



Corporate Development Case Study



“Valitas was instrumental in Solvera's transformation. They worked as an integral part of our senior management team to drive our strategy while maintaining an agile footing.”

- Jim Ostertag, Co-CEO

9.2⁽¹⁾

MEET SOLVERA

Solvera Solutions (“Solvera”) is a leading Canadian provider of IT-enabled business solutions, delivering innovation and value to every client

- They have achieved high growth through a diverse portfolio of strategic solutions and managed services
- Having received a Strategic Assessment and Plan from Valitas, the partners requested Valitas' support in executing the financings, acquisition program, and other strategic aspects of the plan

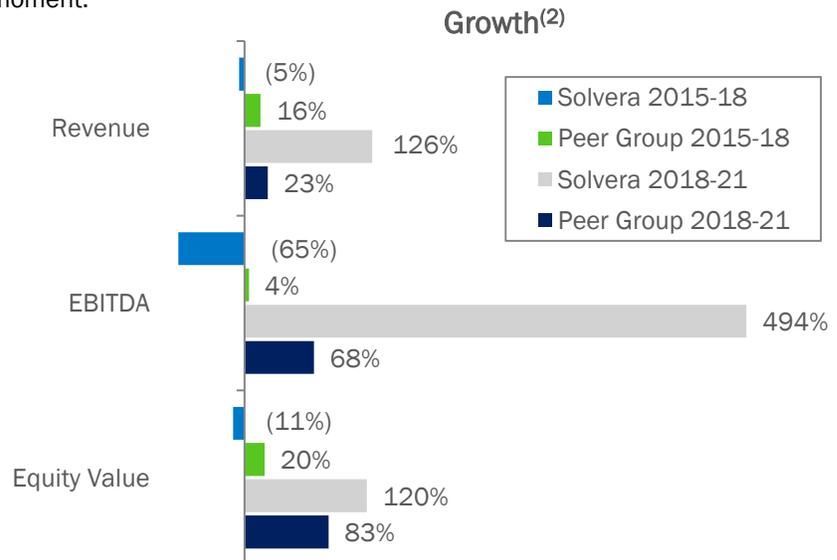
Equity Value Progression

Valitas Involvement



BENDING THE CURVE

Solvera's resolve to focus on value creation at the end of 2018 was a pivotal moment:



BRINGING IT ALL TOGETHER

- Valitas is providing ongoing strategic, financing, and acquisition program support to Solvera
- Valitas has also arranged four credit facilities to fund growth
- Growth companies can experience a virtuous financing cycle. Growth requires financing and as growth is delivered, it unlocks more financing capacity
- Managing this balancing act requires maintaining enough dry powder so that growth is not constrained
- Maintaining this flexibility requires careful sequencing

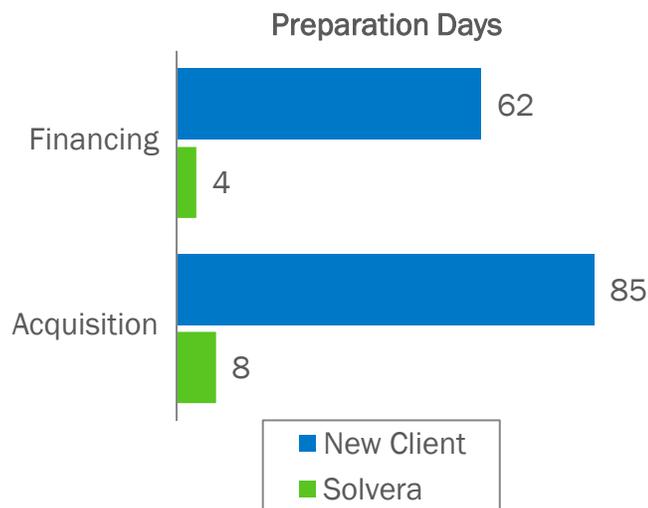
As of mid-2021, Valitas has researched more than 500 acquisition targets, approached 37 of them, facilitating strategic dialogue with the owners of 54% of these companies

1. Valitas' Average Promoter Score based on client surveys. Valitas' Net Promoter Survey asks clients "How likely is it that you would recommend Valitas to a friend or colleague?", with 0 representing not at all likely and 10 being extremely likely. A rating of 6 or less represents a Detractor, 7 to 8 a Passive, and 9 or greater a Promoter. The [Net Promoter Score](#) ("NPS") is calculated by subtracting the percentage of Detractors from the percentage of Promoters, with the NPS ranging from -100 to 100.

2. This composite is comprised of 5 public companies selected by Valitas as most comparable to Solvera based on the industry classifications: Accenture, CGI, CACI International, Kforce, and Computer Task Group.

MAINTAINING STRATEGIC READINESS

- Valitas continually recalibrated the financial model to maximize forecasting accuracy by updating for actual results and reflecting balance sheet changes
 - This provided a 60-month view of credit availability and bank covenant headroom so we could anticipate future financing needs, ensuring the strategy isn't hindered by lack of capital
- Valitas provided extensive support through the global pandemic to ensure minimal disruption
- Valitas facilitated standing weekly calls with senior team to ensure focus and progress
- Having at hand a sophisticated financial model and a professional presentation clearly articulating Solvera's strategy established gravitas with acquisition targets and financing sources
- This also enabled Solvera to launch financing and acquisition processes in days instead of months



ACQUISITION PROGRAM

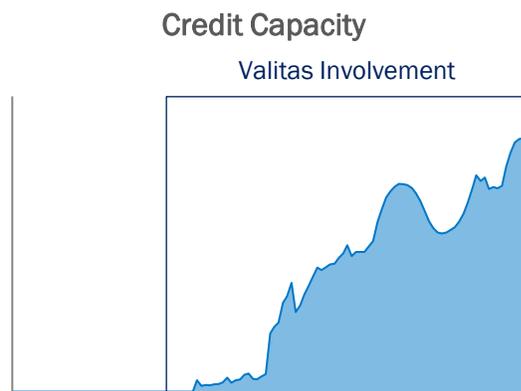
- To date, Valitas has:
 - Researched 504 potential acquisition targets,
 - Approached 37 of them, and
 - Facilitated strategic dialogue with 54% of those approached
- Valitas developed an acquisition target scoring system with the senior management team to ensure strong strategic fit and focus on the most desirable targets
- At times, Valitas maintained strategic dialogue with more than 5 targets at the same time
 - Sequencing and prioritization were required



FINANCING THE VALUE CREATION PLAN

Over the first 18 months of its mandate, Valitas arranged four financings for Solvera:

Year	Description	% of 2018 Enterprise Value
2019	Operating Line	14.9%
2019	Acquisition Facility (Undrawn)	14.9%
2020	Senior Contract Facility	44.6%
2020	Mezzanine Financing	13.9%
Total to Date		88.3%



“Valitas is providing ongoing strategic and financing support to Solvera, including arranging an undrawn acquisition financing facility to secure “dry powder” to fund the acquisitions and arranging separate credit facilities to fund our dramatic growth.”

- Reg Robinson, Co-CEO