NASDAQ: PCYG

Investor Presentation

November 2018

Forward-Looking Statement

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 and operates ReposiTrak, 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 supply chain efficiencies.

Recognized leader servicing the largest industry in the world, translates to a *$2B+ TOTAL ADDRESSIBLE MARKET* for our products and services

We are *EXCLUSIVELY ENDORSED BY MAJOR TRADE ASSOCIATIONS* representing in the industry we service (FMI, GMDC, ROFDA and SQF)

Already scaled with **>300K CONNECTIONS** With tens of thousands of distinct customers

Compliance and Supply Chain provide a **HIGHLY VISIBLE RECURRING REVENUE MODEL** while MarketPlace has the potential to accelerate growth

MANDATED USE MODEL and *EXCEEDINGLY LOW CHURN* translates to low customer acquisition costs and high operating margins

STRONG BALANCE SHEET with more than $16M in cash 10% Debt to Total Capital at September 30, 2018

PARK CITY GROUP
Sell More - Stock Less - See Everything

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

Retail supply chains are going through a massive transformation, creating demand for bold and innovative technology solutions

Market Trends

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

Escalating Consumer Demands

- Demand for more local sourcing
- Greater product differentiation
- Wider assortment of products
- Rapid fulfillment of new products

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

Increased Risk of Liability

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

ReposiTrak

A Marquis Customer List

A Broad Portfolio of Highly-Recognized, Leading Retailers and Manufacturers

Our Platform Addresses Multiple Challenges

ReposiTrack is the only solution that connects all aspects of supply chain management to increase sales and decrease costs

Industry Challenges	Our Solution	Results

Enhance Supplier Sourcing to Address Escalating Consumer Demands

▶ ◀

Sourcing: MarketPlace

✓ Provides retailers and wholesalers with efficient, cost-effective means to FIND, CONNECT and TRANSACT with vendors to improve product assortment at lowest cost

Strengthen Supplier Vetting to Ensure Compliance

▶ ◀

Vetting: Compliance and Risk Management

✓ "Mandated Use" model enables connection with potentially every supplier in the U.S. Food and Consumer Products supply chain driving the SCOPE of our network

Increase Fulfillment to Compete with Online

▶ ◀

Transacting: Supply Chain

✓ Lowers inventory while improving accuracy to increase sales, leverages our network by increasing the SCOPE of our engagement and the revenue per connection

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

ReposiTrak

Competitive Environment

We are unique in offering the first end-to-end to solution for SOURCING, VETTING and TRANSACTING. We compete with Point Solutions, built in-house or sourced from a myriad of small application providers:

Competitive Landscape

ReposiTrak is uniquely positioned as the only, **SINGLE SOURCE SOLUTION** to tackle today's supply chain challenges for sourcing, vetting and transacting with new suppliers

- **In-House Solutions**
  - Particularly prevalent with largest retailers
  - This is our largest competition

- **Non-Core Applications on ERP**
  - Typically more expensive to implement
  - Not as efficacious due to ancillary focus

- **E-Catalogues, Doc Management Platforms**
  - Lacks breadth of services and capabilities
  - Less attractive business model

- **Food Safety and Retail Consultants**
  - Cannot capture the benefits from leveraging a single, integrated technology platform

ReposiTrak

Three Solution Suites | One Platform

Three "Application Suites" integrated on one self-reinforcing platform with massive scalability… The use of one enhances the value of the others, all aimed at delivering on our promise to help retailers and suppliers stock less and sell more

