



ACQUISITION OF DATUM

Adding a Digital Transformation Leader with High-Value Insurance-Focused Proprietary Solutions to Alithya's Strategic Offering

June 1, 2022

Alithya*

IMPORTANT DATES

- > **June 1, 2022:** Alithya announced that it has entered into a binding agreement to acquire US-based Datum Consulting Group
- > The closing of the transaction is expected to take place on **July 1, 2022**, and is subject to customary conditions for a transaction of this nature, including approval from the Toronto Stock Exchange.

PRESENTERS



PAUL
RAYMOND

**PRESIDENT AND CHIEF
EXECUTIVE OFFICER**



CLAUDE
THIBAUT

**CHIEF FINANCIAL
OFFICER**

FORWARD LOOKING STATEMENTS AND NON-IFRS MEASURES

Certain statements contained herein may constitute “forward-looking information” within the meaning of applicable Canadian securities laws and “forward looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other applicable U.S. safe harbours (collectively “forward looking statements”). These statements may include, without limitation, estimates, plans, expectations, opinions, forecasts, projections or other statements regarding the future growth, results of operations, performance and business prospects of Alithya that do not exclusively relate to historical facts or which refer to the characterizations of future events or circumstances, including information or statements regarding our ability to generate sufficient earnings to support our operations, our ability to develop new business, broaden the scope of our service offerings and enter into new contracts, our strategy, future operations, and prospects, our expectations regarding our financial performance, and statements with respect to the anticipated benefits of the transaction.

Although management believes the expectations reflected in Alithya's forward-looking statements were reasonable as at the date they were made, forward looking statements are based on the opinions, assumptions and estimates of management and, as such, are subject to a variety of risks and uncertainties and other factors, many of which are beyond Alithya's control, and which could cause actual events or results to differ materially from those expressed or implied in such statements. Such risks and uncertainties include, but are not limited to, the possible failure to realize anticipated benefits of the transaction, including potential synergies, the integration of Datum Consulting Group's business, the loss of certain key personnel and clients of Datum Consulting Group's, potential undisclosed costs or liabilities associated with the transaction and other risks and uncertainties and other risks discussed in Alithya's Management's Discussion and Analysis (“MD&A”) for the quarter ended December 31, 2021 and MD&A for the year ended March 31, 2021 as well as in other materials made public, including documents filed with Canadian and U.S. securities regulatory authorities from time to time and which are available on SEDAR at www.sedar.com and EDGAR at www.sec.gov. Forward-looking statements contained herein are expressly qualified in their entirety by these cautionary statements and are made only as of the date of Alithya's MD&A for the quarter ended December 31, 2021. Alithya expressly disclaims any obligation to update or revise any forward-looking statements, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional risks and uncertainties not currently known to Alithya or that Alithya currently deems to be immaterial could also have a material adverse effect on its financial position, financial performance, cash flows, business or reputation. Investors are cautioned not to place undue reliance on forward-looking statements since actual results may vary materially from them.

Certain measures disclosed herein have also not been prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Please refer to Alithya's MD&A for the quarter ended December 31, 2021 and MD&A for the year ended March 31, 2021 for further details.

All amounts are in Canadian dollars unless otherwise indicated.

DATUM AT A GLANCE

DATUM IS A LEADER IN DIGITAL TRANSFORMATION SERVICES FOR DATA-RICH INSURERS AND OTHER REGULATED ENTITIES SUCH AS STATE GOVERNMENTS

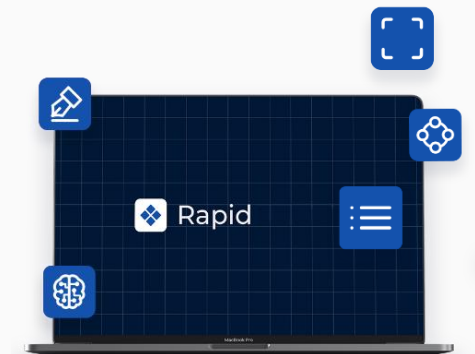
Specializes in “unstructured” data with an emphasis on leading-edge software and services focused on information capture, content management and application, as well as rules modernization

6 of top 10 U.S. health insurers currently served

90%+ of revenues derived from insurers

40%+ of recurring revenues from proprietary cloud-based SaaS and software solutions

Over 150 employees globally



> Gold Level ECM and BPM Specialty Partner of IBM with a worldwide collection of case management professionals



