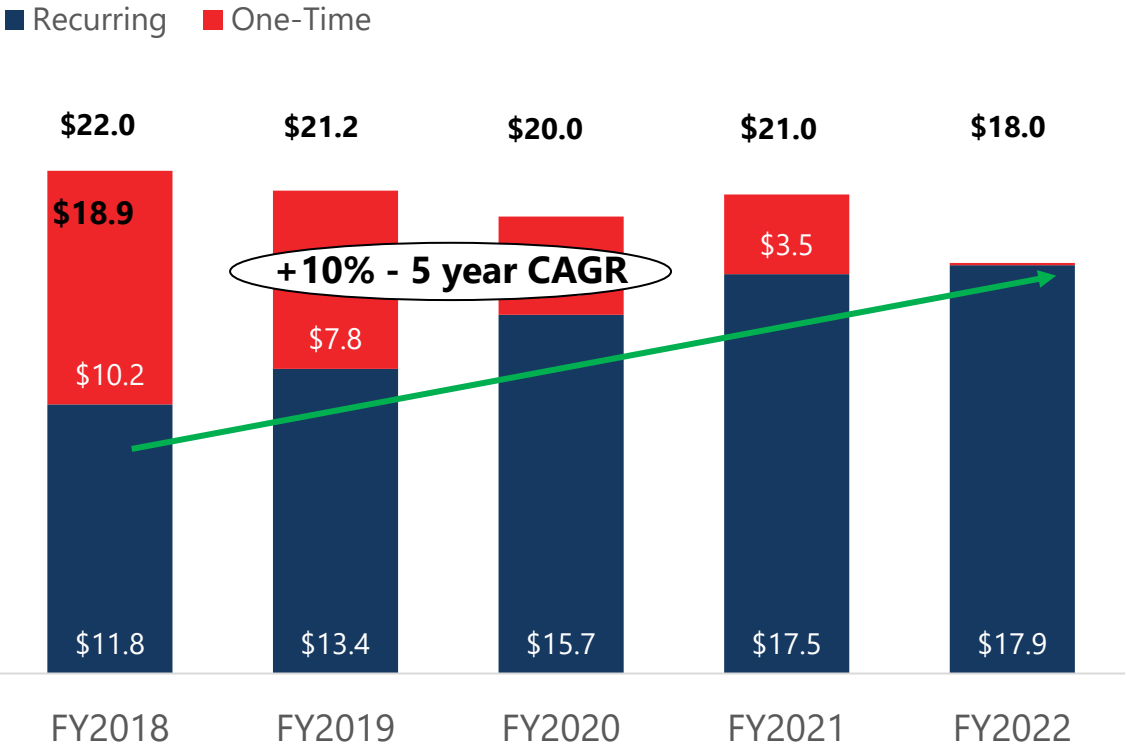


Financial Summary

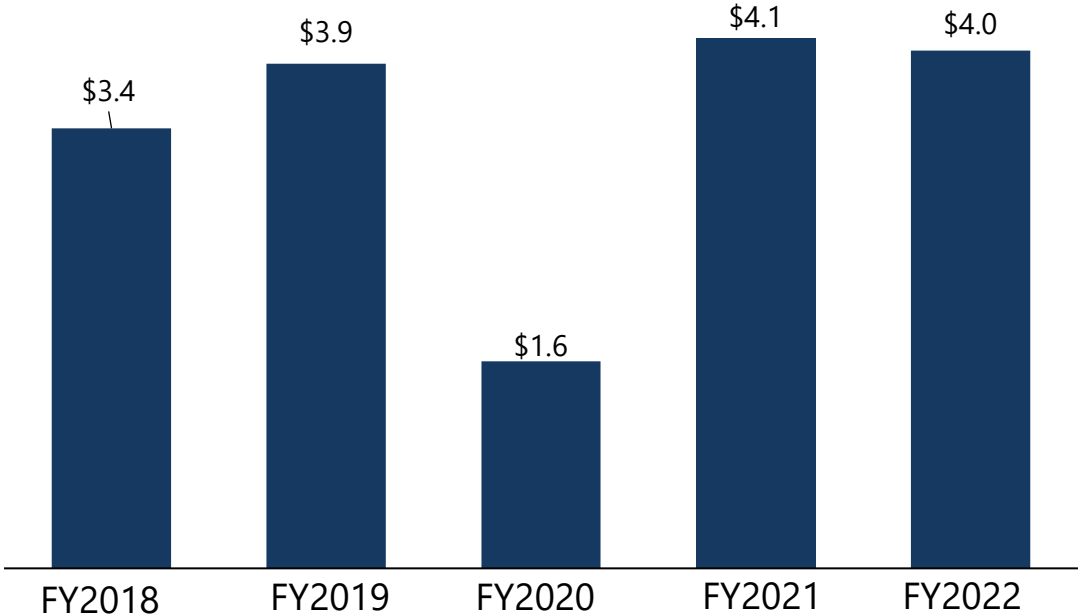
For the fiscal years ended June 30

Revenue growth and operating leverage drive increasing profitability

Revenue USD in millions



GAAP Net Income USD in millions



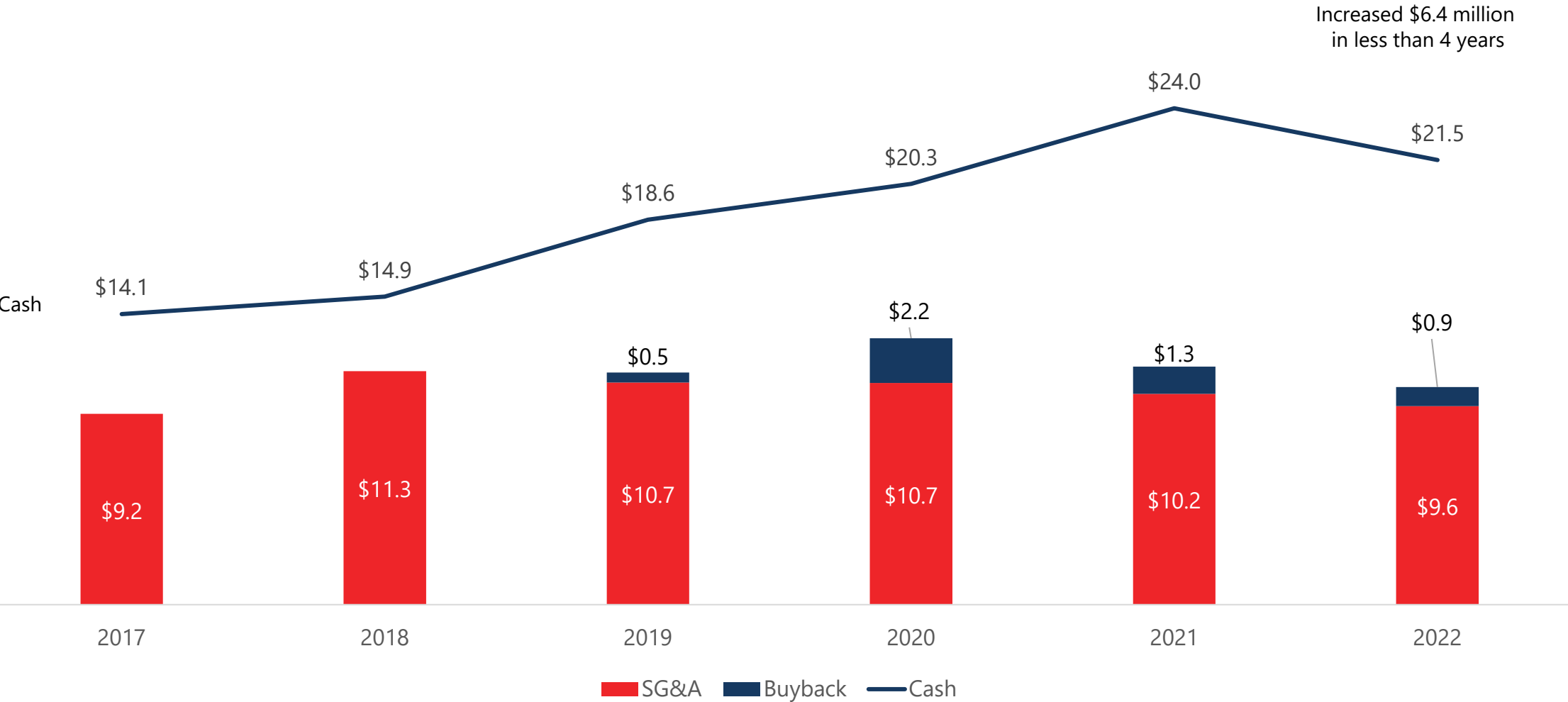
Quarterly Comparison

Three Months Ended	September 30, 2022	September 30, 2021	% Change
Net revenue	\$4.7M	\$4.6M	4%
Recurring revenue	\$4.7M	\$4.5M	6%
Total Operating Expenses	\$3.5M	\$3.4M	3%
Operating Income	\$1.2M	\$1.1M	5%
GAAP Net Income	\$1.3M	\$0.9M	36%
Net Income to Common Shareholders	\$1.1M	\$0.8M	42%
EPS	\$0.06	\$0.04	50%
Cash from Operations	\$1.8M	\$1.1M	62%