Sourcing:
Marketplace

Vetting:
Compliance & Risk Management
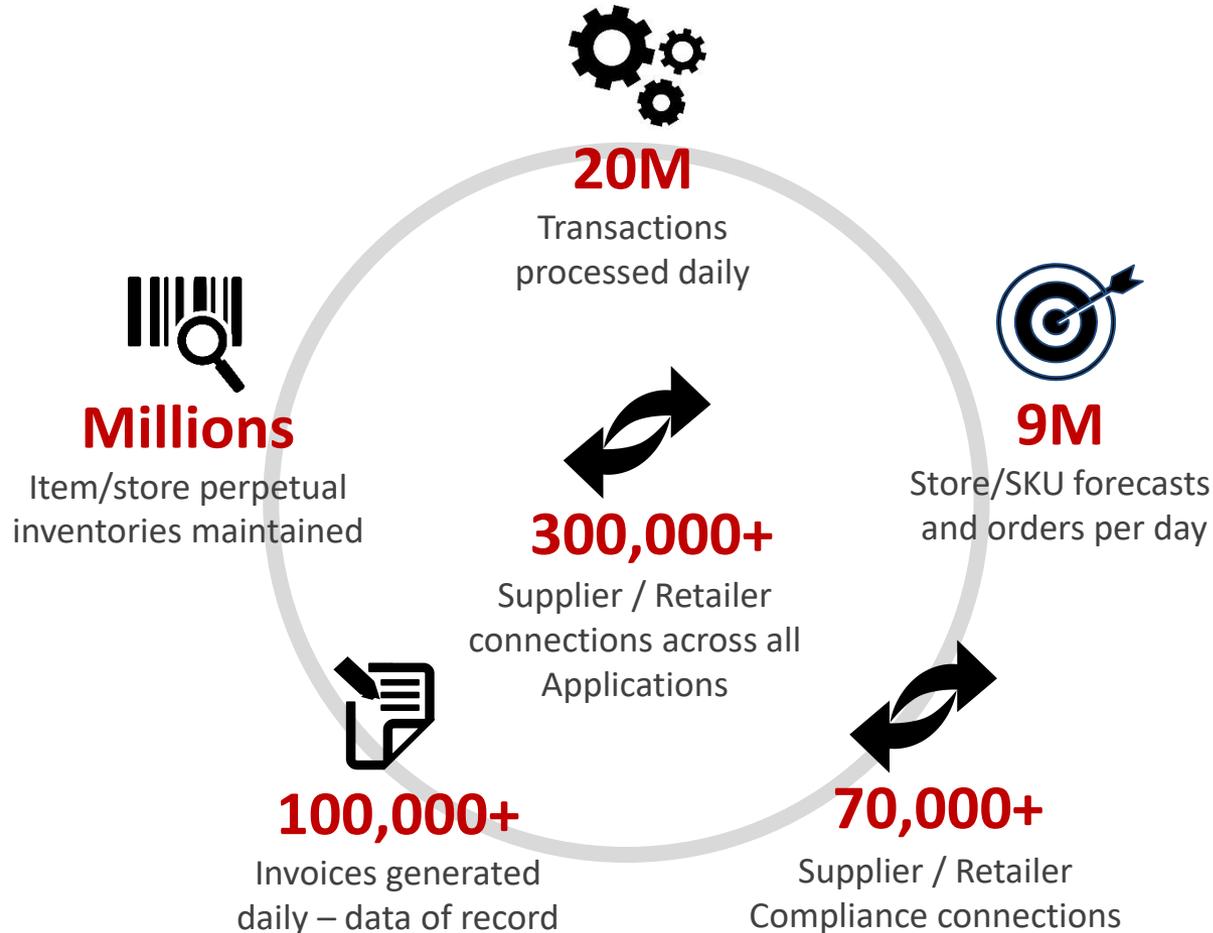
Transacting:
Supply Chain
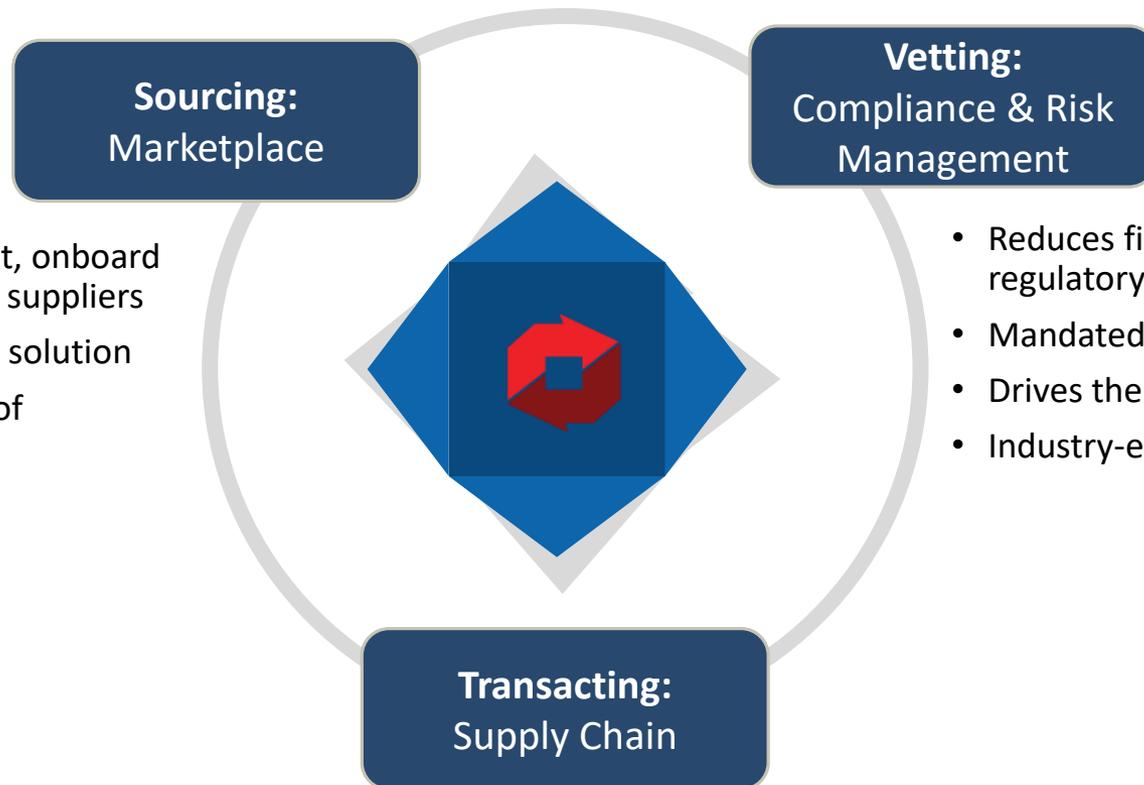
- Discover, sample, vet, onboard and order from new suppliers
- Comprehensive B2B solution
- Deepens the scope of engagements