> Datum's experience includes PEGA 6 and PEGA 7 platform products, and PEGA frameworks such as IIF, CPM, CPMHC, CPMI and Smart Disputes

TRANSACTION RATIONALE

LEADER IN DIGITAL TRANSFORMATION SERVICES FOR INSURERS & OTHER REGULATED ENTITIES

- > Deep insurance industry expertise with strong understanding of business processes
- > Platform competencies and proprietary software solutions in support of insurers' digital transformations
- > Services the world's foremost insurers, including 6 of the top 10 U.S. health insurers

STRONG PORTFOLIO OF PROPRIETARY SOLUTIONS

- > Solutions help insurers move from a legacy environment to modern, digitally transformed environments
 - > Specializes in "unstructured" data with an emphasis on leading-edge software and services
- > Opportunity to grow Alithya's IP portfolio and leverage nearshore experts for modernization projects
- > IBM Gold Level ECM and BPM Specialty Partner with PEGA 6 and PEGA 7 platform products, among others

RECURRING REVENUE BASE AND HIGH MARGIN

- > Revenues of C\$22.7 M in 2021, with >40% recurring
 - > Recurring revenues expected to increase over time given focus on higher margin proprietary cloud-based SaaS and software products
- > Close to 32% EBITDA margin, thereby enhancing Alithya's consolidated margin profile

PROMISING GROWTH PROSPECTS

- > Further broadens Alithya's presence and offering in the insurance industry following the acquisition of R3D
- > Augments presence in the U.S. and offshore delivery centers, mainly Europe and India
- > Datum customer base to provide strong entry point to cross-sell Alithya's services, and vice-versa

Note: US\$ figures converted to C\$ using a USD:CAD exchange rate of 1.26.

DATUM'S PRODUCT AND SERVICE OFFERINGS

BY COMBINING IBM AND PEGA PLATFORM CAPABILITIES ALONGSIDE ITS PROPRIETARY RAPID PRODUCTS, DATUM ENABLES ITS CLIENTS TO MODERNIZE DATA ACCESS, ORGANIZE CONTENT AND FACILITATE OPERATIONAL IMPROVEMENTS

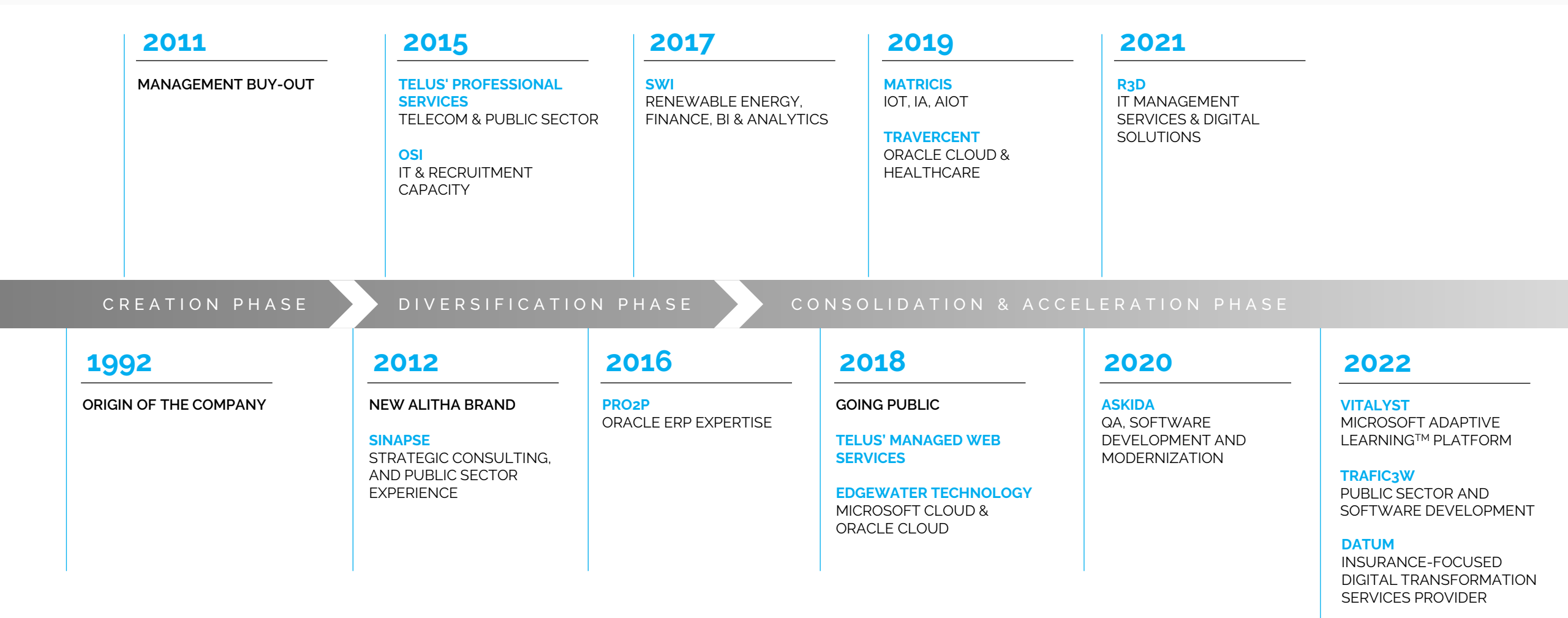
Categories	Description
Capture <ul style="list-style-type: none">▪ RapidCAPTURE▪ RapidCOGNITIVE▪ RapidMEDICAL	<ul style="list-style-type: none">> Products and services for the intelligent ingestion and structuring of data> Focused on the product suite of RapidCAPTURE which utilizes artificial intelligence and machine learning
Content <ul style="list-style-type: none">▪ RapidCASEMANAGER▪ RapidRENDER▪ RapidCONTENT SERVICES▪ RapidCRAWLER▪ RapidCMT	<ul style="list-style-type: none">> Leveraging digital ready data repositories by using innovative processes and methodologies to increase value> Organization and storage of customer data and documents> Datum's content solutions involve both the implementation of IBM's FileNet Content Manager and leveraging its RAPID suite of products
Modernization <ul style="list-style-type: none">▪ RapidSUITE▪ RapidRPA	<ul style="list-style-type: none">> Migration away from a customer's legacy applications and business rules towards a new platform

