# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

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# FORM 40-F

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☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☒ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended March 31, 2022

Commission file number 001-38705

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# ALITHYA GROUP INC.
**(Translation of Registrant's name into English)**

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**Québec, Canada**
*(Province or other jurisdiction of incorporation or organization)*

**7370**
*(Primary Standard Industrial Classification Code Number)*

**N/A**
*(I.R.S. Employer Identification Number)*

**1100, Robert-Bourassa Boulevard, Suite 400**
**Montréal, Québec, Canada H3B 3A5**
**+1 (514) 285-5552**
*(Address and telephone number of principal executive offices)*

**CT Corporation System**
**28, Liberty Street**
**New York, New York, USA 10005**
**+1 (212) 590-9200**
*(Name, address and telephone number of agent for service in the United States)*

Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of each class: | Trading symbol: | Name of each exchange on which registered: |
|---|---|---|
| **Class A subordinate voting shares** | **ALYA** | **The Nasdaq Stock Market LLC** |

Securities registered or to be registered to Section 12(g) of the Act:

**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**

For annual report, indicate by check mark the information filed with this form:

☒ Annual Information Form ☒ Audited Annual Financial Statement

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

**85,554,000 Class A subordinate voting shares and 7,171,616 Class B multiple voting shares**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such report); and (2) has been subject to such filing requirements for the past 90 days:

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit such files):

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act:

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards† provided pursuant to Section 13(a) of the Exchange Act: ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☐

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## EXPLANATORY NOTE

Alithya Group inc. ("**Alithya**", the "**Company**" or the "**Registrant**") is a Canadian issuer eligible to prepare and file this annual report on Form 40-F (collectively with the exhibits filed herein, the "**Annual Report**") pursuant to Section 13 of the *Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"). The Registrant is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the *Securities Act of 1933*, as amended. Accordingly, equity securities of the Registrant are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 thereunder.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report contains statements that 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**"). Statements that do not exclusively relate to historical facts, as well as statements relating to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and other information related to the Company's business strategy and future plans or which refer to the characterizations of future events or circumstances represent forward-looking statements. Such statements often contain the words "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should," "project," "target," and similar expressions and variations thereof, although not all forward-looking statements contain these identifying words.

Forward-looking statements are presented for the sole purpose of assisting investors and others in understanding the Company's objectives, strategies and business outlook as well as its anticipated operating environment and may not be appropriate for other purposes. Although management believes the expectations reflected in the Company'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 the Company'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 those discussed in the section titled "Risk and Uncertainties" of our Management's Discussion and Analysis for the fiscal years ended March 31, 2022 and March 31, 2021, included in and incorporated into this Annual Report as Exhibit 99.3, and in the Company's 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. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial could also have a material adverse effect on its financial position, financial performance, cash flows, business or reputation.

Forward-looking statements contained or incorporated by reference in this Annual Report are qualified by these cautionary statements. Forward-looking statements contained herein are made only as of the date of this Annual Report and those contained in other documents incorporated by reference are made only as of the date of such other documents. The Company expressly disclaims any obligation to update or alter 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. Investors are cautioned not to place undue reliance on forward-looking statements since actual results may vary materially from them.

## DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under the multijurisdictional disclosure system adopted by the United States, to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant also prepares its consolidated financial statements, which are filed with this Annual Report, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. IFRS differ in some significant respects from United States generally accepted accounting principles ("**U.S. GAAP**") and thus the Registrant's financial statements may not be comparable to financial statements of United States companies. In addition, differences may arise in subsequent periods related to changes in IFRS or U.S. GAAP or due to new transactions that the Registrant enters into. The Registrant is not required to prepare a reconciliation of its consolidated financial statements and related footnote disclosures between IFRS and U.S. GAAP and has not quantified such differences.

## PRINCIPAL DOCUMENTS

### A. Annual Information Form

The Registrant's Annual Information Form for the fiscal year ended March 31, 2022 (the "**2022 AIF**") is attached as Exhibit 99.1 to this Annual Report and incorporated herein by reference.

### B. Audited Annual Financial Statements

The Registrant's audited annual consolidated financial statements for the fiscal years ended March 31, 2022 and March 31, 2021, including the reports of independent registered public accounting firms KPMG LLP, Montréal, Canada (Auditor Firm ID: 85) and Raymond Chabot Grant Thornton LLP, Montréal, Canada (Auditor Firm ID: 1232), is attached as Exhibit 99.2 to this Annual Report and incorporated herein by reference.

### C. Management's Discussion and Analysis

The Registrant's Management's Discussion and Analysis for the fiscal years ended March 31, 2022 and March 31, 2021 (the "**2022 MD&A**") is attached as Exhibit 99.3 to this Annual Report and incorporated herein by reference.

## CONTROLS AND PROCEDURES

### A. Certifications

The certifications required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act are attached as Exhibits 99.4, 99.5, 99.6 and 99.7 to this Annual Report and incorporated herein by reference.

### B. Disclosure Control and Procedures

The information provided under the headings "Management's Evaluation of our Disclosure Controls and Procedures - Disclosure Controls and Procedures" and "Management's Evaluation of our Disclosure Controls and Procedures – Limitations on Effectiveness of Disclosure Control and Procedures and Internal Control over Financial Reporting" in the Registrant's 2022 MD&A attached as Exhibit 99.3 to this Annual Report is incorporated by reference herein.

### C. Management's Annual Report on Internal Control over Financial Reporting

The information provided under the heading "Management's Evaluation of our Disclosure Controls and Procedures - Internal Control over Financial Reporting" in the Registrant's 2022 MD&A attached as Exhibit 99.3 to this Annual Report is incorporated by reference herein.

### D. Changes in Internal Control over Financial Reporting

The information provided under the heading "Management's Evaluation of our Disclosure Controls and Procedures - Changes in Internal Control over Financial Reporting" in the Registrant's 2022 MD&A attached as Exhibit 99.3 to this Annual Report is incorporated by reference herein.

## AUDIT COMMITTEE FINANCIAL EXPERT

The Registrant's board of directors (the "**Board**") has determined that it has at least one "audit committee financial expert" (as such term is defined in item 8(a) of General Instruction B to Form 40-F) serving on its Audit and Risk Management Committee (the "**Audit Committee**"). The Board has determined that Mr. Robert Comeau is an audit committee financial expert and is independent within the meaning of applicable U.S. Securities and Exchange Commission ("**SEC**") regulations and of the corporate governance standards of the Nasdaq Stock Market ("**NASDAQ**").

Mr. Comeau is a corporate director who serves as lead director of the Registrant. Before becoming a corporate director in 2018, he acted as a consultant between 2015 and 2018, and served as Chief Financial Officer of both public and private companies, including Lumenpulse Inc., from 2012 to 2015, Aveos Fleet Performance Inc., from 2009 to 2011, and Emergis Inc., from 2005 to 2008. Mr. Comeau also held various positions over 17 years at Nortel Networks Corporation, including as Vice-President, Finance and Operations. Mr. Comeau previously served as a director and Chair of the Audit Committee of H2O Innovation Inc. from 2017 to 2021 as well as a Special Committee Member of Groupe Conseil FXInnovation Inc. from 2014 to 2017. Mr. Comeau is a former Chartered Professional Accountant (CPA, CA). He holds a Bachelor's degree in accounting from HEC Montréal.

The SEC rules indicate that the designation of Mr. Comeau as an audit committee financial expert does not make him an "expert" for any purpose, impose on him any duties, obligations or liability that are greater than the duties, obligations or liability imposed on him as a member of the Audit Committee and of the Board in absence of such designation, or affect the duties, obligations or liability of any other member of the Audit Committee or the Board.

## CODE OF ETHICS

The Registrant has adopted a code of business conduct and ethics (the "**Code**") applicable to its principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. This Code is intended to qualify as a "code of ethics" within the meaning of the applicable SEC rules. The Code is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov, as well as on the Registrant's website at https://www.alithya.com/en/who-we-are/governance. All amendments to the Code and waivers, if any, for executive officers will be disclosed on the Registrant's website. Unless specifically referred to herein, information on the Registrant's website shall not be deemed to be incorporated by reference in this Annual Report.

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG LLP (“**KPMG**”), Montréal, Canada (Auditor Firm ID: 85), acted as the Registrant’s independent registered public accounting firm for the fiscal year ended March 31, 2022 and Raymond Chabot Grant Thornton LLP (“**RCGT**”), Montréal, Canada (Auditor Firm ID: 1232), acted as the Registrant’s independent registered public accounting firm for the fiscal year ended March 31, 2021. See section “Auditors - Service Fees” in the Registrant’s 2022 AIF, which section is incorporated herein by reference, for the amounts billed to the Registrant by KPMG and RCGT for services performed in the last two fiscal years by category of service (audit fees, audit-related fees, tax fees and all other fees).

## OFF -BALANCE SHEET ARRANGEMENTS

The information provided under the heading “Off-Balance Sheet Arrangements” in the Registrant’s 2022 MD&A attached as Exhibit 99.3 is incorporated by reference herein.

## TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information provided under the heading “Contractual Obligations” in the Registrant’s 2022 MD&A attached as Exhibit 99.3 is incorporated by reference herein.

## IDENTIFICATION OF THE AUDIT COMMITTEE

The Registrant has a separately designated standing audit committee, named the Audit and Risk Management Committee, established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Audit and Risk Management Committee are Dana Ades-Landy, Robert Comeau and C. Lee Thomas.

## CORPORATE GOVERNANCE

The Registrant is a “foreign private issuer” under the Exchange Act, as amended, and its Class A subordinate shares are listed on the Toronto Stock Exchange and on NASDAQ. Pursuant to NASDAQ Stock Market Rule 5615(a)(3), the Registrant is allowed to follow its home country practice in lieu of certain NASDAQ corporate governance standards, provided that it discloses and describes the same.

A description of the significant ways in which the Registrant’s governance practices currently differ from those followed by domestic companies pursuant to the Rule 5600 series of the NASDAQ Stock Market Rules is set out below:

- **Composition of Compensation and Nomination Committees.** NASDAQ Stock Market Rules 5605(d)(2) and 5605(e)(1) provide that each member of a company’s compensation committee and nomination committee must be an independent director, as defined in NASDAQ Stock Market Rule 5605(a)(2). The Registrant follows applicable Canadian laws, which do not mandate a compensation committee or a nomination committee to be comprised entirely of independent directors. The Corporate Governance and Nominating Committee and the Human Capital and Compensation Committee of the Registrant are currently comprised of a majority of independent directors;

- **Quorum Requirements.** NASDAQ Stock Market Rule 5620(c) provides that the minimum quorum requirement for a meeting of shareholders is 33⅓% of the outstanding common voting shares. The Registrant is governed by the Business Corporations Act (Québec) which permits the Registrant to specify a quorum requirement in its by-laws. Under the Registrant’s by-laws, a quorum for the transaction of business at any meeting of shareholders is of at least two persons present in person or by proxy and representing at least 25% of the issued and outstanding shares of the Registrant carrying the right to vote at the meeting. The rules of the Toronto Stock Exchange, upon which the Registrant’s class A subordinate voting shares are also listed, do not contain specific quorum requirements; and

- **Shareholder Approval.** NASDAQ Stock Market Rule 5635(a) requires shareholder approval prior to the issuance of securities in connection with the acquisition of the stock or assets of another company in certain circumstances, including where the common stock to be issued will have voting power equal to or in excess of 20% of the voting power outstanding before the issuance, or the number of shares to be issued will be equal to or in excess of 20% of the number of shares outstanding before the issuance. The Registrant complies with the applicable requirements of the Toronto Stock Exchange, which requires shareholder approval for the issuance of securities in connection with an acquisition where the number of securities issued or issuable in payment of the purchase price for the acquisition exceeds 25% of the number of securities of the issuer which are outstanding.

## INTERACTIVE DATA FILE

The Registrant is submitting its Interactive Data File as Exhibit 101 to this Annual Report.

## DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

## UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities. The Registrant has previously filed with the SEC a Form F-X in connection with the class of securities in relation to which the obligation to file this annual report on Form 40-F arises.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

**ALITHYA GROUP INC.**

/s/ Nathalie Forcier

Name: Nathalie Forcier

Title: Chief Legal Officer

Date: June 17, 2022

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## EXHIBIT INDEX

| | |
|---|---|
| 99.1 | Annual Information Form for the fiscal year ended March 31, 2022 |
| 99.2 | Audited Annual Consolidated Financial Statements for the fiscal years ended March 31, 2022 and March 31, 2021 |
| 99.3 | Management's Discussion and Analysis of Financial Position and Results of Operations for the fiscal years ended March 31, 2022 and March 31, 2021 |
| 99.4 | Certification of the Registrant's Chief Executive Officer required pursuant to Rule 13a-14(a) |
| 99.5 | Certification of the Registrant's Chief Financial Officer required pursuant to Rule 13a-14(a) |
| 99.6 | Certification of the Registrant's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.7 | Certification of the Registrant's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.8 | Consent of KPMG LLP |
| 99.9 | Consent of Raymond Chabot Grant Thornton LLP |
| 101.1 | Interactive Data File |
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**Exhibit 99.1**

# ALITHYA GROUP INC.

## Annual Information Form for the year ended March 31, 2022

June 16, 2022

Alithya

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# GENERAL INFORMATION

This Annual Information Form is dated June 16, 2022 and, unless otherwise indicated, all information disclosed herein is provided as at March 31, 2022.

Unless otherwise indicated, all references in this Annual Information Form to "Alithya", "we", "our", "us", "the Company" or similar terms refer to Alithya Group inc. and its consolidated subsidiaries and references to the "Board" refers to the board of directors of the Company. Unless otherwise indicated, all monetary amounts are in Canadian dollars, all references to "$", "C$" and "dollars" mean Canadian dollars and all references to "US$" mean U.S. dollars.

References to the "Edgewater Transaction" refer to, collectively, on November 1, 2018, (i) the Company's acquisition of Alithya Canada Inc. (formerly Alithya Group Inc.) ("Pre-IPO Alithya"), by way of a statutory plan of arrangement under the Business Corporations Act (Québec), and (ii) the merger of 9374-8572 Delaware Inc., a wholly-owned subsidiary of the Company, with and into Alithya USA, Inc. (formerly Edgewater Technology, Inc.) ("Edgewater"), a Delaware corporation, with Edgewater being the surviving corporation. As a result of the Edgewater Transaction, both Pre-IPO Alithya and Edgewater became wholly-owned subsidiaries of Alithya.

References to the "subordinate voting shares" and the "multiple voting shares" refer to the Class A subordinate voting shares, no par value, and the Class B multiple voting shares, no par value, of Alithya, respectively.

# FORWARD-LOOKING STATEMENTS

This Annual Information Form contains statements that 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"). Statements that do not exclusively relate to historical facts, as well as statements relating to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and other information related to the Company's business strategy and future plans or which refer to the characterizations of future events or circumstances represent forward-looking statements. Such statements often contain the words "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should," "project," "target," and similar expressions and variations thereof, although not all forward-looking statements contain these identifying words.

Forward-looking statements in this Annual Information Form include, among other things, information or statements about: (i) the Company's ability to generate sufficient earnings to support its operations; (ii) the Company's ability to take advantage of business opportunities and meet its goals set in its three-year strategic plan; (iii) the Company's ability to develop new business and broaden the scope of its service offerings and enter into new contracts; (iv) the Company's strategy, future operations, and prospects; (v) the Company's need for additional financing and its estimates regarding its future financing and capital requirements; (vi) the Company's expectations regarding its financial performance, including its revenues, profitability, research and development, costs and expenses, gross margins, liquidity, capital resources, and capital expenditures; (vii) the Company's ability to realize the expected synergies or cost savings relating to the integration of its business acquisitions; and (viii) the impact of the COVID-19 pandemic and related response measures on the Company's business operations, financial results and financial position and those of its clients and on the economy in general.

Forward-looking statements are presented for the sole purpose of assisting investors and others in understanding the Company's objectives, strategies and business outlook as well as its anticipated operating environment and may not be appropriate for other purposes. Although management believes the expectations reflected in the Company'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 the Company'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 factors discussed under the section titled "Risks and Uncertainties" of the Company's management's discussion and analysis for the fiscal years ended March 31, 2022 and 2021, incorporated by reference into this Annual Information Form under the section titled "Risks and Uncertainties", and the Company's 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. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial could also have a material adverse effect on its financial position, financial performance, cash flows, business or reputation.

Forward-looking statements contained or incorporated by reference in this Annual Information Form are qualified by these cautionary statements. Unless otherwise indicated, forward-looking statements contained herein are made only as of the date of this Annual Information Form and those contained in other documents incorporated by reference are made only as of the date of such other documents. The Company expressly disclaims any obligation to update or alter 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. Investors are cautioned not to place undue reliance on forward looking statements since actual results may vary materially from them.

# CORPORATE STRUCTURE

## Name, Address and Incorporation

Alithya Group inc. (formerly 9374-8572 Québec Inc.) was incorporated on March 8, 2018 under the Business Corporations Act (Québec) (the "QBCA"). The Company was created for the purpose of the business combination between Alithya Canada Inc. (formerly Alithya Group Inc.) ("Pre-IPO Alithya"), incorporated on April 2, 1992 under the Companies Act (Québec), Alithya USA, Inc. (formerly Edgewater Technology, Inc.) ("Edgewater"), a corporation incorporated on March 12, 1996 under the laws of Delaware and previously listed on the NASDAQ Global Market, and 9374-8572 Delaware Inc. ("U.S. Merger Sub"), a corporation governed under the laws of Delaware and a wholly-owned subsidiary of the Company.

On March 15, 2018, the Company, Pre-IPO Alithya, Edgewater, and U.S. Merger Sub entered into an arrangement agreement, which was amended on September 10, 2018 and October 17, 2018 (the "Arrangement Agreement"). On November 1, 2018, and pursuant to the terms of the Arrangement Agreement, among other things, (i) the Company acquired Pre-IPO Alithya, by way of a statutory plan of arrangement under the QBCA (the "Arrangement"), and (ii) U.S. Merger Sub merged with and into Edgewater, with Edgewater being the surviving corporation (the "Merger"). The Arrangement and the Merger are collectively referred to herein as the "Edgewater Transaction". Following completion of the Edgewater Transaction, shareholders of Pre-IPO Alithya and Edgewater became shareholders of the Company, and each of Pre-IPO Alithya and Edgewater became wholly owned subsidiaries of the Company. On November 2, 2018, the Company's subordinate voting shares commenced trading on the Toronto Stock Exchange ("TSX") and on the NASDAQ Capital Market ("NASDAQ") under the symbol "ALYA."

Alithya's head and registered office is located at 1100, Robert-Bourassa Boulevard, Suite 400, Montréal, Québec, Canada, H3B 3A5.

## Intercorporate Relationships

Below is the list of the Company's principal subsidiaries as at March 31, 2022, each of which is directly or indirectly wholly-owned by it. Certain subsidiaries whose total assets did not represent more than 10% of the Company's consolidated assets or whose revenues did not represent more than 10% of the Company's consolidated revenues as at March 31, 2022, based on the Company's annual audited consolidated financial statements, have been omitted. These omitted subsidiaries represented as a group less than 20% of the consolidated assets and revenues of the Company as at March 31, 2022.

| ENTITY | JURISDICTION | PERCENTAGE OWNERSHIP |
|---|---|---|
| Alithya Canada Inc. | Québec, Canada | 100% |
| Alithya Consulting Inc. | Québec, Canada | 100% |
| Alithya Digital Technology Corporation | Ontario, Canada | 100% |
| Alithya Financial Solutions, Inc. | Delaware, USA | 100% |
| Alithya France SAS | France | 100% |
| Alithya Fullscope Solutions, Inc. | Delaware, USA | 100% |
| Alithya Numérique Maroc SARLAU | Morocco | 100% |
| Alithya Ranzal LLC | Delaware, USA | 100% |
| Alithya USA, Inc. | Delaware, USA | 100% |
| Vitalyst, LLC | Delaware, USA | 100% |

# GENERAL DEVELOPMENT OF THE BUSINESS

## Recently Announced Developments

On June 1, 2022, the Company entered into a binding agreement to acquire, through Alithya USA, Inc. and 9466-6997 Québec inc., two wholly-owned subsidiaries, all the issued and outstanding equity interests of Datum Consulting Group, LLC and its affiliates (the "Datum Group"), a leader in IP digital transformation services for data rich insurers and other regulated entities such as state governments and which specializes in application modernisation and data migration, for a purchase price of US$45.5 million, including estimated IFRS 16 lease liabilities of US$0.5 million. Subject to the conditions and adjustments set out in the purchase agreement, the purchase price consists of the following (i) an upfront cash consideration of approximately US$13.7 million; (ii) an upfront consideration of US$4.0 million payable by the issuance of 1,867,262 subordinate voting shares, (iii) deferred cash consideration of approximately US$10.3 million and deferred share consideration of US$4.0 million, both payable over three years, and (iv) potential earnout payments of up to US$13 million, based on annual gross profit increases, also payable in cash (75%) and shares (25%) over three years.

The consideration payable in cash at closing is expected to be financed by a C$2.5 million draw on the Company's subordinate unsecured loan with Investissement Québec (the "IQ Loan"), and the remainder through available funds under the Company's amended and restated credit agreement (the "Credit Agreement") which provides for a senior secured revolving credit facility (the "Credit Facility"). The closing of the acquisition 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 TSX.

## Fiscal 2022 Developments

On April 1, 2021, the Company acquired all the issued and outstanding shares of R3D Consulting Inc. ("R3D Consulting"), now known as Alithya IT Services Inc., a digital solutions firm specialized in consulting and digital application development in the insurance, finance, government services, healthcare and telecommunications sectors (the "R3D Transaction"), in consideration for the issuance of 25,182,676 subordinate voting shares to R3D Consulting's shareholders, which represented approximately 30% of the Company's issued and outstanding shares immediately following the closing of the R3D Transaction, as well as payments in cash totaling approximately $978,000. The R3D Transaction, evaluated at approximately $75 million (excluding the assumption of approximately $8.5 million in debt), included commercial commitments totalling approximately $600 million in combined revenues during the 10-year term commercial agreements entered into with Québecor Media Inc. ("Québecor") and La Capitale Civil Service Insurer Inc. (a subsidiary of Beneva Inc.) ("La Capitale"), two of R3D Consulting's indirect principal shareholders. Following the closing of the R3D Transaction, Beneva Inc. and Québecor became indirect principal shareholders of the Company, and each held, through their respective subsidiary, more than 10% of the Company's share capital as at April 1, 2021.

On September 15, 2021, the Company announced the launch of a normal course issuer bid ("NCIB") to purchase for cancellation up to 5,462,572 subordinate voting shares, representing 10% of the Company's public float as of the close of markets on September 8, 2021. Purchases for cancellation under the NCIB commenced on September 20, 2021 and will end on the earlier of September 19, 2022 and the date when the Company will have acquired the maximum number of subordinate voting shares allowable under the NCIB or otherwise decided not to make any further purchases. Purchases may be made on the open market through the facilities of the TSX and NASDAQ, or through alternative trading systems, if eligible, or outside the facilities of the TSX pursuant to exemption orders issued by securities regulatory authorities.

On each of June 30, 2021, September 28, 2021, September 30, 2021 and January 27, 2022, the Company's Credit Agreement was amended to, among others, change applicable margins, increase the maximum amount of the Credit Facility from $60 million to $125 million, and change the maturity date to April 1, 2024.

On January 31, 2022, the Company acquired all the issued and outstanding membership interests of Vitalyst, LLC ("Vitalyst"), a US-based learning, employee experience and transformative change enablement business, for a total consideration of US$50.2 million, including the assumption of the estimated IFRS 16 lease liabilities of US$3.2 million, with US$46.0 million paid in cash, subject to working capital and other adjustments, plus a potential earnout of up to US$1 million payable by May 31, 2023. The purchase price and related transaction costs were funded through a combination of (i) a private placement of 6,514,658 subordinate voting shares to a company controlled by a director and 1,628,664 subordinate voting shares to Investissement Québec, in both cases at an issue market price of C$3.07 per share, for aggregate gross proceeds of C$25 million, (ii) a C$7.5 million draw on the Company's IQ Loan, and (iii) available funds under the Credit Facility.

During the year ended March 31, 2022, the two remaining PPP Notes (as defined below) that were still under review for forgiveness as at June 9, 2021 and which amounted to US$4.8 million were forgiven by the U.S. Small Business Administration ("SBA").

During the year ended March 31, 2022, the Company purchased for cancellation 349,400 subordinate voting shares for approximately $1.2 million at a weighted average price of $3.31 under the NCIB. As at March 31, 2022, all of the 349,400 subordinate voting shares purchased for cancellation had been paid for and been cancelled. As at March 31, 2022, the Company could still purchase up to 5,113,172 subordinate voting shares for cancellation under the NCIB.

## Fiscal 2021 Developments

On May 5, 2020, as a result of the COVID-19 pandemic, certain U.S. subsidiaries of the Company received funding under the Paycheck Protection Program ("PPP") of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") administered by the SBA and entered into unsecured promissory notes (the "Notes") in the aggregate principal amount of US$6.3 million. The Notes had a term of five years at an interest rate of 1% per annum, with a deferral of payments until the date on which the applicable forgiveness would be determined, with respect to any portion of the Notes which would not be forgiven. Under the terms of the CARES Act, PPP loan recipients could apply for forgiveness for all or a portion of loans granted under the PPP, such forgiveness being determined, subject to limitations and ongoing rule making by the SBA, based on the necessity of the loan at the time of application and the timely use of loan proceeds for payroll costs and the maintenance of employee and compensation levels. During the year ended March 31, 2021, PPP loans in an aggregate amount of US$1.5 million were forgiven by the SBA for the Company's U.S. subsidiaries. As at June 9, 2021, two remaining PPP loans, which amounted to US$2.5 million and US$2.3 million respectively, were still under review for forgiveness.

On June 18, 2020, the Company's Credit Agreement was amended and restated, and further amended on March 25, 2021, to among others reflect new covenant definitions, the Paycheck Protection Program loans certain of its U.S. subsidiaries received on or about May 5, 2020, a temporary minimum availability test, certain COVID-19 considerations, as well as other administrative clarifications.

## Fiscal 2020 Developments

On October 1, 2019, the Company acquired all the issued and outstanding shares of Matricis Informatique Inc. ("Matricis"), a Canadian consulting firm specialized in advanced applications and systems using techniques derived from the Internet of Things (IoT), Artificial Intelligence (AI), a combination of the aforementioned (AIoT), as well as operational intelligence in the healthcare, industrial and financial sectors. The acquisition of Matricis was completed for a total consideration of $7.2 million, payable in cash and subordinate voting shares.

On October 2, 2019, Alithya Zero2Ten, Inc. an indirect wholly-owned subsidiary of the Company, sold all the issued and outstanding shares of its wholly-owned subsidiary Zero2Ten EMEA Limited, for a total cash consideration of GBP£800,000.

On December 13, 2019, the Company acquired, through Alithya Financial Solutions, Inc., an indirect wholly-owned subsidiary, all the issued and outstanding membership interests of Travercent LLC, a US-based cloud-focused Enterprise Resource Planning (ERP) consulting group specialized in the healthcare sector, now known as Alithya Travercent LLC ("Alithya Travercent"), for a total consideration of US$19.5 million, payable in cash and subordinate voting shares. Alithya Travercent's competencies include implementing Oracle's cloud ERP, Human Capital Management (HCM), Enterprise Performance Management (EPM) and Business Intelligence (BI) applications.

On February 1, 2020, the Company acquired all the issued and outstanding shares of Groupe Askida Inc. and Askida Consulting Services Inc., a Canadian group with expertise in software quality assurance tools and services, as well as in development and modernization of custom applications, for a total consideration of $16 million, payable in cash and subordinate voting shares.

# DESCRIPTION OF THE BUSINESS

## Corporate Overview

Alithya advises in strategy and digital transformation with more than 3,700 professionals in Canada, the U.S. and internationally. The Company assists its clients in their pursuit of innovation and excellence and the achievement of their business objectives through the optimal use of digital technologies.

Alithya deploys solutions, services, and expert consultants to design, build and implement innovative and efficient solutions for the complex business challenges of its clients, tailored to their business needs in the financial services, insurance, renewable energy, manufacturing, telecommunications, transportation and logistics, professional services, healthcare and government sectors.

## Business Offerings

Alithya's business offerings include a comprehensive range of digital technology services to address client needs:

- **Business Strategy.** Alithya leads clients through essential decision-making processes regarding strategic planning, change management, systems evolution, operational processes, employee experience and transformative change enablement and more. Applying the most recurrent methodologies, we help our clients optimize efficiency and successfully navigate the digital transformation age. We achieve results by leveraging an array of Business Strategy services, including strategic consulting, digital transformation, organizational performance and enterprise architecture.
- **Application Solutions Services.** Alithya's experts guide clients through all facets of Application Solutions Services, from migration of legacy systems into future-ready digital solutions, to the development of completely new solutions using state-of-the-art technologies. Our experts assist our clients in the choice between cloud, on-premise, and hybrid hosting strategies and solutions. Alithya's Application Solutions Services include digital applications DevOps, legacy systems modernization, control and software engineering, cloud infrastructure, quality assurance and automated testing.
- **Enterprise Solutions.** Working with key industry partners, including some of the world's largest vendors of cloud-based Enterprise Solutions, Alithya's experts help clients deploy company-wide systems to improve the efficiency of their finance, human capital, operations, and marketing functions. Alithya's Enterprise Solutions services include Enterprise Resource Planning (ERP), Corporate Performance Management (CPM/EPM), Customer Relationship Management (CRM/CXM) and Human Capital Management (HCM).
- **Data and Analytics.** Data analysis plays a critical role in the optimization of business processes. Leveraging specialized IT systems and software, Alithya's data scientists help clients gain business insight and drive better decision-making through enhanced data collection, big data analytics, machine learning automation and reporting.

Alithya’s Data and Analytics services include business intelligence, data management, artificial intelligence and machine learning, as well as Internet of Things (IoT).

Geographically, Alithya’s operations span across Canada, the United States and internationally, providing a full spectrum of strategy and digital technology services with deep expertise in a range of technologies and business domains.

## Competitive Environment

Today, for many companies, digital systems and infrastructures are among their most important and strategic assets. Not only do these assets require significant investments, but they increasingly serve as key differentiators and drivers of growth for customers.

Accordingly, businesses are seeking solutions that allow them to maintain their ability to differentiate themselves from competitors with proprietary business processes, combined with product customization. That is where digital transformation comes into play, inviting companies to make a shift in their approach and to evolve from traditional information technologies to flexible digital technologies.

As businesses’ technology spending continues to increase, digital technology firms such as Alithya are striving to deliver innovative thinking and in-depth vertical industry expertise, while facilitating business process transformation through the use of the most optimal technologies.

Alithya believes it is well positioned to respond to these trends in clients’ investments in digital technology. Alithya’s business model is built on a philosophy of offering flexible and creative solutions, enabling clients to realize maximum benefits from their digital technology investments. Alithya positions itself as an agile trusted advisor and consulting partner capable of delivering rapid results for its clients.

Alithya’s competitors include systems integration firms, contract programming companies, application software companies, cloud computing service providers, large or traditional consulting firms, professional services groups of computer equipment companies, infrastructure management and outsourcing companies and boutique digital companies. In addition, Alithya competes with numerous smaller local companies in the various geographic markets in which it operates.

Alithya competes based on the following principal differentiating factors: vision and strategic advisory ability, digital services capabilities, performance and reliability, quality of technical support, training and services, responsiveness to client needs, reputation and experience, financial stability and strong corporate governance and competitive pricing of services.

Alithya also relies on the following measures to compete effectively: (a) investments to scale its services practice areas; (b) a well-developed recruiting, training and retention model; (c) a successful service delivery model; (d) intrapreneurial culture and approach; (e) a broad referral base; (f) continual investment in process improvement and knowledge capture; (g) investment in infrastructure and research and development; (h) continued focus on responsiveness to client needs, quality of services and competitive prices; and (i) project management capabilities and technical expertise.

## Strategic Business Plan

Alithya has adopted a three-year strategic plan which sets as a goal to consolidate its position as to become a North American digital transformation leader.

According to this plan, Alithya's consolidated scale and scope should allow it to leverage its geographies, expertise, integrated offerings and position on the value chain to target the fastest growing IT services segments. Alithya's specialization in digital technologies and the flexibility to deploy enterprise solutions and deliver solutions tailored to specific business objectives responds directly to client expectations. More specifically, Alithya has established a three-pronged plan focusing on:

- Increasing scale through organic growth and strategic acquisitions by:
  - Generating profitable organic growth through innovation, higher-value offerings and client-relationships based on trust;
  - Completing value enhancing business acquisitions by way of a North American geographic expansion to complement current market presence, including geography, while progressively adding major integrated enterprise solutions offerings and selected specialized expertise;
- Achieving best-in-class employee engagement by:
  - Fostering a culture of collaboration, diversity and ownership;
  - Cultivating employee well-being and personal growth;
  - Investing in the development of its leaders and employees;

- Providing its investors, partners and stakeholders with long-term growing return on investment by:
    - Strengthening its existing relationships with clients, as a key trusted advisor, by generating long-term value;
    - Investing in innovation and higher value service offerings;
    - Acting responsibly, with a sustainable and respectful vision for its stakeholders and articulating its Environmental, Social and Governance framework and priorities.

## Clients by Market Sectors

Alithya's clients are mainly concentrated in the financial services, insurance, renewable energy, manufacturing, telecommunications, transportation and logistics, professional services, healthcare and government sectors. The majority are large to mid-size companies. Alithya seeks to cultivate collaborative and flexible service engagements that are designed to adapt to clients' evolving priorities and challenges.

## Client Approach Philosophy

With a client-centric and flexible service delivery philosophy, Alithya focuses on diligently supporting its clients in identifying and achieving their evolving objectives through exceptional communications and by developing tailor-made solutions that take into account their specific business realities. Alithya strives to sustain high levels of client satisfaction and exceed client expectations which is key to renewal of existing contracts and entry into new ones. Alithya's agile approach ensures optimal alignment with clients, enabling them to overcome their challenges and attain their goals with seamless technology integration. Alithya's goal is to become its clients' trusted advisor by developing long-term relationships that extend beyond just project delivery.

Alithya also seeks to be an active participant in the ongoing consolidation of the digital technology industry and to leverage its expertise and solutions to offer clients an alternative to larger traditional digital technology solution providers. Alithya is continually looking to expand its capacity and broaden the scope of its service offerings through targeted business acquisitions. Growth through business acquisitions can offer Alithya opportunities to better serve existing clients with additional talent, technology, complementary services and greater scale. Through such business acquisitions, Alithya aims at expanding its existing client relationships by adding capacity in new geographic locations, while opening doors for existing capabilities into new client relationships.

Alithya believes that its growth strategy through business acquisitions also helps to provide an opportunity to achieve the scale that is increasingly required for mandates awarded by government and private organizations, and to attract potential business acquisition candidates which are poised to benefit from Alithya's established relationships, better access to market and preferred supplier status.

## Sales, Marketing and Strategic Partners

Alithya markets and sells its services directly through its professional staff, senior management and direct sales personnel operating out of its offices, which are strategically located in Canada, the U.S., France and Morocco.

In order to provide its clients with the solutions best suited to their needs, Alithya has established strategic partnerships with a number of companies, including Microsoft, Oracle and Amazon Web Services (AWS). These partnerships entail joint marketing efforts, making joint client presentations, and negotiating discounts on license fees, among other benefits. Where such partnerships are formalized in written agreements, those agreements are either terminable at will by either party or are for terms of one year or less. Alithya believes it has been successful in establishing strategic partnerships with a strong group of companies who are either industry leaders or well-regarded new entrants.

## Human Capital

With approximately 3,700 professionals as at March 31, 2022, none of which were covered by collective bargaining agreements, Alithya views its professionals as its greatest asset and an important competitive advantage and therefore strives on offering them a world-class work experience. As such, as part of its three-year strategic plan, Alithya has set to achieve best-in-class employee engagement by fostering a culture of collaboration, diversity and ownership, by cultivating employee well-being and personal growth and by investing in the development of its leaders and employees.

Alithya also prides itself on offering to its permanent professionals the right to acquire subordinate voting shares of Alithya pursuant to its Employee Share Purchase Plan ("ESPP"). The ESPP allows Alithya's professionals to participate in the success they create, instills the ownership culture envisioned by Alithya and ensures strong dedication to offering quality services to clients.

## Special Skills and Knowledge

Alithya operates in an industry where the skills and knowledge required to serve its clients are constantly evolving and are in high demand from market competitors. Alithya relies on a threefold approach to ensure it always lines-up the right team to meet its clients' needs. Firstly, to retain and maintain highly-skilled professionals, Alithya offers its professionals competitive compensation packages and leadership and core competencies development programs, including through the

Alithya Leadership Academy. Secondly, Alithya is always on the lookout for opportunities to complement its team's expertise and industry knowledge through targeted business acquisitions. Thirdly, Alithya actively seeks talented and skilled professionals through various recruitment strategies, including an employee referral bonus program, a skilled recruitment team, participation at career fairs and widespread job postings.

## Principal Office Locations

Alithya has a presence in Canada, the U.S. and internationally and services its clients from its principal offices in the locations listed in the table below.

| CANADA | UNITED STATES | INTERNATIONAL |
|---|---|---|
| Gatineau, Québec | Alpharetta, GA | Aix-en-Provence, France |
| Montréal, Québec | Athens, AL | Sophia-Antipolis, France |
| Québec, Québec | Bala Cynwyd, PA | Tanger, Morocco |
| Pickering, Ontario | Independence, OH | |
| Toronto, Ontario | | |

## Intellectual Property

Through its practices and expertise, Alithya leverages its proprietary innovations, methodologies and other intellectual property when providing strategic advice to its clients. Alithya actively protects its intellectual property rights and maintains relevant intellectual property protection measures, which include the registration, and application for registration of, Canadian, U.S. and international intellectual property rights, including trademarks, and domain names. Alithya also owns licenses in a number of trademarks, copyrights, and other intellectual property rights relating to its solutions and services.