- Reduces financial, brand & regulatory risk
- Mandated use model
- Drives the scale of the network
- Industry-endorsed

- Retailer / supplier data exchange
- B2B solution to sell more, stock less, see everything

ReposiTrak

One Platform | Already Scaled

We have the Ability to Grow to Millions of Connections and atop a ALREADY SCALED PLATFORM with Existing Relations, and Proven Products and Proven Execution Capabilities

20M
Transactions processed daily

Millions
Item/store perpetual inventories maintained

300,000+
Supplier / Retailer connections across all Applications

9M
Store/SKU forecasts and orders per day

100,000+
Invoices generated daily – data of record

70,000+
Supplier / Retailer Compliance connections

ReposiTrak

Case Study: Local Sourcing With MarketPlace

A Top-Tier Retailer Used MarketPlace 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

Implemented Sourcing: Store Level 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-over year basis from the category in the same amount of retail space.

- A happy group of referenceable Suppliers who saw an increase in sales from this larger new customer.

ReposiTrak

Case Study: Compliance Beyond Food Safety

ReposiTrak Enables a Top-Five Grocery Chain to Manage a Major "Sustainability" Initiative Across Its Private Label Brands

Challenge

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

Our Solution

Implemented Vetting: Expanded Definition of Compliance

- 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

Supply Chain Enabled a Top-Tier Grocer to Achieve Over $130 Million in Working Capital Benefits Through Adoption of Scan Based Trading (SBT)

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

Implemented: Full-Suite of Supply Chain Applications

- We implemented Scan-Based-Trading (SBT) across a number of its Direct-Store-Deliver (DSD) vendors, significantly reducing its inventory investment.

- Further improvements in working capital came from an overlay of our Supply Chain applications, including Scoretracker (analytics), Store Level Replenishment (ordering) and virtual inventory 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.