TRANSACTION SUMMARY

<p>PURCHASE PRICE</p>	<ul style="list-style-type: none"> > Base purchase price of US\$32.5 M (C\$41.1 M) (including estimated IFRS 16 lease liabilities of US\$0.5 M) <ul style="list-style-type: none"> > 5.4x EV/2021E (31-Dec-2021) Adjusted EBITDA of US\$6.0 M (C\$7.6 M) > Plus up to US\$13.0 M (C\$16.4 M) in potential earn-outs payable annually on the next 3 anniversaries of closing, 75% cash / 25% in shares, subject to the achievement of gross profit increase targets over the next three years
<p>FINANCING</p>	<ul style="list-style-type: none"> > Upfront consideration of C\$23.0 M: <ul style="list-style-type: none"> > C\$17.3 M in cash > C\$5.1 M in shares > C\$0.6 M of estimated IFRS 16 lease liabilities assumed > Deferred consideration of C\$18.1 M, over three years <ul style="list-style-type: none"> > C13.0 M in cash > C\$5.1 M in shares, conditional on continued employment of Seller > Potential Earn-Out consideration of up to C\$16.4 M
<p>FINANCIAL IMPACT</p>	<ul style="list-style-type: none"> > Transaction immediately accretive upon closing > Pro forma the acquisition Alithya would have generated over C\$470 M in revenue during the TTM period ended Dec. 31, 2021 > Closing cash consideration expected to be financed via a C\$2.5 M add-on to Investissement Québec's subordinated unsecured loan, and the remainder via Alithya's C\$125 M revolving credit facility <ul style="list-style-type: none"> > Strong pro forma free cash flow profile expected to translate into rapid deleveraging
<p>INTEGRATION</p>	<ul style="list-style-type: none"> > Datum to be operated initially as a new standalone business within Alithya > U.S. to represent ~40% of Alithya's pro forma LTM revenues (as of December 31, 2021) > Strong cross-selling potential across Datum and Alithya's customer base

(1) This is a non-IFRS financial measure. Please refer to the "Non-IFRS Measures" section in Alithya's MD&A for the relevant reference period for a description of such measure and a reconciliation to the closest IFRS measure.
 Note: All figures are in C\$ millions, unless noted otherwise; US\$ figures converted to C\$ using a USD:CAD exchange rate of 1.26.

OUR ACQUISITIONS ARE CATALYSTS FOR ORGANIC GROWTH





ACQUISITION OF DATUM

QUESTIONS

Alithya 