Alithya's intellectual property portfolio includes the following solutions:

- **AI-FI™ solutions.** These solutions leverage Alithya's range of proprietary applications using artificial intelligence, machine learning and deep learning techniques. A play on the term hi-fi, short for high fidelity, the AI-FI™ brand integrates the concepts of artificial intelligence (and its acronym AI) and fidelity (FI). Alithya's AI-FI™ solutions include:
    - **AI-FI™ Connect:** a plugin-based data connector that enables integration between various data sources, designed to receive data from a source, structure it, replicate the structure to a destination, and automatically send new data to the destination as it becomes available.
    - **AI-FI™ Ultrasonic:** detects wear-induced flaws in a nuclear plant's fuel channels, a critical aspect of the operation and regulation of these plants.
    - **AI-FI™ Suitability Assessment:** offers companies looking to leverage machine learning an in-depth review of their data and business processes to determine an AI strategy that's right for them.
    - **AI-FI™ Enablement:** allows organizations to adapt a swift deployment and integration of AI analytics.
- **Alithya GoTest™.** This solution allows clients to test the functionality of applications on all platforms and in any programming language by running a series of systematic and repeatable tests and presents the results and status through sophisticated dashboards. Alithya offers a version of this solution which allows to automate test for Oracle modules.
- **CASSI™ Analytics and KPIs.** These solutions help nuclear plants reduce the work needed to generate and distribute maintenance performance reports and provide insight into opportunities to streamline maintenance. CASSI™ software drives accountability and tracks progress against corporate and site-based performance goals for work week leaders, planners, schedulers, operations and maintenance staff. CASSI™ Analytics and KPIs include:
    - **CASSI™ Analytics for Online Weekly Maintenance:** supports the continuous improvement of nuclear online preparation, execution, backlog and reliability-centered activities.
    - **CASSI™ Analytics for Outage Management:** automates the generation of KPIs and objectively tracks and trends corporate targets.
    - **CASSI™ Analytics for PetroChem Turnarounds:** delivers key performance indicators in support of continuous improvement, essential to a successful turnaround.
    - **CASSI™ Analytics for Maintenance and Reliability:** supports the continuous improvement of preparation, execution, backlog and reliability-centered activities for value-based maintenance organizations.

- **//SIDER™** is a secure solution that facilitates distribution of medical results to healthcare facilities and to centralized electronic health records. It acts as an integrated system for the electronic distribution of results, facilitating the work of all the healthcare professionals, health clinics and laboratory managers involved in monitoring medical results.

- **Adaptive Learning™** is an on-demand, subscription-based platform that drives usage and awareness of Microsoft applications, allowing organizations to achieve the maximum return on their investment by enhancing user proficiency and productivity and creating transformative change enablement.

While its proprietary intellectual property is important to its success, Alithya believes its business as a whole is not currently materially dependent on any particular intellectual property right, as its expertise spans from its practices and from providing high-end consulting advice to its client base.

# RISK AND UNCERTAINTIES

A discussion of the risks and uncertainties to which the Company is subject is presented in the section titled "Risks and Uncertainties" of the Company's management's discussion and analysis for the fiscal years ended March 31, 2022 and 2021, incorporated herein by reference, and in the Company's other materials made public from time to time, all of which are available on SEDAR at www.sedar.com and EDGAR at www.sec.gov and on the Company's website at www.alithya.com under the "Investors" section. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial could also have a material adverse effect on its financial position, financial performance, cash flows, business or reputation. Please refer to the section titled "Forward-Looking Statements" of this Annual Information Form for a discussion of the risks associated with forward-looking statements.

# DIVIDENDS

The Company does not currently expect to pay dividends on the subordinate voting shares or the multiple voting shares in the foreseeable future. The Company anticipates that it will retain all earnings, if any, to support its operations. Any future determination as to the payment of dividends will, subject to Canadian legal requirements and the Company's articles, be at the sole discretion of the Board and will depend on the Company's financial condition, results of operations, capital requirements and other factors the Board deems relevant. Currently, the provisions of the Company's Credit Facility place certain limitations on the amount of cash dividends that the Company could pay.

# CAPITAL STRUCTURE

## Description of Securities

The authorized share capital of the Company consists of (i) an unlimited number of subordinate voting shares, without par value, which are listed under the symbol ALYA on both the TSX and NASDAQ, (ii) an unlimited number of multiple voting shares, without par value, which are held by a limited number of holders, and (iii) an unlimited number of preferred shares, without par value, issuable in series, of which, as at March 31, 2022, 85,554,000 subordinate voting shares and 7,171,616 multiple voting shares were issued and outstanding.

The following summary of the material features of the Company's authorized share capital is given subject to the detailed provisions of its articles.

## Voting Rights

Each subordinate voting share entitles its holder to one vote per share, and each multiple voting share entitles its holder to ten votes per share at any meeting of shareholders, other than meetings at which only the holders of a particular class or series of shares are entitled to vote due to statutory provisions or the specific attributes of this class or series. If and when issued, preferred shares will have such voting rights as may be determined by the Board at the time of issuance thereof.

The subordinate voting shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws in that they do not carry equal voting rights with the multiple voting shares. In the aggregate, all of the voting rights associated with the subordinate voting shares represented, as at March 31, 2022, 54.40% of the voting rights attached to all of the issued and outstanding shares.

## Rights to Dividends and Rights upon Winding-up and Dissolution

Subject to the prior rights of holders of preferred shares which rank prior to subordinate voting shares and multiple voting shares, if and when issued, holders of subordinate voting shares and multiple voting shares are entitled to receive pari passu any dividends and the remainder of the Company's property in the event of a voluntary or involuntary winding up or dissolution, or any other distribution of assets among shareholders for the purposes of winding up the Company's affairs.

## Multiple Voting Shares Conversion Rights

Multiple voting shares are, at the holder's entire discretion, convertible into subordinate voting shares on a share for share basis and shall be automatically converted upon their transfer to a person who is not a Permitted Holder (as defined below) or upon the death of a Permitted Holder, unless acquired by any of the remaining Permitted Holders in accordance with the terms of the voting agreement dated November 1, 2018 entered into between the Permitted Holders (the "Voting Agreement"), a copy of which is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. The multiple voting shares are not convertible into any other class of shares. Under applicable Canadian laws, an offer to purchase multiple voting shares would not necessarily require that an offer be made to purchase subordinate voting shares. However, as indicated above, multiple voting shares shall be automatically converted into subordinate voting shares on a share for share basis upon their transfer to a person who is not a Permitted Holder. If and when issued, preferred shares will have such conversion rights as may be determined by the Board at the time of issuance thereof.

For purposes of the above and below paragraphs, a "Permitted Holder" means each of Messrs. Paul Raymond, Ghyslain Rivard, and Pierre Turcotte, and the entities over which they have control.

## Restrictions on Transfer

Subject to the terms of the Voting Agreement, Permitted Holders cannot sell or otherwise transfer multiple voting shares to a person who is not a Permitted Holder, unless they first convert those shares into subordinate voting shares on a share for share basis, and then transfer such subordinate voting shares.

# MARKET FOR SECURITIES

## Trading Price and Volume

Alithya's subordinate voting shares are traded on the TSX and on NASDAQ under the symbol "ALYA" since November 2, 2018. The table below shows the monthly range of high and low prices per share and the total monthly volumes for Alithya's subordinate voting shares on the TSX for the fiscal year ended March 31, 2022.

| MONTH | HIGH ($) | LOW ($) | MONTHLY VOLUME |
|---|---|---|---|
| April 2021 | 3.67 | 2.61 | 1,488,297 |
| May 2021 | 3.10 | 2.53 | 1,203,599 |
| June 2021 | 3.50 | 2.90 | 2,102,355 |
| July 2021 | 4.22 | 3.40 | 1,804,665 |
| August 2021 | 3.88 | 3.11 | 1,332,558 |
| September 2021 | 3.67 | 3.13 | 963,908 |
| October 2021 | 3.67 | 3.16 | 765,742 |
| November 2021 | 3.79 | 3.08 | 1,233,976 |
| December 2021 | 3.40 | 3.02 | 987,698 |
| January 2022 | 3.36 | 2.94 | 981,247 |
| February 2022 | 3.95 | 3.30 | 1,429,058 |
| March 2022 | 3.79 | 3.15 | 1,141,361 |

## Normal Course Issuer Bid and Share Purchases for Cancellation

On September 15, 2021, the Company announced the launch of a normal course issuer bid ("NCIB") to purchase for cancellation up to 5,462,572 subordinate voting shares, representing 10% of the Company's public float as of the close of markets on September 8, 2021. Please refer to the section titled "General Development of the Business – Fiscal 2022 Developments" earlier in this Annual Information Form for more information on the Company's NCIB.

# DIRECTORS AND OFFICERS

## Board of Directors

The articles of the Company provide for the Board to consist of a minimum of 3 and a maximum of 15 directors. As at June 16, 2022, the Board was comprised of 10 directors. The following table lists the name and place of residence of the current directors of the Company, as well as their principal occupation and their previously held positions during the last five years, if any.

| NAME AND PLACE OF RESIDENCE | POSITION WITH THE COMPANY | PRINCIPAL OCCUPATION | DIRECTOR SINCE[(1)] | PREVIOUS HELD POSITIONS |
|---|---|---|---|---|
| Dana Ades-Landy Québec (Canada) | Director | Corporate Director and Contract Position in the Special Loans Group, National Bank of Canada | November 2016 | Chief Executive Officer, Heart & Stroke Foundation of Canada (Québec) |
| Robert Comeau Québec (Canada) | Lead Director | Corporate Director and Lead Director of the Company | May 2018 | - |
| Mélissa Gilbert Québec (Canada) | Director | Executive Vice President and Lead, Finance, Beneva Inc. | September 2021 | Executive Vice President, Finance, Corporate Actuarial and Risk Management, La Capitale Insurance and Financial Services Inc. |
| Lucie Martel Québec (Canada) | Director | Corporate Director | September 2019 | Senior Vice President and Chief Human Resources Officer, Intact Financial Corporation |
| Pierre Karl Péladeau Québec (Canada) | Director | President and Chief Executive Officer, Québecor inc., President and Chief Executive Officer, Videotron Ltd., and Interim President and Chief Executive Officer, TVA Group inc. | September 2021 | - |
| Paul Raymond Québec (Canada) | President and Chief Executive Officer Director | President and Chief Executive Officer of the Company | June 2011 | - |
| James Renacci Ohio (USA) | Director | Founder and President of LTC Management Services, Inc. | November 2019 | - |
| Ghyslain Rivard Québec (Canada) | Director | Founder of the Company and Corporate Director | April 1992 | - |
| C. Lee Thomas Ohio (USA) | Director | Corporate Director and Executive in Residence of the School of Business of Baldwin Wallace University | November 2018 | - |
| Pierre Turcotte Québec (Canada) | Chair of the Board Director | Corporate Director and Chair of the Board of the Company | June 2011 | - |

(1) Includes periods during which certain directors served as directors of Pre-IPO Alithya.

The directors of the Company are elected annually at the Company's annual meeting of shareholders. They hold office until their term expires at the following annual meeting of shareholders, subject to re-election, retirement, resignation or earlier vacancy.

The mandate for the Board provides that the Board shall be constituted at all times of a majority of individuals who are independent directors within the meaning of applicable Canadian and United States securities laws and the NASDAQ corporate governance standards (the "Independence Rules"). Based on the information received from each director and having taken into account the independence criteria set forth in the Independence Rules, the Board concluded that all directors are independent, with the exception of Mr. Paul Raymond, who is not independent as he is the President and Chief Executive Officer of the Company, and Ms. Mélissa Gilbert and Mr. Pierre Karl Péladeau, who are not independent as they are executive officers of organizations from which Alithya receives significant revenues.

All other directors of the Company, namely Mses. Dana Ades-Landy and Lucie Martel and Messrs. Robert Comeau, James Renacci, Ghyslain Rivard, C. Lee Thomas and Pierre Turcotte are independent directors within the meaning of the Independence Rules. Each of them has no material relationship with the Company and is, in the reasonable opinion of the Board, independent under the Independence Rules.

The Board has an Audit and Risk Management Committee, a Corporate Governance and Nominating Committee and a Human Capital and Compensation Committee. The table below sets out the composition of each committee.

| AUDIT & RISK MANAGEMENT COMMITTEE | CORPORATE GOVERNANCE AND NOMINATING COMMITTEE | HUMAN CAPITAL AND COMPENSATION COMMITTEE |
|---|---|---|
| Dana Ades-Landy | Lucie Martel | Lucie Martel (Chair) |
| Robert Comeau (Chair) | Ghyslain Rivard | Ghyslain Rivard |
| C. Lee Thomas | Pierre Turcotte (Chair) | Pierre Turcotte |

## Executive Officers

The following table lists the name and place of residence of the current executive officers of the Company, as well as their current position with the Company and their previously held positions during the last five years, if any.

| NAME | CURRENT POSITION | EXECUTIVE OFFICER SINCE [(1)] | PREVIOUSLY HELD POSITION |
|---|---|---|---|
| Nigel Fonseca<br>Ontario (Canada) | Senior Vice President, Ontario and Western Canada | June 2018 | Regional Vice President, Ontario and Western Canada, Alithya<br>Chief Executive Officer, Systemware Innovation Corporation |
| Nathalie Forcier<br>Québec (Canada) | Chief Legal Officer and Corporate Secretary | September 2018 | Vice-President, Legal affairs, CGI Inc. |
| Michel Lacasse<br>Québec (Canada) | Senior Vice President, Canadian Sales | July 2021 | Senior Vice President, Sales<br>Vice President, Business Development and Marketing, Groupe Askida Inc. |
| Robert Lamarre<br>Québec (Canada) | Chief Information Officer | April 2016 | - |
| Dany Paradis<br>Québec (Canada) | Senior Vice President, Québec | November 2018 | Senior Vice President, Québec and Oracle Practices Canada, Alithya<br>Vice President, Integrated Management Solutions, Alithya<br>Vice President, Oracle Consulting Services, Alithya |
| Paul Raymond<br>Québec (Canada) | President and Chief Executive Officer and Director | April 2011 | - |
| Claude Rousseau<br>Florida (USA) | Chief Operating Officer | January 2015 | - |
| Russell Smith<br>Alabama (USA) | President, Alithya USA | November 2018 | President, Fullscope, Inc. |
| Claude Thibault<br>Québec (Canada) | Chief Financial Officer | August 2018 | Chief Financial Officer, DCM Group Inc. |

(1) Includes periods during which certain executive officers served as executive officers of Pre-IPO Alithya.

## Directors' and Executive Officers' Share Ownership

As at June 16, 2022, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 18,324,770 subordinate voting shares and 7,171,616 multiple voting shares, representing respectively 21.46% of the issued and outstanding subordinate voting shares and 100% of the issued and outstanding multiple voting shares.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company and based upon information provided to it by the Company's directors and executive officers, no such person (including any personal holding company), is or has been, in the last ten years, a director, chief executive officer or chief financial officer of a company, including Alithya, that: (a) while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (b) was subject to an event that occurred while such person was acting in that capacity which resulted, after that person ceased to act in that capacity, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Company and based upon information provided to it by the Company's directors, executive officers and shareholders holding sufficient securities to affect materially the control of the Company, as applicable, no such person (including any personal holding company): (a) is, or has been in the last ten years, a director or executive officer of any company (including Alithya) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, in the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

To the knowledge of the Company and based upon information provided to it by the Company's directors, executive officers and shareholders holding sufficient securities to affect materially the control of the Company, as applicable, no such person (including any personal holding company) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

## Conflicts of Interest

To the knowledge of the Company, no director or officer of the Company has any existing or potential material conflicts of interest with the Company or any of its subsidiaries, other than as disclosed under the section titled "Interest of Management and Others in Material Transactions".

# AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (the "Audit Committee"), of which the charter is attached as Appendix "A" to this Annual Information Form, is currently composed of 3 members: Ms. Dana Ades-Landy and Messrs. Robert Comeau and C. Lee Thomas, who have been members of the Audit Committee since at least the Company's annual meeting of shareholders held on September 15, 2021. Each member of the Audit Committee is "independent" and "financially literate" within the meaning of Independence Rules.

## Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

- Robert Comeau brings significant financial expertise to the Audit Committee. He served as Chief Financial Officer of both public and private companies from 2005 to 2015 and acted as Chair of the Audit Committee of H2O Innovation Inc., from 2017 to 2021. Mr. Comeau holds a Bachelor's degree in accounting from HEC Montreal and is a former Chartered Professional Accountant (CPA, CA).
- Dana Ades-Landy has extensive financial expertise. With more than 25 years of experience as an executive in the banking industry, she currently holds a contract position in the Special Loans Group of the National Bank of Canada and serves as Chair of the Audit Committee of First Lion Holdings Inc. since 2018 and member of the Audit Committee of Sagen MI Canada Inc. since 2021. She also acted as Chair of the Audit Committee of the Canada Mortgage and Housing Corporation from 2017 to 2020. She holds a Master of Business Administration in Finance and Accounting from Concordia University.
- C. Lee Thomas brings valuable financial expertise to the Audit Committee. He has held various roles at Ernst & Young LLP from 1976 to 2014, including that of Managing Partner. He holds a Bachelor's degree in accounting from Baldwin Wallace University and is a Certified Public Accountant (CPA). He also currently teaches at Baldwin Wallace University.

## Pre-approval Policies and Procedures

The Audit Committee has adopted procedures for the pre-approval of engagement for services of its external auditors, which require pre-approval of all audit and non-audit services provided by the external auditors. Moreover, the Board, upon recommendation of the Audit Committee, approves, on an annual basis, the fees charged to the Company by the external auditors during the preceding year.

# AUDITORS

## Independence

On September 15, 2021, the shareholders of the Company appointed KPMG LLP ("KPMG") as successor auditor in replacement of Raymond, Chabot, Grant Thornton LLP ("RCGT"). KPMG is the external auditor who prepared the report relating to the audit of the Company's annual consolidated financial statements for the year ended March 31, 2022 and notes thereto, presented under the International Financial Reporting Standards. KPMG has confirmed that it is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation as of the date hereof.

## Service Fees

The fees billed by RCGT until September 15, 2021 for each of the years ended March 31, 2022 and 2021 for audit, audit-related, tax and all other services provided to the Company were as follows:

| | FISCAL YEAR ENDED MARCH 31 | |
|---|---|---|
| | 2022 | 2021 |
| Audit fees(1) | $ 42,500 | $ 602,032 |
| Audit-related fees(2) | $ 31,000 | $ 20,606 |
| Tax fees(3) | $ 6,350 | $ 11,311 |
| All other fees(4) | — | — |
| **Total** | **$ 79,850** | **$ 633,949** |

The fees billed by KPMG beginning on September 15, 2021 for the fiscal year ended March 31, 2022 for audit, audit-related, tax and all other services provided to the Company were as follows:

| | FISCAL YEAR ENDED MARCH 31 |
|---|---|
| | 2022 |
| Audit fees(1) | $ 775,200 |
| Audit-related fees(2) | $ 165,600 |
| Tax fees(3) | $ 12,800 |
| All other fees(4) | — |
| **Total** | **$ 953,600** |

(1) "Audit fees" means the aggregate fees billed for each of the fiscal years for professional services rendered by the auditor for the audit of the Company's annual consolidated financial statements and review of the Company's interim condensed consolidated financial statements.

(2) "Audit-related fees" includes assurance and related services reasonably related to the audit of the Company's annual consolidated financial statements not included in audit services which are included in the "Audit fees" category. This includes, for RCGT, for the fiscal year ended March 31, 2021, financial accounting and reporting matters, and for KPMG, for the fiscal year ended March 31, 2022, financial and tax due diligence related to the acquisition of Vitalyst, consultation concerning financial accounting and reporting matters, and a CSRS 4400 agreed upon procedures engagement.

(3) "Tax fees" means the aggregate fees billed for each of the fiscal years for professional services rendered by the auditor for tax compliance and tax advice.

(4) "All other fees" includes the aggregate of all other fees billed for each of the fiscal years. There were no other fees incurred in either fiscal year.

Pursuant to the terms of its mandate, the Audit Committee reviews and approves all audit and audit-related services, audit engagement fees and terms, and all non-audit engagements performed by the external auditors.

# LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the ordinary course of conducting its business, Alithya may be threatened with or become subject to legal proceedings initiated by third parties or Alithya's clients or regulatory proceedings from the authorities. Alithya currently has no material legal or regulatory proceedings pending.

# INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company and based upon information provided to it by the Company's directors and executive officers, there were no (a) directors or executive officers, (b) persons that beneficially own, or control or direct, directly or indirectly, more than 10% of Alithya's subordinate voting shares or multiple voting shares, or (c) any associate or affiliate of persons referred to in (a) and (b), with a material interest in any transaction within the three most recently completed financial years that has materially affected the Company or is reasonably expected to materially affect the Company, other than as disclosed below.

La Capitale and Québecor each beneficially own, or control or direct, directly or indirectly, more than 10% of Alithya's subordinate voting shares as a result of the acquisition of R3D Consulting. La Capitale and Québecor are parties to commercial contracts pursuant to which Alithya receives significant revenues. Mr. Pierre Karl Péladeau was nominated as a director of Alithya pursuant to an Investor Rights Agreement entered into by the Company and Québecor on April 1, 2021. Mr. Péladeau is also the controlling shareholder of Québecor.

# TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent for the Company's subordinate voting shares and multiple voting shares is TSX Trust Company ("TSX Trust"), whose head office is located in Toronto, Ontario. Share transfer service is available at TSX Trust's Montréal, Québec and Toronto, Ontario offices in Canada as well as at the offices of American Stock Transfer & Trust Company, LLC in Brooklyn, NY, USA.

# MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business, the following material contracts of the Company were entered into during the year ended March 31, 2022 and are still in effect as of the date hereof:

- The Investor Rights Agreement entered into on April 1, 2021 among the Company and La Capitale Civil Service Insurer Inc.;
- The Investor Rights Agreement entered into on April 1, 2021 among the Company, 9429-1143 Québec inc. and Québecor Media Inc.; and
- The Amending Agreements No. 2 to 5 dated June 30, 2021, September 28, 2021, September 30, 2021 and January 27, 2022 to the Amended and Restated Credit Agreement entered into on June 18, 2020 among the Company, The Bank of Nova Scotia, as Administrative Agent, the other lenders named therein and each of the guarantors party thereto.

# ADDITIONAL INFORMATION

Additional information, including, without limitation, directors' and officers' remuneration and indebtedness, principal shareholders of the Company, and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular prepared in respect of its annual meeting of shareholders held on September 15, 2021.

Additional information regarding the Company, including financial information, can also be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov, including the Company's annual audited consolidated financial statements and management's discussion & analysis for the fiscal years ended March 31, 2022 and 2021 and the aforementioned management information circular. Those documents may also be obtained from the Company at no charge upon request at:

Investor Relations
Alithya Group inc.
1100, Robert-Bourassa Boulevard
Suite 400
Montréal, Québec, H3B 3A5
Tel.: 1-844-985-5552

Those documents, as well as all of the Company's news releases, are also available on the Company's website at www.alithya.com. Information contained in or otherwise accessible through the Company's website is not incorporated by reference into this Annual Information Form.

# APPENDIX A - AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

## PURPOSE

1. The Audit and Risk Management Committee (the "Committee") is a standing committee appointed by the board of directors (the "Board") of Alithya Group inc. (the "Company"). The Committee is established to fulfil applicable public company obligations relating to audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting including responsibility to:

   (a) oversee the integrity of the Company's financial statements and financial reporting process, including the audit process and the Company's internal accounting controls and procedures and compliance with related legal and regulatory requirements;

   (b) oversee the qualifications and independence of the external auditors;

   (c) oversee the work of the Company's financial management, internal auditors and external auditors in these areas; and

   (d) provide an open avenue of communication between the external auditors, the internal auditors, the Board and management, as applicable.

2. In addition, the Committee shall prepare, if required, an audit committee report for inclusion in the Company's annual management information circular, in accordance with applicable rules and regulations. The Committee is also responsible for assisting the Board in fulfilling its responsibilities relating to pension matters.

3. The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (i) to plan or conduct audits, (ii) to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles or (iii) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its Chair and its audit committee financial expert members are members of the Board of the Company, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities.

4. Management is responsible for the preparation, presentation and integrity of the Company's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Management is also responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Company's annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles.

## PROCEDURES AND POWERS

### General

The Committee shall have the following procedures and powers:

1. *Composition* – The Committee shall be composed of a minimum of three members. None of the members of the Committee shall be an officer or employee of the Company or any of its subsidiaries and each member of the Committee shall be an independent director within the meaning of applicable Canadian and United States securities laws and the NASDAQ corporate governance standards.

   All members of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement and be "financially literate" (as that term is defined from time to time under the requirements or guidelines for audit committee service under applicable Canadian and United States securities laws and the rules of the Toronto Stock Exchange). At least one member of the Committee must also be an audit committee financial expert (as that term is defined from time to time under the requirements or guidelines for audit committee service under applicable Canadian and United States securities laws and the rules of the Toronto Stock Exchange and the NASDAQ).

2. *Appointment and Replacement of Committee Members* – Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on a Committee by appointing another director to the Committee. The Board shall fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on

the Committee, the remaining members may exercise all its power as long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be appointed by the Board annually and each member of a Committee shall remain on the Committee until the next annual meeting of shareholders after his or her appointment or until his or her successor shall be duly appointed and qualified.

3. *Committee Chair* – The Board shall designate the Chair by majority vote. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting. The Chair of the Committee shall be responsible for leadership of the Committee assignments and reporting to the Board.

4. *Conflicts of Interest* – If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member shall be responsible for alerting the Committee Chair. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair shall advise the Chair of the Board. If the Committee Chair, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee his or her interest and shall not participate in consideration of the matter and shall not vote on the matter.

5. *Service on Multiple Audit Committees* – If a Committee member serves on the audit committee of more than three public companies, including the Company, the Board must determine that such service would not impair the ability of the member to effectively serve on the Committee.

6. *Compensation of Committee Members* - The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

7. *Meetings* - The Committee shall meet regularly at times necessary to perform the duties described herein in a timely manner, but not less than four times a year and any time the Company proposes to issue a press release with its quarterly or annual earnings information. The Committee shall also meet without management present at every meeting. Meetings may be held at any time deemed appropriate by the Committee.

   (1) *Calling of Meetings* - The Committee shall meet as often as it deems appropriate to discharge its responsibilities. Notice of the time and place of every meeting shall be given in writing, by any means of transmitted or recorded communication, including facsimile, email or other electronic means that produces a written copy, to each member of the Committee at least 48 hours prior to the time fixed for such meeting, with a copy to the Chair of the Board, the Chief Executive Officer and the Corporate Secretary of the Company. However, a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Whenever practicable, the agenda for the meeting and the meeting materials shall be provided to members before each Committee meeting in sufficient time to provide adequate opportunity for their review.

   (2) *Quorum* - A majority of the members constitute a quorum for the transaction of the Committee business.

   (3) *Secretary of Meeting* - The Chair of the Committee shall designate a person who need not be a member of the Committee to act as secretary or, if the Chair of the Committee fails to designate such a person, the Corporate Secretary of the Company shall be secretary of the meetings of the Committee. The agenda of the Committee meeting will be prepared by the secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to each meeting.

   (4) *Minutes* - Minutes of the proceedings of the Committee shall be kept in a minute book provided for that purpose. The minutes of the Committee meetings shall accurately record the discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to all Committee members.

8. *Separate Executive and In-Camera Meetings* - The Committee shall meet periodically with the Chief Financial Officer, the head of the internal audit function (if other than the Chief Financial Officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. The Committee shall also meet periodically without management present.

9. *Professional Assistance* - The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties at the Company's expense.

10. *Reliance* - Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Company from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any information technology, audit and other non-audit services provided by the external auditors to the Company and its subsidiaries.

11. *Reporting to the Board* - The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

12. *Outsiders May Attend Meetings* - The Committee may invite members of management or others to attend meetings or provide information as necessary. The Company's external auditors will have direct access to the Committee at their own initiative.

## Powers

13. The Committee shall have the following powers:

(a) *Access* - The Committee is entitled to full access to all books, records, facilities, and personnel of the Company and its subsidiaries. The Committee may require such officers, directors and employees of the Company and its subsidiaries and others as it may see fit from time to time to provide any information about the Company and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.

(b) *Delegation* - The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

(c) *Adoption of Policies and Procedures* - The Committee may adopt policies and procedures for carrying out its responsibilities.

# AUDIT RESPONSIBILITIES OF THE COMMITTEE

## Selection and Oversight of the External Auditors

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Company and shall report directly to the Committee and the Committee shall so instruct the external auditors. The Committee shall annually evaluate the performance of the external auditors and propose the appointment of the external auditors of the Company in the Company's management information circular for shareholder approval. If the Committee deems it in the best interest of the Company to proceed with a change in external auditors, the Committee shall report to the Board the reasons for the change and any other significant issues related to the change, including the response of the incumbent external auditors, and enquire on the qualifications of the proposed external auditors before approving or rejecting the proposed change in external auditors.

2. The Committee shall approve in advance the terms of engagement and the compensation to be paid by the Company to the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Company or any of its affiliates by the external auditors or any of their affiliates which are subject to pre-approval by the Committee shall be approved by the Committee or the Chair of the Committee, in accordance with the Committee's Pre-Approval Policies and Procedures.

3. The Committee shall annually review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:

   (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;

   (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Company and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;

   (c) ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by applicable law;

   (d) consider whether there should be a regular rotation of the external audit firm itself; and

   (e) consider the external auditor independence standards promulgated by applicable auditing regulatory and professional bodies.

4. The Committee shall prohibit the external auditors and its affiliates from providing certain non-audit services to the Company and its affiliates.

5. The Committee shall establish and monitor clear policies for the hiring by the Company of employees or former employees of the external auditors.

6. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or

the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require. Such reports shall include:

(a) a description of the external auditors' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out by the external auditors, and any steps taken to deal with any such issues; and

(b) a report describing (i) all critical accounting policies and practices to be used in the annual audit, (ii) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors and (iii) other material written communication between the external auditors and management, such as any management letter or schedule of unadjusted differences.

7. The Committee shall review the performance of the external auditors, including assessing their effectiveness and quality of service, annually and, every 5 years, perform a comprehensive review of the performance of the external auditors over multiple years to provide further insight on the audit firm, its independence and application of professional skepticism.

8. The Committee is responsible for resolving disagreements between management and the external auditors regarding financial reporting.

## Appointment and Oversight of Internal Auditors

9. The appointment, terms of engagement, compensation, replacement or dismissal of internal auditors shall be subject to prior review and approval by the Committee. When the internal audit function is performed by employees of the Company, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function other than the head of the Company's internal audit function.

10. The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to management prepared by the internal auditors, or the actual reports if requested by the Committee, and management's responses to such reports, as applicable.

11. The Committee shall, as it deems necessary and applicable, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditors bring to the attention of the Committee. The head of the internal audit function shall have unrestricted access to the Committee.

12. The Committee shall, annually or more frequently as it deems necessary and applicable, evaluate the internal auditors including their activities, organizational structure and qualifications and effectiveness.

## Oversight and Monitoring of Audits

13. The Committee shall review with the external auditors, the internal auditors and management, as applicable, the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Company and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.

14. The Committee shall meet periodically or as it deems necessary and applicable, with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit related deficiencies.

15. The Committee shall discuss with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.

16. The Committee shall review with management the results of internal and external audits.

17. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

## Oversight and Review of Accounting Principles and Practices

18. The Committee shall, as it deems necessary, oversee, review and discuss with management, the external auditors and the internal auditors:

(a) the quality, appropriateness and acceptability of the Company's accounting principles and practices used in its financial reporting, changes in the Company's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;

(b) all significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of alternative methods within generally accepted accounting principles on the financial statements and any "second opinions" sought by management from another external auditor with respect to the accounting treatment of a particular item;

(c) any material change to the Company's auditing and accounting principles and practices as recommended by management, the external auditors or the internal auditors or which may result from proposed changes to applicable generally accepted accounting principles;

(d) the effect of regulatory and accounting initiatives on the Company's financial statements and other financial disclosures;

(e) any reserves, accruals, provisions, estimates or management programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Company;

(f) the use of special purpose entities and the business purpose and economic effect of off-balance sheet transactions, arrangements, obligations, guarantees and other relationships of the Company and their impact on the reported financial results of the Company;

(g) any legal matter, claim or contingency that could have a significant impact on the financial statements, the Company's compliance policies and any material reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the Company's financial statements;

(h) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Company's normal operations;

(i) the use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles; and

(j) management's determination of goodwill impairment, if any, as required by applicable accounting standards.

19. The Committee will review and resolve disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

## Oversight and Monitoring of Internal Controls

20. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with management, the external auditors and the internal auditors:

(a) the adequacy and effectiveness of the Company's internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;

(b) any significant deficiency and material weakness in the design or operation of internal control over financial reporting, including with respect to computerized information system controls and security; and

(c) management's compliance with the Company's processes, procedures and internal controls.

## Oversight and Monitoring of Reported Unethical Conduct

21. In accordance with the Company's Whistleblower Policy, the Committee shall establish and monitor procedures for the receipt and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically or as it deems necessary and applicable, with management and the internal auditors these procedures and any significant complaints received.

## Oversight and Monitoring of the Company's Financial Disclosures

22. The Committee shall:

(a) review with the external auditors and management and recommend to the Board for approval the annual audited financial statements and notes relating thereto and managements' Discussion and Analysis accompanying such financial statements, the Company's annual report and any financial information of the Company contained in any prospectus or information circular of the Company; and

(b) review with the external auditors and management each set of interim unaudited financial statements and notes related thereto and managements' Discussion and Analysis accompanying such financial statements and any other disclosure documents or regulatory filings of the Company containing or accompanying financial information of the Company.

Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

23. Prior to their distribution, the Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and any ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Company gives earning guidance.

24. The Committee shall review the disclosure with respect to its pre-approval of audit and non-audit services provided by the external auditors.

## Oversight of Finance Matters

25. Appointments of the key financial executives involved in the financial reporting process of the Company, including the Chief Financial Officer, shall require the prior review of the Committee.

26. The Committee shall receive and review:

(a) periodic reports on compliance with requirements regarding statutory deductions and remittances;

(b) material policies and practices of the Company respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Company; and

(c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.

27. The Committee shall meet periodically with management to review and discuss the Company's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.

28. The Committee shall receive and review the financial statements and other financial information of material subsidiaries of the Company and any auditor recommendations concerning such subsidiaries.

29. The Committee shall meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

## Risk Oversight and Compliance

30. The Committee shall assess risk tolerance of the Company, management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Company and how effectively such risks are being managed or controlled.

31. The Committee shall (A) review and monitor (i) management's practices and policies with respect to the Company's major security risks, including physical, information, and cybersecurity risks, and control thereof, in accordance with applicable legal and regulatory requirements, (ii) security trends that may impact the Company's operations and business and evolving environment, (iii) contingency plans in the event of a security threat or breach, and (iv) initiatives in terms of development and implementation of appropriate communications and trainings, and (B) report to the Board on the Company's compliance with such practices and policies and progress in remedying any significant deficiencies related thereto and, where appropriate, make recommendations.

32. The Committee shall obtain regular updates from management and others, including internal and external auditors and legal counsel, concerning the Company's compliance with financial related laws and regulations such as tax and financial reporting laws and regulations and legal withholding requirements.

33. The Committee shall review the findings of any examination by regulatory agencies.

## Committee Reporting

34. If required by applicable laws or regulations or stock exchange requirements, the Committee shall prepare, review and approve a report to shareholders and others (the "Report"). In the Report, the Committee shall state whether it has:

(a) reviewed and discussed the audited or unaudited financial statements with management, the external auditors and the internal auditors, where applicable;

(b) received from the external auditors all reports and disclosures required under legal, listing and regulatory requirements and this Charter and have discussed such reports with the external auditors, including reports with respect to the independence of the external auditors; and

(c) based on the reviews and discussions referred to in clauses (a) and (b) above, recommended to the Board that the audited financial statements be included in the Company's annual report.

## Additional Responsibilities

35. The Committee shall review and make recommendations to the Board concerning the financial structure, condition and strategy of the Company and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments, capital expenditures, long-term commitments and the issuance and/or repurchase of stock.

36. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

# THE CHARTER

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter is disclosed on the Company's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the management information circular or annual report of the Company.

**DATED** November 1, 2018, as amended on November 11, 2020 and on November 10, 2021.

Exhibit 99.2

# Annual Consolidated Financial Statements of Alithya Group inc.

For the years ended March 31, 2022 and 2021

Alithya

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# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Alithya Group inc.

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated statement of financial position of Alithya Group inc. (the "Company") as of March 31, 2022, the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows, for the year then ended, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor since 2021.

KPMG LLP

Montréal, Canada
June 16, 2022

# Report of Independent Registered Public Accounting Firm

**Raymond Chabot Grant Thornton LLP**
Suite 2000
National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8
**T** 514-878-2691

To the Board of Directors and Shareholders of
Alithya Group inc.

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated statement of financial position of Alithya Group inc. (hereafter "the Company") as of March 31, 2021, the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows, for the year ended March 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year ended March 31, 2021, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor from 2012 to 2021.