ReposiTrak

Scaling Our Network, Growing the Scope of Our Relations

With < 1% share of a $2B+ addressable market for our applications in the U.S. alone, we are moving aggressively to grow both the SCALE and SCOPE of our network

1 Add New Customers

Hundreds of thousands of potential customers

- Food and non-food retailers, wholesalers and suppliers
- Domestic and overseas manufacturers, processors and warehouses
- U.S. facilities in the food service segment
- Domestic and overseas farms

10's of 000s of existing of customers

2 Increase Connections per Customer

Millions of Potential Connections

- Primary driver of subscription revenue
- Each connection represents a linkage between a supplier and a buyer
- Fee is typically paid by the supplier

Over 250,000 Buyer-to-Suppler Connections
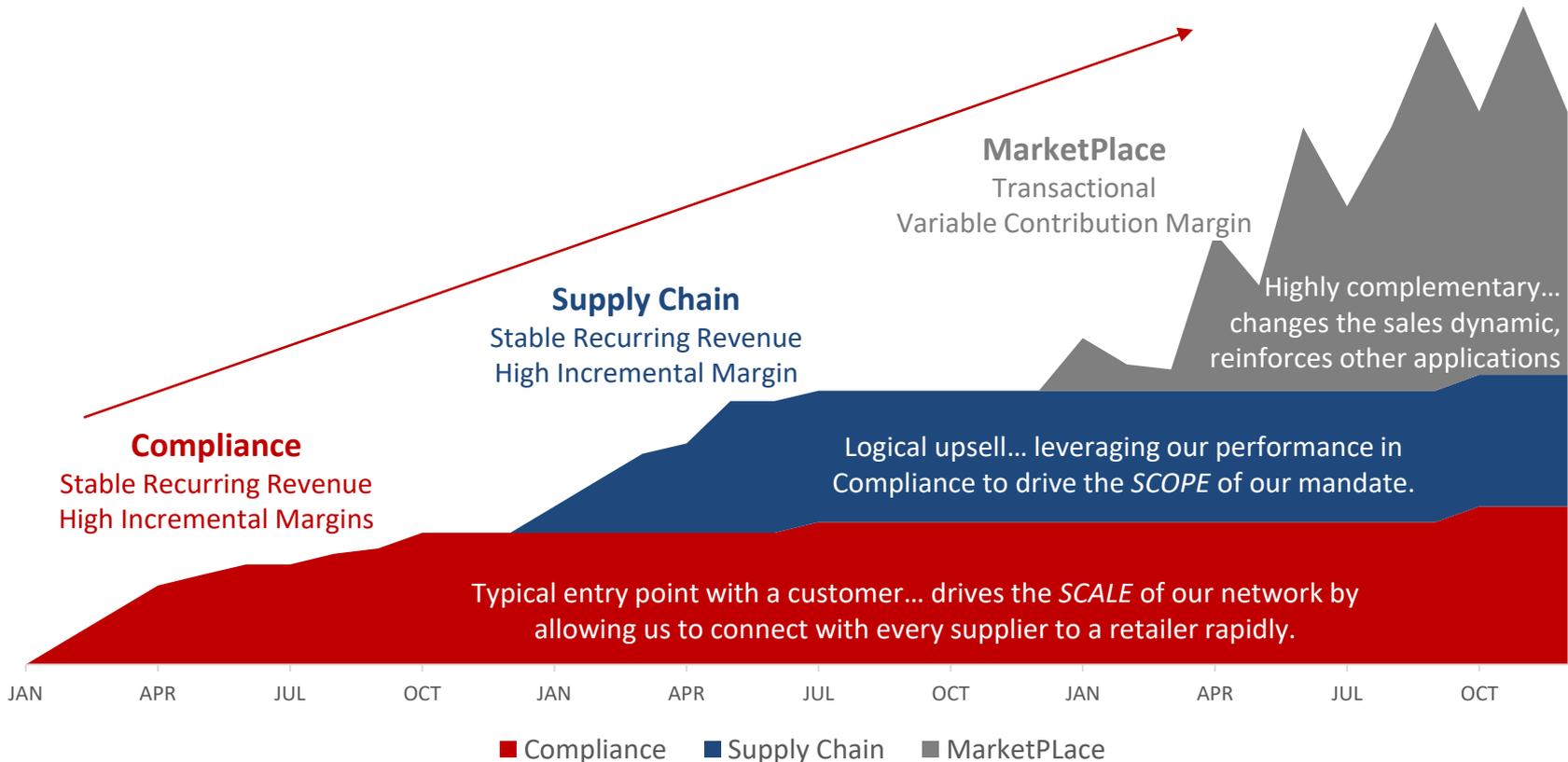
3 Expand Services per Customer

Leverage service delivery per application set

MarketPlace

Supply Chain

Compliance

Growing Overlap of Customers Using More than One Application

ReposiTrak

Our Model Drives Higher Revenue Per Retailer

"Land and Expand" Strategy to Grow with Existing Customers

MarketPlace
Transactional
Variable Contribution Margin

Highly complementary…
changes the sales dynamic,
reinforces other applications

Supply Chain
Stable Recurring Revenue
High Incremental Margin

Compliance
Stable Recurring Revenue
High Incremental Margins

Logical upsell… leveraging our performance in
Compliance to drive the *SCOPE* of our mandate.

