

510 MADISON AVENUE
8TH FLOOR
NEW YORK, NY 10022
212-561-1170
BRIDGEGROWTHPARTNERS.COM



GovernmentCIO, a Welsh, Carson, Anderson & Stowe Company, to Acquire Salient CRGT from Bridge Growth Partners and Frontenac

Combination Will Create a Highly Differentiated and Scaled Enterprise IT Platform with over 2,200 Employees and \$700 Million of Revenue

July 8, 2021 /PRNewswire/ -- GovernmentCIO ("GovCIO"), a leading provider of high-end technology and digital solutions to the federal health IT services market that is backed by Welsh, Carson, Anderson & Stowe ("WCAS"), today announced it has agreed to acquire Salient CRGT ("SCRGT"), a leading provider of data analytics, cloud, agile software development, cybersecurity, and infrastructure solutions to U.S. national security, federal civilian, and federal health agencies, from Bridge Growth Partners and Frontenac.

The combination of GovCIO and SCRGT will bring together two premier, complementary providers of government IT solutions to form a diversified, best-in-class platform well-positioned to meet the evolving needs and priorities of government customers. Jim Brabston, GovCIO's CEO, will lead the combined company. Tom Ferrando, SCRGT's CEO, will join the board of directors and long-time industry veteran Phil Nolan will become chairman of the combined company, which will be named GovernmentCIO, following the close of the transaction. The combined company will have more than 2,200 employees and revenues of approximately \$700 million in 2021.

"We're thrilled to partner with SCRGT and its outstanding team, who share our commitment to delivering high-value solutions that make positive impacts on missions and lives," said Brabston. "SCRGT's highly differentiated ability to deliver innovative solutions and strong customer relationships have fueled its success to-date, positioning it as a clear market leader. Together, we are confident that we have the scale and additional capabilities to deliver even greater value to a broader set of federal customers. We are delighted to partner with SCRGT's leadership team and employees moving forward."

"We're excited to join forces with GovernmentCIO as we have a strong cultural and strategic fit with each other and the combination will take our company to the next level as part of a premier, scaled platform," Ferrando said. "Over the past few years, we have attracted and retained some of the best talent in the industry and have also successfully executed multiple organic growth initiatives and transformative acquisitions. We leveraged Bridge Growth and Frontenac's deep industry relationships, knowledge and expertise to become a leading player in the government IT space. We are highly confident that the strong combination with GovernmentCIO will propel our combined businesses even further as we help serve the nation."

Phil Nolan, chairman of the SCRGT Board, said, "This transaction is a strong validation of SCRGT's business-building strategy and market positioning. I have long known and greatly admire

GovernmentCIO and its leadership team are confident that the combination of our complementary teams and deep network of long-term relationships will enable us to capitalize on the many growth opportunities ahead as a stronger, unified company."

Mike Donovan, head of Technology and general partner at WCAS, said, "The addition of SCRGT to the GovernmentCIO platform marks an exciting new chapter for the company and aligns with Welsh Carson's goal to rapidly grow the company through a focused acquisition strategy. We've been impressed by SCRGT's growth in recent years, as well as its key talent, innovative solutions and deep commitment to its customers. We are excited to support the combined company as it embarks on its next stage of growth."

"We are incredibly proud to have partnered with both Tom and Phil during a period of transformative growth for SCRGT," said Alok Singh, CEO of Bridge Growth Partners. "At Bridge Growth, we partner with management teams to build more valuable and strategically relevant businesses and today's announcement is a testament to the strength of this approach. We are particularly gratified by the excellent opportunity that this transaction presents for the SCRGT team going forward."

Walter Florence, Managing Partner at Frontenac, commented, "We have been fortunate to have been investors in the federal IT services market dating back to the late 1990s. We have seen a lot of change in this market over time. The one constant has been the importance of management and leadership. Phil, Tom and the entire management team at SCRGT have delivered at every step. We have great conviction that the combination of talent and capabilities between SCRGT with GovCIO will result in accelerated growth and we look forward to seeing all that the two companies accomplish together."

The transaction is expected to close in 2021's third quarter, subject to regulatory approvals and other customary closing conditions.

GovernmentCIO and WCAS are being represented by DC Advisory as financial advisor and Kirkland & Ellis LLP as legal counsel. SalientCRGT is being represented by Robert W. Baird & Co. and Guggenheim Securities, LLC as financial advisors and Kirkland & Ellis LLP and Willkie, Farr & Gallagher LLP.

About GovernmentCIO

GovernmentCIO is a rapidly growing provider of advanced technology solutions and digital services to the federal government. In the 11 years since its founding, GovCIO has become a leading prime contractor supporting the mission of federal health agencies, including the Department of Veterans Affairs, the Department of Health and Human Services, Internal Revenue Service and the Department of Homeland Security. GovCIO's core capabilities are in agile development, digital services, DevSecOps and IT modernization.

About Salient CRGT

Salient CRGT's diverse, hard-working team provides a wide range of technology and mission support services to U.S. federal government agencies. We've earned the unwavering trust of our customers, who cite our deep expertise, exceptionally responsive approach, and high-value solutions for consistently ensuring their success. Founded in 1998, Salient CRGT is a privately held company headquartered in Fairfax, VA. Visit our newsroom and explore www.salientcrgt.com.

About Bridge Growth Partners

Bridge Growth Partners, LLC is a private equity firm that targets investments in the technology and technology-enabled services sectors. Bridge Growth Partners brings together in one team premier investment, financial, strategic, and operating business building talent. The firm is committed to relationship-based investing, with a focus on supporting growth, operational excellence and world-class governance at its portfolio companies to create value for investors. For more information about Bridge Growth Partners, please visit <http://www.bridgegrowthpartners.com/>.

About Frontenac

Frontenac is a Chicago-based private equity firm. The firm focuses on investing in lower middle market buyout transactions in the consumer, industrial, and services industries. Frontenac works in partnership with established operating leaders, through an executive-centric approach called CEO1ST, which seeks to identify, acquire, and build market-leading companies through transformational acquisitions and operational excellence. Over the last 50 years, Frontenac has built a leading franchise working with over 275 owners of mid-sized businesses as they address complex transition issues of liquidity, management enhancement, and growth planning. For more information, please visit www.frontenac.com.

About Welsh, Carson, Anderson & Stowe

WCAS is a leading U.S. private equity firm focused on two target industries: technology and healthcare. Since its founding in 1979, the firm's strategy has been to partner with outstanding management teams and build value for its investors through a combination of operational improvements, growth initiatives and strategic acquisitions. WCAS has deep experience in acquiring founder-led businesses and corporate carve-outs. The firm has raised and managed funds totaling over \$27 billion of committed capital.

MEDIA CONTACTS

GovernmentCIO
Michael Hoffman
mhoffman@governmentcio.com

Salient CRGT
Monica Rippe
Monica.rippe@salientcrgt.com

Bridge Growth Partners
Sard Verbinnen & Co
Brooke Gordon / Kevin Siegel
BridgeGrowth-SVC@sardverb.com

Frontenac
Teri Tadros, Director of Development
ttadros@frontenac.com

Welsh, Carson, Anderson & Stowe
Greg Lau, General Partner

212-893-9586
glau@wcas.com

Jonathan Rather, General Partner
212-893-9570
jrather@wcas.com