Raymond Chabot Grant Thornton LLP

Montréal, Canada
June 9, 2021

# CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

| *(in thousands of Canadian dollars, except per share data)* | Notes | For the years ended March 31, 2022 | 2021 |
|---|---|---|---|
| | | $ | $ |
| Revenues | 21 | 437,885 | 287,643 |
| Cost of revenues | 17 | 321,732 | 204,626 |
| Gross margin | | 116,153 | 83,017 |
| | | | |
| Operating expenses | | | |
| Selling, general and administrative expenses | 17 | 98,838 | 81,723 |
| Business acquisition, integration and reorganization costs | 18 | 11,617 | 2,321 |
| Depreciation | 17 | 5,435 | 3,767 |
| Amortization of intangibles | 7 | 14,285 | 11,739 |
| Foreign exchange loss (gain) | | (26) | 473 |
| | | 130,149 | 100,023 |
| Operating loss | | (13,996) | (17,006) |
| Net financial expenses | 19 | 4,579 | 3,274 |
| Gain on recovery of note receivable | | — | (660) |
| Loss before income taxes | | **(18,575)** | **(19,620)** |
| Income tax expense (recovery) | | | |
| Current | 11 | (20) | 1,515 |
| Deferred | 11 | (3,007) | (3,797) |
| | | (3,027) | (2,282) |
| Net loss | | **(15,548)** | **(17,338)** |
| | | | |
| Other comprehensive loss | | | |
| *Items that may be classified subsequently to profit or loss* | | | |
| Cumulative translation adjustment on consolidation of foreign subsidiaries | | (439) | (6,631) |
| | | (439) | (6,631) |
| Comprehensive loss | | **(15,987)** | **(23,969)** |
| | | | |
| Basic and diluted loss per share | 15 | (0.18) | (0.30) |

*The accompanying notes are an integral part of these consolidated financial statements.*

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| As at | | March 31, | March 31, |
|---|---|---|---|
| *(in thousands of Canadian dollars)* | | 2022 | 2021 |
| | Notes | $ | $ |
| Assets | | | |
| *Current assets* | | | |
| Cash | | 17,655 | 6,903 |
| Restricted cash | | 3,254 | — |
| Accounts receivable and other receivables | 4 | 100,867 | 69,363 |
| Income taxes receivable | | — | 642 |
| Unbilled revenues | | 17,272 | 9,924 |
| Tax credits receivable | | 8,515 | 4,936 |
| Prepaids | | 6,162 | 3,923 |
| | | **153,725** | **95,691** |
| *Non-current assets* | | | |
| Restricted cash | | — | 3,233 |
| Tax credits receivable | | 11,873 | 7,809 |
| Other assets | | 1,303 | — |
| Property and equipment | 5 | 10,412 | 8,449 |
| Right-of-use assets | 6 | 15,146 | 11,118 |
| Intangibles | 7 | 101,927 | 36,590 |
| Deferred tax assets | 11 | 7,247 | 7,465 |
| Goodwill | 8 | 146,088 | 72,906 |
| | | **447,721** | **243,261** |
| Liabilities and Shareholders' Equity | | | |
| *Current liabilities* | | | |
| Accounts payable and accrued liabilities | 9 | 89,660 | 51,571 |
| Deferred revenues | | 20,409 | 10,288 |
| Current portion of lease liabilities | 6 | 3,510 | 1,923 |
| Current portion of long-term debt | 10 | 19,316 | 35,134 |
| | | **132,895** | **98,916** |
| *Non-current liabilities* | | | |
| Long-term debt | 10 | 87,360 | 19,817 |
| Lease liabilities | 6 | 17,753 | 13,536 |
| Deferred tax liabilities | 11 | 9,962 | 2,980 |
| | | **247,970** | **135,249** |
| *Shareholders' equity* | | | |
| Share capital | 12 | 305,222 | 197,537 |
| Deficit | | (111,654) | (96,190) |
| Accumulated other comprehensive loss | | (947) | (508) |
| Contributed surplus | | 7,130 | 7,173 |
| | | **199,751** | **108,012** |
| | | **447,721** | **243,261** |
| Commitments and contingencies | 13 | | |
| Subsequent event | 24 | | |

*The accompanying notes are an integral part of these consolidated financial statements.*

# CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

***For the years ended March 31,***
***(in thousands of Canadian dollars, except share data)***

| | Notes | Shares outstanding | Share capital | Deficit | Accumulated other comprehensive income (loss) | Contributed surplus | Total |
|---|---|---|---|---|---|---|---|
| | | Number | $ | $ | $ | $ | $ |
| **Balance at March 31, 2021** | | **58,695,438** | **197,537** | **(96,190)** | **(508)** | **7,173** | **108,012** |
| Net loss | | — | — | (15,548) | — | — | (15,548) |
| Other comprehensive loss | | — | — | — | (439) | — | (439) |
| Total comprehensive loss | | **—** | **—** | **(15,548)** | **(439)** | **—** | **(15,987)** |
| Share-based compensation | 12 | — | — | — | — | 1,792 | 1,792 |
| Share-based compensation granted on business acquisition | 12 | — | — | — | — | 1,524 | 1,524 |
| Issuance of Subordinate Voting Shares in consideration of the acquisition of R3D Consulting Inc. | 3, 12 | 25,182,676 | 80,585 | — | — | — | 80,585 |
| Issuance of Subordinate Voting Shares for private placement | 12 | 8,143,322 | 24,686 | — | — | — | 24,686 |
| Shares purchased for cancellation | 12 | (349,400) | (1,244) | 84 | — | — | (1,160) |
| Issuance of Subordinate Voting Shares pursuant to vesting of share-based compensation granted on business acquisitions | 12 | 834,324 | 2,935 | — | — | (2,935) | — |
| Issuance of Multiple Voting Shares and Subordinate Voting Shares from exercise of stock options | 12 | 155,382 | 528 | — | — | (229) | 299 |
| Issuance of Subordinate Voting Shares from settlement of DSUs | 12 | 63,874 | 195 | — | — | (195) | — |
| Total contributions by, and distributions to, shareholders | | **34,030,178** | **107,685** | **84** | **—** | **(43)** | **107,726** |
| **Balance as at March 31, 2022** | | **92,725,616** | **305,222** | **(111,654)** | **(947)** | **7,130** | **199,751** |

| | Notes | Shares outstanding | Share capital | Deficit | Accumulated other comprehensive income (loss) | Contributed surplus | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2020** | | **58,073,517** | **195,335** | **(78,780)** | **6,123** | **4,691** | **127,369** |
| Net loss | | — | — | (17,338) | — | — | (17,338) |
| Other comprehensive loss | | — | — | — | (6,631) | — | (6,631) |
| Total comprehensive loss | | **—** | **—** | **(17,338)** | **(6,631)** | **—** | **(23,969)** |
| Share-based compensation | 12 | — | — | — | — | 1,537 | 1,537 |
| Share-based compensation granted on business acquisition | 12 | — | — | — | — | 4,051 | 4,051 |
| Issuance of Multiple Voting Shares and Subordinate Voting Shares from exercise of stock options | 12 | 156,132 | 484 | — | — | (184) | 300 |
| Issuance of Subordinate Voting Shares pursuant to vesting of share-based compensation granted on business acquisitions | 12 | 458,071 | 1,686 | — | — | (1,686) | — |
| Issuance of Subordinate Voting Shares from settlement of DSUs | 12 | 7,718 | 32 | — | — | (32) | — |
| Repurchase of equity interests issued on business acquisition | 12 | — | — | (72) | — | (1,204) | (1,276) |
| Total contributions by, and distributions to, shareholders | | **621,921** | **2,202** | **(72)** | **—** | **2,482** | **4,612** |
| **Balance as at March 31, 2021** | | **58,695,438** | **197,537** | **(96,190)** | **(508)** | **7,173** | **108,012** |

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| *(in thousands of Canadian dollars)* | Notes | For the years ended March 31, 2022 | 2021 |
|---|---|---|---|
| | | $ | $ |
| **Operating activities** | | | |
| Net loss | | (15,548) | (17,338) |
| Items not affecting cash | | | |
| Depreciation and amortization | | 19,720 | 15,506 |
| Amortization of finance costs | 19 | 277 | 242 |
| Share-based compensation | 12 | 3,316 | 5,588 |
| Unrealized foreign exchange loss | | 299 | 1,291 |
| Foreign exchange gain on repayment of long-term debt | | (250) | (879) |
| Forgiveness of PPP loan | 10 | (5,868) | (1,898) |
| Interest accretion on balances of purchase payable | 19 | 823 | 835 |
| Loss on disposal of property and equipment | | — | 218 |
| Loss on disposal of intangibles | 7 | 262 | — |
| Other | | (533) | (138) |
| Deferred taxes | 11 | (3,007) | (3,797) |
| Changes in non-cash working capital items | 20 | (1,120) | (86) |
| | | **13,919** | **16,882** |
| Net cash used in operating activities | | **(1,629)** | **(456)** |
| **Investing activities** | | | |
| Additions to property and equipment | 5 | (1,719) | (2,104) |
| Additions to intangibles | 7 | (1,361) | (166) |
| Restricted cash | | (21) | (1,021) |
| Repurchase of equity interests issued on business acquisitions | 12 | — | (1,276) |
| Business acquisitions, net of cash acquired | 3 | (15,705) | — |
| Right-of-use assets | | (132) | — |
| Net cash used in investing activities | | **(18,938)** | **(4,567)** |
| **Financing activities** | | | |
| Increase in long-term debt, net of related transaction costs | 16 | 156,768 | 53,471 |
| Repayment of long-term debt | 16 | (146,509) | (49,867) |
| Exercise of stock options | 12 | 299 | 300 |
| Repayment of lease liabilities | 6 | (2,688) | (1,397) |
| Share issuance, net of share issue costs | 12 | 24,686 | — |
| Shares purchased for cancellation | 12 | (1,160) | — |
| Lease incentives | 6 | — | 917 |
| Net cash from financing activities | | **31,396** | **3,424** |
| Effect of exchange rate changes on cash | | (77) | (308) |
| Net change in cash | | **10,752** | **(1,907)** |
| Cash, beginning of year | | 6,903 | 8,810 |
| Cash, end of year | | **17,655** | **6,903** |
| Cash paid (included in cash flow (used in) from operating activities) | | | |
| Interest paid | | 3,148 | 1,831 |
| Income taxes (recovered) paid | | (354) | 574 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## 1. GOVERNING STATUTES AND NATURE OF OPERATIONS

Alithya Group inc. (“Alithya” or the “Company”) and its subsidiaries (collectively with Alithya, the “Group”) are leaders in strategy and digital transformation. Alithya's integrated offer is based on four pillars of expertise: business strategies, enterprise cloud solutions, application services, and data and analytics. The Group deploys solutions, services, and expert consultants to design, build and implement innovative and efficient solutions for the complex business challenges of its clients, tailored to their business needs in the financial services, insurance, renewable energy, manufacturing, telecommunications, transportation and logistics, professional services, healthcare and government sectors.

The Company’s Class A subordinate voting shares (the “Subordinate Voting Shares”) trade on the Toronto Stock Exchange (“TSX”) and on the NASDAQ Capital Market (“NASDAQ”) under the symbol “ALYA”.

The Company is the Group’s ultimate parent company and its head office is located at 1100, Robert-Bourassa Boulevard, Suite 400, Montréal, Québec, Canada, H3B 3A5.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

*Statement of Compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved and authorized for issue by the Board of Directors (the “Board”) on June 16, 2022.

*Basis of Measurement*

These consolidated financial statements have been prepared under the historical cost basis except for

- Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination which are generally measured initially at their fair values at the acquisition date;
- Lease obligations, which are initially measured at the present value of the lease payments that are not paid at the lease commencement date; and
- Equity classified share-based payment arrangements which are measured at fair value at grant date pursuant to IFRS 2, Share-Based Payment.

### PRINCIPLES OF CONSOLIDATION

*Subsidiaries*

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has the right to variable returns from its relationship with the entity and is able to affect those returns through its power over the activities of the entity. The subsidiaries’ financial statements are included in these consolidated financial statements from the date of commencement of control until the date that control ceases.

Subsidiaries’ accounting policies have been adjusted, when necessary, to align with the policies adopted by the Group.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

All intercompany balances and transactions, and any unrealized income and expenses arising from intra company transactions, are eliminated on consolidation.

These consolidated financial statements include the accounts of the Company and the accounts of its wholly-owned subsidiaries. All subsidiaries have a reporting date of March 31. The Company's principal subsidiaries are as follows:

| Entity | Jurisdiction | 2022 Percentage Ownership | 2021 Percentage Ownership |
|---|---|---|---|
| Alithya Canada Inc. | Quebec, Canada | 100% | 100% |
| Alithya Consulting Inc. | Quebec, Canada | 100% | 100% |
| Alithya Digital Technology Corporation | Ontario, Canada | 100% | 100% |
| Alithya France SAS | France | 100% | 100% |
| Alithya USA, Inc. | Delaware, USA | 100% | 100% |
| Alithya Financial Solutions, Inc. | Delaware, USA | 100% | 100% |
| Alithya Ranzal LLC | Delaware, USA | 100% | 100% |
| Alithya Zero2Ten, Inc. | Delaware, USA | 100% | 100% |
| Alithya Fullscope Solutions, Inc. | Delaware, USA | 100% | 100% |
| Matricis Informatique Inc. [(a)] | Quebec, Canada | 100% | 100% |
| Alithya Travercent LLC [(a)] | Texas, USA | 100% | 100% |
| Alithya Askida Consulting Services Inc. [(a)] | Quebec, Canada | — | 100% |
| Alithya Askida Solutions Inc. [(a)] | Quebec, Canada | — | 100% |
| Pro2p Services Conseils Inc. [(a)] | Canada | — | 100% |
| Alithya Solutions Canada Inc. [(a)] | Canada | 100% | 100% |
| Alithya IT Services Inc. [(a)] | Canada | 100% | - |
| Vitalyst, LLC | Delaware, USA | 100% | - |
| Alithya Numérique Maroc SARLAU | Maroc | 100% | - |

*[(a)] As at March 31, 2022, those subsidiaries were either liquidated, dissolved, amalgamated or transferred all of their assets and liabilities to other companies of the Group.*

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### BUSINESS COMBINATIONS

The Group accounts for its business combinations using the acquisition method. Under this method the consideration transferred is measured at fair value. Acquisition-related and integration costs associated with the business combination are expensed as incurred. The Group recognizes goodwill as the excess of the cost of the acquisition over the net identifiable tangible and intangible assets acquired and liabilities assumed at their acquisition date fair values and any non-controlling interest in the acquiree. The fair value allocated to tangible and intangible assets acquired and liabilities assumed are based on management's assumptions, including assumptions that would be made by market participants, acting in their economic best interest. These assumptions include the future expected cash flows arising from the intangible assets identified. The goodwill recognized is composed of the future economic value associated to acquired work force and any identified synergies with the Group's operations which are primarily due to reduction of costs and new business opportunities. The determination of fair value involves making estimates relating to acquired intangible assets, property and equipment, litigation, provision for estimated losses on revenue-generating contracts, other onerous contracts, tax and other contingency reserves. Estimates include the forecasting of future cash flows and discount rates. Subsequent changes in fair values are adjusted against the cost of acquisition, if they qualify as measurement period adjustments. The measurement period is the period between the date of acquisition and the date where all significant information necessary to determine the fair values is available, not to exceed 12 months. All other subsequent changes are recognized in the consolidated statements of operations.

### TRANSLATION OF FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency. Each entity in the group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

#### *Foreign currency transactions and balances*

Revenue, expenses and non-monetary assets and liabilities denominated in foreign currencies are recorded at the rate of exchange prevailing at the transaction date, except for non-monetary items measured at fair value, which are translated using the exchange rates at the date when the fair value was determined. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the reporting date. Unrealized and realized translation gains and losses, resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency, are reflected in the consolidated statements of operations.

#### *Foreign operations*

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Canadian dollar are translated into Canadian dollars upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period. Upon consolidation, assets and liabilities have been translated into Canadian dollars at the closing rate at the reporting date. Goodwill and fair value adjustments arising from the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Canadian dollars at the closing rate. Revenue and expenses have been translated into Canadian dollars at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the consolidated statements of operations and are recognized as part of the gain or loss on disposal.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### SEGMENTED REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other segments. An entity shall disclose separately information about each operating segment or can combine operating segments, with similar economic characteristics or that do not meet quantitative thresholds to produce a reportable segment, into one reportable segment.

The Group has examined its activities and has determined that it has one single reportable segment due to similar characteristics of its operating segments, including similar economic characteristics, the nature of services provided to its customers and types of customers comprising its customer base and the regulatory environment in which the Group operates.

### REVENUE RECOGNITION, UNBILLED REVENUES AND DEFERRED REVENUES

The Group generates revenue principally through the provision of consulting services in the areas of information technology including systems implementation and strategy. These services are provided under arrangements with varying pricing mechanisms.

To determine whether to recognize revenue, the Group follows a 5-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognizing revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative standalone selling prices. Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers, including variable consideration, such as, discounts, volume rebates, service-level penalties, and incentives. Variable consideration is estimated using either the expected value method or most likely amount method and is included only to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur. In making this judgement, management will mostly consider all information available at the time, the Group's knowledge of the client or the industry, the type of services to be delivered and the specific contractual terms of each arrangement.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenues in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either an unbilled revenues or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Certain of the Group's arrangements may include client acceptance clauses. Each clause is analyzed to determine whether the earnings process is complete when the service is performed. Formal client sign-off is not always necessary to recognize revenue, provided that the Group objectively demonstrates that the criteria specified in the acceptance provisions are satisfied. Some of the criteria reviewed include historical experience with similar types of arrangements, whether the acceptance provisions are specific to the client or are included in all arrangements, the length of the acceptance term and historical experience with the specific client.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contract modifications are changes in scope and/or price that are approved by the parties to the contract. Approval may be written, oral or implied by customary business practices, and are legally enforceable. The Group accounts for modifications as a separate contract if the modifications add distinct goods or services that are priced commensurate with standalone selling prices or if the remaining goods or services are distinct from those already transferred, otherwise modifications are accounted for as part of the original contract.

*Time and materials arrangements* – Revenue from consulting and support services and systems implementations under time and materials arrangements is recognized as the services are rendered.

*Fixed-fee arrangements* – Revenue from consulting services and systems implementations under fixed-fee arrangements where the outcome of the arrangements can be estimated reliably is recognized over time based on the measure of progress determined by the Group's efforts or inputs towards satisfying the performance obligation relative to the total expected inputs. The Group primarily uses labour costs or labour hours to measure the progress towards completion. This method relies on estimates of total expected labour costs or total expected labour hours to complete the service, which are compared to labour costs or labour hours incurred to date, to arrive at an estimate of the percentage of revenue earned to date. Management regularly reviews underlying estimates of total expected labour costs or hours. If the outcome of an arrangement cannot be estimated reliably, revenue is recognized to the extent of arrangement costs incurred that are likely to be recoverable.

*Service based arrangements* – The client pays a recurring fee in exchange for a monthly recurring service (typically support). The revenue for these arrangements is recognized over time.

*Software revenue* – Software revenue is generated from the resale of certain third-party off-the-shelf software and maintenance. The majority of the software sold by the Group is delivered electronically. For software that is delivered electronically, the Group considers transfer of control to have occurred when the customer either (a) takes possession of the software via a download (that is, when the customer takes possession of the electronic data on its hardware), or (b) has been provided with access codes that allow the customer to take immediate possession of the software on its hardware pursuant to an agreement or purchase order for the software. In all instances, the resale of third-party software and maintenance is recorded on a net basis. Group created software, and the associated maintenance, is reported on a gross basis, however it is immaterial in all periods presented.

Third party software and maintenance revenue are recognized upon delivery of the software, as all related warranty and maintenance is performed by the primary software vendor and not the Group.

Subscriptions to learning services, which are available to customers at any times with unlimited use, are recognized over time, on a straight-line basis over the contract term.

The Group enters into arrangements with multiple performance obligations which typically include software, post-contract support (or maintenance), and consulting services. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis. The Group has determined standalone selling prices for each of the performance obligations in connection with the evaluation of arrangements with multiple performance obligations. The Group has determined standalone selling prices for consulting services based on a stated and consistent rate per hour range in standalone transactions. The Group has determined standalone selling prices for software through consistent stated rates for software components. The Group has determined standalone selling prices for maintenance based on observable prices for standalone renewals.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

*Estimated losses on revenue-generating contracts* – Estimated losses on revenue-generating contracts may occur due to additional contract costs which were not foreseen at the inception of the contract. Contract losses are measured at the amount by which the estimated incremental costs, including direct labour and material, exceed the estimated total revenue from the contract. The estimated losses on revenue-generating contracts are recognized in the period when it is determined that a loss is probable. The expected loss is first applied to impair the related capitalized contract costs, if any, with the excess recorded under performance obligations in customer contracts in accounts payable and accrued liabilities. Management regularly reviews arrangement profitability and underlying estimates.

*Unbilled revenues and deferred revenues* – Amounts recognized as revenue in excess of billings are classified as unbilled revenues. Amounts received in advance of the performance of services are classified as deferred revenues.

### FINANCIAL INSTRUMENTS

*Recognition and Derecognition*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

*Classification and Initial Measurement of Financial Assets*

Except for those accounts receivables and other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within financial expense, except for impairment of accounts receivables and other receivables, which is presented within selling, general and administrative expenses.

In the years presented, the Group does not have any financial assets categorized as FVOCI or FVTPL.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *Subsequent measurement of financial assets*

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash, restricted cash and accounts receivable and other receivables fall into this category of financial instruments.

### *Impairment of financial assets and unbilled revenues*

IFRS 9's impairment requirements use forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of IFRS 9's impairment requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, accounts receivables and other receivables and unbilled revenues recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Expected credit losses are not significant for the Group.

The Group considers a range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### *Accounts Receivable and Other Receivables and Unbilled Revenues*

The Group makes use of the simplified approach in accounting for accounts receivable and other receivables and unbilled revenues and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group assesses impairment of accounts receivables and other receivables and unbilled revenues based on days past due on a collective basis as customers with similar payment delays possess shared credit risk characteristics. The Group also assesses impairment of accounts receivables and other receivables and unbilled revenues on a customer-by-customer basis based on specific risks identified.

*Classification and measurement of financial liabilities*

The Group's financial liabilities include accounts payable and accrued liabilities and long-term debt.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value are reported in the consolidated statements of operations within financial expenses.

*Transaction Costs*

Transaction costs related to loans and receivables and liabilities are considered as part of the carrying value of the asset or liability and are then amortized over the expected life of the instrument using the effective interest rate method.

*Financial Income and Expenses*

Financial income includes interest income on cash. Interest income is recognized as it accrues in earnings, using the effective interest method. Financial expenses include interest expense on borrowings, effective interest on non-interesting bearing vendor financing arising from business combinations, amortization of unwinding of the discount on provisions and other interest and bank charges.

### EARNINGS PER SHARE

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) attributable to the holders of Common Shares (as defined further herein) by the weighted average number of Common Shares outstanding during the period. The net earnings (loss) attributable to the holders of Common Shares corresponds to the net earnings (loss) adjusted by deducting earnings allocated to preferred shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional Common Shares that would have been outstanding assuming the conversion of all potential equity instruments, including deferred, restricted and performance share units, if dilutive.

Dilutive potential outstanding stock options include the total number of additional Common Shares that would have been issued by the Company assuming stock options with exercise prices below the average market price for the year were exercised and reduced by the number of shares that the Company could have repurchased if it had used the assumed proceeds from the exercise of stock options to repurchase them on the open market at the average share price for the period.

"Common Shares" include the Subordinate Voting Shares and Multiple Voting Shares (as defined further herein).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### RESTRICTED CASH

Restricted cash represents amounts held in trust as required by contractual obligations arising from a business acquisition. Restricted cash that is not expected to become unrestricted within the next twelve months is included in non-current assets on the statements of financial position.

### GOVERNMENT ASSISTANCE

Certain subsidiaries are eligible for government assistance programs, in the different jurisdictions, in the form of grants, loans and tax credits for the development of e-business. Government assistance is recorded when there is reasonable assurance that the assistance will be received and that the subsidiary will comply with all relevant conditions. Assistance is treated as a reduction in the cost of the related item.

In preparing claims, judgment is required in interpreting the regulations related to these programs, determining if the operations of the subsidiaries qualify and identifying and quantifying eligible expenses. These claims are subject to examination and audit by local authorities, who may disagree with interpretations made by the Group. Management estimates the amounts to be received or forgiven under these programs. Final settlements following examinations and audits could be different from amounts recorded and could have a material effect on the financial position or operating results of the Group.

### PROPERTY AND EQUIPMENT ("P&E")

Property and equipment are recorded at cost and amortized over their estimated useful lives, using the following methods:

| | Method | Rates |
|---|---|---|
| Furniture, fixtures and equipment | Declining balance | 20 % |
| Computer equipment | Declining balance | 30 % |
| Leasehold improvements | Straight line | Over the term of the lease |

The residual value, depreciation method and useful life of each asset are reviewed at least once a year, at the reporting date.

### LEASES

*The Group as a lessee*

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as a "contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or net loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in the consolidated statements of operations on a straight-line basis over the lease term.

### *The Group as a lessor*

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### INTANGIBLES

Intangible assets consist mainly of customer relationships, non-compete agreements and internal-use business solutions and software licenses. Internal use business solutions and software licenses ("Software") are recorded at cost. In addition, internal-use business solutions developed internally are capitalized when they meet specific capitalization criteria related to technical and financial feasibility and when the Group demonstrates its ability and intention to use them. Amortization of internal-use business solutions commences once the solution is available for use. Customer relationships, internal-use business solutions and software licenses acquired through business combinations are initially recorded at their fair value. The Group amortizes its intangible assets using the straight-line method, or a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed, over their estimated useful lives, as follows :

| | Method | Period |
|---|---|---|
| Customer relationships | Straight line/ Economic consumption | 3 - 10 years or based on the term of the underlying contracts |
| Non-compete agreements | Straight line | 3 - 10 years |
| Software | Straight line | 3 years |

The residual value, depreciation method and useful life of each asset are reviewed at least once a year, at the reporting date.

### GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition and it is measured net of accumulated impairment losses. Goodwill is not amortized, but instead tested for impairment annually, or more frequently, should events or changes in circumstances indicate that the goodwill may be impaired.

### IMPAIRMENT OF P&E, RIGHT-OF-USE ASSETS, INTANGIBLES AND GOODWILL

*Timing of impairment testing*

The carrying amounts of the Group's P&E, right-of-use assets, intangible assets and goodwill are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. At each reporting date, the Group assesses whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the impairment is tested at least annually, typically as at March 31.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *Impairment testing*

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs of disposal. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in consolidated statement of operations. Impairment losses recognized in respect of CGUs that include goodwill are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs (group of CGUs) on a pro rata basis not beyond the highest of:

- The fair value less costs of disposal; and
- Value in use of the individual asset, if determinable.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### BUSINESS ACQUISITION, INTEGRATION AND REORGANIZATION COSTS

Business acquisition, integration and reorganization costs are comprised of transaction costs related to business acquisitions, whether successful or not, costs of integrating acquired businesses including redundant rent, gains or losses on lease modifications, disposal of non-core assets and transition costs relating to system integrations as well as severance resulting from integrations and significant changes in management structure.

### PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group's provisions may consist of litigation and claim provisions arising in the ordinary course of business and decommissioning liabilities for operating leases of office buildings. The Group may record restructuring provisions related to business combinations and termination of employment costs incurred as part of the Group's productivity improvement initiatives. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted using a current pre-tax rate when the impact of the time value of money is material. The increase in the provision due to the passage of time is recognized as a finance cost. The accrued litigation and legal claim provisions are based on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances. Estimates include the period in which the underlying cause of the claim occurred and the degree of probability of an unfavorable outcome.

In the case of decommissioning liabilities pertaining to operating leases of buildings where certain arrangements require premises to be returned to their original state at the end of the lease term, the provision is determined using the present value of the estimated future cash outflows.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Restructuring provisions, consisting primarily of severance, are recognized when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, appropriate timelines and has been communicated to those affected by it.

### INCOME TAXES

Income taxes are accounted for using the liability method of accounting.

Current income taxes are recognized with respect to the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between the amounts reported for financial statement purposes and tax values of the assets and liabilities using enacted or substantively enacted tax rates that will be in effect for the year in which the differences are expected to be recovered or settled. Deferred income tax assets and liabilities are recognized in earnings, other comprehensive income or in equity based on the classification of the item to which they relate.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### SHARE CAPITAL

Subordinate Voting Shares, Multiple Voting Shares and preferred shares that are not redeemable or are redeemable only at the Group's option are classified as equity. Incremental costs directly attributable to the issue of Subordinate Voting Shares, Multiple Voting Shares, preferred shares and stock options are recognized as a deduction from equity, net of any tax effects. Dividends payable by the Company to its shareholders, which are determined at the discretion of the Board and in accordance with the terms of each category of shares (note 12), are recorded when declared. Dividends on Subordinate Voting Shares, Multiple Voting Shares and preferred shares are recognized as distributions within equity. When share capital recognized as equity is purchased for cancellation, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from share capital for the shares' assigned value, any excess being allocated to contributed surplus to the extent that contributed surplus was created by a net excess of proceeds over cost on cancellation or resale of shares of the same class (charged to retained earnings if no contributed surplus for the same class of shares exists), and any discount being assigned to contributed surplus. Eligible employees can purchase Subordinate Voting Shares at the price (fair value) then in effect, in the context of the share purchase plan described in note 12.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### SHARE-BASED COMPENSATION PLANS

#### *Share purchase plan*

The Company operates a share purchase plan for eligible employees of the Company and its subsidiaries. Under this plan, the Group matches the contributions made by employees up to a maximum percentage of the employee's gross salary. The Group's contributions to the plan are recognized in salaries within cost of revenues and selling, general and administrative expenses.

#### *Normal course issuer bid ("NCIB")*

When the Company purchases its own shares for cancellation through its NCIB, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled. When the shares are cancelled, the excess of the consideration paid over the average stated value of the shares purchased for cancellation is charged to the deficit.

#### *Long-term incentive plan ("LTIP")*

The Company operates a LTIP for eligible employees and directors of the Company and its subsidiaries which provides for various types of awards, including equity-settled stock options, deferred share units ("DSUs"), restricted share units ("RSUs") and performance share units ("PSUs"). The Board, at its discretion, may elect to settle the RSUs and PSUs in the form of a cash payment. The Company accounts for the RSUs and PSUs as equity-settled awards as the Board intends to settle these awards through the issuance of capital stock.

The fair value of the share-based expense is based on the grant date fair value of the award expected to vest over the vesting period with a corresponding adjustment through contributed surplus. For stock options the compensation cost is measured using the Black-Scholes option pricing model. For RSUs and DSUs the compensation cost is measured at the fair value of the underlying Subordinate Voting Share at the grant date. The terms and conditions of each PSUs grant, including market and non-market performance goals, are determined by the Board. For the portion of PSUs that are issuable based on market performance conditions, the amount of PSUs recognized as an expense is adjusted based on an estimate of fair value measured using a Monte Carlo model considering market performance conditions at grant date. For the portion of the PSUs that are issuable based on non-market conditions, the amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The determination as to whether the performance goals have been achieved will have been made by the Board.

Forfeitures are estimated at the time of the grant and are included in the measurement of the expense and are subsequently adjusted to reflect actual events. For awards with graded vesting, the fair value of each tranche is recognized on a straight-line basis over its vesting period.

Any consideration paid by participants on exercise of stock options is credited to share capital together with any related share-based compensation expense originally recorded in contributed surplus.

When DSUs, RSUs and PSUs are settled, the recorded fair value of the award is removed from contributed surplus and credited to capital stock.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported as assets, liabilities, income and expenses in the consolidated financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which they occur and in any future periods affected.

*Assessment of COVID-19 impact*

As a result of measures enacted during fiscal 2022 and 2021 to combat the COVID-19 pandemic, increased uncertainty surrounding global economic conditions and business impacts have occurred. The Group has reviewed its estimates, judgments and assumptions used in the preparation of its consolidated financial statements, including the determination of whether indicators of impairment exist for its tangible and intangible assets, including goodwill, estimated losses on revenue from fixed-fee arrangement contracts, the credit risk of its counterparties, and the estimates and judgments used for the measurement of its deferred tax assets.

The potential impacts of the surrounding global economic uncertainties on the Group's operations and financial conditions and on overall customer demand, may require revisions in future periods to estimates and assumptions. Although management expects COVID-19 related disruptions to continue beyond fiscal 2022, it believes that the Group's long-term estimates and assumptions do not require further revisions, however management continues to monitor and evaluate the situation and its impact on the Group's business.

Information related to critical judgements required in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following note:

*Determination of cash generating units* – the identification of CGUs and grouping of assets into the respective CGUs is based on currently available information about actual utilization experience and expected future business plans. Management has taken into consideration various factors in identifying its CGUs. These factors include how the Group manages and monitors its operations, the nature of each CGU's operations, and the major customer markets they serve. As such, the Group has identified its CGUs for purposes of testing the recoverability and impairment of non-financial assets to be: Canada, France, EPM US and ERP US.

*Determination of the aggregation of operating segments* – the Group uses judgment in the aggregation of operating segments for financial reporting and disclosure purposes. The Group has examined its activities and has determined that it has one single reportable segment due to similar economic characteristics including the nature of services provided to its customers, types of customers comprising its customer base and the regulatory environment in which the Group operates.

*Grants, loans and tax credits* – the Group is eligible for government assistance programs, in different jurisdictions, which are recorded as a reduction in the cost of the related item when there is reasonable assurance that the assistance will be received and that the Group will comply with all relevant conditions. The Group interprets the regulations related to these programs, determines if the operations of the Group qualify and identifies and quantifies eligible expenses. These claims are subject to examination and audit by local authorities, who may disagree with interpretations made by the Group. These interpretations are used to determine the amounts to be received or forgiven under the programs and are subject to examinations and audits which could reach conclusions that are materially different from amounts recorded by the Group.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Information related to assumptions and estimation uncertainties described below with a significant risk of resulting in material adjustments within the next year are included within the following notes:

*Revenue recognition of fixed-fee arrangements* – the Group recognizes revenues from fixed-fee arrangements which can extend over more than one reporting period. Revenue from these fixed-fee arrangements is recognized over time based on a measure of progress using the Group's best estimate of the total expected labour costs or total expected labour hours, and the related risks associated with completing the projects. In addition, the determination of anticipated costs for completing a contract is based on estimates that can be affected by a variety of factors, including the cost of materials and labour, as well as potential claims from customers. As risks and uncertainties are different for each project, the sources of variations between anticipated costs and actual costs incurred will also vary by project. The determination of estimates is based on the Group's business practices as well as its historical experience, and is tightly linked to detailed project management processes and controls. The information provided by the project managers combined with a knowledgeable assessment of technical complexities and risks are used in estimating the percentage complete.

*Impairment of long-lived assets* – the Group's impairment test for goodwill is based on internal estimates of the value-in-use calculations and uses valuation models such as the discounted cash flow model. Key assumptions on which the Group has based its determination of the individual CGUs' value-in-use include discounted future expected net operating cash flows, estimated long-term growth rates of net operating cash flows and after tax value Weighted Average Cost of Capital ("WACC"). Changes in these estimates can have a material impact on the recoverable amount calculations and ultimately the amount of any goodwill impairment recognized. Refer to note 8 for additional information on the assumptions used.

*Business combinations* – the Group accounts for business combinations using the acquisition method. The consideration transferred and the acquiree's identifiable assets, liabilities and contingent liabilities are measured at their fair value. The Group develops the fair value by using appropriate valuation techniques which are generally based on discounted future expected cash flows. These evaluations are linked closely to the assumptions made by the Group and can consist of the future performance of the related assets, the discount rate and the attrition rate. Contingent consideration is measured at fair value using a discounted cash flow model.

*Deferred tax assets* – the Group exercises judgment in the assessment of the probability of future taxable income, to estimate the extent to which deferred income tax assets can be realized. Estimates are based on the Group's most recent approved budget, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules and tax planning strategies in the numerous jurisdictions in which the Group operates are carefully taken into consideration. The Group uses judgment to assess specific facts and circumstances to evaluate legal, economic or other uncertainties.

### FUTURE ACCOUNTING STANDARDS

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations, and improvements to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Group. Management anticipates that all the relevant pronouncements will be adopted in the first reporting period following the date of application. Information on new standards, amendments and interpretations, and improvements to existing standards, which could potentially impact the Group's consolidated financial statements, are detailed as follows:

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *New Standards and Interpretations Issued but Not Yet Effective*

### *IAS 1 - Presentation of Financial Statements*

On January 23, 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. In July 2020, the IASB issued final amendments to defer the effective date to annual periods beginning on or after January 1, 2023. Early adoption is permitted. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that: settlement of a liability includes transferring a company's own equity instruments to the counterparty; and when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity. Management is currently assessing, but has not yet determined, the impact of this new standard on the Group's consolidated financial statements.

### *Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policy Information*

In February 2021, the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments shall be applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Once an entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

### *Amendments to IAS 8, Definition of Accounting Estimates*

In February 2021, the IASB amended IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *Amendments to IAS 37 - Onerous Contracts, Cost of Fulfilling a Contract*

On May 14, 2020, the IASB published Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), which specifies which costs a company includes when assessing whether a contract will be loss-making. The amendments are effective for annual periods beginning on or after January 1, 2022 and applicable to contracts existing at the date when the amendments are first applied. At the date of the initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity as appropriate. The comparatives are not restated. The Group is currently applying the incremental cost method approach in calculating the costs of fulfilling a contract, however, application of the full cost approach is not expected to have a material impact on the financial statements.

### *Amendments to IAS 12 - Income Taxes*

On May 7, 2021, the IASB issued amendments to IAS 12 – Income Taxes to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will be required to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. Management is currently evaluating the impact of this standard on its consolidated financial statements.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

## 3. BUSINESS COMBINATIONS

### *Alithya IT Services Inc.*

#### *Overview*

On April 1, 2021, the Company acquired all of the outstanding shares of R3D Consulting Inc. (now Alithya IT Services Inc.) ("Alithya IT" or "R3D") (the "R3D Acquisition"), a private Québec firm that specializes in digital solutions.