Typical entry point with a customer… drives the *SCALE* of our network by
allowing us to connect with every supplier to a retailer rapidly.

JAN · APR · JUL · OCT · JAN · APR · JUL · OCT · JAN · APR · JUL · OCT

■ Compliance ■ Supply Chain ■ MarketPLace

Illustrative PCYG Revenue Model

ReposiTrak

Summing Up Our Business Model

We have a stable, systematic and predictable business model which will generate consistent revenue growth, rising operating margins and positive cash flow

Revenue	Profitability	Cash Flow
5 year CAGR of 18%	*FY 2018 Operating Margin 16%*	*Positive Free Cash Flow[1]*

Revenue

- High-visibility, recurring subscription revenue 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 >90% retention rate

Profitability

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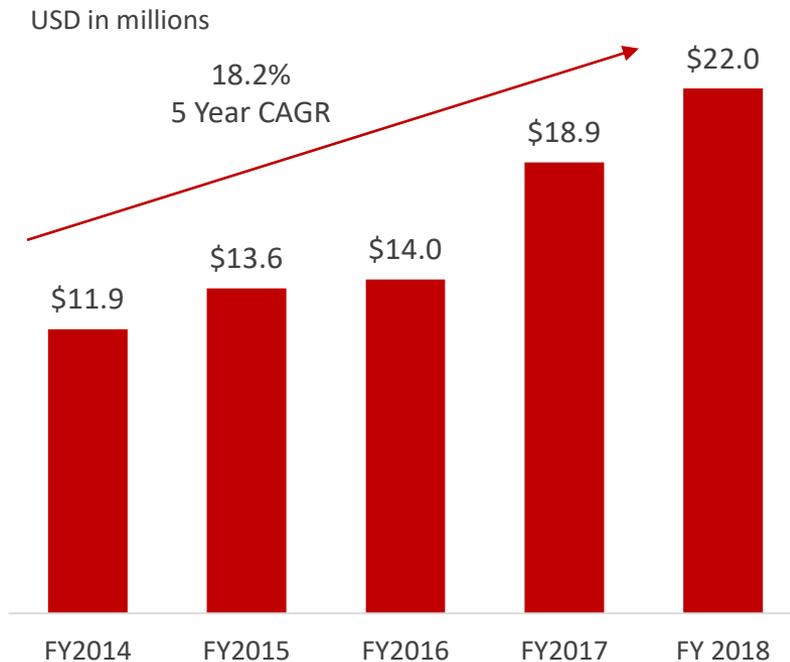- Suppliers can self-implement or engage our Success Team for assistance

Cash Flow

- CapEx requirements in the low to mid-single digits as a % of revenue historically
- Net income to operating cash flow conversion should rise to parity in coming years
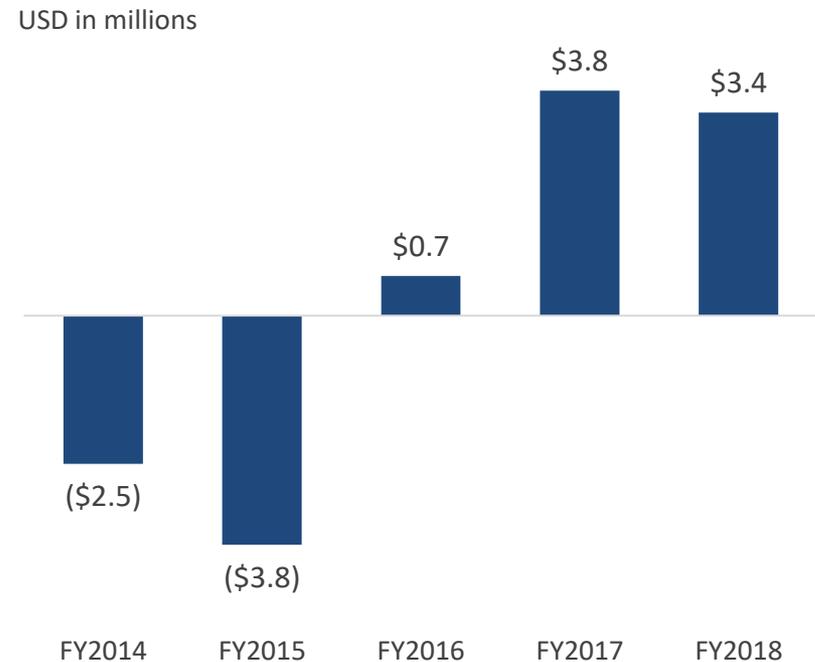- Well-capitalized balance sheet with more than $16 million in cash and 10% debt-to-total capital