Cash Flow Supports Buyback

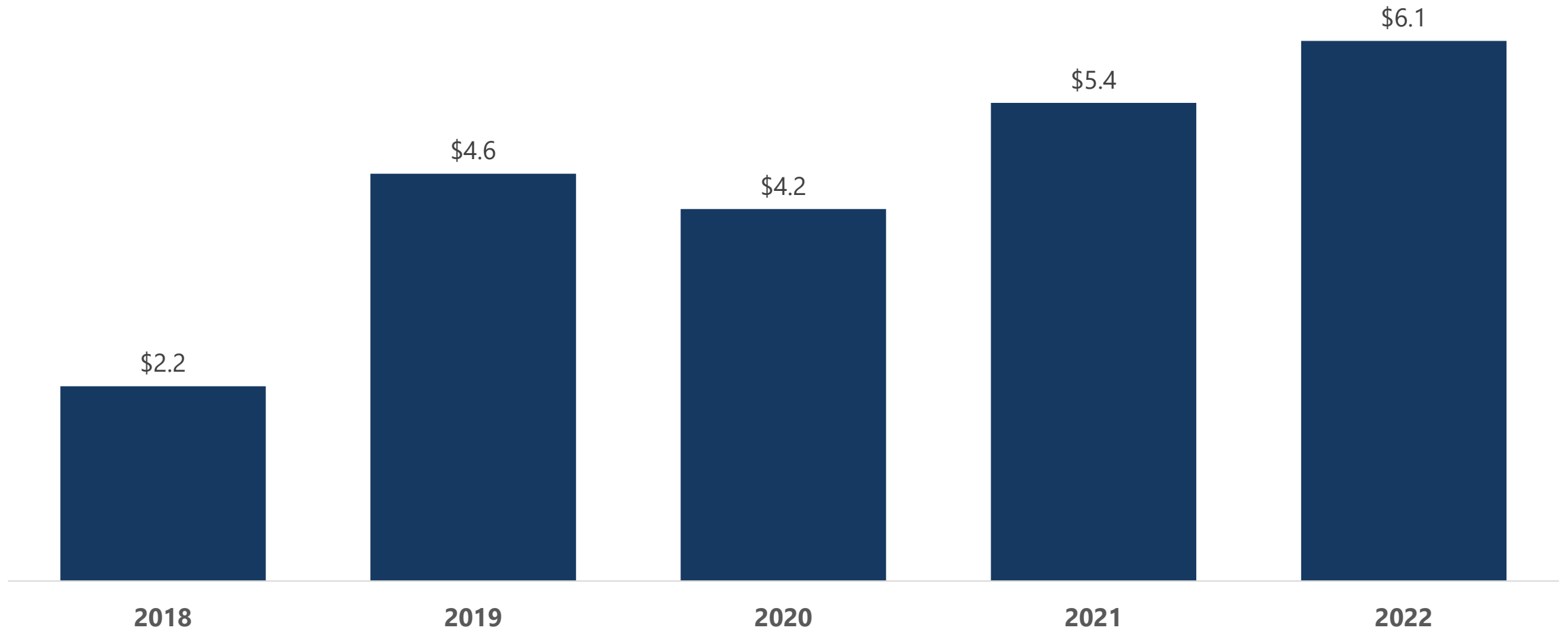
SG&A reductions, operating leverage drive increasing cash balances and fund share repurchases

\$ in millions



Cash Generated by Operations

Sustainable, significant cash generation



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	
	9/30/2022	6/30/2022
Cash	\$21,627,948	\$21,460,948
Line of Credit	\$1,296,590	\$2,590,907
Preferred Stock (Series B and Series B-1)	\$8,377,770	\$8,377,770
Cash Provided by Operations (TTM)	\$6,795,031	\$6,101,617





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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

INVESTMENT DATA

(NASDAQ: PCYG)

Headquarters: Murray, UT

Recent Stock Price: (09/29/2022): \$5.29

52-week range: \$4.06 - \$10.68

Diluted Shares Outstanding: 18.75M

Market Capitalization: \$93.8M

Insider Ownership: ~41%

For more information:

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Thank You