The purchase price was paid by the issuance of 25,182,676 Subordinate Voting Shares of the Company, at a value of $3.20 per share, which was the closing share price on the TSX on April 1, 2021, cash of $978,000 and assumption of accounts payable and accrued liabilities and long-term debt of $45,000 and $8,887,000, respectively, on the closing date.

The fair value of the assets acquired, liabilities assumed, and the purchase consideration's valuation have been completed. The R3D Acquisition is being accounted for using the acquisition method of accounting.

For the year ended March 31, 2022, the Company incurred acquisition-related costs of approximately $1,646,000. These costs have been recorded in the consolidated statement of operations in business acquisition, integration and reorganization costs.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 3. BUSINESS COMBINATION (CONT'D)

### *Purchase Price Allocation*

The allocation of the fair value of the assets acquired and the liabilities assumed is detailed as follows:

| **Acquisition of Alithya IT Services Inc.** | **$** |
|---|---|
| **Current assets** | |
| Cash | 577 |
| Accounts receivable and other receivables | 9,985 |
| Unbilled revenues | 7,169 |
| Prepaids | 91 |
| | **17,822** |
| **Non-current assets** | |
| Tax credits receivable | 2,053 |
| Property and equipment | 2,207 |
| Right-of-use assets | 2,982 |
| Intangibles | 52,777 |
| Deferred tax assets | 763 |
| Goodwill | 42,491 |
| **Total assets acquired** | **121,095** |
| | |
| **Current liabilities** | |
| Accounts payable and accrued liabilities | 15,069 |
| Income taxes payable | 155 |
| Deferred revenues | 125 |
| Current portion of lease liabilities | 592 |
| Current portion of long-term debt | 8,887 |
| | **24,828** |
| **Non-current liabilities** | |
| Lease liabilities | 3,620 |
| Deferred tax liabilities | 11,084 |
| **Total liabilities assumed** | **39,532** |
| | |
| **Net assets acquired** | **81,563** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 3. BUSINESS COMBINATION (CONT'D)

### *Goodwill*

The goodwill recognized consists mainly of the future economic value attributable to the profitability of the acquired business, as well as its workforce and expected synergies from the integration of Alithya IT into the Group's existing business. The Company does not expect the goodwill to be deductible for income tax purposes.

### *Consideration paid*

The following table summarizes the acquisition date fair value of each class of consideration as follows:

| **Acquisition of Alithya IT Services Inc.** | **$** |
|---|---|
| Cash paid | 978 |
| Issuance of 25,182,676 Subordinate Voting Shares | 80,585 |
| **Total consideration transferred** | **81,563** |

### *Alithya IT 's contribution to the Group results*

For the period from April 1, 2021 to December 31, 2021, the date of Alithya IT’s administrative integration within the acquired legal entity, it contributed revenues of approximately $51,002,000, a loss in the amount of $4,595,000, including amortization, primarily related to the acquired customer relationships, of $3,805,000, and business acquisition and integration costs of $3,683,000. Since the R3D Acquisition, all new contracts and all new employees related to the acquired business were recorded in other Canadian entities of the Group, in preparation for its administrative integration.

### *Vitalyst, LLC*

### *Overview*

On January 31, 2022, the Company acquired all of the issued and outstanding membership interest of Vitalyst, LLC (“Vitalyst”) ("Vitalyst Acquisition"), a US-based learning, employee experience and transformative change enablement business.

The Vitalyst Acquisition was completed for total consideration of US$45,362,000 ($57,592,000), comprised of certain accounts payable and accrued liabilities assumed of US$2,279,000 ($2,893,000), long-term debt of US$30,150,000 ($38,279,000), and US$12,933,000 ($16,420,000) paid in cash. The consideration is subject to working capital and other adjustments, and includes an additional potential earn-out of up to US$1,000,000 ($1,270,000) payable before May 31, 2023.

The fair value of the assets acquired and the liabilities assumed, and the purchase consideration is preliminary pending the completion of their valuation. Should new information, obtained within one year of the date of acquisition, about the facts and circumstances that existed at the date of the Vitalyst Acquisition, result in adjustments to the below amounts, or require additional provisions for conditions that existed at the date of the Vitalyst Acquisition, the fair value will then be revised. The Vitalyst Acquisition is being accounted for using the acquisition method of accounting.

For the year ended March 31, 2022, the Company incurred acquisition-related costs of approximately $1,652,000. These costs have been recorded in the consolidated statement of operations in business acquisition, integration and reorganization costs.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 3. BUSINESS COMBINATION (CONT'D)

### *Purchase Price Allocation*

The preliminary allocation of the fair value of the assets acquired and the liabilities assumed is detailed as follows:

| **Acquisition of Vitalyst, LLC** | **$** |
|---|---|
| **Current assets** | |
| Cash | 1,116 |
| Accounts receivable and other receivables | 6,301 |
| Unbilled revenues | 1,101 |
| Prepaids | 1,403 |
| | **9,921** |
| **Non-current assets** | |
| Other assets | 157 |
| Property and equipment | 583 |
| Right-of-use assets | 3,975 |
| Intangibles | 26,323 |
| Goodwill | 31,498 |
| **Total assets acquired** | **72,457** |
| | |
| **Current liabilities** | |
| Accounts payable and accrued liabilities | 5,237 |
| Deferred revenues | 7,936 |
| Current portion of lease liabilities | 1,007 |
| Current portion of long-term debt | 38,584 |
| | **52,764** |
| **Non-current liabilities** | |
| Lease liabilities | 3,273 |
| **Total liabilities assumed** | **56,037** |
| | |
| **Net assets acquired** | **16,420** |

### *Goodwill*

The goodwill recognized consists mainly of the future economic value attributable to the profitability of the acquired business, as well as its workforce and expertise. The Company does not expect the goodwill to be deductible for income tax purposes.

### *Consideration paid*

The following table summarizes the acquisition date fair value of each class of consideration as follows:

| **Acquisition of Vitalyst, LLC** | **$** |
|---|---|
| Cash paid | 16,420 |
| Earn-out | — |
| **Total consideration transferred** | **16,420** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 3. BUSINESS COMBINATION (CONT'D)

### *Vitalyst's contribution to the Group results*

For the year ended March 31, 2022, the Vitalyst business contributed revenues of approximately $4,980,000, a loss in the amount of $1,219,000, including amortization, primarily related to the acquired customer relationships, of $569,000, and acquisition and integration costs of $1,693,000, respectively.

If the acquisition had occurred on April 1, 2021, pro-forma revenue and earnings before incomes taxes for the Vitalyst Acquisition for the year ended March 31, 2022 would have been $31,427,000 and $5,715,000, respectively. These amounts have been calculated using Vitalyst's results and adjusting for:

- differences in accounting policies between the Group and Vitalyst;
- the removal of transaction costs incurred by Vitalyst from April 1, 2021 to January 31, 2022; and
- the additional amortization that would have been charged assuming the fair value adjustments to intangibles had been applied from April 1, 2021.

## 4. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

| As at | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Trade accounts receivable, net | 98,289 | 67,049 |
| Other receivables | 2,578 | 2,314 |
| | **100,867** | **69,363** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 5. PROPERTY AND EQUIPMENT

| As at | March 31, 2022 | | | | March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Furniture, fixtures & equipment | Computer equipment | Leasehold improvements | Total | Furniture, fixtures & equipment | Computer equipment | Leasehold improvements | Total |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Cost | 1,738 | 2,889 | 6,149 | **10,776** | 2,333 | 3,190 | 5,611 | **11,134** |
| Additions | 56 | 1,444 | 219 | **1,719** | 553 | 1,195 | 1,682 | **3,430** |
| Additions through business acquisitions (note 3) | 79 | 591 | 2,120 | **2,790** | — | — | — | **—** |
| Disposals / retirements | — | — | — | **—** | (1,150) | (1,217) | (1,106) | **(3,473)** |
| Foreign currency translation adjustment | 1 | 1 | 6 | **8** | 2 | (279) | (38) | **(315)** |
| **Subtotal** | **1,874** | **4,925** | **8,494** | **15,293** | **1,738** | **2,889** | **6,149** | **10,776** |
| Accumulated depreciation | 111 | 1,100 | 1,116 | **2,327** | 699 | 1,752 | 1,511 | **3,962** |
| Depreciation expense | 337 | 996 | 1,235 | **2,568** | 381 | 765 | 715 | **1,861** |
| Disposals / retirements | — | — | — | **—** | (964) | (1,188) | (1,103) | **(3,255)** |
| Foreign currency translation adjustment | — | (13) | (1) | **(14)** | (5) | (229) | (7) | **(241)** |
| **Subtotal** | **448** | **2,083** | **2,350** | **4,881** | **111** | **1,100** | **1,116** | **2,327** |
| **Net carrying amount** | **1,426** | **2,842** | **6,144** | **10,412** | **1,627** | **1,789** | **5,033** | **8,449** |

## 6. LEASES

### *Right-of-use assets*

The following right-of-use assets relate to right-of-use real estate:

| As at | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| Beginning balance | 11,118 | 11,492 |
| Additions | 7,117 | 2,611 |
| Depreciation | (2,867) | (1,906) |
| Reassessments [(a)] | (161) | (830) |
| Lease inducement allowance | — | 28 |
| Exchange rate effect | (61) | (277) |
| **Net carrying amount** | **15,146** | **11,118** |

[(a)] *During the year, the Group entered into an agreement to sublease a portion of its office space to a subtenant. The sublease resulted in the derecognition of the right-of-use asset associated with the office space and the recognition of short-term lease receivable, included in other receivables, and long-term lease receivable, included in other assets, in the amounts of nil and $849,000, respectively.*

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 6. LEASES (CONT'D)

### *Lease liabilities*

| As at | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| Beginning balance | 15,459 | 13,232 |
| Additions | 8,647 | 2,611 |
| Lease payments | (3,413) | (1,992) |
| Lease incentives | — | 2,243 |
| Lease interest | 725 | 595 |
| Reassessments | (88) | (830) |
| Concession | — | (110) |
| Exchange rate effect | (67) | (290) |
| Ending balance | **21,263** | **15,459** |
| Current portion | 3,510 | 1,923 |
| | **17,753** | **13,536** |

Contractual lease payments under the lease liabilities as at March 31, 2022 are as follows:

| As at | March 31, 2022 |
|---|---|
| | $ |
| Less than one year | 4,302 |
| One to two years | 4,270 |
| Two to five years | 10,244 |
| More than five years | 5,229 |
| **Total undiscounted lease payments at period end** | **24,045** |

### *Amounts recognized in net loss*

| Year ended | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| Interest on lease liabilities | 725 | 595 |
| Variable lease payments | 2,766 | 2,487 |
| | **3,491** | **3,082** |

Total cash outflow for leases for the years ended March 31, 2022 and 2021 was $6,179,000 and $4,479,000, respectively.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 7. INTANGIBLES

| As at | March 31, 2022 | | | | March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Customer relationships | Software | Non-compete agreements | Total | Customer relationships | Software | Non-compete agreements | Total |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Cost | 67,720 | 4,334 | 6,902 | **78,956** | 73,722 | 4,377 | 7,530 | **85,629** |
| Additions, purchased | — | 22 | — | **22** | — | 7 | — | **7** |
| Additions through business acquisition (note 3) | 78,804 | 296 | — | **79,100** | — | — | — | **—** |
| Additions, internally generated | — | 1,339 | — | **1,339** | — | 159 | — | **159** |
| Disposals / retirements | — | (999) | — | **(999)** | (2,933) | (29) | (237) | **(3,199)** |
| Foreign currency translation adjustment | (558) | (3) | (16) | **(577)** | (3,069) | (180) | (391) | **(3,640)** |
| **Subtotal** | **145,966** | **4,989** | **6,886** | **157,841** | **67,720** | **4,334** | **6,902** | **78,956** |
| Accumulated amortization | 38,033 | 2,471 | 1,862 | **42,366** | 31,970 | 1,242 | 613 | **33,825** |
| Amortization | 11,925 | 1,007 | 1,353 | **14,285** | 8,996 | 1,258 | 1,485 | **11,739** |
| Disposals / retirements | — | (737) | — | **(737)** | (2,933) | (29) | (236) | **(3,198)** |
| **Subtotal** | **49,958** | **2,741** | **3,215** | **55,914** | **38,033** | **2,471** | **1,862** | **42,366** |
| **Net carrying amount** | **96,008** | **2,248** | **3,671** | **101,927** | **29,687** | **1,863** | **5,040** | **36,590** |

## 8. GOODWILL

The Group completed the annual impairment test as at March 31, 2022 for its CGUs, which are categorized as follows:

| As at | March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Canada | France | EPM US | ERP US | Not allocated[(a)] | Total |
| | $ | $ | $ | $ | $ | $ |
| Beginning balance | 34,644 | 137 | 8,915 | 29,210 | — | 72,906 |
| Business acquisition (note 3) | 42,491 | — | — | — | 31,498 | 73,989 |
| Foreign currency translation adjustments | — | (9) | (63) | (205) | (530) | (807) |
| **Net carrying amount** | **77,135** | **128** | **8,852** | **29,005** | **30,968** | **146,088** |

| As at | March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Canada | ADT | France | EPM US | ERP US | Total |
| | $ | $ | $ | $ | $ | $ |
| Beginning balance | 26,950 | 7,694 | 150 | 10,012 | 32,802 | 77,608 |
| Foreign currency translation adjustments | — | — | (13) | (1,097) | (3,592) | (4,702) |
| **Net carrying amount** | **26,950** | **7,694** | **137** | **8,915** | **29,210** | **72,906** |

*[(a)] As at March 31, 2022, the Vitalyst purchase price allocation was preliminary resulting in $30,968,000 of goodwill which has not yet been allocated to a CGU.*

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 8. GOODWILL (CONT'D)

As at the March 31, 2022 measurement date, the Group has changed its aggregation of assets for identifying CGUs from the prior year by merging the Canada CGU with the Alithya Digital Technology Corporation (''ADT'') CGU to form one single Canada CGU. The CGUs were merged as a result of increased integration, selling synergies and resource sharing across both CGUs.

The Group completed an annual impairment test as at March 31, 2022 and March 31, 2021 and concluded no impairment occurred.

In assessing whether goodwill is impaired, the carrying amount of the CGU was compared to its recoverable amount. The recoverable amount of each CGU was determined based on the value-in-use calculations, covering a three-year forecast, followed by an extrapolation of future expected net operating cash flows for the remaining useful lives using the long-term growth rate determined by management. The present value of the future expected net operating cash flows of each CGU is determined by applying a suitable after tax value Weighted Average Cost of Capital ("WACC") reflecting current market assessments of the time value of money and the CGU-specific risks.

Key assumptions used in impairment testing by CGU are as follows:

| As at | March 31, 2022 | | | |
|---|---|---|---|---|
| | Canada | France | EPM US | ERP US |
| | % | % | % | % |
| After tax WACC | 11.9 | 16.7 | 15.2 | 15.3 |
| Long-term growth rate of net operating cash flows* | 3.4 | 2.6 | 2.7 | 2.7 |

** The long-term growth rate is based on published industry research.*

| As at | March 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Canada | ADT | France | EPM US | ERP US |
| | % | % | % | % | % |
| After tax WACC | 10.8 | 11.2 | 14.6 | 13.2 | 13.4 |
| Long-term growth rate of net operating cash flows* | 3.4 | 3.4 | 4.5 | 3.4 | 3.4 |

** The long-term growth rate is based on published industry research.*

No reasonably possible change in any of the above key assumptions would cause the carrying value of the France, EPM US and ERP US CGUs to exceed its recoverable amount.

For the year ended March 31, 2022, two key assumptions related to Canada were identified that, if changed, could have caused the carrying amount to exceed its recoverable amount. Varying the assumptions in the values of the recoverable amount calculation, individually as indicated below, for the year ended March 31, 2022, assuming all other variables remain constant, would result in the recoverable amount being equal to the carrying amount.

| | Incremental increase in after tax WACC | Incremental decrease in long-term growth rate of net operating cash flows |
|---|---|---|
| | Basis points | Basis points |
| Canada | 170 | 240 |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| As at | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Trade accounts payable | 26,604 | 15,196 |
| Accrued liabilities | 26,903 | 11,130 |
| Accrued compensation | 31,396 | 22,020 |
| Consumption taxes payable | 3,694 | 2,662 |
| Performance obligations in customer contracts | 1,013 | 563 |
| Provision | 50 | — |
| | **89,660** | **51,571** |

## 10. LONG-TERM DEBT

The following table summarizes the Group’s long-term debt:

| As at | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Senior secured revolving credit facility (the "Credit Facility") [(a)] | 66,631 | 31,023 |
| Secured loans [(b)] | 8,596 | — |
| Subordinated unsecured loan [(c)] | 17,500 | — |
| Balance of purchase payable with a nominal value of $3,100,000, non-interest bearing (5.8% effective interest rate) payable April 3, 2022 | 3,100 | 2,988 |
| Balance of purchase payable with a nominal value of $1,800,000, non-interest bearing (6.0% effective interest rate), payable on October 1, 2022 | 1,748 | 1,649 |
| Balance of purchase payable with a nominal value of $8,519,000 ($6,825,000 US), non-interest bearing (6.0% effective interest rate), payable on December 13, 2022 | 8,178 | 7,770 |
| Balance of purchase payable with a nominal value of $3,259,000, non-interest bearing (5.7% effective interest rate) payable on February 1, 2022 | — | 3,112 |
| Unsecured promissory notes (2021 - US$4,800,000) [(d)] | — | 6,034 |
| Deferral of employment tax deposits and payments (US$1,219,000 ; 2021 - US$1,878,000) [(e)] | 1,521 | 2,361 |
| Other | 120 | 213 |
| Unamortized transaction costs (net of accumulated amortization of $754,000 and $477,000) | (718) | (199) |
| | **106,676** | **54,951** |
| Current portion of long-term debt | 19,316 | 35,134 |
| | **87,360** | **19,817** |

[(a)] The Credit Facility is available to a maximum amount of $125,000,000 and can be drawn in Canadian and the equivalent amount in U.S. dollars. It is available in prime rate advances, SOFR advances, bankers’ acceptances and letters of credit up to $2,500,000.

## 10. LONG-TERM DEBT (CONT'D)

The advances bear interest at the Canadian or U.S. prime rate, plus an applicable margin ranging from 0.25% to 1.00%, or bankers' acceptances or SOFR rates, plus an applicable margin ranging from 1.50% to 2.25%, as applicable for Canadian and U.S. advances, respectively. The applicable margin is determined based on threshold limits for certain financial ratios.

As security for the Credit Facility, Alithya provided a first ranking hypothec on the universality of its assets excluding any leased equipment and Investissement Québec's first ranking lien on tax credits receivable for the financing related to refundable tax credits. Under the terms of the agreement, the Group is required to maintain certain financial covenants which are measured on a quarterly basis. The Credit Facility matures on April 1, 2024 and is renewable for additional one-year periods at the lender's discretion.

[(b)] On November 24, 2021, the Group entered into secured loans with Investissement Québec to finance its 2021 and 2022 refundable tax credits to a maximum of the lesser of 90% of the eligible refundable tax credit or $4,670,000 and $5,832,000, for 2021 and 2022, respectively. The secured loans bear interest at the Canadian prime rate plus 1.00% and are secured by a first ranking hypothec on the universality of the financed refundable tax credits and a subordinated ranking hypothec on accounts receivable and other receivables. The secured loans are repayable on the earlier of the date of receipt of the refundable tax credits receivable and the maturity dates of March 31, 2023 for the 2021 financed refundable tax credits, in the amount of $4,670,000 and March 31, 2024 for the 2022 financed refundable tax credits, in the amount of $3,926,000.

[(c)] On September 28, 2021, the Group entered into a subordinated unsecured loan, with Investissement Québec, in the amount of $10,000,000, bearing interest ranging between 6.00% and 7.25%, determined and payable quarterly, based on threshold limits for certain financial ratios. Under the terms of the loan, the Group is required to maintain certain financial covenants which are measured on a quarterly basis.

On January 28, 2022, the subordinated unsecured loan was amended and increased to $20,000,000, bearing interest ranging between 7.10% and 8.35%, on the additional $10,000,000, determined and payable quarterly, based on threshold limits for certain financial ratios. An amount of $7,500,000 was drawn on the loan availability with the remaining $2,500,000 available based on certain conditions. The maturity date was also extended to October 1, 2025.

[(a)(c)] The Group was in compliance with all of its financial covenants as at March 31, 2022 and 2021.

[(d)] As a result of the COVID-19 pandemic, on May 5, 2020, five U.S. subsidiaries of the Group received funding under the Paycheck Protection Program ("PPP") of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") administered by the U.S. Small Business Administration ("SBA") and entered into unsecured promissory notes (the "Notes") in the aggregate principal amount of US$6,300,000 ($7,932,000). The Notes have a term of five years at an interest rate of 1.00% per annum, with a deferral of payments until the date on which the applicable forgiveness is decisioned, with respect to any portion of the Notes which may not be forgiven.

Under the terms of the CARES Act, PPP loan recipients can apply for forgiveness for all or a portion of loans granted under the PPP, which the Group applied for between November 17, 2020 and January 5, 2021. The Group accounts for the forgiveness as government assistance with a corresponding reduction in the cost of the related item (note 17). Such forgiveness is to be determined, subject to limitations and ongoing rule making by the SBA, based on the necessity of the loan at the time of application and the timely use of loan proceeds for payroll costs, including payments required to continue group health care benefits, and certain rent, utility, and mortgage interest costs and the maintenance of employee and compensation levels. The PPP loans, even after notice of forgiveness by the SBA, are subject to subsequent audit by the SBA, for a period of six years after receiving such notice.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 10. LONG-TERM DEBT (CONT'D)

During the year ended March 31, 2022, the Group recognized an aggregate amount of $5,868,000 (US$4,800,000), and $1,898,000 (US$1,500,000) for the year ended March 31, 2021, as government assistance for the PPP loans. The Group has received full loan forgiveness decisions for all five PPP loans obtained in May 2020.

(e) The CARES Act allows employers to defer the payments of the employer share of social security taxes during the period beginning on March 27, 2020 and ending on the earlier of December 31, 2020 or the date the Company receives a decision from the lender that the PPP loan is forgiven. The payment of the deferred social security taxes was paid fifty percent on December 31, 2021, with the remaining amount due on December 31, 2022.

## 11. INCOME TAXES

Income tax expense (recovery) for the year is as follows:

| **Year ended** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| Current tax expense (recovery) | **$** | **$** |
| Current tax expense (recovery) for the year | (20) | 1,515 |
| **Total current tax expense (recovery)** | **(20)** | **1,515** |
| Deferred tax recovery | | |
| Origination and reversal of temporary differences | (3,007) | (3,797) |
| **Total deferred tax recovery** | **(3,007)** | **(3,797)** |
| **Total income tax recovery** | **(3,027)** | **(2,282)** |

The Group’s effective income tax rate differs from the combined Federal and Provincial Canadian statutory tax rate as follows:

| **Year ended** | **March 31,** | | | |
|---|---|---|---|---|
| | **2022** | | **2021** | |
| | **%** | **$** | **%** | **$** |
| Loss before income taxes | | (18,575) | | (19,620) |
| Company's statutory tax rate | 26.5 | (4,922) | 26.5 | (5,199) |
| Non-deductible share-based compensation expense | (3.6) | 663 | (4.2) | 815 |
| Other non-deductible and tax exempt items | 1.3 | (238) | (2.8) | 549 |
| Change in unrecognized deferred tax assets | (7.2) | 1,340 | (10.6) | 2,076 |
| Other | (0.7) | 130 | 2.7 | (523) |
| **Effective income tax rate** | **16.3** | **(3,027)** | **11.6** | **(2,282)** |

The Group’s applicable tax rate is the Canadian combined rates applicable in the jurisdictions in which the Group operates.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 11. INCOME TAXES (CONT'D)

### *Deferred income tax assets and liabilities*

The amounts recognized in the consolidated statement of financial position consist of:

| As at | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| Deferred tax liabilities | (9,962) | (2,980) |
| Deferred tax assets | 7,247 | 7,465 |
| | **(2,715)** | **4,485** |

Movements in temporary differences during the year were as follows:

| As at | March 31, 2022 Opening balance | Recognized in earning | Recognized in equity | Business acquisition | Total | March 31, 2021 Opening balance | Recognized in earning | Recognized in equity | Total |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Losses available for carryforward and other tax deductions | 13,116 | 2,804 | — | 1,348 | **17,268** | 11,052 | 2,064 | — | **13,116** |
| Deferred financing costs | 558 | (110) | 113 | 15 | **576** | 700 | (142) | — | **558** |
| **Total deferred tax assets** | **13,674** | **2,694** | **113** | **1,363** | **17,844** | **11,752** | **1,922** | **—** | **13,674** |
| Intangibles and goodwill | (6,129) | 2,373 | — | (11,683) | **(15,439)** | (7,873) | 1,744 | — | **(6,129)** |
| Tax credits and other | (3,060) | (2,060) | — | — | **(5,120)** | (3,284) | 131 | 93 | **(3,060)** |
| **Total deferred tax liability** | **(9,189)** | **313** | **—** | **(11,683)** | **(20,559)** | **(11,157)** | **1,875** | **93** | **(9,189)** |
| **Net carrying amount** | **4,485** | **3,007** | **113** | **(10,320)** | **(2,715)** | **595** | **3,797** | **93** | **4,485** |

As at March 31, 2022, net deferred tax assets of $1,127,000 were recognized with respect to entities that incurred losses this fiscal year or the preceding fiscal year. Based upon the level of historical taxable income or projections for future taxable income, management believes it is probable that the Company will realize the benefits of these net deferred tax assets.

**Losses available for carryforward for which no deferred tax asset was recognized**

| Expiry date | Canada |
|---|---|
| | $ |
| 2041 | 663 |
| 2042 | 1,256 |
| | **1,919** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 11. INCOME TAXES (CONT'D)

**Losses available for carryforward for which no deferred tax asset was recognized**

| Expiry date [a] | USA |
|---|---|
| | $ |
| 2036 | 1,981 |
| 2037 | 15,739 |
| Indefinite | 22,957 |
| | **40,677** |

*[a] Net operating losses amounting to $24,147,000 of which $15,739,000 will expire in 2037 and $1,981,000 in 2036, are limited due to the U.S. tax rules applicable on the acquisition of Edgewater Technology Inc. In addition, the Company has i) state losses amounting to approximately $29,551,000 (with expiry dates ranging from 2023 to 2042) and ii) net deductible temporary differences totaling approximately $18,884,000 for which no deferred tax benefit has been recognized.*

## 12. SHARE CAPITAL

### AUTHORIZED

As at March 31, 2022 and 2021, the Company had an unlimited number of shares without par value as follows:

- Subordinate Voting Shares, carrying one vote per share, ranking *pari passu* with the Multiple Voting Shares as to the right to receive dividends and the remainder of the Company's property in the event of a voluntary or involuntary winding-up or dissolution, or any other distribution of assets among shareholders for the purposes of winding up the Company's affairs;
- Multiple Voting Shares, carrying ten votes per share, ranking *pari passu* with the Subordinate Voting Shares as to the right to receive dividends and the remainder of the Company's property in the event of a voluntary or involuntary winding-up or dissolution, or any other distribution of assets among shareholders for the purpose of winding-up the Company's affairs, each share being convertible at the holder's entire discretion into Subordinate Voting Shares on a share for share basis, and being automatically converted upon their transfer to a person who is not a permitted holder or upon the death of a permitted holder, unless otherwise acquired by any of the remaining permitted holders in accordance with the terms of the voting agreement entered into between permitted holders; and
- Preferred Shares, issuable in series, each series ranking *pari passu* with other series but prior to any class ranking junior thereto, as well as prior to Subordinate Voting Shares and Multiple Voting Shares as to the right to receive dividends, and the remainder of the Company's property in the event of a voluntary or involuntary winding-up or dissolution, or any other distribution of assets among shareholders for the purposes of winding up the Company's affairs. If and when issued, preferred shares will have such voting rights and conversion rights as may be determined by the Company's Board at the time of issuance thereof.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 12. SHARE CAPITAL (CONT'D)

### ISSUED

As at March 31, 2022, the issued share capital of the Company is as follows:

| | Subordinate Voting Shares | | Multiple Voting Shares | |
|---|---|---|---|---|
| | Number of shares | $ | Number of shares | $ |
| Beginning balance as at April 1, 2021 | 51,373,822 | 193,552 | 7,321,616 | 3,985 |
| Shares issued pursuant to vesting of share-based compensation granted on business acquisitions | 834,324 | 2,935 | — | — |
| Shares issued in consideration of the acquisition of R3D (note 3) | 25,182,676 | 80,585 | — | — |
| Shares issued under a private placement | 8,143,322 | 24,686 | | |
| Shares purchased for cancellation | (349,400) | (1,244) | — | — |
| Exercise of stock options | 2,750 | 10 | 152,632 | 518 |
| Conversion of shares | 302,632 | 182 | (302,632) | (182) |
| Settlement of DSUs | 63,874 | 195 | — | — |
| **Ending balance as at March 31, 2022** | **85,554,000** | **300,901** | **7,171,616** | **4,321** |

During the year ended March 31, 2022, the following transactions occurred:

- As part of the Matricis Acquisition, 157,882 Subordinate Voting Shares, with a total value of $600,000, reclassified from contributed surplus, were issued as settlement of the second anniversary share consideration.
- As part of the Travercent Acquisition, 376,250 Subordinate Voting Shares, with a total value of US$975,000 ($1,249,000), reclassified from contributed surplus, were issued as settlement of the second anniversary share consideration rights.
- As part of the Askida Acquisition, 300,192 Subordinate Voting Shares, with a total value of $1,086,000, reclassified from contributed surplus, were issued as settlement of the second anniversary share consideration.
- As part of the R3D Acquisition (note 3), 25,182,676 Subordinate Voting Shares, with a total value of $80,585,000, were issued.
- Through a private placement that closed on January 31, 2022, a total of 8,143,322 Subordinate Voting Shares were issued at market price of $3,07 per share for cash consideration of $25,000,000, of which 6,514,658 Subordinate Voting Shares were issued to an entity controlled by a director and the balance of 1,628,664 were issued to Investissement Québec. The Company incurred share issue costs in the amount of $427,000, net of deferred income tax of $113,000, for net cash proceeds of $24,686,000.
- The purchase for cancellation of 349,400 Subordinate Voting Shares under the Company's normal course issuer bid for a total cash consideration of $1,160,000 and a carrying value of $1,244,000. The excess of the carrying value over the purchase price in the amount of $84,000 was credited to retained earnings.
- 155,382 stock options were exercised and 2,750 Subordinate Voting Shares and 152,632 Multiple Voting Shares were issued with a value of $528,000, for cash consideration of $299,000, with $229,000 reclassified from contributed surplus.
- 302,632 Multiple Voting Shares with a carrying value of $182,000 were converted into 302,632 Subordinate Voting Share by two directors of the Company;

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 12. SHARE CAPITAL (CONT'D)

- 63,874 DSUs were settled and 63,874 Subordinate Voting Shares were issued with a value of $195,000, reclassified from contributed surplus.

As at March 31, 2021, the issued share capital of the Company is as follows:

| | Subordinate Voting Shares | | Multiple Voting Shares | |
|---|---|---|---|---|
| | Number of shares | $ | Number of shares | $ |
| Beginning balance as at April 1, 2020 | 50,904,533 | 191,820 | 7,168,984 | 3,515 |
| Shares issued pursuant to vesting of share-based compensation granted on business acquisitions | 458,071 | 1,686 | — | — |
| Exercise of stock options | 3,500 | 14 | 152,632 | 470 |
| Settlement of DSUs | 7,718 | 32 | — | — |
| **Ending balance as at March 31, 2021** | **51,373,822** | **193,552** | **7,321,616** | **3,985** |

During the year ended March 31, 2021, the following transactions occurred:

- As part of the Matricis Acquisition, 157,882 Subordinate Voting Shares, with a total value of $600,000, reclassified from contributed surplus, were issued as settlement of the first anniversary share consideration;
- As part of the Travercent Acquisition, the Company elected not to convert the first anniversary share consideration rights into Subordinate Voting Shares but rather to settle for total cash consideration of US$975,000 ($1,276,000). This resulted in a repurchase of a vested equity instrument, which has been recorded as a reduction of retained earnings and contributed surplus in the amounts of $72,000 and $1,204,000, respectively. The Company continued to account for the December 13, 2021 and 2022 anniversary share consideration rights as equity instruments;
- As part of the Askida Acquisition, 300,189 Subordinate Voting Shares, with a total value of $1,086,000, reclassified from contributed surplus, were issued as settlement of the first anniversary share consideration;
- 156,132 stock options were exercised and 3,500 Subordinate Voting Shares and 152,632 Multiple Voting Shares were issued with a value of $484,000, for cash consideration of $300,000, with $184,000 reclassified from contributed surplus; and
- 7,718 DSUs were settled and 7,718 Subordinate Voting Shares were issued with an approximate value of $32,000, reclassified from contributed surplus.

### *Share purchase plan*

Under the Company's share purchase plan, the Group contributes an amount equal to a percentage of the employee's basic contribution, depending on the position held by the employee. The employee may make additional contributions, for total employee contributions, including basic contributions, of up to 10% of the annual gross salary. However, the Group does not match contributions in the case of such additional contributions. The employee and the Group's contributions are remitted to an independent administrative agent who purchases Subordinate Voting Shares on the open market on behalf of the employee through either the TSX or NASDAQ. The Group's contribution expense is recognized as share-based compensation.

## 12. SHARE CAPITAL (CONT'D)

### *NCIB*

On September 14, 2021, the Company's Board of Directors authorized and subsequently the TSX approved the implementation of a NCIB. Under the NCIB, the Company is allowed to purchase for cancellation up to 5,462,572 Subordinate Voting Shares, representing 10% of the Company's public float as of the close of markets on September 8, 2021.

Purchases under the NCIB commenced on September 20, 2021 and will end on the earlier of September 19, 2022 and the date on which the Company will have acquired the maximum number of Subordinate Voting Shares allowable under the NCIB or will otherwise have decided not to make any further purchases. All purchases of Subordinate Voting Shares are made by means of open market transactions at their market price at the time of acquisition. Concurrently, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker in connection with its NCIB. The ASPP allows for the designated broker, to purchase for cancellation Subordinate Voting Shares, on behalf of the Company, subject to certain trading parameters established, from time to time, by the Company.

### *LTIP*

The Company operates a LTIP which provides for awards of stock options, restricted shares, RSUs, PSUs, DSUs, and share appreciation rights to eligible employees and directors of the Company and its subsidiaries, all of which once exercised or settled result in the issuance of Subordinate Voting Shares.

### *Stock options*

Under the Company's LTIP, the Board may grant, at its discretion, stock options to purchase Subordinate Voting Shares to eligible employees and directors of the Company and its subsidiaries. The Board establishes the exercise price at the time the stock options are granted. For the year ended March 31, 2021, the Board issued stock options having an exercise price equal to the greater of the closing price of such shares on the TSX and NASDAQ on the business day immediately prior to the grant date. The LTIP was, however, amended by the Board on June 9, 2021 to provide that from thereon stock options would be issued with an exercise price equal to the closing price of the Subordinate Voting Shares on the TSX on the business day immediately prior to the grant date. Stock options vest, as set out in the applicable award agreement between the participant and the Company, which may include performance-based vesting conditions. Vesting is generally four years from the date of grant and the stock options may generally be exercised by the tenth anniversary of the grant date, except in the event of death, disability, retirement or termination of employment. The LTIP provides that the aggregate number of Subordinate Voting Shares issuable pursuant to any type of awards under the LTIP shall not exceed 10% of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding from time to time.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 12. SHARE CAPITAL (CONT'D)

The following table presents information concerning stock option activity for the respective years:

| Year ended | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of stock options | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| | | $ | | $ |
| Beginning balance as at April 1 | 3,525,181 | 3.37 | 3,172,289 | 3.72 |
| Granted | 1,073,302 | 3.23 | 755,000 | 2.26 |
| Forfeited | (192,167) | 3.57 | (130,163) | 4.93 |
| Expired | (166,852) | 6.13 | (115,813) | 5.93 |
| Exercised | (155,382) | 1.92 | (156,132) | 1.92 |
| **Ending balance as at March 31** | **4,084,082** | **3.23** | **3,525,181** | **3.37** |
| **Exercisable at year end** | **1,527,805** | **3.31** | **1,580,444** | **3.44** |

Included in the 1,527,805 and 1,580,444 stock options exercisable as at March 31, 2022 and 2021, respectively, 657,896 and 810,528 stock options are available to purchase Multiple Voting Shares as at March 31, 2022 and 2021, respectively.

On June 14, 2021, Alithya issued 774,202 and 299,100 stock options, to purchase a total of 1,073,302 Subordinate Voting Shares, at a grant date fair value of $3.23 and US$2.66, respectively. On June 23, 2020, Alithya issued 570,000 and 185,000 stock options, to purchase a total of 755,000 Subordinate Voting Shares at an exercise price of $2.26 and US$1.67, respectively.

During the year ended March 31, 2022, the weighted average share price at the date of exercise of stock options was $3.40. (2021 - $3.10).