ReposiTrak

[1] *Positive FCF for past three fiscal years*

Financial Summary

Revenue Growth and Operating Leverage Drive Increasing Profitability

Revenue

USD in millions

18.2%
5 Year CAGR

- FY2014: $11.9
- FY2015: $13.6
- FY2016: $14.0
- FY2017: $18.9
- FY 2018: $22.0

GAAP Net Income

USD in millions

- FY2014: ($2.5)
- FY2015: ($3.8)
- FY2016: $0.7
- FY2017: $3.8
- FY2018: $3.4

▪ FY 2018 revenue growth of 16% driven by solid execution and deeper customer engagement

▪ FY 2018 net income reflects investments in new product introductions, positioning the company for accelerated earnings in FY2019

16

ReposiTrak

Solid Balance Sheet and 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	
	9/30/2018	**6/30/2018**
Cash	$16,451,196	$14,892,439
Total Debt	$4,964,012	$5,010,555
Preferred Stock (Series B and Series B-1)	$8,377,770	$8,377,770
Cash Provided by Operations (TTM)	$2,730,761	$2,179,486

ReposiTrak

Executive Leadership Team

Name		Experience
Randy Fields	Chairman & CEO	Co-founder Mrs. Fields Cookies, Co-founder Captiva Software
Todd Mitchell	CFO	Former Wall Street research analyst covering media and technology companies. Former Brean Capital LLC Director of Research.
Ed Clissold	General Counsel	Previously served as General Counsel for Mrs. Fields' Cookies and was also in private practice
Robert Allen	Director	Former CEO of Tucson/Lehigh Dairies and EVP of Borden, Inc.
Austin Noll	Director	Consumer packaged goods consultant. Former executive at General Foods, Borden, and Nabisco
Rich Juliano	Director	Grocery retailer consultant. Former executive at SUPERVALU, Giant Eagle, and others
Bill Kies	Director	Principal of Kies Consulting, specializing in the supermarket industry. Former COO of IGA, Inc.
Ronald Hodge	Director	Former CEO of Delhaize America and former CEO of Hannaford Bros. Co.

ReposiTrak

Investment Highlights

Park City Group owns and operates ReposiTrak, 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 supply chain efficiencies.

Recognized leader servicing the largest industry in the world, translates to a **$2B+ TOTAL ADDRESSIBLE MARKET** for our products and services

We are **EXCLUSIVELY ENDORSED BY MAJOR TRADE ASSOCIATIONS** representing in the industry we service (FMI, GMDC, ROFDA and SQF)

Already scaled with **>300K CONNECTIONS** With tens of thousands of distinct customers

Compliance and Supply Chain provide a **HIGHLY VISIBLE RECURRING REVENUE MODEL** while MarketPlace has the potential to accelerate growth

MANDATED USE MODEL and *EXCEEDINGLY LOW CHURN* translates to low customer acquisition costs and high operating margins

STRONG BALANCE SHEET with more than $16M in cash 10% Debt to Total Capital at September 30, 2018

PARK CITY
G R O U P
Sell More - Stock Less - See Everything

Nasdaq: PCYG

www.parkcitygroup.com

For more information:

Investor Relations
435-645-2216
investor-relations@parkcitygroup.com

INVESTMENT DATA
(NASDAQ: PCYG)
Headquarters: Salt Lake City, UT

Recent Stock Price: (11/8/18):	**$8.26**
52 week range:	**$6.75 - $11.75**
Diluted Shares Outstanding:	**20.4M**
Market Capitalization:	**$168.5M**
Insider Ownership:	**~33%**

Thank You

ReposiTrak

Appendix

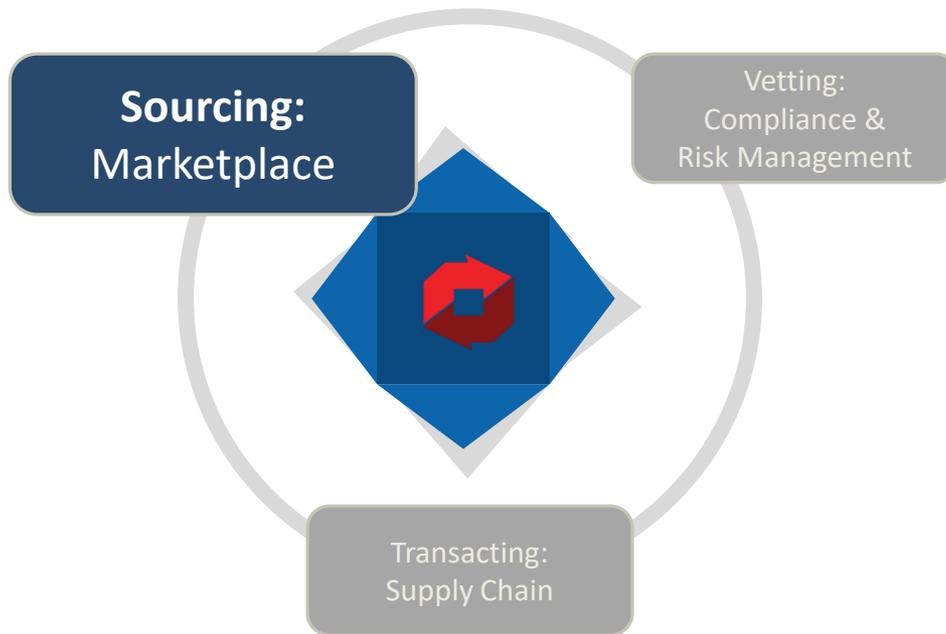ReposiTrak

Sourcing: MarketPlace

*Provides retailers and wholesalers with efficient, cost-effective way to **FIND, CONNECT and TRANSACT** with vendors to **improve product assortment, costs and compliance.***

Sourcing:
Marketplace

Vetting:
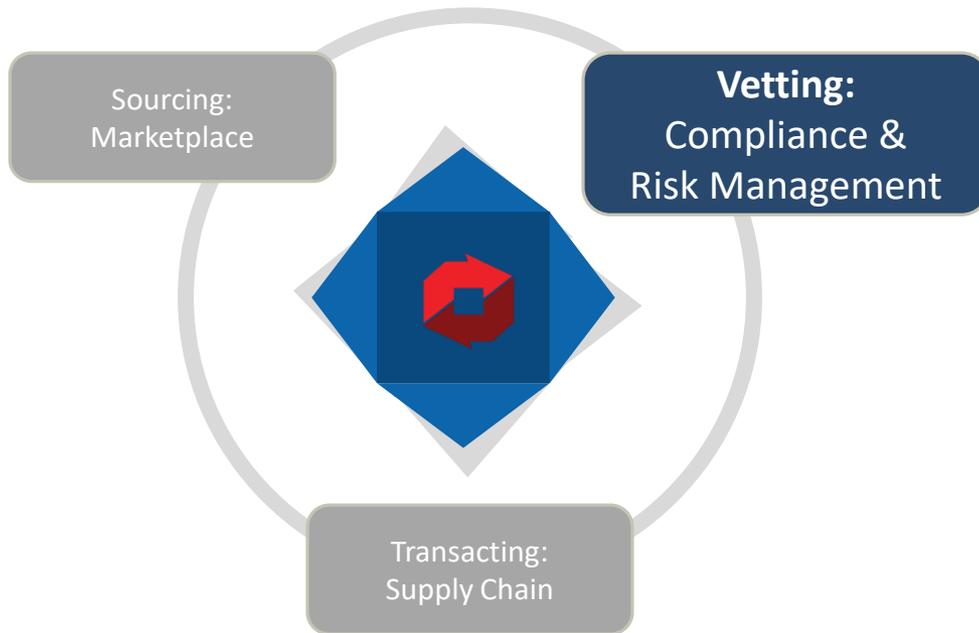Compliance &
Risk Management

Transacting:
Supply Chain

- **Discover, sample, vet, onboard and order from new suppliers**
  - Search, sample, vet and order products
  - Private digital catalogs
  - MarketPlace store ordering
    - HQ buyer event I Catalog oversight
    - Authorized ordering by area or store
  - Turnkey sourcing solutions
    - Concierge services
    - EZ vendor
  - Automated onboarding

Fuels the scale** of our network and **deepens the scope of engagements** by changing the sales dynamic from **mandate to desire.