The assumptions used to determine the 2022 and 2021 stock options grant date fair values using the Black-Scholes stock option pricing model were as follows:

| Year ended | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Weighted average assumptions | | |
| Share price | $3.23 | $2.26 |
| Exercise price | $3.23 | $2.26 |
| Risk-free interest rate | 1.25% | 0.46% |
| Expected volatility [a] | 34.7% | 34.9% |
| Dividend yield | — | — |
| Expected option life (years) | 6.6 | 6.6 |
| Vesting conditions – time (years) | 3.2 | 3.3 |

[a] *Determined on the basis of observed volatility in publicly traded companies operating in similar industries.*

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 12. SHARE CAPITAL (CONT'D)

The following tables summarize the number of stock options outstanding by currency, exercise price and the weighted average remaining exercise period, expressed in number of years:

| As at | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| Exercise price range (CAD) | Number of options | Weighted average remaining exercise period – in years | Number of options | Weighted average remaining exercise period – in years |
| $ | | | | |
| 1.85 to 2.55 | 892,896 | 5.52 | 1,095,528 | 5.88 |
| 2.56 to 2.95 | 120,000 | 3.09 | 120,000 | 4.09 |
| 2.96 to 3.30 | 938,702 | 7.45 | 182,500 | 5.01 |
| 3.31 to 3.95 | 673,000 | 5.71 | 750,500 | 6.81 |
| 3.96 to 4.55 | 455,000 | 6.59 | 459,000 | 7.59 |
| | **3,079,598** | **6.21** | **2,607,528** | **6.30** |

| As at | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| Exercise price range (USD) | Number of options | Weighted average remaining exercise period – in years | Number of options | Weighted average remaining exercise period – in years |
| $ | | | | |
| 1.67 to 2.25 | 180,000 | 8.23 | 185,000 | 9.24 |
| 2.26 to 3.85 | 818,525 | 7.12 | 532,550 | 6.98 |
| 3.86 to 4.45 | — | — | 20,856 | 0.89 |
| 4.59 to 4.85 | — | — | 47,672 | 0.49 |
| 4.90 to 5.45 | 5,959 | 0.81 | 131,575 | 1.00 |
| | **1,004,484** | **7.28** | **917,653** | **6.09** |

### *DSUs*

Under the LTIP, the Board, subject to the provisions of the LTIP and such other terms and conditions, may grant DSUs to obtain Subordinate Voting Shares to qualified employees and directors of the Company and its subsidiaries. The DSUs shall be settled on the date as set out in the applicable award agreement, between the participant and the Company, however not earlier than the participant's termination date. If the agreement does not establish a settlement date then it shall be the 90th day following the participant's termination date for eligible Canadian participants and not earlier than the date that is six months after the termination date for eligible U.S. participants.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 12. SHARE CAPITAL (CONT'D)

The following table presents information concerning DSU activity for the respective years:

| **Year ended** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| Beginning balance as at April 1 | 330,246 | 140,885 |
| Granted to non-employee directors | 173,149 | 197,079 |
| Settled | (63,874) | (7,718) |
| **Ending balance as at March 31** | **439,521** | **330,246** |

The DSUs issued by the Company were fully vested at the grant date and the fair value of $576,000 (2021 - $523,000) has been recorded in share-based compensation expense.

### *RSUs*

Under the LTIP, the Board, subject to the provisions of the LTIP and such other terms and conditions, may grant RSUs to obtain Subordinate Voting Shares to qualified employees and directors of the Company and its subsidiaries. The RSUs shall vest on the third anniversary of the date of grant and will settle as soon as practicable following the expiry of the vesting period, unless otherwise specified by the Board at the time of grant.

On June 23, 2020, 181,498 RSUs, in aggregate, vesting one year from the date of grant, were granted to employees of the Company subject to the terms set out in the award agreement at a fair value of $2.26, per RSU, for an aggregate fair value of $410,000. Shares will be issued in settlement of the RSUs as soon as practical following the third anniversary of the date of grant. As at March 31, 2022, those RSUs are fully vested. Share-based compensation expense for the year ended March 31, 2022 amounted to $92,000 (2021 - $314,000).

### *PSUs*

Under the LTIP, the Board, subject to the provisions of the LTIP and such other terms and conditions, may grant PSUs to obtain Subordinate Voting Shares to qualified employees and directors of the Company and its subsidiaries. The terms and conditions of each PSUs grant, including market and non-market performance goals, are determined by the Board.

On June 14, 2021, 332,263 PSUs, in aggregate, vesting three years from the date of grant were granted at a grant date fair value of $3.24, per PSU, for an aggregate fair value of $1,077,000 and will settle as soon as practicable following the expiry of the vesting period, but not later than December 15, 2024. Share-based compensation expense for the year ended March 31, 2022 amounted to $273,000 (2021 - nil).

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 12. SHARE CAPITAL (CONT'D)

### *Share-Based Compensation expense*

Total share-based compensation expense for the years ended March 31, 2022 and 2021 is summarized as follows:

| Year ended | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Stock options | 851 | 700 |
| Share purchase plan – employer contribution | 1,138 | 653 |
| Share-based compensation granted on business acquisitions | 1,524 | 4,051 |
| DSUs | 576 | 523 |
| RSUs | 92 | 314 |
| PSUs | 273 | — |
| | **4,454** | **6,241** |

The share-based compensation granted on business acquisitions includes the following:

- In relation to the Subordinate Voting Shares, to be issued as part of the Matricis Acquisition, an amount of $350,000 (2021 - $800,000);
- In relation to the Subordinate Voting Shares, to be issued as part of the Travercent Acquisition, an amount of $722,000 (2021 - $1,803,000); and
- In relation to the Subordinate Voting Shares, to be issued as part of the Askida Acquisition, an amount of $453,000 (2021 - $1,448,000).

## 13. COMMITMENTS AND CONTINGENCIES

### *Contingencies*

From time to time, the Group may become involved in various claims and litigation as part of its normal course of business. While the final outcome thereof cannot be predicted, based on the information currently available, management believes the resolution of current pending claims and litigation will not have a material impact on the Group's financial position and results of operations. Claims for which there is a probable unfavorable outcome are recorded in provisions.

### *Operating commitments*

Operating expenditures contracted for at the end of the reporting period but not yet incurred are as follows:

| Year ended | March 31, 2022 |
|---|---|
| Technology licenses, infrastructure and other | Total |
| 2023 | 3,975 |
| 2024 | 2,351 |
| 2025 | 1,073 |
| | **7,399** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 14. RELATED PARTIES

### *Ultimate controlling party*

As at March 31, 2022, the holders of Multiple Voting Shares, directly or indirectly, collectively owned or exercised control over Subordinate Voting Shares and Multiple Voting Shares representing approximately 45.81% of the total voting rights of Alithya. The holders entered into a voting agreement on November 1, 2018, pursuant to which they agreed to, among other things, vote all of the Subordinate Voting Shares and Multiple Voting Shares under their control in accordance with decisions made by a majority of them, subject to certain exceptions.

### *Transactions with directors and key management personnel*

Key management includes members of the Group's Executive Committee. Certain key management of Alithya participate in the share purchase plan and the stock options plan. The compensation paid or payable to directors and to key management for services is shown below:

| **Year ended** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| Director compensation, and key management salaries and benefits* | 4,312 | 4,427 |
| Share-based compensation | 1,325 | 1,273 |
| Termination benefits | 317 | — |
| | **5,954** | **5,700** |

** Salaries and benefits include short-term incentive compensation.*

In addition to the above amounts, the Group is committed to pay incremental benefits to certain members of key management up to $5,122,000 (2021 - $5,450,000) in the event of change of control and/or termination without cause.

### *Operating transactions with key management personnel*

In the normal course of operations, the Group incurred the following transactions with an entity controlled by a director. The transactions have been recorded at the contractual amount of the consideration established, which represents market rates, as agreed by the related parties.

| **Year ended** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| | **$** | **$** |
| Revenues* | 21,100 | — |

** Under a ten-year commercial agreement, ending in April 2031, an entity controlled by a director has committed to minimum annual gross margin, resulting from the procurement of consulting services, with annual surpluses and/or deficiencies thereof eligible to certain carryover provisions. Should the minimum contracted amounts not be met, the entity will make compensating payments based on a formula as defined in the commercial agreement. The commercial agreement may be extended to April 2034, however the minimum annual gross margin requirements will not be applicable to the extension period.*

| **As at** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| | **$** | **$** |
| Trade accounts receivable | 4,287 | — |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 15. EARNINGS PER SHARE

| Year ended | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| Net loss | (15,548) | (17,338) |
| Weighted average number of Common Shares outstanding | 85,297,843 | 58,209,375 |
| **Basic and diluted loss per share** | **(0.18)** | **(0.30)** |

The potentially dilutive outstanding equity instruments mentioned in Note 12 were not included in the calculation of diluted earnings per share since the Company incurred losses and the inclusion of these equity instruments would have an antidilutive effect.

## 16. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

| As at | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Current portion of long-term debt | Long-term debt | Total | Current portion of long-term debt | Long-term debt | Total |
| | $ | $ | $ | $ | $ | $ |
| Beginning balance | 35,134 | 19,817 | **54,951** | 1,143 | 52,086 | **53,229** |
| Repayment | (42,590) | (103,919) | **(146,509)** | — | (49,867) | **(49,867)** |
| Proceeds | — | 156,768 | **156,768** | — | 53,471 | **53,471** |
| **Total cash flow** | **(42,590)** | **52,849** | **10,259** | **—** | **3,604** | **3,604** |
| Acquisitions | 38,584 | 8,887 | **47,471** | — | — | **—** |
| Amortization of finance costs | — | 277 | **277** | — | 242 | **242** |
| Interest accretion on balances of purchase payable | — | 823 | **823** | — | 835 | **835** |
| PPP loan forgiveness | — | (5,868) | **(5,868)** | — | (1,898) | **(1,898)** |
| Impacts of foreign exchange | (9) | (1,228) | **(1,237)** | 270 | (1,331) | **(1,061)** |
| Reclassification Credit Facility (note 10) | — | — | **—** | 31,023 | (31,023) | **—** |
| Reclassification other long-term debt | (11,803) | 11,803 | **—** | 2,698 | (2,698) | **—** |
| **Total non cash** | **26,772** | **14,694** | **41,466** | **33,991** | **(35,873)** | **(1,882)** |
| **Ending balance** | **19,316** | **87,360** | **106,676** | **35,134** | **19,817** | **54,951** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 17. ADDITIONAL INFORMATION ON CONSOLIDATED LOSS

The following table provides additional information on the consolidated loss:

| Year ended | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| **Expenses by Nature** | | |
| Employee compensation and subcontractor costs | 411,669 | 277,980 |
| Government assistance | | |
| - tax credits [(a)] | (10,870) | (6,924) |
| - grants and loan forgiveness [(b)] | (6,234) | (6,530) |
| Other miscellaneous expenses | 26,005 | 21,823 |
| Depreciation of property and equipment | 2,568 | 1,861 |
| Depreciation of right-of used assets | 2,867 | 1,906 |
| | **426,005** | **290,116** |
| **Expenses by Function** | | |
| Cost of revenues | 321,732 | 204,626 |
| Selling, general and administrative expenses | 98,838 | 81,723 |
| Depreciation | 5,435 | 3,767 |
| | **426,005** | **290,116** |

[(a)] *Included in cost of revenues.*

[(b)] *For the year ended March 31, 2022, $4,910,000 and $1,324,000 (2021 - $5,363,000 and $1,167,000) were included in cost of revenues and selling, general and administrative expenses, respectively.*

Certain subsidiaries within the Group have applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy (“CEWS”) program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. During the year ended March 31, 2022, the subsidiaries recorded, as government grants, subsidies in the amount of $239,000 (2021 - $4,001,000).

During the year ended March 31, 2021, Alithya France SAS (formerly Alithya Consulting SAS), a subsidiary located in France, received €410,600 ($632,000), as government grants, pursuant to the French government’s partial activity program. The program is subject to certain annual limits per employee.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 18. BUSINESS ACQUISITION, INTEGRATION AND REORGANIZATION COSTS

| **Year ended** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| | **$** | **$** |
| Acquisition costs | 3,964 | 381 |
| Integration costs | 6,808 | 1,940 |
| Reorganization costs related to modifications to cost structure | 845 | — |
| | **11,617** | **2,321** |

The acquisition related costs consisted mainly of professional fees incurred in relation to business acquisitions. Included in integration and reorganization costs related to modifications to cost structure are employee termination and benefits costs of $2,820,000 and $845,000, respectively (2021 - $688,000 and nil).

## 19. NET FINANCIAL EXPENSES

The following table summarizes financial expenses:

| **Year ended** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| | **$** | **$** |
| Interest on long-term debt | 2,402 | 1,185 |
| Interest and financing charges | 432 | 448 |
| Interest on lease liabilities | 725 | 595 |
| Amortization of finance costs | 277 | 242 |
| Interest accretion on balances of purchase payable | 823 | 835 |
| Interest income | (80) | (31) |
| | **4,579** | **3,274** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 20. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital items is as follows :

| As at | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Accounts receivable and other receivables | (15,894) | (5,289) |
| Income taxes receivable | 628 | 1,450 |
| Unbilled revenues | 865 | (2,154) |
| Tax credits receivable | (5,688) | 28 |
| Prepaids | (765) | (944) |
| Accounts payable and accrued liabilities | 17,651 | 5,504 |
| Deferred revenues | 2,083 | 1,319 |
| | **(1,120)** | **(86)** |

During the year ended March 31, 2022, non-cash investing and financing activities included the acquisition of leasehold improvements from the lessor as lease incentives in an amount of nil (2021 - $1,326,000) and additions to right-of used assets and lease liabilities in the amount of $67,000 (2021 - nil).

During the year ended March 31, 2022, $305,000 included in accounts receivable and other receivables and $849,000 included in right-of-use assets were reclassified to other assets for a total amount of $1,154,000 (2021 - nil).

## 21. SEGMENT AND GEOGRAPHICAL INFORMATION

### *Revenues by geographic location*

The following table presents total external revenues by geographic location based on location of the external customers:

| Year ended | March 31, | | | |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| | $ | % | $ | % |
| Canada | 280,633 | 64.1 | 162,764 | 56.6 |
| U.S. | 142,200 | 32.5 | 114,608 | 39.8 |
| International | 15,052 | 3.4 | 10,271 | 3.6 |
| | **437,885** | **100.0** | **287,643** | **100.0** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 21. SEGMENT AND GEOGRAPHICAL INFORMATION (CONT'D)

### *Long-lived assets by geographic location*

The following table presents the total net book value of the Group's long-lived assets by geographic location:

| As at | March 31, | | | |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| | $ | % | $ | % |
| Canada | 154,251 | 56.4 | 62,172 | 48.2 |
| U.S. | 118,023 | 43.1 | 65,784 | 51.0 |
| International | 1,299 | 0.5 | 1,107 | 0.8 |
| | **273,573** | **100.0** | **129,063** | **100.0** |

### *Information about revenues and deferred revenues*

An analysis of the Group's revenues from customers for each major service category is as follows:

| Year ended | March 31, | | | |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| | $ | % | $ | % |
| Consulting and support services - time and materials arrangements | 382,143 | 87.3 | 254,155 | 88.3 |
| Consulting and support services - fixed-fee arrangements | 45,539 | 10.4 | 24,099 | 8.4 |
| Other revenue | 10,203 | 2.3 | 9,389 | 3.3 |
| | **437,885** | **100.0** | **287,643** | **100.0** |

During the year ended March 31, 2022 and 2021, significantly all amounts included in the opening balance of deferred revenues were recognized as revenue.

### *Major customer*

During the year ended March 31, 2022 one client generated more than 10% of total revenue for $63,391,000 (one client generated more than 10% of total revenue for $30,297,000 in 2021). As at March 31, 2022, accounts receivable and other receivables from one major customer amounted to $19,771,000 or 19.6% of total accounts receivable and other receivables (March 31, 2021 - one major customer amounted to $11,011,000 or 15.9%).

## 22. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, restricted cash, accounts receivable and other receivables, trade accounts payable and accrued liabilities and long-term debt. The Group, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk, liquidity risk and currency risk. Senior management and the Board are responsible for setting risk levels and reviewing risk management activities as they determine necessary.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 22. FINANCIAL INSTRUMENTS (CONT'D)

### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fluctuations in interest rates with respect to its variable rate on long-term debts. The interest rate risk profile of the Group's interest-bearing financial instruments was as follows:

| As at | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| Variable rate financial instruments | | |
| Credit Facility (note 10) | 66,631 | 31,023 |
| Secured loans (note 10) | 8,596 | — |
| Other long-term debt (note 10) | 120 | 213 |
| | **75,347** | **31,236** |

For the year ended March 31, 2022, the Group has determined that a reasonably possible increase or decrease of 100 basis point in interest rates of the above variable-rate financial liabilities would not have a significant impact on equity and profit or loss. This analysis assumes that all other variables remain constant, in particular foreign currency exchange rates. It has been performed on the same basis for the year ended March 31, 2021.

### *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's activities are financed through a combination of cash flows from operations, borrowings under existing Credit Facility, issuance of debt and issuance of equity instruments. In order to manage its exposure to liquidity risk, the Group's primary goal is to maintain an optimal level of liquidity through an active management of assets and liabilities as well as cash flows. As at March 31, 2022, the Group has an unused capacity of $58,369,000 (2021 - $23,976,000) under its authorized secured senior revolving credit facility of $125,000,000 (2021 - $60,000,000).

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 22. FINANCIAL INSTRUMENTS (CONT'D)

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities.

| As at | March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Total | Less than 1 year | 1-2 years | 2-5 years | More than 5 years |
| | $ | $ | $ | $ | $ | $ |
| Accounts payable and accrued liabilities | 53,507 | 53,507 | 53,507 | — | — | — |
| Credit Facility | 66,631 | 70,775 | 2,072 | 2,072 | 66,631 | — |
| Secured loans | 8,596 | 9,060 | 4,988 | 4,072 | — | — |
| Subordinated unsecured loans | 17,500 | 21,773 | 1,221 | 1,221 | 19,331 | — |
| Balances of purchase payable, non-interest bearing | 13,026 | 13,419 | 13,419 | — | — | — |
| Other liabilities (included in long-term debt) | 120 | 120 | 120 | — | — | — |
| Lease liabilities | 21,263 | 24,045 | 4,302 | 4,270 | 10,244 | 5,229 |
| | **180,643** | **192,699** | **79,629** | **11,635** | **96,206** | **5,229** |

| As at | March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Total | Less than 1 year | 1-2 years | 2-5 years | More than 5 years |
| | $ | $ | $ | $ | $ | $ |
| Accounts payable and accrued liabilities | 26,326 | 26,326 | 26,326 | — | — | — |
| Credit Facility | 31,023 | 32,008 | 32,008 | — | — | — |
| Balances of purchase payable, non-interest bearing | 15,519 | 16,739 | 3,259 | 13,480 | — | — |
| Other liabilities (included in long-term debt) | 213 | 213 | 213 | — | — | — |
| Lease liabilities | 15,459 | 17,866 | 2,482 | 2,602 | 6,756 | 6,026 |
| | **88,540** | **93,152** | **64,288** | **16,082** | **6,756** | **6,026** |

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 22. FINANCIAL INSTRUMENTS (CONT'D)

### *Credit risk*

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations. At March 31, 2022 and 2021, the Group's credit risk exposure consists mainly of the carrying amount of cash held with major Canadian banks, accounts receivable and other receivables, and unbilled revenues. The carrying amounts of financial assets and unbilled revenues represent the maximum credit exposure.

Impairment losses recognized in profit or loss is not significant both in 2022 and 2021.

The credit risk in respect of cash balances is minimal as they are held with reputable financial institutions.

With respect to trade accounts receivable and unbilled revenues, the Group is exposed to a concentration of credit risk on significant customers. However, this credit risk exposure is mitigated by the relative size and nature of the business carried on by such customers. Also, the Group has a large and diversified client base from clients engaged in various industries, including banks with high credit-rating, government agencies, telecommunications and retails. Historically, the Group has not made any significant write-offs.

In order to manage its exposure to credit risk and assess credit quality, the Group established a credit policy under which collection of trade accounts receivable is a priority. Each new customer is analyzed individually for creditworthiness before the Group enters into a contract. The financial stability and liquidity of customers are assessed on a regular basis, which included the review of default risk associated with the industry in which customers operate. No significant adjustments were made to allowance for doubtful accounts in connection with this assessment.The Group also limits its exposure by setting credit limits when deemed necessary.

The Group recognizes an impairment loss allowance for expected credit losses ("ECLs") on trade accounts receivable and unbilled revenues, using an estimate of credit losses. The Company establishes an impairment loss allowance on a collective and individual assessment basis, by considering its historical experience, external indicators and forward- looking information. If actual credit losses differ from estimates, future earnings would be affected. In its assessment of the impairment loss allowance, the Group considered the economic impact resulting from the COVID-19 pandemic on its ECL assessment, including the risk of default of its customers given the continued economic uncertainty. As at March 31, 2022 and 2021, allowance for ECLs was not significant.

The following table provides information about the exposure to credit risk for trade accounts receivable:

| **As at** | **March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| | **$** | **$** |
| Current | 70,039 | 44,375 |
| 0-30 days | 21,600 | 17,290 |
| 31-60 days | 3,072 | 2,281 |
| 61-90 days | 1,071 | 632 |
| Over 90 days | 2,507 | 2,471 |
| | **98,289** | **67,049** |

The unbilled revenues are substantially all current in nature.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 22. FINANCIAL INSTRUMENTS (CONT'D)

### *Currency risk*

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which cash, accounts receivables and other receivables, accounts payables and accrued liabilities and borrowings are denominated and the respective functional currencies of Group's companies. The currencies in which these financial instruments are mainly denominated is USD. Other currencies have no significant impact on the Group's exposure to currency risk.

The summary quantitative data about the Group's exposure to currency risk for the significant exchange rates is as follow, expressed in Canadian dollars:

| **As at** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| | **$** | **$** |
| Cash | 1,428 | 681 |
| Accounts receivable and other receivables | 34 | 243 |
| Accounts payable and accrued liabilities | (1,599) | (1,609) |
| Credit Facility | (48,377) | (4,023) |
| **Net statement of financial position exposure** | **(48,514)** | **(4,708)** |

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the USD/Canadian dollars exchange rate 'all other things being equal'. It assumes a +/-7% change of the USD/Canadian dollars exchange rate for the year ended March 31, 2022 (2021: +/-17%). This percentage has been determined based on the average market volatility in exchange rate in the previous twelve months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

| | | | **Profit or loss** | |
|---|---|---|---|---|
| ***Effect in Canadian dollar*** | | | **Strengthening** | **Weakening** |
| **As at March 31, 2022** | | | | |
| USD | 7% | Movement | (2,638) | 2,638 |
| **As at March 31, 2021** | | | | |
| USD | 17% | Movement | (631) | 631 |

### *Fair Value of Financial Instruments*

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Valuation based on quoted prices observed in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Valuation techniques with significant unobservable market inputs. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 22. FINANCIAL INSTRUMENTS (CONT'D)

The carrying amount of cash, restricted cash, accounts receivable and other receivables, accounts payables and accrued liabilities is a reasonable approximation of fair value.

The fair value of the long-term debt is estimated by discounting expected cash flows at rates that would be currently offered to the Group for debts of the same remaining maturities and conditions (level 2). For both 2022 and 2021, the Group has determined that the fair value of the Credit Facility, the secured loans, the subordinated unsecured loan and the balances of purchase payable are not significantly different than their carrying amount.

The following table summarizes their carrying amount.

| As at | March 31, | |
|---|---|---|
| | **2022** | **2021** |
| | **$** | **$** |
| Credit Facility | 66,631 | 31,023 |
| Secured loans | 8,596 | — |
| Subordinated unsecured loans | 17,500 | — |
| Balances of purchase payable, non-interest bearing | 13,026 | 15,519 |
| | **105,753** | **46,542** |

## 23. CAPITAL DISCLOSURES

The Group's capital consists of cash, restricted cash, long-term debt and total shareholders' equity. The Group's main objectives when managing capital are:

- to provide a strong capital base in order to maintain shareholder, creditor and stakeholder confidence and to sustain future growth development of the business;
- to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations;
- to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions; and
- to provide a rewarding return on investment to shareholders.

In managing its capital structure, the Group monitors performance throughout the year to ensure anticipated working capital requirements and maintenance capital expenditures are funded from operations, available cash and availability under the Credit Facility. Alithya manages its capital structure and may make adjustments to it, in order to support the broader corporate strategy or in response to changes in economic conditions and risk. In order to maintain or adjust its capital structure, the Group may purchase shares from existing shareholders, issue new shares, issue new debt, issue new debt to replace existing debt (with different characteristics), or reduce the amount of existing debt.

*(Tabular amounts are in thousands of Canadian dollars, except share and per share data in tables)*

## 23. CAPITAL DISCLOSURES (CONT'D)

Total capital as at March 31, 2022 and 2021 is calculated as follows:

| As at | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Cash | (17,655) | (6,903) |
| Restricted cash | (3,254) | (3,233) |
| Current portion of long-term debt | 19,316 | 35,134 |
| Long-term debt | 87,360 | 19,817 |
| Share capital | 305,222 | 197,537 |
| Deficit | (111,654) | (96,190) |
| Accumulated other comprehensive loss | (947) | (508) |
| Contributed surplus | 7,130 | 7,173 |
| | **285,518** | **152,827** |

The Group monitors capital using a number of financial metrics, including but not limited to:

- the senior debt to Adjusted EBITDA (defined as earnings before income tax expense (recovery) net financial expenses, foreign exchange, depreciation, amortization, share-based compensation and non-recurring costs) ratio, defined as senior debt to 12-month trailing Adjusted EBITDA (as defined in the Credit Facility);
- the total debt to Adjusted EBITDA ratio, defined as total debt to 12-month trailing Adjusted EBITDA; and
- the fixed charge coverage ratio, defined as Adjusted EBITDA minus taxes, distributions and capital expenditures to aggregate interest expense and regular scheduled principal repayments.

The Group uses operating income, Adjusted EBITDA and cash flow from operations as measurements to monitor operating performance. Adjusted EBITDA and Adjusted EBITDA ratio, as presented, are not recognized for financial statement presentation purposes under IFRS, and do not have a standardized meaning. Therefore, they are not likely to be comparable to similar measures presented by other entities.

The continued availability of the Credit Facility is subject to the Group's ability to maintain certain debt service and fixed charge coverage covenants, as well as other affirmative and negative covenants, including certain limitations of distributions in the form of dividends or equity repayments in any given fiscal year, as set out in the credit agreement.

The Group is subject to financial covenants pursuant to the credit facility agreement, which are measured on a quarterly basis. The covenants are senior debt to Adjusted EBITDA, total debt to Adjusted EBITDA and fixed charge coverage ratios. The Group was in compliance with all such covenants at March 31, 2022 and 2021.

## 24. SUBSEQUENT EVENT

On June 1, 2022, the Company entered into a binding agreement to acquire all of the outstanding shares of the US-based Datum Consulting Group, LLC and its affiliates ("Datum)"("Datum Acquisition"). 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.

The Datum Acquisition will be completed for total consideration of up to US$45,500,000 ($57,500,000), including the assumption of estimated IFRS 16 lease liabilities of US$500,000 ($600,000), subject to working capital and other adjustments. The consideration will consist of: (i) approximately US$13,700,000 ($17,300,000) in cash; (ii) US$4,000,000 ($5,100,000) payable by the issuance of 1,867,262 Subordinate Voting Shares, (iii) deferred cash consideration of approximately US$10,300,000 ($13,000,000) and deferred share consideration of US$4,000,000 ($5,100,000), both payable over three years and (iv) potential earn-out consideration of up to US$13,000,000 ($16,400,000), payable in cash (75%) and shares (25%), based on annual gross profit increases, available over three years.

Exhibit 99.3

# Management's Discussion and Analysis of Financial Condition and Results of Operations of Alithya Group inc.

For the year ended March 31, 2022

Alithya

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Alithya

# 1. Basis of Presentation

This Management's Discussion and Analysis ("MD&A") provides a review of the results of operations, financial condition and cash flows for Alithya Group inc. for the three months and twelve months ended March 31, 2022. References to "Alithya", the "Company", the "Group", "we", "our" and "us" in this MD&A refer to Alithya Group inc. and its subsidiaries or any one or more of them, unless the context requires otherwise. This document should be read in conjunction with the information contained in the Company's annual audited consolidated financial statements and accompanying notes for the years ended March 31, 2022 and 2021. The Company's MD&A, financial statements, Annual Information Form, Annual Report on Form 40-F, and additional information regarding the business of the Company, are available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and the Electronic Data Gathering, Analysis and Retrieval system ("EDGAR") at www.sec.gov.

For reporting purposes, the Company prepared the consolidated financial statements in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all dollar ("$") amounts and references in this MD&A are in Canadian dollars and references to "US$" are to US dollars. Variances, ratios and percentage changes in this MD&A are based on unrounded numbers.

This MD&A contains both IFRS and non-IFRS financial measures. See the section 5 titled "Non-IFRS and Other Financial Measures".

Unless otherwise stated, in preparing this MD&A, the Company has considered information available to it up to June 16, 2022, the date the Company's Board of Directors ("Board") approved this MD&A and the consolidated financial statements for the year ended March 31, 2022.

# 2. Forward-Looking Statements

This MD&A contains statements that 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"). Statements that do not exclusively relate to historical facts, as well as statements relating to management's expectations regarding the future growth, results of operations, performance and business prospects of Alithya, and other information related to Alithya's business strategy and future plans or which refer to the characterizations of future events or circumstances represent forward-looking statements. Such statements often contain the words "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should," "project," "target," and similar expressions and variations thereof, although not all forward-looking statements contain these identifying words.

Forward-looking statements in this MD&A include, among other things, information or statements about: (i) our ability to generate sufficient earnings to support our operations; (ii) our ability to take advantage of business opportunities and meet our goals set in our three-year strategic plan; (iii) our ability to develop new business, broaden the scope of our service offerings and enter into new contracts; (iv) our strategy, future operations, and prospects; (v) our need for additional financing and our estimates regarding our future financing and capital requirements; (vi) our expectations regarding our financial performance, including our revenues, profitability, research and development, costs and expenses, gross margins, liquidity, capital resources, and capital expenditures; (vii) our ability to realize the expected synergies or cost savings relating to the integration of our business acquisitions, and (viii) the impact of the COVID-19 pandemic and related response measures on our business operations, financial results and financial position and those of our clients and on the economy in general.

Forward-looking statements are presented for the sole purpose of assisting investors and others in understanding Alithya's objectives, strategies and business outlook as well as its anticipated operating environment and may not be appropriate for other purposes. 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 those discussed in the section titled "Risks and Uncertainties" of this MD&A, as well as in Alithya's 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. 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.

Forward-looking statements contained in this MD&A are qualified by these cautionary statements and are made only as of the date of this MD&A. Alithya expressly disclaims any obligation to update or alter 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. Investors are cautioned not to place undue reliance on forward-looking statements since actual results may vary materially from them.

## 3. Business Overview

Alithya advises in strategy and digital transformation, with more than 3,700 professionals in Canada, the U.S., and internationally and assists clients in their pursuit of innovation and excellence and the achievement of their business objectives through the optimal use of digital technologies.

Alithya deploys solutions, services, and expert consultants to design, build and implement innovative and efficient solutions for the complex business challenges of its clients, tailored to their business needs in the financial services, insurance, renewable energy, manufacturing, telecommunications, transportation and logistics, professional services, healthcare and government sectors.

Alithya

*Business Offerings*

Alithya's business offerings include a comprehensive range of digital technology services to address client needs:

- **Business Strategy.** Alithya leads clients through essential decision-making processes regarding strategic planning, change management, systems evolution, operational processes, employee experience and transformative change enablement and more. Applying the most recurrent methodologies, we help our clients optimize efficiency and successfully navigate the digital transformation age. We achieve results by leveraging an array of Business Strategy services, including strategic consulting, digital transformation, organizational performance and enterprise architecture.

- **Application Solutions Services.** Alithya's experts guide clients through all facets of Application Solutions Services, from migration of legacy systems into future-ready digital solutions, to the development of completely new solutions using state-of-the-art technologies. Our experts assist our clients in the choice between cloud, on-premise, and hybrid hosting strategies and solutions. Alithya's Application Solutions Services include digital applications DevOps, legacy systems modernization, control and software engineering, cloud infrastructure, quality assurance and automated testing.

- **Enterprise Solutions.** Working with key industry partners, including some of the world's largest vendors of cloud-based Enterprise Solutions, Alithya's experts help clients deploy company-wide systems to improve the efficiency of their finance, human capital, operations, and marketing functions. Alithya's Enterprise Solutions services include Enterprise Resource Planning (ERP), Corporate Performance Management (CPM/EPM), Customer Relationship Management (CRM/CXM) and Human Capital Management (HCM).

- **Data and Analytics.** Data analysis plays a critical role in the optimization of business processes. Leveraging specialized IT systems and software, Alithya's data scientists help clients gain business insight and drive better decision-making through enhanced data collection, big data analytics, machine learning automation and reporting. Alithya's Data and Analytics services include business intelligence, data management, artificial intelligence and machine learning, as well as Internet of Things (IoT).

Geographically, Alithya's operations span across Canada, the United States and internationally, providing a full spectrum of strategy and digital technology services with deep expertise in a range of technologies and business domains.

*Competitive Environment*

Today, for many companies, digital systems and infrastructures are among their most important and strategic assets. Not only do these assets require significant investments, but they increasingly serve as key differentiators and drivers of growth for customers.

Accordingly, businesses are seeking solutions that allow them to maintain their ability to differentiate themselves from competitors with proprietary business processes, combined with product customization. That is where digital transformation comes into play, inviting companies to make a shift in their approach and to evolve from traditional information technologies to flexible digital technologies.

As businesses' technology spending continues to increase, digital technology firms such as Alithya are striving to deliver innovative thinking and in-depth vertical industry expertise, while facilitating business process transformation through the use of the most optimal technologies.

Alithya believes it is well positioned to respond to these trends in clients' investments in digital technology. Alithya's business model is built on a philosophy of offering flexible and creative solutions, enabling clients to realize maximum benefits from their digital technology investments. Alithya positions itself as an agile trusted advisor and consulting partner capable of delivering rapid results for its clients.

Alithya's competitors include systems integration firms, contract programming companies, application software companies, cloud computing service providers, large or traditional consulting firms, professional services groups of computer equipment companies, infrastructure management and outsourcing companies and boutique digital companies. In addition, Alithya competes with numerous smaller local companies in the various geographic markets in which it operates.

Alithya competes based on the following principal differentiating factors: vision and strategic advisory ability, digital services capabilities, performance and reliability, quality of technical support, training and services, responsiveness to client needs, reputation and experience, financial stability and strong corporate governance and competitive pricing of services.

Alithya also relies on the following measures to compete effectively: (a) investments to scale its services practice areas; (b) a well-developed recruiting, training and retention model; (c) a successful service delivery model; (d) intrapreneurial culture and approach; (e) a broad referral base; (f) continual investment in process improvement and knowledge capture; (g) investment in infrastructure and research and development; (h) continued focus on responsiveness to client needs, quality of services and competitive prices; and (i) project management capabilities and technical expertise.

# 4. Strategic Business Plan

Alithya has adopted a three-year strategic plan which sets as a goal to consolidate its position as to become a North American digital transformation leader.

According to this plan, Alithya's consolidated scale and scope should allow it to leverage its geographies, expertise, integrated offerings, and position on the value chain to target the fastest growing IT services segments. Alithya's specialization in digital technologies and the flexibility to deploy enterprise solutions, and deliver solutions tailored to specific business objectives, responds directly to client expectations.

More specifically, Alithya has established a three-pronged plan focusing on:

- Increasing scale through organic growth and strategic acquisitions by:
    - Generating profitable organic growth through innovation, higher-value offerings and client relationships based on trust;
    - Completing value enhancing business acquisitions by way of a North American geographic expansion to complement current market presence, including geography, while progressively adding major integrated enterprise solutions offerings and selected specialized expertise;
- Achieving best-in-class employee engagement by:
    - Fostering a culture of collaboration, diversity, and ownership;
    - Cultivating employee well-being and personal growth;
    - Investing in the development of its leaders and employees;
- Providing its investors, partners and stakeholders with long-term growing return on investment by:
    - Strengthening its existing relationships with clients, as a key trusted advisor, by generating long-term value;
    - Investing in innovation and higher value service offerings;
    - Acting responsibly, with a sustainable and respectful vision for its stakeholders and articulating its Environmental, Social and Governance framework and priorities.

Alithya

## 5. Non-IFRS and Other Financial Measures

Alithya reports its financial results in accordance with IFRS. This MD&A includes certain non-IFRS and supplementary financial measures and ratios to assess Alithya's financial performance. These measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS.

The non-IFRS measures used by Alithya are described below:

### *EBITDA and EBITDA Margin*

"EBITDA" refers to net income before adjusting for income tax expense (recovery), net financial expenses, amortization of intangibles, depreciation of property and equipment and right-of-use assets, and impairment of intangibles and goodwill.

"EBITDA Margin" refers to the percentage of total revenue that EBITDA represents for a given period.

Management believes that EBITDA and EBITDA Margin are useful measures for investors as they provide an indication of the results generated by Alithya's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration non-cash depreciation, amortization, and impairment. For a reconciliation of net loss to EBITDA, see section 8.7 titled "EBITDA and Adjusted EBITDA".

### *Adjusted EBITDA and Adjusted EBITDA Margin*

"Adjusted EBITDA" refers to net income before adjusting for income tax expense (recovery), net financial expenses, foreign exchange, amortization of intangibles, depreciation of property and equipment and right-of-use assets, impairment of intangibles and goodwill, share-based compensation, business acquisition, integration and reorganization costs, internal ERP systems implementation, and other redundant and non-recurring items.

"Adjusted EBITDA Margin" refers to the percentage of total revenue that Adjusted EBITDA represents for a given period.

Management believes that Adjusted EBITDA and Adjusted EBITDA Margin are useful measures for investors as they allow comparability of operating results from one period to another. These measures provide an indication of the results generated by Alithya's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration the non-cash and other items listed above. For a reconciliation of net loss to Adjusted EBITDA, see section 8.7 titled "EBITDA and Adjusted EBITDA".

### *Constant Dollar Revenue and Constant Dollar Growth*

"Constant Dollar Revenue" is a measure of revenue and revenue by geographic location before foreign currency translation impacts. This measure is calculated by translating current period revenue and revenue by geographic location in local currency using the exchange rates in the equivalent period from the prior year.

"Constant Dollar Growth" is a measure of revenue growth and revenue growth by geographic location before foreign currency translation impacts. This measure is calculated by comparing constant dollar revenue as described above with prior period revenue.

Management believes that constant dollar revenue and constant dollar growth are useful measures for investors as they allow revenue to be adjusted to exclude the impact of currency fluctuations to facilitate period-to-period comparisons of business performance. For a reconciliation of revenues to Constant Dollar Revenue by geographic location, see section 8.1 titled “Revenues”.

### *Net Bank Borrowing*

“Net Bank Borrowing” refers to long-term debt, including the current portion, less balances of purchase payable, the subordinated unsecured loan, the secured loans, unsecured promissory notes under the Paycheck Protection Program ("PPP"), deferral of employment tax payments under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), unamortized transaction costs, cash, and restricted cash. For the calculation of Net Bank Borrowing, see section 10.6 titled “Long-Term Debt and Net Bank Borrowing”. Management believes that Net Bank Borrowing is a useful measure for investors as it provides an indication of the liquidity of the Company.

The other financial measures used by Alithya are described below:

### *Other Financial Measures*

"Gross Margin as a Percentage of Revenues" is calculated by dividing gross margin by revenues.

"Selling, General and Administrative Expenses as a Percentage of Revenues" is calculated by dividing selling, general and administrative expenses by revenues.

‘’Bookings’’ refers to the amount of signed revenue agreements during the period, which includes new contracts, including those acquired through acquisitions, as well as renewals, extensions and changes to existing contracts. Management believes information regarding bookings can provide useful trend insight to investors regarding changes in the volume of new business over time.

‘’Book-to-Bill Ratio’’ is calculated by dividing Bookings by revenues, for the same period. Management believes this measure allows for the monitoring of the Company’s backlog and offers useful insight to investors on how the business varies and evolves over time. This measure is best used over a long period as it could fluctuate significantly from one quarter to the other.

Alithya

# 6. Financial Highlights

| Results of Operations (in $ thousands) | Three months ended March 31, 2022 | Three months ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Revenues | 119,974 | 77,971 | 437,885 | 287,643 |
| Net Loss | (7,253) | (2,525) | (15,548) | (17,338) |
| Basic and Diluted Loss per Share | (0.08) | (0.04) | (0.18) | (0.30) |
| EBITDA (1) | (1,224) | 922 | 5,724 | (840) |
| EBITDA Margin (1) | (1.0)% | 1.2 % | 1.3 % | (0.3)% |
| Adjusted EBITDA (1) | 6,048 | 3,262 | 22,609 | 9,645 |
| Adjusted EBITDA Margin (1) | 5.0 % | 4.2 % | 5.2 % | 3.4 % |

| Other (in $ thousands) | March 31, 2022 | March 31 2021 |
|---|---|---|
| | $ | $ |
| Total Assets | 447,721 | 243,261 |
| Non-Current Financial Liabilities (2) | 105,113 | 33,353 |
| Total Long-Term Debt | 106,676 | 54,951 |
| Net Bank Borrowing (3) | 45,840 | 21,100 |

| Shares, Stock Options and Share Units Outstanding | June 15, 2022 |
|---|---|
| Class A Subordinate Voting Shares ("Subordinate Voting Shares") | 85,404,570 |
| Class B Multiple Voting Shares ("Multiple Voting Shares") | 7,171,616 |
| Options (4) | 4,067,207 |
| Deferred Share Units ("DSUs") | 439,521 |
| Restricted Share Units ("RSUs") | 181,498 |
| Performance Share Units ("PSUs") | 332,263 |

[1] This is a non-IFRS financial measure. Refer to section 5 titled “Non-IFRS and Other Financial Measures” for an explanation of the composition and usefulness of this non-IFRS financial measure and to section 8.7 titled "EBITDA and Adjusted EBITDA" for a quantitative reconciliation to the most directly comparable IFRS measures.

[2] Non-current financial liabilities include the long-term portion of the long-term debt and the long-term portion of the lease liabilities.

[3] This is a non-IFRS financial measure. Refer to section 5 titled “Non-IFRS and Other Financial Measures” for an explanation of the composition and usefulness of this non-IFRS financial measure and to section 10.6 titled "Long-Term Debt and Net Bank Borrowing" for a quantitative reconciliation to the most directly comparable IFRS measures.

[4] Includes 657,896 stock options to purchase Multiple Voting Shares.

*For the three months ended March 31, 2022*

- Revenues increased 53.9% to $120.0 million, compared to $78.0 million for the same quarter last year.
- Adjusted EBITDA increased 85.5% to $6.0 million, or 5.0% of revenues, compared to $3.3 million, or 4.2% of revenues, for the same quarter last year.
- Gross margin increased 32.5% to $31.1 million, compared to $23.5 million for the same quarter last year.
- Gross margin as a percentage of revenues(5) was 25.9%, compared to 30.1% for the same quarter last year, a decrease explained in part by the R3D Acquisition.
- Selling, general and administrative expenses as a percentage of revenues(5) decreased to 21.8%, from 27.9% for the same quarter last year.
- Net loss of $7.3 million, or $0.08 per share, compared to a net loss of $2.5 million, or $0.04 per share, for the same quarter last year.
- Q4 bookings(5) reached $107.2 million, which translated into a book-to-bill ratio(5) of 0.89.

*For the twelve months ended March 31, 2022*

- Revenues increased 52.2% to $437.9 million, compared to $287.6 million last year.
- Adjusted EBITDA increased 134.4% to $22.6 million, or 5.2% of revenues, from $9.6 million, or 3.4% of revenues, last year.
- Gross margin increased 39.9% to $116.1 million, compared to $83.0 million last year.
- Gross margin as a percentage of revenues was 26.5%, compared to 28.9% last year, a decrease explained in part by the R3D Acquisition.
- Selling, general and administrative expenses as a percentage of revenues decreased to 22.6%, from 28.4% last year.
- Net loss of $15.5 million, or $0.18 per share, compared to a net loss of $17.3 million, or $0.30 per share last year.
- Fiscal 2022 bookings reached $1,031.8 million, which translated into a book-to-bill ratio of 2.36.

[5] This is an other financial measure. Refer to section 5 titled "Non-IFRS and Other Financial Measures" for an explanation of the composition of this other financial measure.

# 7. Business Combinations

## Alithya IT Services Inc.

### *Overview*

On April 1, 2021, the Company acquired all of the outstanding shares of R3D Consulting Inc. (now Alithya IT Services Inc.) ("Alithya IT" or "R3D") (the “R3D Acquisition”), a private Québec firm that specializes in digital solutions.

The purchase price was paid by the issuance of 25,182,676 Subordinate Voting Shares of the Company, at a value of $3.20 per share, which was the closing share price on the TSX on April 1, 2021, cash of $978,000 and assumption of accounts payable and accrued liabilities and long-term debt of $45,000 and $8,887,000, respectively, on the closing date.

The fair value of the assets acquired, liabilities assumed, and the purchase consideration’s valuation have been completed. The R3D Acquisition is being accounted for using the acquisition method of accounting.

For the year ended March 31, 2022, the Company incurred acquisition-related costs of approximately $1,646,000. These costs have been recorded in the consolidated statement of operations in business acquisition, integration and reorganization costs.

## *Purchase Price Allocation*

The allocation of the fair value of the assets acquired and the liabilities assumed is detailed as follows:

| Acquisition of Alithya IT Services Inc. (in $ thousands) | $ |
|---|---|
| **Current assets** | |
| Cash | 577 |
| Accounts receivable and other receivables | 9,985 |
| Unbilled revenues | 7,169 |
| Prepaids | 91 |
| | **17,822** |
| **Non-current assets** | |
| Tax credits receivable | 2,053 |
| Property and equipment | 2,207 |
| Right-of-use assets | 2,982 |
| Intangibles | 52,777 |
| Deferred tax assets | 763 |
| Goodwill | 42,491 |
| **Total assets acquired** | **121,095** |
| **Current liabilities** | |
| Accounts payable and accrued liabilities | 15,069 |
| Income taxes payable | 155 |
| Deferred revenues | 125 |
| Current portion of lease liabilities | 592 |
| Current portion of long-term debt | 8,887 |
| | **24,828** |
| **Non-current liabilities** | |
| Lease liabilities | 3,620 |
| Deferred tax liabilities | 11,084 |
| **Total liabilities assumed** | **39,532** |
| **Net assets acquired** | **81,563** |

## *Goodwill*

The goodwill recognized consists mainly of the future economic value attributable to the profitability of the acquired business, as well as its workforce and expected synergies from the integration of Alithya IT into the Group's existing business. The Company does not expect the goodwill to be deductible for income tax purposes.

### *Consideration paid*

The following table summarizes the acquisition date fair value of each class of consideration as follows:

| **Acquisition of Alithya IT Services Inc. (in $ thousands)** | **$** |
|---|---|
| Cash paid | 978 |
| Issuance of 25,182,676 Subordinate Voting Shares | 80,585 |
| **Total consideration transferred** | **81,563** |

### *Alithya IT 's contribution to the Group results*

For the period from April 1, 2021 to December 31, 2021, the date of Alithya IT's administrative integration within the acquired legal entity, it contributed revenues of approximately $51,002,000, a loss in the amount of $4,595,000, including amortization, primarily related to the acquired customer relationships, of $3,805,000, and business acquisition and integration costs of $3,683,000. Since the R3D Acquisition, all new contracts and all new employees related to the acquired business were recorded in other Canadian entities of the Group, in preparation for its administrative integration.

## Vitalyst, LLC

### *Overview*

On January 31, 2022, the Company acquired all of the issued and outstanding membership interest of Vitalyst, LLC ("Vitalyst") ("Vitalyst Acquisition"), a US-based learning, employee experience and transformative change enablement business.

The Vitalyst Acquisition was completed for total consideration of US$45,362,000 ($57,592,000), comprised of certain accounts payable and accrued liabilities assumed of US$2,279,000 ($2,893,000), long-term debt of US$30,150,000 ($38,279,000), and US$12,933,000 ($16,420,000) paid in cash, subject to working capital and other adjustments, plus a potential earnout of up to US$1,000,000 ($1,270,000) payable before May 31, 2023.

The fair value of the assets acquired and the liabilities assumed, and the purchase consideration is preliminary pending the completion of their valuation. Should new information, obtained within one year of the date of acquisition, about the facts and circumstances that existed at the date of the Vitalyst Acquisition, result in adjustments to the below amounts, or require additional provisions for conditions that existed at the date of the Vitalyst Acquisition, the fair value will then be revised. The Vitalyst Acquisition is being accounted for using the acquisition method of accounting.

For the year ended March 31, 2022, the Company incurred acquisition-related costs of approximately $1,652,000. These costs have been recorded in the consolidated statement of operations in business acquisition, integration and reorganization costs.

## *Purchase Price Allocation*

The preliminary allocation of the fair value of the assets acquired and the liabilities assumed is detailed as follows:

| Acquisition of Vitalyst, LLC (in $ thousands) | $ |
|---|---|
| **Current assets** | |
| Cash | 1,116 |
| Accounts receivable and other receivables | 6,301 |
| Unbilled revenues | 1,101 |
| Prepaids | 1,403 |
| | **9,921** |
| **Non-current assets** | |
| Other assets | 157 |
| Property and equipment | 583 |
| Right-of-use assets | 3,975 |
| Intangibles | 26,323 |
| Goodwill | 31,498 |
| **Total assets acquired** | **72,457** |
| | |
| **Current liabilities** | |
| Accounts payable and accrued liabilities | 5,237 |
| Deferred revenues | 7,936 |
| Current portion of lease liabilities | 1,007 |
| Current portion of long-term debt | 38,584 |
| | **52,764** |
| **Non-current liabilities** | |
| Lease liabilities | 3,273 |
| **Total liabilities assumed** | **56,037** |
| | |
| **Net assets acquired** | **16,420** |

## *Goodwill*

The goodwill recognized consists mainly of the future economic value attributable to the profitability of the acquired business, as well as its workforce and expertise. The Company does not expect the goodwill to be deductible for income tax purposes.

## *Consideration paid*

The following table summarizes the acquisition date fair value of each class of consideration as follows:

| Acquisition of Vitalyst, LLC (in $ thousands) | $ |
|---|---|
| Cash paid | 16,420 |
| Earn-out | — |
| **Total consideration transferred** | **16,420** |

Alithya

### Vitalyst's contribution to the Group results

For the year ended March 31, 2022, the Vitalyst business contributed revenues of approximately $4,980,000, a loss in the amount of $1,219,000, including amortization, primarily related to the acquired customer relationships, of $569,000, and acquisition and integration costs of $1,693,000, respectively.

If the acquisition had occurred on April 1, 2021, pro-forma revenue and earnings before incomes taxes for the Vitalyst Acquisition for the year ended March 31, 2022 would have been $31,427,000 and $5,715,000, respectively. These amounts have been calculated using Vitalyst's results and adjusting for:

- differences in accounting policies between the Group and Vitalyst;
- the removal of transaction costs incurred by Vitalyst from April 1, 2021 to January 31, 2022; and
- the additional amortization that would have been charged assuming the fair value adjustments to intangibles had been applied from April 1, 2021.

# 8. Results of Operations

| | For the three months ended March 31, | | For the year ended March 31, | |
|---|---|---|---|---|
| **(in $ thousands, except for per share data)** | **2022** | **2021** | **2022** | **2021** |
| | **$** | **$** | **$** | **$** |
| Revenues | 119,974 | 77,971 | 437,885 | 287,643 |
| Cost of revenues | 88,891 | 54,517 | 321,732 | 204,626 |
| Gross margin | 31,083 | 23,454 | 116,153 | 83,017 |
| | | | | |
| Operating expenses | | | | |
| Selling, general and administrative expenses | 26,204 | 21,740 | 98,838 | 81,723 |
| Business acquisition, integration and reorganization costs | 6,128 | 718 | 11,617 | 2,321 |
| Depreciation | 1,235 | 1,058 | 5,435 | 3,767 |
| Amortization of intangibles | 4,017 | 2,490 | 14,285 | 11,739 |
| Foreign exchange loss (gain) | (25) | 74 | (26) | 473 |
| | 37,559 | 26,080 | 130,149 | 100,023 |
| Operating loss | (6,476) | (2,626) | (13,996) | (17,006) |
| Net financial expenses | 1,352 | 849 | 4,579 | 3,274 |
| Gain on recovery of note receivable | — | — | — | (660) |
| Loss before income taxes | (7,828) | (3,475) | (18,575) | (19,620) |
| Income tax expense (recovery) | | | | |
| Current | 114 | 465 | (20) | 1,515 |
| Deferred | (689) | (1,415) | (3,007) | (3,797) |
| | (575) | (950) | (3,027) | (2,282) |
| Net loss | **(7,253)** | **(2,525)** | **(15,548)** | **(17,338)** |
| Basic and diluted loss per share | (0.08) | (0.04) | (0.18) | (0.30) |

## 8.1 Revenues

The following table reconciles Constant Dollar Revenue to revenues by geographic location:

| | For the three months ended March 31, | | | For the twelve months ended March 31, | | |
|---|---|---|---|---|---|---|
| (in $ thousands, except for percentages) | 2022 | 2021 | % | 2022 | 2021 | % |
| **Total Alithya revenue as reported** | **119,974** | **77,971** | **53.9 %** | **437,885** | **287,643** | **52.2 %** |
| Variation prior to foreign currency impact | **54.3 %** | | | **55.2 %** | | |
| Foreign currency impact | **(0.4)%** | | | **(3.0)%** | | |
| **Variation over previous period** | **53.9 %** | | | **52.2 %** | | |
| Canada | | | | | | |
| Constant dollar revenue (1) | 74,176 | 45,429 | **63.3 %** | 280,633 | 162,764 | **72.4 %** |
| Foreign currency impact | — | | | — | | |
| **Canada revenue as reported** | **74,176** | **45,429** | **63.3 %** | **280,633** | **162,764** | **72.4 %** |
| U.S. | | | | | | |
| Constant dollar revenue (1) | 41,317 | 29,655 | **39.3 %** | 149,960 | 114,608 | **30.8 %** |
| Foreign currency impact | 13 | | | (7,760) | | |
| **U.S. revenue as reported** | **41,330** | **29,655** | **39.4 %** | **142,200** | **114,608** | **24.1 %** |
| International | | | | | | |
| Constant dollar revenue (1) | 4,798 | 2,887 | **66.2 %** | 15,920 | 10,271 | **55.0 %** |
| Foreign currency impact | (330) | | | (868) | | |
| **International revenue as reported** | **4,468** | **2,887** | **54.8 %** | **15,052** | **10,271** | **46.5 %** |

1 Non-IFRS measure. See section 5 titled "Non-IFRS and Other Financial Measures" for an explanation of the composition and usefulness of this non-IFRS financial measure.

Revenues amounted to $120.0 million for the three months ended March 31, 2022, including revenues from the R3D Acquisition, recorded in other Canadian entities of the Group following its administrative integration at the end of the third quarter of this year, and $5.0 million from the Vitalyst Acquisition, representing a $42.0 million increase, or 53.9%, from $78.0 million for the three months ended March 31, 2021.

Revenues in Canada increased by $28.8 million, or 63.3%, to $74.2 million for the three months ended March 31, 2022, from $45.4 million for the three months ended March 31, 2021. The increase in revenues was due to organic growth in all areas, the general recovery of activity levels, revenues from the R3D Acquisition, and growth from the two long-term contracts signed as part of the R3D Acquisition. On a sequential basis, revenues in Canada increased by $2.1 million, from $72.1 million for the third quarter of this year.

U.S. revenues increased by $11.6 million, or 39.4%, to $41.3 million for the three months ended March 31, 2022, from $29.7 million for the three months ended March 31, 2021, due primarily to organic growth in all areas, the general recovery of activity levels, and revenues of $5.0 million from the Vitalyst Acquisition. On a sequential basis, revenues in the U.S. increased by $7.6 million, from $33.7 million for the third quarter of this year, despite an unfavorable US$ exchange rate impact of $0.2 million.

International revenues increased by 54.7%, to $4.5 million, from $2.9 million for the same quarter last year, due primarily to a general recovery of activity levels, partially offset by the negative impact of foreign exchange variations between the two periods. In local currency, this represents a record quarter for revenues. On a sequential basis, international revenues increased by $0.7 million, from $3.8 million for the third quarter of this year.

Revenues amounted to $437.9 million for the twelve months ended March 31, 2022, including $51.0 million from the R3D Acquisition and $5.0 million from the Vitalyst Acquisition, representing a $150.3 million increase, or 52.2%, from $287.6 million for the twelve months ended March 31, 2021.

Revenues in Canada increased by $117.8 million, or 72.4%, to $280.6 million for the twelve months ended March 31, 2022, from $162.8 million for the twelve months ended March 31, 2021. The increase in revenues was due to organic growth in all areas, the general recovery of activity levels, revenues of $51.0 million from the R3D Acquisition prior to its administrative integration at the end of the third quarter of this year, and additional revenues subsequently recorded in other Canadian entities of the group, and growth from the two long-term contracts signed as part of the R3D Acquisition.

U.S. revenues increased by $27.6 million, or 24.1%, to $142.2 million for the twelve months ended March 31, 2022, from $114.6 million for the twelve months ended March 31, 2021. Organic growth in most areas, the general recovery of activity levels, and revenues of $5.0 million from the Vitalyst Acquisition were partially offset by the negative impact of foreign exchange variations between the periods. Revenues would have been $150.0 million with a constant US$ exchange rate, resulting in an increase in constant currency of 30.8%.

International revenues increased by 46.5%, to $15.1 million for the twelve months ended March 31, 2022, from $10.3 million for the twelve months ended March 31, 2021, due primarily to a general recovery of activity levels, partially offset by the negative impact of foreign exchange variations between the two periods.

### 8.2 Gross Margin

Gross margin increased by $7.6 million, or 32.5%, to $31.1 million for the three months ended March 31, 2022, from $23.5 million for the three months ended March 31, 2021. Gross margin as a percentage of revenues decreased to 25.9% for the three months ended March 31, 2022, from 30.1% for the three months ended March 31, 2021.

The percentage decrease was driven in part by decreased gross margin in Canada from the R3D Acquisition, whose operations are now recorded in other Canadian entities of the Group following its administrative integration at the end of the third quarter of this year, and whose revenues historically show a higher proportion from billable subcontractors, resulting in lower margins. Gross margin percentage also decreased in other areas of the business due to an increase in subcontractor revenues relative to revenues from permanent employees. The high demand for Alithya's services, as evidenced by its strong revenue growth, coupled with a tightening labour market, have resulted in this increased reliance on subcontractors. Finally, increased costs in certain customer projects in Canada and the U.S., partly due to market pressures on salary costs, and decreased governmental wage subsidies in Canada were partially offset by increased gross margins internationally and a positive margin impact from the Vitalyst Acquisition.

On a sequential basis, gross margin as a percentage of revenues increased slightly, from 25.8% in the third quarter of this year, despite the seasonal employer benefits reset which always causes an increase in labor costs in the fourth quarter.

Gross margin increased by $33.1 million, or 39.9%, to $116.1 million for the twelve months ended March 31, 2022, from $83.0 million for the twelve months ended March 31, 2021. Gross margin as a percentage of revenues decreased to 26.5% for the twelve months ended March 31, 2022, from 28.9% for the twelve months ended March 31, 2021. However, excluding the impact of the R3D Acquisition prior to its administrative integration at the end of the third quarter of this year, gross margin as a percentage of revenues would have been 1.7% higher for the twelve months ended March 31, 2022.

The percentage decrease was driven primarily by decreased gross margin in Canada from the R3D Acquisition, whose revenues historically show a higher proportion from billable subcontractors, increased subcontractor revenues in other areas of the business relative to revenues from permanent employees as a result of the tightening labour market, decreased governmental wage subsidies in Canada, as well as increased costs in certain customer projects, including a $2.2 million impact from one large customer project involving the development of some highly complex, bespoke digital transformation software which may have further commercial applications. The project is nearing completion and no further cost increases or losses are expected going forward. This decrease was partially offset by increased gross margin in the U.S. and internationally, due to some U.S. governmental wage subsidies, namely the forgiveness of the $4.6 million in PPP loans in the first quarter of this year, increased utilization rates, and a positive margin impact from the Vitalyst Acquisition.

As with previous acquisitions, and despite the tightening labour market, the Company’s objective is to gradually transform R3D's revenue mix by increasing revenues from permanent employees relative to subcontractor revenues, which would result in higher gross margins.

### 8.3 Segment Reporting

An operating segment is a component of a company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Alithya’s other segments. An entity shall disclose separately information about each operating segment or can combine operating segments, with similar economic characteristics or that do not meet quantitative thresholds to produce a reportable segment, into one reportable segment.

The Group has examined its activities and has determined that it has one single reportable segment due to similar characteristics of its operating segments, including similar economic characteristics, the nature of services provided to its customers and types of customers comprising its customer base and the regulatory environment in which the Group operates.

The following table presents total external revenues by geographic location:

| | For the three months ended March 31, | | | | For the year ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|
| **(in $ thousands)** | **2022** | | **2021** | | **2022** | | **2021** | |
| | **$** | **%** | **$** | **%** | **$** | **%** | **$** | **%** |
| Canada | 74,176 | 61.8 | 45,429 | 58.3 | 280,633 | 64.1 | 162,764 | 56.6 |
| U.S. | 41,330 | 34.5 | 29,655 | 38.0 | 142,200 | 32.5 | 114,608 | 39.8 |
| International | 4,468 | 3.7 | 2,887 | 3.7 | 15,052 | 3.4 | 10,271 | 3.6 |
| | **119,974** | **100.0** | **77,971** | **100.0** | **437,885** | **100.0** | **287,643** | **100.0** |

Alithya

## 8.4 Operating Expenses

### 8.4.1 Selling, General and Administrative Expenses

Selling, general and administrative expenses include salary, wages and other benefits for selling and administrative employees, professional fees, occupancy costs, information technology and communications costs, share-based compensation, public listing and investor fees, and other administrative expenses.

Selling, general and administrative expenses totaled $26.2 million for the three months ended March 31, 2022, an increase of $4.5 million, or 20.5%, from $21.7 million for the three months ended March 31, 2021. As a percentage of consolidated revenues, total selling, general and administrative expenses amounted to 21.8% for the three months ended March 31, 2022, compared to 27.9% for the same period last year.

Expenses in Canada increased by $1.1 million, or 8.2%, to $14.7 million, for the three months ended March 31, 2022, from $13.6 million for the three months ended March 31, 2021. This increase was primarily due to an increase of $0.8 million in employee compensation costs, as headcount and salaries increased, and an increase of $0.3 million in information technology and communications costs, partially offset by a decrease of $0.3 million in mostly non-cash share-based compensation from fully vested shares.

U.S. and international expenses increased by $3.4 million, including $1.7 million related to Vitalyst, due to increased employee compensation costs, as headcount and salaries increased and variable compensation increased with revenues, and increased information technology and communications costs.

Selling, general and administrative expenses totaled $98.8 million for the twelve months ended March 31, 2022, an increase of $17.1 million, or 20.9%, from $81.7 million for the twelve months ended March 31, 2021. As a percentage of consolidated revenues, total selling, general and administrative expenses amounted to 22.6% for the twelve months ended March 31, 2022, compared to 28.4% for the twelve months ended March 31, 2021.

Expenses in Canada increased by $12.5 million, or 25.4%, including $4.5 million related to R3D prior to its administrative integration at the end of the third quarter of this year, to $61.6 million, for the twelve months ended March 31, 2022, from $49.1 million for the twelve months ended March 31, 2021. This increase was due primarily to an increase of $11.9 million in employee compensation costs, as headcount and salaries increased and variable compensation increased with revenues, an increase of $1.0 million in recruiting fees, as the Company continued to invest in hiring, an increase of $1.3 million in information technology and communications costs, an increase of $0.5 million in professional fees, and an increase of $0.3 million in insurance costs. These expenses were partially offset by decreases of $2.2 million in mostly non-cash share-based compensation from fully vested shares, $0.6 million in employee training costs due to government grants received, and $0.4 million in occupancy costs.

U.S. and international expenses increased by $4.5 million, including $1.7 million related to Vitalyst, due to increased employee compensation costs, as headcount and salaries increased and variable compensation increased with revenues, and recruiting costs as the Company continued to invest in hiring for future revenue growth. These expenses were partially offset by a favorable US$ exchange rate impact of $1.9 million, cost-saving measures implemented in response to the COVID-19 pandemic, and government subsidies recorded against compensation costs, namely the forgiveness of $1.3 million in PPP loans recorded in the first quarter of this year.

## 8.4.2 Share-Based Compensation

Share-based compensation is included in cost of revenues and selling, general and administrative expenses and is detailed in the table below:

| (in $ thousands) | For the three months ended March 31, 2022 | For the three months ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Stock options | 217 | 167 | 851 | 700 |
| Share purchase plan – employer contribution | 313 | 224 | 1,138 | 653 |
| Share-based compensation granted on business acquisitions | 181 | 576 | 1,524 | 4,051 |
| DSUs | 135 | 115 | 576 | 523 |
| RSUs | — | 101 | 92 | 314 |
| PSUs | 91 | — | 273 | — |
| | **937** | **1,183** | **4,454** | **6,241** |

Share-based compensation amounted to $0.9 million for the three months ended March 31, 2022, representing a decrease of $0.3 million, from $1.2 million for the three months ended March 31, 2021. The decrease in share-based compensation was driven primarily by decreased expenses related to RSUs and decreased expenses related to share-based compensation granted on business acquisitions. These grants ceased to generate share-based compensation once fully vested. The decrease was partially offset by increased employer contributions under the Company's share purchase plan and increased expenses related to PSUs.

Share-based compensation amounted to $4.5 million for the twelve months ended March 31, 2022, representing a decrease of $1.7 million, from $6.2 million for the twelve months ended March 31, 2021. The decrease in share-based compensation was driven primarily by decreased expenses related to RSUs and decreased expenses related to share-based compensation granted on business acquisitions. These grants ceased to generate share-based compensation once fully vested. The decrease was partially offset by increased employer contributions under the Company's share purchase plan and increased expenses related to grants of PSUs and stock options.

## 8.4.3 Business Acquisition, Integration and Reorganization Costs

Having reached a certain critical mass through acquisitions and continued organic growth, Alithya has initiated a review of its cost structure in this quarter and has incurred certain reorganization costs.

Business acquisition, integration and reorganization costs amounted to $6.1 million for the three months ended March 31, 2022, representing an increase of $5.4 million, from $0.7 million for the three months ended March 31, 2021. The increase was driven primarily by $2.2 million in increased acquisition costs, related mainly to the Vitalyst Acquisition, $2.4 million in increased integration costs, related mainly to the R3D Acquisition, and $0.8 million in reorganization costs related to modifications to Alithya's cost structure, consisting entirely of employee termination and benefits costs.

Business acquisition, integration and reorganization costs amounted to $11.6 million for the twelve months ended March 31, 2022, representing an increase of $9.3 million, from $2.3 million for the twelve months ended March 31, 2021. The increase was driven primarily by $3.6 million in increased acquisition costs, related mainly to the Vitalyst Acquisition, $4.9 million in increased integration costs, related mainly to the R3D Acquisition, and $0.8 million in reorganization costs related to modifications to Alithya's cost structure, consisting entirely of employee termination and benefits costs.

#### 8.4.4 Depreciation

Depreciation totaled $1.2 million for the three months ended March 31, 2022, compared to $1.1 million for the three months ended March 31, 2021. These costs consisted primarily of depreciation of Alithya’s property and equipment and right-of-use assets.

Depreciation related to property and equipment amounted to $0.6 million for the three months ended March 31, 2022 and 2021. Depreciation related to right-of-use assets amounted to $0.6 million for the three months ended March 31, 2022, representing an increase of $0.1 million, from $0.5 million for the three months ended March 31, 2021, primarily due to depreciation on right-of-use assets acquired as part of the Vitalyst Acquisition.

Depreciation totaled $5.4 million for the twelve months ended March 31, 2022, compared to $3.8 million for the twelve months ended March 31, 2021. These costs consisted primarily of depreciation of Alithya’s property and equipment and right-of-use assets.

Depreciation related to property and equipment amounted to $2.6 million for the twelve months ended March 31, 2022, representing an increase of $0.7 million, from $1.9 million for the twelve months ended March 31, 2021. Depreciation related to right-of-use assets amounted to $2.9 million for the twelve months ended March 31, 2022, representing an increase of $1.0 million, from $1.9 million for the twelve months ended March 31, 2021. The increases were primarily due to depreciation on assets acquired as part of the acquisitons of R3D and Vitalyst.

#### 8.4.5 Amortization of Intangibles

Amortization of intangibles totaled $4.0 million for the three months ended March 31, 2022, compared to $2.5 million for the three months ended March 31, 2021. These costs consisted primarily of amortization of customer relationships recognized on acquisitions, which increased by $1.5 million.

Amortization of intangibles totaled $14.3 million for the twelve months ended March 31, 2022, compared to $11.7 million for the twelve months ended March 31, 2021. These costs consisted primarily of amortization of customer relationships recognized on acquisitions, which increased by $2.9 million due to the acquisitions of R3D and Vitalyst, partially offset by decreases in the amortization of software and non-compete agreements of $0.4 million and $0.1 million, respectively.

#### 8.4.6 Foreign Exchange Loss (Gain)

Foreign exchange gain amounted to $0.02 million for the three months ended March 31, 2022, compared to a loss of $0.1 million for the three months ended March 31, 2021.

Foreign exchange gain amounted to $0.03 million for the twelve months ended March 31, 2022, compared to a loss of $0.5 million for the twelve months ended March 31, 2021.

## 8.5 Other Income and Expenses

### 8.5.1 Net Financial Expenses

Net financial expenses are summarized in the table below:

| (in $ thousands) | For the three months ended March 31, 2022 | 2021 | For the year ended March 31, 2022 | 2021 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Interest on long-term debt | 741 | 321 | 2,402 | 1,185 |
| Interest and financing charges | 158 | 119 | 432 | 448 |
| Interest on lease liabilities | 208 | 150 | 725 | 595 |
| Amortization of finance costs | 66 | 63 | 277 | 242 |
| Interest accretion on balances of purchase payable | 188 | 208 | 823 | 835 |
| Interest income | (9) | (12) | (80) | (31) |
| | **1,352** | **849** | **4,579** | **3,274** |

Net financial expenses amounted to $1.4 million for the three months ended March 31, 2022, representing an increase of $0.6 million, or 59.2%, from $0.8 million for the three months ended March 31, 2021, driven mainly by the increase in long-term debt, as described in section 10.6, which accounted for the increased interest on long-term debt.

Net financial expenses amounted to $4.6 million for the twelve months ended March 31, 2022, representing an increase of $1.3 million, or 39.9%, from $3.3 million for the twelve months ended March 31, 2021, driven mainly by the increase in long-term debt, as described in section 10.6, which accounted for the increased interest on long-term debt.

### 8.5.2 Income Taxes

Income tax recovery was $0.6 million for the three months ended March 31, 2022, representing a decrease of $0.3 million, from a recovery of $0.9 million for the three months ended March 31, 2021, due primarily to a decrease in deferred tax recovery in certain entities.

Income tax recovery was $3.0 million for the twelve months ended March 31, 2022, representing an increase of $0.7 million, from a recovery of $2.3 million for the twelve months ended March 31, 2021, due primarily to a decrease in current tax expense in certain entities, partially offset by a decrease in deferred tax recovery in certain entities.

## 8.6 Net Loss and Loss per Share

Net loss for the three months ended March 31, 2022 was $7.3 million, an increase of $4.8 million, from $2.5 million for the three months ended March 31, 2021. The increased loss was driven by increased selling, general and administrative expenses, increased business acquisition, integration and reorganization costs, increased depreciation and amortization, increased net financial expenses, and decreased income tax recovery, partially offset by increased gross margin in the three months ended March 31, 2022, compared to the three months ended March 31, 2021. On a per share basis, this translated into a basic and diluted net loss per share of $0.08 for the three months ended March 31, 2022, compared to a net loss of $0.04 per share for the three months ended March 31, 2021.

Net loss for the twelve months ended March 31, 2022 was $15.5 million, an improvement of $1.8 million, from $17.3 million for the twelve months ended March 31, 2021. The decreased loss was driven by increased gross margin, partially offset by increased selling, general and administrative expenses, increased business acquisition, integration and reorganization costs, increased depreciation and amortization, increased net financial expenses, and increased income tax recovery in the twelve months ended March 31, 2022, compared to the twelve months ended March 31, 2021. On a per share basis, this translated into a basic and diluted net loss per share of $0.18 for the twelve months ended March 31, 2022, compared to a net loss of $0.30 per share for the twelve months ended March 31, 2021.

## 8.7 EBITDA and Adjusted EBITDA

The following table reconciles net loss to EBITDA and Adjusted EBITDA:

| | For the three months ended March 31, | | For the year ended March 31, | |
|---|---|---|---|---|
| **(in $ thousands)** | **2022** | **2021** | **2022** | **2021** |
| | **$** | **$** | **$** | **$** |
| **Revenues** | **119,974** | **77,971** | **437,885** | **287,643** |
| **Net loss** | **(7,253)** | **(2,525)** | **(15,548)** | **(17,338)** |
| Net financial expenses | 1,352 | 849 | 4,579 | 3,274 |
| Income tax recovery | (575) | (950) | (3,027) | (2,282) |
| Depreciation | 1,235 | 1,058 | 5,435 | 3,767 |
| Amortization of intangibles | 4,017 | 2,490 | 14,285 | 11,739 |
| **EBITDA (1)** | **(1,224)** | **922** | **5,724** | **(840)** |
| EBITDA Margin (1) | **(1.0)%** | **1.2 %** | **1.3 %** | **(0.3)%** |
| *Adjusted for:* | | | | |
| Foreign exchange loss (gain) | (25) | 74 | (26) | 473 |
| Share-based compensation | 937 | 1,183 | 4,454 | 6,241 |
| Business acquisition, integration and reorganization costs | 6,128 | 718 | 11,617 | 2,321 |
| Gain on recovery of note receivable | — | — | — | (660) |
| Premise relocation expenses | — | 155 | — | 933 |
| Severance | — | 3 | — | 154 |
| Internal ERP systems implementation | 232 | 207 | 840 | 1,023 |
| **Adjusted EBITDA (1)** | **6,048** | **3,262** | **22,609** | **9,645** |
| Adjusted EBITDA Margin (1) | **5.0 %** | **4.2 %** | **5.2 %** | **3.4 %** |

[1] Non-IFRS measure. See section 5 titled “Non-IFRS and Other Financial Measures” for an explanation of the composition and usefulness of this non-IFRS financial measure.

EBITDA amounted to a loss of $1.2 million for the three months ended March 31, 2022, representing a decrease of $2.1 million, from EBITDA of $0.9 million for the three months ended March 31, 2021. EBITDA Margin was equal to (1.0)% for the three months ended March 31, 2022, compared to 1.2% for the three months ended March 31, 2021.

Adjusted EBITDA amounted to $6.0 million for the three months ended March 31, 2022, representing an increase of $2.7 million, from $3.3 million for the three months ended March 31, 2021. As explained above, the contribution from the Vitalyst Acquisition and increased gross margin were partially offset by increased selling, general and administrative expenses. Adjusted EBITDA Margin was 5.0% for the three months ended March 31, 2022, compared to 4.2% for the three months ended March 31, 2021.

EBITDA amounted to $5.7 million for the twelve months ended March 31, 2022, representing an increase of $6.5 million, from an EBITDA loss of $0.8 million for the twelve months ended March 31, 2021. EBITDA Margin was equal to 1.3% for the twelve months ended March 31, 2022, compared to (0.3)% for the twelve months ended March 31, 2021.