ReposiTrak

Vetting: Compliance & Risk Management

Compliance Management Drives the <u>SCALE</u> of Our Network

Sourcing: Marketplace

Vetting: Compliance & Risk Management

Transacting: Supply Chain

- **Reduce financial, brand and regulatory risk with the industry's preferred solution**
  - Active management
  - One minute compliance check
  - FSMA compliance
  - Prop 65 compliance
  - Reports and analytics
  - Track and trace
  - Automated document review
  - Expiration alerts
  - Item level compliance
  - Audit optimization
  - Red carpet onboarding
  - New! Global document sharing

Industry endorsements and a mandated use model allow us to establish a connection with potentially <u>EVERY</u> supplier that services a retailer in the U.S. Food and Consumer Products supply chain.

ReposiTrak

Transacting: Supply Chain

Increases the <u>SCOPE</u> of Our Customer Engagement

Sourcing:
Marketplace

Vetting:
Compliance &
Risk Management

Transacting:
Supply Chain
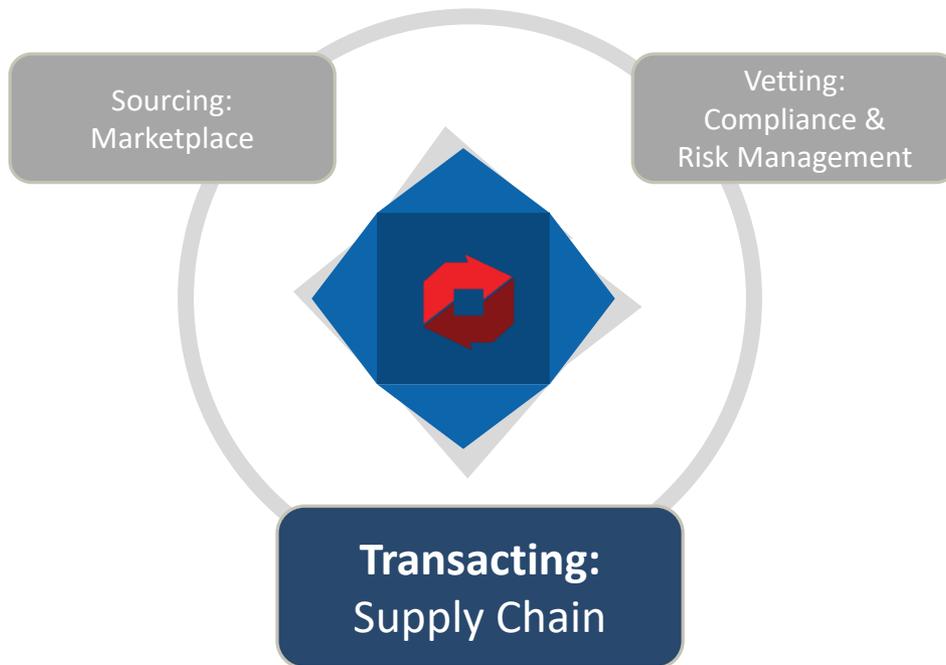
- **B2B advanced commerce solutions to Sell More, Stock Less, See Everything**
  - Item and price management
    - Margin price control
  - Scan-based trading (SBT)
  - DSD Visibility and strategic analysis
  - Automated ordering
    - Demand planning
    - Store-level ordering & replenishment
    - Vendor managed inventory (VMI)
    - DC procurement
  - Delivery-based training
  - Fresh item management

Enables customers to reduce cost of exchanging data, improve accuracy, lower inventory levels and increase sales AND leverages our network to increase our revenue per connection.

ReposiTrak

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."

FMI | THE VOICE OF FOOD RETAIL

"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."

ROFDA Retailer Owned Food Distributors & Associates

"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."

SQF

"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."

GMDC