Adjusted EBITDA amounted to $22.6 million for the twelve months ended March 31, 2022, representing an increase of $13.0 million, from $9.6 million for the twelve months ended March 31, 2021.

As explained above, the contribution from the R3D and Vitaliyst acquisitions, increased gross margin, and the forgiveness of $5.9 million in PPP loans, recorded in the first quarter of this year, were partially offset by increased selling, general and administrative expenses and the $2.2 million impact from increased costs on one large customer project. Adjusted EBITDA Margin was 5.2% for the twelve months ended March 31, 2022, compared to 3.4% for the twelve months ended March 31, 2021.

## 9. Bookings

Bookings during the three months ended March 31, 2022 were $107.2 million, which translated into a book-to-bill ratio of 0.89 for the quarter. For the twelve months ended March 31, 2022, new bookings were $1,031.8 million, which translated into a book-to-bill ratio of 2.36. Included in bookings for the trailing twelve months is the $600.0 million estimated value of the two long-term contracts which were signed as part of the R3D Acquisition.

# 10. Liquidity and Capital Resources

## 10.1 Consolidated Statements of Cash Flows

Alithya's ongoing operations and growth are financed through a combination of operating cash flows, borrowings under its existing credit facility, secured loans and a subordinated unsecured loan, and the issuance of equity. Alithya seeks to maintain an optimal level of liquidity through the active management of its assets and liabilities, as well as its cash flows. The following table summarizes Alithya's cash flow activities for the three and twelve months ended March 31, 2022 and 2021:

| | For the three months ended March 31, | | For the year ended March 31, | |
|---|---|---|---|---|
| **(in $ thousands)** | **2022** | **2021** | **2022** | **2021** |
| | **$** | **$** | **$** | **$** |
| Net cash used in operating activities | (4,780) | (2,021) | (1,629) | (456) |
| Net cash used in investing activities | (17,336) | (365) | (18,938) | (4,567) |
| Net cash from financing activities | 31,140 | 1 | 31,396 | 3,424 |
| Effect of exchange rate changes | (48) | (141) | (77) | (308) |
| Net change in cash | **8,976** | **(2,526)** | **10,752** | **(1,907)** |
| Cash at the beginning of the period | 8,679 | 9,429 | 6,903 | 8,810 |
| Cash at the end of the period | **17,655** | **6,903** | **17,655** | **6,903** |

## 10.2 Cash Flows - Operating Activities

For the three months ended March 31, 2022, net cash used in operating activities was $4.8 million, representing an increase of $2.8 million, from $2.0 million of cash used for the three months ended March 31, 2021. The cash flows for the three months ended March 31, 2022 resulted primarily from the net loss of $7.3 million, plus $5.0 million of non-cash adjustments to the net loss, consisting primarily of depreciation and amortization and share-based compensation, partially offset by deferred taxes, and $2.6 million in unfavorable changes in non-cash working capital items. In comparison, the cash flows for the three months ended March 31, 2021 resulted primarily from the net loss of $2.5 million, plus $3.5 million of non-cash adjustments to the net loss, consisting primarily of depreciation and amortization, unrealized foreign exchange loss, and share-based compensation, partially offset by the forgiveness of PPP loans and deferred taxes, and $3.0 million in unfavorable changes in non-cash working capital items.

Unfavorable changes in non-cash working capital items of $2.6 million during the three months ended March 31, 2022 consisted primarily of a $3.1 million increase in tax credits receivable, a $2.5 million decrease in deferred revenues, a $2.3 million increase in unbilled revenues, a $2.1 million increase in accounts receivable and other receivables, a $2.1 million increase in prepaids, and a $0.2 million decrease in income taxes payable, partially offset by a $9.8 million increase in accounts payable and accrued liabilities. For the three months ended March 31, 2021, unfavorable changes in non-cash working capital items of $3.0 million consisted primarily of a $12.0 million increase in accounts receivable and other receivables, a $1.4 million decrease in deferred revenues, and a $0.9 million increase in tax credits receivable, partially offset by a $7.7 million increase in accounts payable and accrued liabilities, a $2.1 million decrease in unbilled revenues, a $1.0 million decrease in prepaids, and a $0.5 million decrease in income taxes receivable.

For the twelve months ended March 31, 2022, net cash used in operating activities was $1.6 million, representing an increase of $1.1 million, from $0.5 million of cash used for the twelve months ended March 31, 2021. The cash flows for the twelve months ended March 31, 2022 resulted primarily from the net loss of $15.5 million, plus $15.0 million of non-cash adjustments to the net loss consisting primarily of depreciation and amortization and share-based compensation, partially offset by the forgiveness of PPP loans and deferred taxes, and $1.1 million in unfavorable changes in non-cash working capital items. In comparison, the cash flows for the twelve months ended March 31, 2021 resulted primarily from the net loss of $17.3 million, plus $17.0 million of non-cash adjustments to the net loss including depreciation and amortization, unrealized foreign exchange loss, and share-based compensation, partially offset by the forgiveness of PPP loans and deferred taxes, and $0.1 million in unfavorable changes in non-cash working capital items.

Unfavorable changes in non-cash working capital items of $1.1 million during the twelve months ended March 31, 2022 consisted primarily of a $15.9 million increase in accounts receivable and other receivables, a $5.7 million increase in tax credits receivable, and a $0.8 million increase in prepaids, partially offset by a $17.7 million increase in accounts payable and accrued liabilities, a $2.1 million increase in deferred revenues, a $0.9 million decrease in unbilled revenues, and a $0.6 million decrease in income taxes receivable. For the twelve months ended March 31, 2021, unfavorable changes in non-cash working capital items of $0.1 million consisted primarily of a $5.3 million increase in accounts receivable and other receivables, a $2.2 million increase in unbilled revenues, and a $0.9 million increase in prepaids, partially offset by a $5.5 million increase in accounts payable and accrued liabilities, a $1.5 million decrease in income taxes receivable, and a $1.3 million increase in deferred revenues.

### 10.3 Cash Flows - Investing Activities

For the three months ended March 31, 2022, net cash used in investing activities was $17.3 million, representing an increase of $16.9 million, from $0.4 million of cash used for the three months ended March 31, 2021. The cash used in the three months ended March 31, 2022 resulted primarily from the Vitalyst Acquisition, and purchases of property and equipment and intangibles as part of the ordinary course of business. In comparison, the cash used in the three months ended March 31, 2021 resulted primarily from purchases of property and equipment mainly related to leasehold improvements.

For the twelve months ended March 31, 2022, net cash used in investing activities was $18.9 million, representing an increase of $14.3 million, from $4.6 million of cash used for the twelve months ended March 31, 2021. The cash used in the twelve months ended March 31, 2022 resulted primarily from the R3D and Vitalyst acquisitions, and purchases of property and equipment and intangibles as part of the ordinary course of business. In comparison, the cash used in the twelve months ended March 31, 2021 resulted primarily from purchases of property and equipment mainly related to the relocation of certain office premises and computer equipment acquired to facilitate working remotely due to the COVID-19 pandemic, the repurchase of equity interests issued on business acquisitions, and an increase in restricted cash.

### 10.4 Cash Flows - Financing Activities

For the three months ended March 31, 2022, net cash from financing activities was $31.1 million, representing an increase of $31.1 million, from nil for the three months ended March 31, 2021. The cash flows for the three months ended March 31, 2022 resulted primarily from $95.1 million in proceeds from long-term debt, net of related transaction costs, $24.7 million in net proceeds from the issuance of shares, net of share issue costs, and $0.3 million from the exercise of stock options, partially offset by $87.7 million in long-term debt repayments, $0.9 million in repayments of lease liabilities, and $0.4 million in shares purchased for cancellation under the normal course issuer bid ("NCIB"). In comparison, the cash flows for the three months ended March 31, 2021 resulted primarily from $9.0 million in proceeds from long-term debt, net of related transaction costs, and $0.3 million from the exercise of stock options, partially offset by $8.7 million in long-term debt repayments and $0.5 million in repayments of lease liabilities.

For the twelve months ended March 31, 2022, net cash from financing activities was $31.4 million, representing an increase of $28.0 million, from $3.4 million for the twelve months ended March 31, 2021. The cash flows for the twelve months ended March 31, 2022 resulted primarily from $156.8 million in proceeds from long-term debt, net of related transaction costs, $24.7 million in net proceeds from the issuance of shares, net of share issue costs, and $0.3 million from the exercise of stock options, partially offset by $146.5 million in long-term debt repayments, $2.7 million in repayments of lease liabilities, and $1.2 million in shares purchased for cancellation under the NCIB. In comparison, the cash flows for the twelve months ended March 31, 2021 resulted primarily from $53.5 million in proceeds from long-term debt, net of related transaction costs, lease incentives of $0.9 million, and $0.3 million from the exercise of stock options, partially offset by $49.9 million in long-term debt repayments and $1.4 million in repayments of lease liabilities.

### 10.5 Capital Resources

Alithya's capital consists of cash, restricted cash, long-term debt and total equity. Alithya's main objectives when managing capital are to provide a strong capital base in order to maintain shareholders', creditors' and other stakeholders' confidence and to sustain future growth and development of the business, to maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk level and preserves the ability to meet its financial obligations, to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions, and to provide returns on investment to shareholders.

In managing its capital structure, Alithya monitors performance throughout the year to ensure anticipated working capital requirements and maintenance capital expenditures are funded from operations, available cash and, where applicable, bank borrowings.

### 10.6 Long-Term Debt and Net Bank Borrowing

Alithya has a senior secured revolving credit facility (the "Credit Facility") which is available to a maximum amount of $125.0 million and can be drawn in Canadian and the equivalent amount in U.S. dollars. It is available in prime rate advances, SOFR advances, bankers' acceptances and letters of credit up to $2.5 million. The advances bear interest at the Canadian or U.S. prime rate, plus an applicable margin ranging from 0.25% to 1.00%, or bankers' acceptances or SOFR rates, plus an applicable margin ranging from 1.50% to 2.25%, as applicable for Canadian and U.S. advances, respectively. The applicable margin is determined based on threshold limits for certain financial ratios.

As security for the Credit Facility, Alithya provided a first ranking hypothec on the universality of its assets excluding any leased equipment and Investissement Québec's first ranking lien on tax credits receivable for the financing related to refundable tax credits. Under the terms of the agreement, the Group is required to maintain certain financial covenants which are measured on a quarterly basis. The Credit Facility matures on April 1, 2024 and is renewable for additional one-year periods at the lender's discretion.

On November 24, 2021, the Group entered into secured loans with Investissement Québec to finance its 2021 and 2022 refundable tax credits to a maximum of the lesser of 90% of the eligible refundable tax credit or $4.7 million and $5.8 million, for 2021 and 2022, respectively. The secured loans bear interest at the Canadian prime rate plus 1.00% and are secured by a first ranking hypothec on the universality of the financed refundable tax credits and a subordinated ranking hypothec on accounts receivable and other receivables. The secured loans are repayable on the earlier of the date of receipt of the refundable tax credits receivable and the maturity dates of March 31, 2023 for the 2021 financed refundable tax credits, in the amount of $4.7 million and March 31, 2024 for the 2022 financed refundable tax credits, in the amount of $3.9 million.

On September 28, 2021, the Group entered into a subordinated unsecured loan, with Investissement Québec, in the amount of $10.0 million, bearing interest ranging between 6.00% and 7.25%, determined and payable quarterly, based on threshold limits for certain financial ratios. Under the terms of the loan, the Group is required to maintain certain financial covenants which are measured on a quarterly basis.

On January 28, 2022, the subordinated unsecured loan was amended and increased to $20.0 million, bearing interest ranging between 7.10% and 8.35%, on the additional $10.0 million, determined and payable quarterly, based on threshold limits for certain financial ratios. An amount of $7.5 million was drawn on the loan availability with the remaining $2.5 million available based on certain conditions.The maturity date was also extended to October 1, 2025.

The Group was in compliance with all of its financial covenants as at March 31, 2022 and 2021.

As a result of the COVID-19 pandemic, on May 5, 2020, five U.S. subsidiaries of the Group received funding under the PPP of the CARES Act administered by the U.S. Small Business Administration ("SBA") and entered into unsecured promissory notes (the "Notes") in the aggregate principal amount of US$6.3 million ($7.9 million). The Notes have a term of five years at an interest rate of 1.00% per annum, with a deferral of payments until the date on which the applicable forgiveness is decisioned, with respect to any portion of the Notes which may not be forgiven.

Under the terms of the CARES Act, PPP loan recipients can apply for forgiveness for all or a portion of loans granted under the PPP, which the Group applied for between November 17, 2020 and January 5, 2021. The Group accounts for the forgiveness as government assistance with a corresponding reduction in the cost of the related item. Such forgiveness is to be determined, subject to limitations and ongoing rule making by the SBA, based on the necessity of the loan at the time of application and the timely use of loan proceeds for payroll costs, including payments required to continue group health care benefits, and certain rent, utility, and mortgage interest costs and the maintenance of employee and compensation levels. The PPP loans, even after notice of forgiveness by the SBA, are subject to subsequent audit by the SBA, for a period of six years after receiving such notice.

During the year ended March 31, 2022, the Group recognized an aggregate amount of $5.9 million (US$4.8 million), and $1.9 million (US$1.5 million) for the year ended March 31, 2021, as government assistance for the PPP loans. The Group has received full loan forgiveness decisions for all five PPP loans obtained in May 2020.

The CARES Act allows employers to defer the payments of the employer share of social security taxes during the period beginning on March 27, 2020 and ending on the earlier of December 31, 2020 or the date the Company receives a decision from the lender that the PPP loan is forgiven. The payment of the deferred social security taxes was paid fifty percent on December 31, 2021, with the remaining amount due on December 31, 2022.

Total long-term debt as at March 31, 2022 increased by $51.7 million, to $106.7, million from $55.0 million as at March 31, 2021, due primarily to an increase of $35.6 million in drawings under the Credit Facility, the $17.5 million subordinated unsecured loan and the $8.6 million secured loans for the financing of refundable tax credits, partially offset by the recording of forgiveness of $6.0 million of the unsecured promissory notes under the PPP and the payment of a $3.1 million balance of sale related to a previous acquisition. The increase in total long-term debt was used to fund operations and the Vitalyst Acquisition, and resulted in a $10.8 million increase in cash.

As at March 31, 2022, cash amounted to $17.7 million, restricted cash held in trust as required by contractual obligations arising from business acquisitions was $3.3 million, and $66.6 million was drawn under the Credit Facility and classified as long-term debt. In comparison, as at March 31, 2021, cash amounted to $6.9 million, restricted cash held in trust as required by contractual obligations arising from business acquisitions was $3.2 million, and $31.0 million was drawn under the Credit Facility and classified as current portion of long-term debt.

The following table reconciles long-term debt to Net Bank Borrowing:

| **As at (in $ thousands)** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| | **$** | **$** |
| Current portion of long-term debt | 19,316 | 35,134 |
| Non-current portion of long-term debt | 87,360 | 19,817 |
| **Total long-term debt** | **106,676** | **54,951** |
| Less: | | |
| Balances of purchase payable | 13,028 | 15,519 |
| Subordinated unsecured loan | 17,500 | — |
| Secured loans | 8,596 | — |
| Unsecured promissory notes under the PPP | — | 6,034 |
| Deferral of employment tax payments under the CARES Act | 1,521 | 2,361 |
| Unamortized transaction costs | (718) | (199) |
| Cash | 17,655 | 6,903 |
| Restricted cash | 3,254 | 3,233 |
| | **60,836** | **33,851** |
| **Net Bank Borrowing** [(1)] | **45,840** | **21,100** |

[(1)] Non-IFRS measure. See section 5 titled “Non-IFRS and Other Financial Measures” for an explanation of the composition and usefulness of this non-IFRS financial measure.

During the twelve months ended March 31, 2022, Alithya's Net Bank Borrowing increased primarily as a result of the increased borrowing under the Credit Facility in order to fund the acquisitions of R3D and Vitalyst, partially offset by the subordinated unsecured loan, the secured loans, and the increase in cash.

## 10.7 Contractual Obligations

The following table summarizes the carrying amounts and the contractual maturities of both the interest and principal portions of significant financial liabilities and contracted expenditures for operating commitments:

| As at | March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| (in $ thousands) | Carrying amount | Total | Less than 1 year | 1-2 years | 2-5 years | More than 5 years |
| | $ | $ | $ | $ | $ | $ |
| Accounts payable and accrued liabilities | 53,507 | 53,507 | 53,507 | — | — | — |
| Credit Facility | 66,631 | 70,775 | 2,072 | 2,072 | 66,631 | — |
| Secured loans | 8,596 | 9,060 | 4,988 | 4,072 | — | — |
| Subordinated unsecured loans | 17,500 | 21,773 | 1,221 | 1,221 | 19,331 | — |
| Balances of purchase payable, non-interest bearing | 13,026 | 13,419 | 13,419 | — | — | — |
| Other liabilities (included in long-term debt) | 120 | 120 | 120 | — | — | — |
| Lease liabilities | 21,263 | 24,045 | 4,302 | 4,270 | 10,244 | 5,229 |
| Operating commitments | — | 7,399 | 3,975 | 2,351 | 1,073 | — |
| | **180,643** | **200,098** | **83,604** | **13,986** | **97,279** | **5,229** |

## 10.8 Off-Balance Sheet Arrangements

Alithya uses off-balance sheet financing for operating commitments for technology licenses and infrastructure, as disclosed in the section above titled "Contractual Obligations". Other than as disclosed in the section above and Note 13 of the consolidated financial statements, there have been no material changes with respect to off-balance sheet arrangements since March 31, 2021 outside of Alithya's ordinary course of business.

# 11. Share Capital

In the context of the discussion on share capital, Alithya Group inc. will be referred to as "Alithya" or the "Company", and the Company and its subsidiaries will be referred to as the "Group".

## 11.1 Issued

As at March 31, 2022, the issued share capital of the Company is as follows:

| | Subordinate Voting Shares | | Multiple Voting Shares | |
|---|---|---|---|---|
| **(in $ thousands)** | **Number of shares** | **$** | **Number of shares** | **$** |
| Beginning balance as at April 1, 2021 | 51,373,822 | 193,552 | 7,321,616 | 3,985 |
| Shares issued pursuant to vesting of share-based compensation granted on business acquisitions | 834,324 | 2,935 | — | — |
| Shares issued in consideration of the acquisition of R3D | 25,182,676 | 80,585 | — | — |
| Shares issued under a private placement | 8,143,322 | 24,686 | | |
| Shares purchased for cancellation | (349,400) | (1,244) | — | — |
| Exercise of stock options | 2,750 | 10 | 152,632 | 518 |
| Conversion of shares | 302,632 | 182 | (302,632) | (182) |
| Settlement of DSUs | 63,874 | 195 | — | — |
| **Ending balance as at March 31, 2022** | **85,554,000** | **300,901** | **7,171,616** | **4,321** |

During the year ended March 31, 2022, the following transactions occurred:

- As part of the Matricis Acquisition, 157,882 Subordinate Voting Shares, with a total value of $600,000, reclassified from contributed surplus, were issued as settlement of the second anniversary share consideration.

- As part of the Travercent Acquisition, 376,250 Subordinate Voting Shares, with a total value of US$975,000 ($1,249,000), reclassified from contributed surplus, were issued as settlement of the second anniversary share consideration rights.

- As part of the Askida Acquisition, 300,192 Subordinate Voting Shares, with a total value of $1,086,000, reclassified from contributed surplus, were issued as settlement of the second anniversary share consideration.

- As part of the R3D Acquisition, 25,182,676 Subordinate Voting Shares, with a total value of $80,585,000, were issued.

- Through a private placement that closed on January 31, 2022, a total of 8,143,322 Subordinate Voting Shares were issued at market price of $3,07 per share for cash consideration of $25,000,000, of which 6,514,658 Subordinate Voting Shares were issued to an entity controlled by a director and the balance of 1,628,664 were issued to Investissement Québec. The Company incurred share issue costs in the amount of $427,000, net of deferred income tax of $113,000, for net cash proceeds of $24,686,000.

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- The purchase for cancellation of 349,400 Subordinate Voting Shares under the Company's normal course issuer bid for a total cash consideration of $1,160,000 and a carrying value of $1,244,000. The excess of the carrying value over the purchase price in the amount of $84,000 was credited to retained earnings.

- 155,382 stock options were exercised and 2,750 Subordinate Voting Shares and 152,632 Multiple Voting Shares were issued with a value of $528,000, for cash consideration of $299,000, with $229,000 reclassified from contributed surplus.

- 302,632 Multiple Voting Shares with a carrying value of $182,000 were converted into 302,632 Subordinate Voting Share by two directors of the Company;

- 63,874 DSUs were settled and 63,874 Subordinate Voting Shares were issued with a value of $195,000, reclassified from contributed surplus.

As at March 31, 2021, the issued share capital of the Company is as follows:

| | Subordinate Voting Shares | | Multiple Voting Shares | |
|---|---|---|---|---|
| **(in $ thousands)** | **Number of shares** | **$** | **Number of shares** | **$** |
| Beginning balance as at April 1, 2020 | 50,904,533 | 191,820 | 7,168,984 | 3,515 |
| Shares issued pursuant to vesting of share-based compensation granted on business acquisitions | 458,071 | 1,686 | — | — |
| Exercise of stock options | 3,500 | 14 | 152,632 | 470 |
| Settlement of DSUs | 7,718 | 32 | — | — |
| **Ending balance as at March 31, 2021** | **51,373,822** | **193,552** | **7,321,616** | **3,985** |

During the year ended March 31, 2021, the following transactions occurred:

- As part of the Matricis Acquisition, 157,882 Subordinate Voting Shares, with a total value of $600,000, reclassified from contributed surplus, were issued as settlement of the first anniversary share consideration;

- As part of the Travercent Acquisition, the Company elected not to convert the first anniversary share consideration rights into Subordinate Voting Shares but rather to settle for total cash consideration of US$975,000 ($1,276,000). This resulted in a repurchase of a vested equity instrument, which has been recorded as a reduction of retained earnings and contributed surplus in the amounts of $72,000 and $1,204,000, respectively. The Company continued to account for the December 13, 2021 and 2022 anniversary share consideration rights as equity instruments;

- As part of the Askida Acquisition, 300,189 Subordinate Voting Shares, with a total value of $1,086,000, reclassified from contributed surplus, were issued as settlement of the first anniversary share consideration;

- 156,132 stock options were exercised and 3,500 Subordinate Voting Shares and 152,632 Multiple Voting Shares were issued with a value of $484,000, for cash consideration of $300,000, with $184,000 reclassified from contributed surplus; and

- 7,718 DSUs were settled and 7,718 Subordinate Voting Shares were issued with an approximate value of $32,000, reclassified from contributed surplus.

## 11.2 Normal Course Issuer Bid

On September 14, 2021, the Company's Board of Directors authorized and subsequently the TSX approved the implementation of a NCIB. Under the NCIB, the Company is allowed to purchase for cancellation up to 5,462,572 Subordinate Voting Shares, representing 10% of the Company's public float as of the close of markets on September 8, 2021. Shareholders may obtain a copy of the notice of NCIB approved by the TSX, free of charge, by contacting the Company.

Purchases under the NCIB commenced on September 20, 2021 and will end on the earlier of September 19, 2022 and the date on which the Company will have acquired the maximum number of Subordinate Voting Shares allowable under the NCIB or will otherwise have decided not to make any further purchases. All purchases of Subordinate Voting Shares are made by means of open market transactions at their market price at the time of acquisition. Concurrently, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker in connection with its NCIB. The ASPP allows for the designated broker, to purchase for cancellation Subordinate Voting Shares, on behalf of the Company, subject to certain trading parameters established, from time to time, by the Company.

## 11.3 Stock Options

The following table presents information concerning stock option activity for the respective years:

| Year ended | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of stock options | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| | | $ | | $ |
| Beginning balance as at April 1 | 3,525,181 | 3.37 | 3,172,289 | 3.72 |
| Granted | 1,073,302 | 3.23 | 755,000 | 2.26 |
| Forfeited | (192,167) | 3.57 | (130,163) | 4.93 |
| Expired | (166,852) | 6.13 | (115,813) | 5.93 |
| Exercised | (155,382) | 1.92 | (156,132) | 1.92 |
| **Ending balance as at March 31** | **4,084,082** | **3.23** | **3,525,181** | **3.37** |
| **Exercisable at year end** | **1,527,805** | **3.31** | **1,580,444** | **3.44** |

Included in the 1,527,805 and 1,580,444 stock options exercisable as at March 31, 2022 and 2021, respectively, 657,896 and 810,528 stock options are available to purchase Multiple Voting Shares as at March 31, 2022 and 2021, respectively.

On June 14, 2021, Alithya issued 774,202 and 299,100 stock options, to purchase a total of 1,073,302 Subordinate Voting Shares, at a grant date fair value of $3.23 and US$2.66, respectively. On June 23, 2020, Alithya issued 570,000 and 185,000 stock options, to purchase a total of 755,000 Subordinate Voting Shares at an exercise price of $2.26 and US$1.67, respectively.

During the year ended March 31, 2022, the weighted average share price at the date of exercise of stock options was $3.40. (2021 - $3.10).

### 11.4 Deferred Share Units

The following table presents information concerning DSU activity for the respective years:

| Year ended | March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Beginning balance as at April 1 | 330,246 | 140,885 |
| Granted to non-employee directors | 173,149 | 197,079 |
| Settled | (63,874) | (7,718) |
| **Ending balance as at March 31** | **439,521** | **330,246** |

The DSUs issued by the Company were fully vested at the grant date and the fair value of $576,000 (2021 - $523,000) has been recorded in share-based compensation expense.

### 11.5 Restricted Share Units

On June 23, 2020, 181,498 RSUs, in aggregate, vesting one year from the date of grant, were granted to employees of the Company subject to the terms set out in the award agreement at a fair value of $2.26, per RSU, for an aggregate fair value of $410,000. Shares will be issued in settlement of the RSUs as soon as practical following the third anniversary of the date of grant. As at March 31, 2022, those RSUs are fully vested. Share-based compensation expense for the year ended March 31, 2022 amounted to $92,000 (2021 - $314,000).

### 11.6 Performance Share Units

On June 14, 2021, 332,263 PSUs, in aggregate, vesting three years from the date of grant were granted at a grant date fair value of $3.24, per PSU, for an aggregate fair value of $1,077,000 and will settle as soon as practicable following the expiry of the vesting period, but not later than December 15, 2024. Share-based compensation expense for the year ended March 31, 2022 amounted to $273,000 (2021 - nil).

## 12. Related Parties

*Ultimate controlling party*

As at March 31, 2022, the holders of Multiple Voting Shares, directly or indirectly, collectively owned or exercised control over Subordinate Voting Shares and Multiple Voting Shares representing approximately 45.81% of the total voting rights of Alithya. The holders entered into a voting agreement on November 1, 2018, pursuant to which they agreed to, among other things, vote all of the Subordinate Voting Shares and Multiple Voting Shares under their control in accordance with decisions made by a majority of them, subject to certain exceptions.

### *Transactions with directors and key management personnel*

Key management includes members of the Group's Executive Committee. Certain key management of Alithya participate in the share purchase plan and the stock options plan. The compensation paid or payable to directors and to key management for services is shown below:

| **Year ended** | **March 31,** | |
|---|---|---|
| **(in $ thousands)** | **2022** | **2021** |
| Director compensation, and key management salaries and benefits* | 4,312 | 4,427 |
| Share-based compensation | 1,325 | 1,273 |
| Termination benefits | 317 | — |
| | **5,954** | **5,700** |

* *Salaries and benefits include short-term incentive compensation.*

In addition to the above amounts, the Group is committed to pay incremental benefits to certain members of key management up to $5,122,000 (2021 - $5,450,000) in the event of change of control and/or termination without cause.

### *Operating transactions with key management personnel*

In the normal course of operations, the Group incurred the following transactions with an entity controlled by a director. The transactions have been recorded at the contractual amount of the consideration established, which represents market rates, as agreed by the related parties.

| **Year ended** | **March 31,** | |
|---|---|---|
| **(in $ thousands)** | **2022** | **2021** |
| | **$** | **$** |
| Revenues* | 21,100 | — |

* *Under a ten-year commercial agreement, ending in April 2031, an entity controlled by a director has committed to minimum annual gross margin, resulting from the procurement of consulting services, with annual surpluses and/or deficiencies thereof eligible to certain carryover provisions. Should the minimum contracted amounts not be met, the entity will make compensating payments based on a formula as defined in the commercial agreement. The commercial agreement may be extended to April 2034, however the minimum annual gross margin requirements will not be applicable to the extension period.*

| **As at** | **March 31,** | |
|---|---|---|
| **(in $ thousands)** | **2022** | **2021** |
| | **$** | **$** |
| Trade accounts receivable | 4,287 | — |

# 13. Subsequent Event

On June 1, 2022, the Company entered into a binding agreement to acquire all of the outstanding shares of the US-based Datum Consulting Group, LLC and its affiliates (“Datum)”(“Datum Acquisition”). 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.

The Datum Acquisition will be completed for total consideration of up to US$45.5 million ($57.5 million), including the assumption of estimated IFRS 16 lease liabilities of US$0.5 million ($0.6 million), subject to working capital and other adjustments. The consideration will consist of: (i) approximately US$13.7 million ($17.3 million) in cash; (ii) US$4.0 million ($5.1 million) payable by the issuance of 1,867,262 Subordinate Voting Shares, (iii) deferred cash consideration of approximately US$10.3 million ($13.0 million) and deferred share consideration of US$4.0 million ($5.1 million), both payable over three years and (iv) potential earn-out consideration of up to US$13.0 million ($16.4 million), payable in cash (75%) and shares (25%), based on annual gross profit increases, available over three years.

## 14. Selected Annual Information

| | For the years ended March 31, | | |
|---|---|---|---|
| (in $ thousands) | 2022 | 2021 | 2020 |
| | $ | $ | |
| Revenues | 437,885 | 287,643 | 279,007 |
| Net loss | (15,548) | (17,338) | (39,667) |
| Basic and diluted loss per share | (0.18) | (0.30) | (0.70) |
| Total assets | 447,721 | 243,261 | 257,816 |
| Non-current long-term debt and lease liabilities | 105,113 | 33,353 | 63,759 |

Revenues increased from March 31, 2021 to March 31, 2022 primarily due to the acquisitions of R3D and Vitalyst, as well as organic growth in all areas, partially offset by the negative impact of foreign exchange variations between the periods. Revenue growth from March 31, 2020 to March 31, 2021 was primarily due to general organic growth and additional months of revenue from the acquisitions of Matricis Informatique Inc. and the Askida group of companies.

Net loss and basic and diluted loss per share decreased from March 31, 2021 to March 31, 2022 primarily due to the increased gross margin, partially offset by increased selling, general and administrative expenses, increased business acquisition, integration and reorganization costs related to the acquisitions of R3D and Vitalyst, and decreased income tax recovery. Net loss and basic and diluted loss per share decreased from March 31, 2020 to March 31, 2021 primarily due to a significant impairment loss of $28.0 million recorded in the year ended March 31, 2020, decreased business acquisition and integration costs in fiscal 2021, and the gain on recovery of note receivable, partially offset by increased selling, general, and administrative expenses and decreased income tax recovery.

The increase in total assets from March 31, 2021 to March 31, 2022 was due primarily to the acquisitions of R3D and Vitalyst, which resulted in increased trade accounts receivable and unbilled revenues and the recognition of intangible assets and goodwill. The decrease in total assets from March 31, 2020 to March 31, 2021 related primarily to the amortization of intangible assets that occurred during the year ended March 31, 2021.

Non-current long-term debt and lease liabilities increased from March 31, 2021 to March 31, 2022 primarily due to the increase in long-term debt, as described in section 10.6, and lease liabilities recognized on the acquisitions of R3D and Vitalyst. The decrease in non-current long-term debt and lease liabilities from March 31, 2020 to March 31, 2021 was primarily due to the reclassification of the Credit Facility to current portion of long-term debt, which, as at March 31, 2022, has been reclassified back to long-term.

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# 15. Eight Quarter Summary

| (in $ thousands, except for per share data) | For the three months ended Jun 30, 2020 | Sep 30, 2020 | Dec 31, 2020 | Mar 31, 2021 | Jun 30, 2021 | Sep 30, 2021 | Dec 31, 2021 | Mar 31, 2022 |
|---|---|---|---|---|---|---|---|---|
| Revenues | 70,711 | 68,355 | 70,606 | 77,971 | 102,921 | 105,277 | 109,713 | 119,974 |
| Cost of revenues | 50,308 | 49,623 | 50,178 | 54,517 | 74,581 | 76,804 | 81,456 | 88,891 |
| Gross margin | 20,403 | 18,732 | 20,428 | 23,454 | 28,340 | 28,473 | 28,257 | 31,083 |
| | 28.9 % | 27.4 % | 28.9 % | 30.1 % | 27.5 % | 27.0 % | 25.8 % | 25.9 % |
| Operating expenses | | | | | | | | |
| Selling, general and administrative expenses | 19,416 | 20,146 | 20,421 | 21,740 | 22,747 | 24,885 | 25,002 | 26,204 |
| Business acquisition, integration and reorganization costs | 913 | 190 | 500 | 718 | 3,943 | 689 | 857 | 6,128 |
| Depreciation | 882 | 927 | 900 | 1,058 | 1,553 | 1,247 | 1,400 | 1,235 |
| Amortization of intangibles | 3,654 | 2,892 | 2,703 | 2,490 | 3,380 | 3,450 | 3,438 | 4,017 |
| Foreign exchange loss (gain) | 8 | 344 | 47 | 74 | 68 | (42) | (27) | (25) |
| | 24,873 | 24,499 | 24,571 | 26,080 | 31,691 | 30,229 | 30,670 | 37,559 |
| Operating loss | (4,470) | (5,767) | (4,143) | (2,626) | (3,351) | (1,756) | (2,413) | (6,476) |
| Net financial expenses | 728 | 827 | 870 | 849 | 949 | 1,075 | 1,203 | 1,352 |
| Gain on recovery of note receivable | — | (660) | — | — | — | — | — | — |
| Loss before income taxes | **(5,198)** | **(5,934)** | **(5,013)** | **(3,475)** | **(4,300)** | **(2,831)** | **(3,616)** | **(7,828)** |
| Income tax recovery | (669) | (443) | (220) | (950) | (2,268) | (54) | (130) | (575) |
| Net loss | **(4,529)** | **(5,491)** | **(4,793)** | **(2,525)** | **(2,032)** | **(2,777)** | **(3,486)** | **(7,253)** |
| Basic and diluted loss per share | (0.08) | (0.09) | (0.08) | (0.04) | (0.02) | (0.03) | (0.04) | (0.08) |

Quarterly variances in Alithya's results are due primarily to seasonality. The revenues generated by Alithya's consultants are impacted by the number of working days in a particular quarter, which can vary as a result of vacations and other paid time off and statutory holidays. Similarly, customer information technology investment cycles are also affected by the seasonality of their own operations. Finally, quarterly variations can be attributed to the timing of acquisitions.

Over the eight-quarter period, revenues have increased mainly due to business acquisitions, and organic growth in most areas of the Company’s business. Fluctuations in gross margin over the previous eight quarters can be attributed to a steady migration towards higher value-added services, offset by the negative impacts of the COVID-19 pandemic and the R3D Acquisition. Selling, general and administrative expenses have increased mainly from business acquisitions, net of possible synergies, and additional costs associated with carrying out the strategic business plan and increased recruiting in order to grow revenues. As a percentage of consolidated revenues, total selling, general and administrative expenses have trended downward over the period. Other expenses, such as business acquisition, integration and reorganization costs and depreciation and amortization of intangibles, have also varied as a result of business acquisitions.

# 16. Critical Accounting Estimates

The preparation of Alithya's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported as assets, liabilities, income and expenses in the consolidated financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which they occur and in any future periods affected. Alithya's significant accounting policies are fully described in Note 2 of Alithya's annual audited consolidated financial statements.

*Assessment of COVID-19 impact*

As a result of measures enacted during fiscal 2022 and 2021 to combat the COVID-19 pandemic, increased uncertainty surrounding global economic conditions and business impacts have occurred. The Group has reviewed its estimates, judgments and assumptions used in the preparation of its consolidated financial statements, including the determination of whether indicators of impairment exist for its tangible and intangible assets, including goodwill, estimated losses on revenue from fixed-fee arrangement contracts, the credit risk of its counterparties, and the estimates and judgments used for the measurement of its deferred tax assets.

The potential impacts of the surrounding global economic uncertainties on the Group's operations and financial conditions and on overall customer demand, may require revisions in future periods to estimates and assumptions. Although management expects COVID-19 related disruptions to continue beyond fiscal 2022, it believes that the Group's long-term estimates and assumptions do not require further revisions, however management continues to monitor and evaluate the situation and its impact on the Group's business.

The following are critical judgements required in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements:

*Determination of cash generating units ("CGUs")* – the identification of CGUs and grouping of assets into the respective CGUs is based on currently available information about actual utilization experience and expected future business plans. Management has taken into consideration various factors in identifying its CGUs. These factors include how the Group manages and monitors its operations, the nature of each CGU's operations, and the major customer markets they serve. As such, the Group has identified its CGUs for purposes of testing the recoverability and impairment of non-financial assets to be: Canada, France, EPM US and ERP US.

*Determination of the aggregation of operating segments* – the Group uses judgment in the aggregation of operating segments for financial reporting and disclosure purposes. The Group has examined its activities and has determined that it has one single reportable segment due to similar economic characteristics including the nature of services provided to its customers, types of customers comprising its customer base and the regulatory environment in which the Group operates.

*Grants, loans and tax credits* – the Group is eligible for government assistance programs, in different jurisdictions, which are recorded as a reduction in the cost of the related item when there is reasonable assurance that the assistance will be received and that the Group will comply with all relevant conditions. The Group interprets the regulations related to these programs, determines if the operations of the Group qualify and identifies and quantifies eligible expenses. These claims are subject to examination and audit by local authorities, who may disagree with interpretations made by the Group. These interpretations are used to determine the amounts to be received or forgiven under the programs and are subject to examinations and audits which could reach conclusions that are materially different from amounts recorded by the Group.

The following are assumptions and estimation uncertainties with a significant risk of resulting in material adjustments within the next year:

*Revenue recognition of fixed-fee arrangements* – the Group recognizes revenues from fixed-fee arrangements which can extend over more than one reporting period. Revenue from these fixed-fee arrangements is recognized over time based on a measure of progress using the Group's best estimate of the total expected labour costs or total expected labour hours, and the related risks associated with completing the projects. In addition, the determination of anticipated costs for completing a contract is based on estimates that can be affected by a variety of factors, including the cost of materials and labour, as well as potential claims from customers. As risks and uncertainties are different for each project, the sources of variations between anticipated costs and actual costs incurred will also vary by project. The determination of estimates is based on the Group's business practices as well as its historical experience, and is tightly linked to detailed project management processes and controls. The information provided by the project managers combined with a knowledgeable assessment of technical complexities and risks are used in estimating the percentage complete.

*Impairment of long-lived assets* – the Group's impairment test for goodwill is based on internal estimates of the value-in-use calculations and uses valuation models such as the discounted cash flow model. Key assumptions on which the Group has based its determination of the individual CGUs' value-in-use include discounted future expected net operating cash flows, estimated long-term growth rates of net operating cash flows and after tax value Weighted Average Cost of Capital ("WACC"). Changes in these estimates can have a material impact on the recoverable amount calculations and ultimately the amount of any goodwill impairment recognized.

*Business combinations* – the Group accounts for business combinations using the acquisition method. The consideration transferred and the acquiree's identifiable assets, liabilities and contingent liabilities are measured at their fair value. The Group develops the fair value by using appropriate valuation techniques which are generally based on discounted future expected cash flows. These evaluations are linked closely to the assumptions made by the Group and can consist of the future performance of the related assets, the discount rate and the attrition rate. Contingent consideration is measured at fair value using a discounted cash flow model.

*Deferred tax assets* – the Group exercises judgment in the assessment of the probability of future taxable income, to estimate the extent to which deferred income tax assets can be realized. Estimates are based on the Group's most recent approved budget, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules and tax planning strategies in the numerous jurisdictions in which the Group operates are carefully taken into consideration. The Group uses judgment to assess specific facts and circumstances to evaluate legal, economic or other uncertainties.

# 17. New Standards and Interpretations Issued but Not Yet Effective

At the date of authorization of the consolidated financial statements, certain new standards, amendments and interpretations, and improvements to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Group. Management anticipates that all the relevant pronouncements will be adopted in the first reporting period following the date of application. Information on new standards, amendments and interpretations, and improvements to existing standards, which could potentially impact the Group's consolidated financial statements, are detailed as follows:

### *IAS 1 - Presentation of Financial Statements*

On January 23, 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. In July 2020, the IASB issued final amendments to defer the effective date to annual periods beginning on or after January 1, 2023. Early adoption is permitted. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that: settlement of a liability includes transferring a company's own equity instruments to the counterparty; and when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity. Management is currently assessing, but has not yet determined, the impact of this new standard on the Group's consolidated financial statements.

### *Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policy Information*

In February 2021, the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.

- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments shall be applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Once an entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

### *Amendments to IAS 8, Definition of Accounting Estimates*

In February 2021, the IASB amended IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

*Amendments to IAS 37 - Onerous Contracts, Cost of Fulfilling a Contract*

On May 14, 2020, the IASB published Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), which specifies which costs a company includes when assessing whether a contract will be loss-making. The amendments are effective for annual periods beginning on or after January 1, 2022 and applicable to contracts existing at the date when the amendments are first applied. At the date of the initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity as appropriate. The comparatives are not restated. The Group is currently applying the incremental cost method approach in calculating the costs of fulfilling a contract, however, application of the full cost approach is not expected to have a material impact on the financial statements.

*Amendments to IAS 12 - Income Taxes*

On May 7, 2021, the IASB issued amendments to IAS 12 - Income Taxes to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will be required to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. Management is currently evaluating the impact of this standard on its consolidated financial statements.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

# 18. Risks and Uncertainties

## 18.1 Risks Related to the Market

### 18.1.1 Economic risks and political uncertainty

Alithya's results of operations are affected by the level of business activity of its customers, which in turn is affected by the level of economic activity in the industries and markets that they serve as well as political uncertainty, including armed conflict, labour or social unrest, inflation, recession, climate change, and diseases or health emergencies. Economic conditions and political uncertainty could cause some customers to reduce or defer their expenditures for digital technology consulting services and a significant prolonged decline in the level of business activity of Alithya's customers could have a material adverse effect on its revenues and profit margin. Alithya has implemented and will continue to implement cost-savings initiatives to manage its expenses as a percentage of revenues.

Although the Company has no operations in the Ukraine, the current armed conflict in the Ukraine could affect its clients and therefore indirectly affect Alithya. Similarly, while Alithya's international operations were limited as at March 31, 2022, as the Company continues to expand its operations in North America and internationally, through acquisitions among others, the level of economic activity in such other jurisdictions, in which it may expand and develop more business with time, and the political uncertainty that could affect such jurisdictions could have a more significant footprint on Alithya's operations and business, financial condition and results of operations.

#### 18.1.2 COVID-19 pandemic

The COVID-19 pandemic resulted in governments and businesses worldwide adopting and maintaining emergency measures and restrictions to combat the spread of the coronavirus, and continued to impact to a certain extent the markets in which Alithya operates throughout Alithya's fiscal year ended March 31, 2022. The COVID-19 pandemic and the measures taken in response to it since 2020, including travel bans and restrictions, border closures, self-imposed quarantine or isolation periods, mandated business closures, vaccine mandates or passports, social distancing, testing requirements, stay-at-home and work-from-home, curfews and social distancing measures, as well as unprecedented uncertainty in the global economy, imposed significant pressure on businesses in general and had and may continue to have an adverse impact on the global economy in the short and long term, especially if these were to reoccur, which poses the risk that Alithya's customers, contractors and partners may still, temporarily or permanently, be prevented from conducting business as they historically had or previously or currently expect to, which could in turn have an adverse impact on Alithya's business and results of operations, even if at the present time the situation appears to have improved. Since 2020, the COVID-19 outbreak had impacts on Alithya's business, with disruptions to its operations including temporary office closures, reduced activity and certain pricing adjustments with a limited number of clients, slower procurement decisions in some cases, and possible changes to customers' spending and investment priorities. The gradual easing of certain emergency measures and restrictions allowed many businesses to resume some level of, or increase, commercial activities, resulting in a sequential improvement in our financial performance. However, there is no assurance that there will be no resurgences of new COVID-19 cases and new variants and related strengthening or reintroduction of emergency measures and restrictions, or a more prolonged duration of the COVID-19 pandemic, and which may result in: (i) reduced customer demand for Alithya's services and solutions; (ii) customer pressure on pricing and payment terms; (iii) difficulty in invoice collection; (iv) demands from customers to change or terminate existing contracts or work orders; (v) the non-renewal of expiring customer contracts; (vi) reduction in budgets for government programs that may be used by Alithya to support its research and growth; (vii) delays and disruptions in services from Alithya's third party service providers; and (viii) devotion of substantial amount of management time and resources and increased operating costs to mitigate the impact of the pandemic. Also, while Alithya could experience an increase in demand for digital technologies and services in certain industry segments caused by the COVID-19 pandemic, which could benefit Alithya, there is no assurance that Alithya will be able to respond to such demand while providing services remotely or observing government recommendations.

Since the beginning of the COVID-19 pandemic, the Company has taken and continues to take measures to protect the health and safety of its employees, work with its customers to minimize potential disruptions and address the challenges and opportunities posed by this global pandemic. The Company and its employees who had transitioned to working remotely at the beginning of the COVID-19 pandemic, relatively seamlessly, allowing us to continue supporting our customers without material disruption are now gradually starting to adopt a hybrid work program, allowing them the flexibility to benefit from both remote and on-premises working environments. The Company had also implemented several measures to protect its financial position and preserve liquidity, and strict cost containment measures including temporary management salary reductions, and reduced work weeks and temporary layoffs for a limited number of employees, all of which have returned to normal as of today. To ensure business continuity and retain existing highly trained and experienced technical consultants on which Alithya's success depends in large part, certain subsidiaries of the Company also benefited from governmental financial assistance programs in Canada, the US and France. Certain subsidiaries received fundings and loans, including PPP loans in the US of which the Company received forgiveness during the years ended March 31, 2021 and 2022. While Alithya successfully benefitted from such fundings and loans, should the COVID-19 pandemic and the global economy worsen, there is no assurance that governments would put in place similar programs nor that the Company would qualify and be able to successfully benefit from them.

As governments and businesses worldwide are optimistically seeing a potential chance of emerging out of the COVID-19 pandemic and try to get back to a new normal, the Company continues to monitor the issues raised by the COVID-19 pandemic, and may take further actions that alter its business operations as may be required or that it determines are in the best interests of its employees, clients, partners and shareholders, and the Company cannot predict the potential effects any such alterations or modifications may have on its business, including the impact on its financial results. The extent to which the COVID-19 pandemic may further adversely impact Alithya's business and results of operations depends on numerous evolving factors that are highly uncertain, difficult to predict and outside of Alithya's control, including: (i) the continued duration and scope of the pandemic; (ii) actions taken by governments and other parties in response to the pandemic; (iii) the availability and effective distribution of approved vaccines and treatments, and the potential development and distribution of new vaccines and treatments; (iv) the impact of the pandemic on the level of general economic activity; (v) the effect of the pandemic on Alithya's customers and customer demand for its services and solutions; (vi) the ability of Alithya's customers to pay for its services and solutions on time or at all; (vii) Alithya's ability to sell and provide its services and solutions to existing and prospective clients; and (viii) new information which may emerge concerning the COVID-19 pandemic and the actions required to contain the coronavirus or remedy its impacts. Also, although Alithya has a business continuity plan in the event the health of any of its key employees would become at risk as a result of contracting COVID-19, there is no assurance that the implementation of such business continuity plan would be successful. While Alithya closely monitors the COVID-19 pandemic situation as this unprecedented pandemic continues to evolve and as long as measures adopted in response to the COVID-19 pandemic remain in place or are reintroduced, and potentially upon and after their gradual or complete removal, it could affect Alithya's business and results of operations in a manner that is not presently known or in a manner that Alithya does not currently consider will present significant risks to its operations. At the present time, no person, entity or expert can accurately predict the duration or scope of the pandemic or emergence or resurgence of the pandemic and, although some impacts have materialized, it remains challenging for the Company to accurately estimate or quantify the full scope and magnitude of the pandemic's impacts and consequences on the Company, its business, financial condition and prospects.

Furthermore, the trading price for Alithya's Subordinate Voting Shares and the securities of other companies in the industry has been volatile as a result of the COVID-19 pandemic, inflation, a recession, a slowdown or other sustained adverse market event resulting from the COVID-19 pandemic could materially and adversely affect the financial markets, the value of Alithya's Subordinate Voting Shares and Alithya's ability to obtain equity or debt financing on favorable or acceptable terms or at all.

## 18.2 Risks Related to Alithya's Industry

### 18.2.1 Competition in the digital technology consulting services market

Competition in the digital technology consulting services market is intense and Alithya may lose projects to, or face pricing pressure from, its competitors or prospective customers' internal IT departments. The market for digital technology consulting services providers is highly competitive. In many cases, Alithya competes for specialty digital technology consulting services work with in-house technical staff, and other international digital technology consulting firms. In addition, there are many small, boutique digital technology consulting firms that have developed services similar to those offered by Alithya. Alithya believes that competition will continue to be strong and may increase in the future, especially if Alithya's competitors continue to reduce their price for digital technology consulting services. Any pricing pressure could have a material adverse impact on Alithya's revenues and margins and limit its ability to provide competitive services.

Alithya's target market is rapidly evolving and is subject to continuous technological change. While Alithya strives to remain competitive, Alithya's competitors may be better positioned to address technological changes or may react more favorably to these changes, which could have a material adverse effect on Alithya's business. Alithya competes on the basis of a number of factors, many of which may be beyond its control. Existing or future competitors may develop or offer digital technology consulting services that provide significant technological, creative, performance, price or other advantages over the services Alithya offers.

Some of Alithya's competitors have longer operating histories and benefit from significantly greater financial, technical, marketing and managerial resources than Alithya. There are relatively low barriers to entry in Alithya's business. Alithya currently has no patented technology that would preclude or inhibit competitors from entering its digital technology consulting services market. Therefore, Alithya must rely on the skill of its personnel and the quality of its customer service. In addition, as the costs to start a digital technology consulting services firm are relatively low and the general use of professionals located offshore at lower costs continues to increase, Alithya expects that it will continue to face additional competition from new entrants into the market in the future, offshore providers and larger integrators and it is subject to the risk that its employees may leave and start competing businesses. Any one or more of these factors could have a material adverse impact on Alithya's business, financial condition and results of operations.

### 18.2.2 Reliance on highly-trained and experienced personnel

Alithya's success depends in large part on its ability to attract new qualified employees and retain existing highly-trained and experienced technical consultants, project management consultants, business analysts and sales and marketing professionals of various experience levels. The markets that Alithya serves are highly competitive and competition for skilled employees in the digital technology consulting industry is intense. During the year ended March 31, 2022, the demand for qualified employees and inflation have significantly increased, resulting in upward pressure on remuneration. While Alithya's management believes its measures to attract and retain qualified employees are competitive, if such measures prove to be insufficient and Alithya fails to attract new employees or retain its existing employees, Alithya may be unable to complete existing projects or bid for new projects of similar size, which could adversely affect its revenues. Even if Alithya is able to grow and expand its employee base, the additional resources required to attract new employees and retain existing employees may adversely affect its operating margins.

### 18.2.3 Failure to enhance existing services and solutions and to develop new services and solutions

The markets for technology, digital and outsourcing services are characterized by rapid technological change, evolving industry standards, changing customer preferences and new services and solutions introductions. Alithya is currently in the midst of a shift towards increasing customer demand for digital technologies and services. Alithya's future success depends on its ability to develop digital and other services and solutions that keep pace with changes in the markets in which it operates. Although Alithya strives at developing digital and other new services and solutions addressing evolving technologies and client needs, there is no assurance that it will be successful in developing any such services and solutions, that it will be able to do it in a timely or cost-effective manner and that any such services and solutions it does develop will be successful once offered in the marketplace. Alithya's failure to address the demands of the rapidly evolving technological environment could have a material adverse effect on its ability to retain and attract customers and on its competitive position, which could in turn have a material adverse effect on its business, financial condition and results of operations.

### 18.2.4 Government sponsored programs

Alithya benefits from government sponsored programs designed to support research and development, labor and economic growth. Government programs reflect government policies and depend on various political and economic factors. There can be no assurance that such government programs will continue to be available to Alithya in the future, or will not be reduced, amended or eliminated. Any future government program reduction, elimination or other amendment to the government sponsored programs from which Alithya benefits could increase operating or capital expenditures incurred by Alithya and have a material adverse effect on its net earnings or cash flow.

### 18.2.5 Intellectual property rights

Our success depends in part on our ability to protect our proprietary methodologies, processes, know-how, techniques, tools and other intellectual property that we use to provide our services. Alithya actively protects its intellectual rights and maintains relevant intellectual property protection measures, which include the registration, and application for the registration of, relevant intellectual property rights, including trademarks and domain names. Alithya also holds licenses in a number of trademarks, copyrights, and other intellectual property rights relating to its solutions and services, which vary in duration. Existing trade secret and copyright laws, however, only afford Alithya limited protection. Third parties may directly or indirectly attempt to disclose, obtain or use Alithya's solutions or technologies. Others may also independently develop and obtain patents or copyrights for technologies that are similar or superior to Alithya's technologies and, should that happen, there is no assurance that Alithya's intellectual property protection measures would be sufficient to allow it to take action against such third parties, nor successfully win any litigation undertaken to protect its intellectual property rights. If Alithya is unsuccessful in any intellectual property litigation, it may be forced to do one or more of the following: (i) cease selling or using technology that incorporates the challenged intellectual property; (ii) obtain a license, which may not be available on reasonable terms or at all, to use the relevant technology; (iii) rebrand Alithya's services and solutions, which could result in a loss of brand recognition and could require Alithya to devote additional resources to advertising and marketing its new brands; (iv) configure services to avoid infringement; and (v) refund license fees or other payments that were previously received.

As Alithya develops software applications for specific customer engagements, issues relating to the ownership of, and the rights to use of, software applications and frameworks could arise. Alithya relies on a combination of copyright, trademark, unfair competition and trade secret laws, as well as intellectual property assignment and confidentiality agreements and other methods to protect Alithya's intellectual property rights. Protection of intellectual property rights and confidentiality in some countries in which Alithya operates may not be as effective as in Canada or other countries with more developed intellectual property protections. Also, Alithya may have to pay economic damages in the event of lost disputes or to prevent litigation relating to intellectual property rights, which could adversely affect its results of operations and financial condition. Further, Alithya cannot provide assurance that competitors will not infringe Alithya's intellectual property rights, or that Alithya will have adequate resources to enforce its intellectual property rights. If Alithya does enforce its intellectual property rights through litigation, Alithya may not be successful and the litigation may result in substantial costs and diversion of resources and management attention.

#### 18.2.6 Infringing on the intellectual property rights of others

When developing solutions and providing services for its customers, Alithya utilizes its own, and may also enter into licensing agreements with third parties for the right to use patents, trademarks, copyrights, trade secrets and other intellectual property rights. Alithya may also develop intellectual property rights on its own or together with its customers when developing solutions and providing services for such customers. Although Alithya uses reasonable efforts to ensure that no intellectual property rights of others are infringed, third parties or even Alithya's customers may assert claims against Alithya. In addition, certain agreements to which Alithya is a party may contain indemnity clauses pursuant to which Alithya would be required to indemnify its clients against liability and damages arising from third-party claims of intellectual property right infringement as part of its service contracts with its customers and, in some instances, the amount of these indemnity claims may exceed the revenues Alithya generates under the contracts or the coverage provided by Alithya's insurance.

Any intellectual property claims or litigation against Alithya could incur substantial costs, consume the time and energy of Alithya's management, harm Alithya's reputations, require Alithya to enter into additional licensing arrangements or prevent Alithya from providing some solutions or services. Any limitation on Alithya's ability to sell or use solutions or services that utilize intellectual property rights that are the subject of a claim could cause Alithya to lose revenues or incur additional expenses to modify its solutions and services for future projects.

#### 18.2.7 Regulatory risks

Alithya's operations require compliance with laws on many matters in different jurisdictions, including anti-corruption, intellectual property, trade restrictions, immigration, taxation, antitrust, data privacy, labor relations, environment and securities. Complying with these diverse requirements is a challenge and consumes significant resources, especially as it relates to the laws of jurisdictions other than Canada and the U.S. Also, some of these laws may impose conflicting requirements or restrictions on the movement of cash, currency fluctuation and other assets and on the repatriation of Alithya's earnings and thereby reduce its earnings. These legal requirements may also expose Alithya to potential penalties for non-compliance and harm its reputation.

### 18.3 Risks Related to Alithya's Business

#### 18.3.1 Changes in the nature of revenues

Any change in the mix of Alithya's arrangements with its customers could have an impact upon its periodic operating performance, including gross margin. Alithya generates revenues principally through the provision of consulting services in the areas of digital technology. These services are provided under arrangements with varying pricing mechanisms. Alithya's revenues-generating customer contracts generally fall into one of the following three categories: (i) time and materials arrangements for which revenues are recognized as the services are rendered and which represent the majority of Alithya's revenues and which includes service-based arrangements for which customers pay a recurring fee in exchange for a monthly service (typically support) for which revenues are recognized over time using an hours-based input method, (ii) fixed-fee arrangements where the outcome can be estimated reliably and for which revenues are recognized using the percentage-of-completion method over the service periods and labor costs or labor hours are used to measure the progress towards completion, and (iii) others, including resale of third-party off-the-shelf software and maintenance for which revenues are recognized on a net basis and resale of Alithya-created software and maintenance for which revenues are reported on a gross basis.

Alithya also sometimes enters into arrangements with multiple performance obligations, which typically include software, post-contract support and consulting services and which require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis, and Alithya also provides a payrolling service to certain clients through which contractor candidates recruited and selected by clients are hired by Alithya and then assigned to client projects. Alithya assumes all administrative responsibilities related to these candidates and invoices the client for time and materials. The sale of payrolling services is recognized on a net basis. As Alithya’s overall business volume increases, management intends to continue to gradually phase-out this relatively low margin business.

### 18.3.2 Customer concentration

Alithya derives a significant portion of its revenues from its major customers and expects this to continue for the foreseeable future. The increased breadth of Alithya’s services and solutions offerings has also resulted and may continue to result in larger and more complex projects and contracts with these major customers. Retaining these customers requires Alithya to foster close relationships with them and achieve a thorough understanding of their operations and needs in order to continue to provide high-quality services. Alithya’s ability to maintain such relationships depends on a number of factors, including the proficiency of its professionals and its management personnel. There can be no assurance that each such customer will continue to be satisfied with Alithya’s services and utilize Alithya on the same terms, or at all, in the future. Failure to maintain close relationship with these customers could result in termination of customer contracts and potential liability for significant penalties or damages, any of which could have a material adverse effect on Alithya’s business, financial condition and results of operations.

### 18.3.3 Fluctuation of business and financial results

Alithya’s ability to maintain and increase its revenues is affected not only by its success in implementing its strategy, but also by a number of other factors, which could cause Alithya’s financial results to fluctuate. These factors include: (i) its ability to introduce and deliver new services and business solutions; (ii) its potential exposure to a lengthened sales cycle; (iii) the cyclicality of the purchases of its technology services; and (iv) the nature of its customer’s business (for example, if a customer encounters financial difficulty, it may be forced to cancel, reduce or defer existing contracts with Alithya). These, and other factors, make it difficult to predict financial results for any given period.

### 18.3.4 Commitment of substantial resources for growth

Growing the Alithya business over the longer-term may require commitment of continued investment in the operations of Alithya. Alithya's future capital requirements will depend on many factors, including many of those discussed above, such as: (i) the results of Alithya's operations and the rate of its revenues growth; (ii) the development of new service offerings; (iii) the successful integration of its acquisitions; (iv) hiring and retaining key personnel; (v) maintaining customer relationships; and (vi) the identification of suitable future acquisition opportunities.

Alithya's funds may not be sufficient to fund these activities if opportunities arise, and Alithya may be unable to expand its business if it does not have sufficient capital or cannot borrow or raise additional capital on attractive terms.

### 18.3.5 Implementation of the strategy of growing through acquisitions

Alithya's ability to grow through acquisitions requires that it identifies suitable acquisition targets and that it correctly evaluates their potential as transactions that will meet Alithya's financial and operational objectives. There can be no assurance that Alithya will be able to identify suitable acquisition candidates and consummate additional acquisitions that meet its economic thresholds, or that future acquisitions will be successfully integrated into its operations and yield the tangible accretive value that had been expected. If Alithya is unable to implement its strategy, it will likely be unable to maintain its historic or expected growth rates.

The successful integration of new operations arising from Alithya's acquisition strategy requires that a substantial amount of management time and attention be focused on integration activities and management time that is devoted to integration activities may divert management's normal operations focus on growing the business organically with resulting pressure on the revenues and earnings from its existing operations. In addition, Alithya may face complex and potentially time-consuming challenges in implementing its uniform standards, controls, procedures and policies across new operations when harmonizing their activities with those of its existing business units. Integration activities can result in unanticipated operational problems, expenses and liabilities. If Alithya is not successful in executing its integration strategies in a timely and cost-effective manner, it will have difficulty achieving its growth and profitability objectives. Additional risks and uncertainties relating to acquisitions and other strategic transactions include: (i) difficulties in the assimilation and retention of key employees and in maintaining relationships with present and potential customers, contractors and partners; (ii) difficulties managing and integrating operations in geographically dispersed locations; (iii) the risk that the targeted markets do not evolve as anticipated and that technologies acquired prove to be inferior to Alithya's expectations; (iv) difficulties in combining or managing different corporate cultures; (v) potential deficiencies in internal controls at acquired companies; (vi) cybersecurity and compliance related issues; and (vii) exposure to unanticipated liabilities of acquired companies.

In connection with acquisitions, Alithya may incur debt, issue equity securities, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could cause Alithya's earnings to decline.

Alithya's growth depends on its ability to achieve its three-year strategic plan which focuses on increasing through organic growth, but also through strategic acquisitions. If Alithya expands into new jurisdictions, it will face risks associated with entering into such new markets in which it has limited or no experience. Such new markets may also present additional complexity and Alithya may have limited or no brand recognition in such markets. It could be costly to establish, develop and maintain international operations, as well as promoting Alithya's brand internationally. Furthermore, expanding into new jurisdictions, including where the main language is not English or French, may require substantial expenditures and take considerable time and attention, and there is no assurance that Alithya would be successful enough in these new markets to build on its investments in a timely manner, or at all.

#### 18.3.6 Dependence on certain key personnel

Alithya depends on certain key personnel, and the loss of their services may adversely affect Alithya's business. Alithya believes that its success depends on the continued employment of its senior management team and other key personnel. This dependence is particularly important to Alithya's business because personal relationships are a critical element in obtaining and maintaining customer engagements. While management and the Board has established and regularly review a succession plan for Alithya's senior management team, if one or more members of Alithya's senior management team or other key personnel were unable or unwilling to continue in their present positions, Alithya's business could be adversely affected. Furthermore, other companies seeking to develop in-house business capabilities may hire away some of Alithya's key personnel.

#### 18.3.7 History of losses

Alithya generated a net loss of $15.5 million and $17.3 million for the fiscal years ended March 31, 2022 and 2021, respectively. Alithya expects to continue to record significant depreciation and amortization expenses, and to expend significant funds to increase its capability to win new contracts, expand and improve its existing operations and make additional acquisitions. As it continues to grow, Alithya expects the aggregate amount of these expenses will also continue to grow. Alithya's efforts to grow its business may, however, be more costly than expected and Alithya may not be able to increase its revenue enough to offset higher operating expenses. Alithya may also incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described herein and other unknown events. The amount of future net losses, if any, will depend, in part, on the growth of Alithya's future expenses and its ability to generate revenue. Any future net losses of Alithya or its inability to maintain profitability and positive cash flows from operating activities, among other things, may have an adverse effect on Alithya shareholders' equity and working capital.

#### 18.3.8 Early termination risk

If Alithya fails to deliver its services in accordance with the terms and conditions of its contractual agreements or as a result of other circumstances, which may be beyond Alithya's or its customers' control, some of its customers could elect to terminate their contracts before their agreed expiry date, which would result in a reduction of Alithya's earnings and cash flow and may impact the value of its backlog of orders. Early contract termination can result from the exercise of a legal right or when circumstances that are beyond Alithya's or its customers' control prevent the contract from continuing. In cases of early termination, Alithya may not be able to eliminate ongoing costs incurred to support the contract.

### 18.3.9 Costs of services

In order to generate acceptable margins, Alithya's pricing for services depends on its ability to accurately estimate the costs and timing for completing projects, which can be based on a customer's bid specification, sometimes in advance of the final determination of the full scope and design of the contract. In addition, a portion of Alithya's project-oriented contracts are performed on a fixed-fee basis. Billing for fixed-fee arrangements is carried out in accordance with the contractual terms agreed upon with Alithya's customers, and revenues are recognized based on the percentage of effort incurred to date in relation to the total estimated efforts to be incurred over the duration of the respective contract. These estimates reflect Alithya's best judgment regarding the efficiencies of its methodologies and professionals as it plans to apply them to the contracts in accordance with Alithya's standards of contract management. Although fixed-fee arrangements represent a minority of Alithya's revenues, Alithya is increasingly contracting under a fixed-fee basis. If Alithya is unsuccessful in accurately estimating the time or resources required to fulfill its obligations under a contract, or if unexpected factors, including those outside of its control, arise, there may be an impact on costs or the delivery schedule which could have a material adverse effect on Alithya's expected net earnings.

### 18.3.10 Teaming agreements and subcontracts

Alithya derives revenues from contracts where it enters into teaming agreements with other providers. In some teaming agreements, Alithya is the primary contractor, whereas in others, Alithya acts as a subcontractor. In both cases, Alithya relies upon its relationships with other providers to generate business and expects to continue to do so in the foreseeable future. Where Alithya acts as the primary contractor, if it fails to maintain its relationships with other providers, Alithya may have difficulty attracting suitable participants in its teaming agreements. Similarly, where it acts as subcontractor, if its relationships are impaired, other providers might reduce the work they award to Alithya, award that work to Alithya's competitors or choose to offer the services directly to the customers in order to compete with Alithya's business. In either case, if Alithya fails to maintain its relationship with these providers or if its relationship with these providers is otherwise impaired, Alithya's business, prospects, financial condition and results of operations could be materially adversely affected.

### 18.3.11 Partners' ability to deliver on their commitments

Increasingly large and complex contracts may require Alithya to rely upon third party subcontractors, including software and hardware suppliers, to help Alithya fulfill its commitments. Under such circumstances, Alithya's success depends on the ability of third parties to perform their obligations within agreed upon budgets and time frames. If Alithya's partners fail to deliver, Alithya's ability to complete ongoing contracts may be adversely affected, which could have an unfavorable impact on its profitability. In addition, Alithya may not be able to replace the functions provided by these third parties if their software components or solutions become obsolete, defective or incompatible with future versions of Alithya's solutions and services, or if they are not adequately maintained or updated. Third-party suppliers of software or other intellectual property assets could also be unwilling to permit Alithya to use or to continue to use their intellectual property and this could impede or disrupt the use of their solutions or services by Alithya's customers and Alithya.

### 18.3.12 Guarantee and indemnification risks

In the normal course of business, Alithya enters into agreements that may provide for indemnification and guarantees to counterparties in transactions such as consulting services, business divestitures, lease agreements and financial obligations. These indemnification undertakings and guarantees may require Alithya to compensate counterparties for costs and losses incurred as a result of various events, including breaches of representations and warranties, intellectual property right infringement, claims that may arise while providing services or as a result of litigation that may be suffered by counterparties. If Alithya is required to compensate counterparties due to such arrangements and its insurance does not provide adequate coverage, its business, prospects, financial condition and results of operations could be materially adversely affected.

### 18.3.13 Insurance Limits

The Company maintains comprehensive insurance coverage for various aspects of its business and operations, to provide indemnity for its losses and liabilities. The Company's insurance programs are, however, subject to varying coverage limits, retentions as well as exclusions that are customary or reasonable given the cost of procuring insurance, and current operating conditions, and other relevant considerations. As a result, the Company may be subject to future liability for which it is only partially insured, or completely uninsured. The Company believes that its insurance programs address all material insurable risks and provides coverage that is in accordance with what would be maintained by a prudent operator of a similar business (including in terms of retentions, limits and exclusions). However, there can be no assurance that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are or will be insurable, or that the amounts of insurance will be sufficient to cover every loss or claim that may arise.

### 18.3.14 Utilization rates

In order to maintain and grow revenues levels, Alithya has to maintain an appropriate level of availability of professional resources in each of its geographic regions by having a high utilization rate while still being able to assign additional resources to new work.

Maintaining an efficient utilization rate, however, requires Alithya to forecast its need for professional resources accurately and to manage recruitment activities, professional training programs, attrition rates and restructuring activities appropriately. To the extent that it fails to do so, Alithya's utilization rates may be reduced and thereby adversely affect its revenues and profitability. In addition, Alithya may find that it does not have sufficient resources to deploy against new business opportunities, in which case its ability to grow its revenues would suffer.

### 18.3.15 Services for government departments and agencies

Changes in government spending policies or budget priorities could directly affect Alithya's financial performance. Among the factors that could harm Alithya's government contracting business are: (i) the curtailment of governments' use of consulting and IT services firms; (ii) a significant decline in spending by governments in general, or by specific departments or agencies in particular; (iii) the adoption of new legislation and/or actions affecting companies that provide services to governments; (iv) delays by governments in the payment of its invoices; and (v) general economic and political conditions.

These and other factors could cause government departments and agencies to reduce their purchases under contracts, to exercise their right to terminate contracts, to issue temporary stop work orders, or not to exercise options to renew contracts, any of which would cause Alithya to lose future revenues. Government spending reductions or budget cutbacks at departments or agencies to which Alithya provides services or expects to provide services could materially harm Alithya's continued performance or limit the award of additional contracts.

#### 18.3.16 Tax obligations

In estimating its income tax payable, Alithya uses accounting principles to determine income tax positions that are likely to be sustained by applicable tax authorities. However, there is no assurance that Alithya's tax benefits or tax liability will not materially differ from its estimates or expectations. The tax legislation, regulation and interpretation that apply to Alithya's operations are continually changing. In addition, future tax benefits and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and anticipated business mix in the various jurisdictions in which Alithya operates. Moreover, Alithya's tax returns are continually subject to review by applicable tax authorities, which determine the actual amounts of taxes payable or receivable, of any future tax benefits or liabilities and of income tax expense that Alithya may ultimately recognize and such determinations may become final and binding on Alithya.

Any of the aforementioned factors could have a material adverse effect on Alithya's net income or cash flow by affecting its operations and profitability, the availability of tax credits, the cost of the services it provides, and the availability of deductions for operating losses as it develops its international service delivery capabilities.

#### 18.3.17 Foreign exchange

Foreign exchange risk is the risk that the fair value of assets or liabilities, or future cash flows, will fluctuate because of changes in foreign exchange rates. Alithya's functional and reporting currency is the Canadian dollar. As a significant portion of Alithya's revenues, earnings and net assets is denominated in foreign currencies, including in US dollars and Euros, fluctuations in exchange rates between the Canadian dollar and such currencies could have an adverse effect on its financial condition and results of operations. This risk is partially mitigated by a natural hedge in matching Alithya's costs with revenues denominated in the same currency.

Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted. Although Alithya does not currently have an exchange rate risk policy that would materially affect its results of operations, it is still subject to foreign exchange risk.

#### 18.3.18 Legal claims

During the ordinary course of conducting its business, Alithya may be threatened with or become subject to legal proceedings initiated by third parties or Alithya's customers. For instance, Alithya's solutions may suffer from defects that adversely affect their performance, may not meet its customers' requirements or may fail to perform in accordance with applicable service levels. Such problems could subject Alithya to legal liability. Alithya uses reasonable efforts to include provisions in its contracts which are designed to limit its exposure to legal claims relating to its services and the applications it develops and obtain liability insurance coverage. However, Alithya may not always be able to include such provisions or obtain sufficient insurance coverage and, where it is successful in doing so, they may not protect Alithya adequately or may not be enforceable under some circumstances or under the laws of some jurisdictions. Defending lawsuits against Alithya could require substantial amounts of management's attention and incur significant attorney fees, damage awards and fines or penalties for which Alithya may not be fully insured and which could harm its reputation and adversely affect its business, financial condition and results of operations.

### 18.3.19 IT systems and infrastructure

To deliver its services and solutions to its customers, Alithya relies upon high speed networks, including, but not limited to, satellite, fiber optic and land lines operated by third parties, to provide reliable communications between its operating offices and other locations, other global delivery centers and the offices of its customers and other collaborators worldwide. Any systems failure or outage or a significant disruption in such communications or in Alithya’s IT systems and infrastructure could result in curtailed operations, a loss of customers and reputational damage, which would have an adverse effect on Alithya’s business, financial condition and results of operations.

### 18.3.20 Security and cybersecurity risks

In the current environment, there are numerous and evolving security risks, especially from cybersecurity threats, including criminal hackers, ransomware, denial of service and other form of malicious attacks, computer viruses, phishing, hacktivists, state sponsored organizations, industrial espionage, insider or employee misconduct or negligence and human or technological error. Alithya’s business could be negatively impacted by these physical and cybersecurity threats, which could affect its current contracts and future sales, financial position and competitive position in the market or increase its costs and expenses. The current geopolitical instability and tension have exacerbated these threats, which could lead to increased risk and frequency of security and cybersecurity incidents. These security threats to Alithya include potential attacks not only on its own solutions, services and systems, but also those of its customers, contractors, partners, suppliers and other third parties. Alithya seeks to detect and investigate all security incidents and to prevent their occurrence or recurrence by continuously investing in security infrastructure, data security and privacy controls, threat protections, detection and mitigation policies, procedures and controls, and employee security awareness and trainings. However, because of the ever evolving nature and sophistication of these security threats, Alithya may be unable to detect or prevent all of these threats. Techniques used to obtain unauthorized access to, or to sabotage, systems or networks, are constantly evolving and generally are not recognized until launched against a target. Therefore, Alithya may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures, and may face delays in the detection or remediation of, or other responses to, security breaches and other security-related incidents. Additionally, with advances in computer capabilities and data protection requirements to address ongoing threats, Alithya may be required to expend significant capital and other resources to protect against potential security breaches or to alleviate problems caused by security breaches. Any failure by Alithya to adequately maintain and enhance its systems and networks could require Alithya to incur substantial remediation costs, including costs associated with repairing its information systems, implementing further data protection measures, engaging third-party experts and consultants, and increased insurance premiums. Alithya’s Chief Information Security Officer is responsible for overseeing its security measures, the prevention of security incidents and the detection and investigation of incidents in the event of the occurrence of threats by implementing security measures to ensure an appropriate level of control based on the nature of the information and the inherent risks attached thereto. Alithya’s security management framework provides a foundation for a risk-based approach to the development, review and regular improvements of policies, processes, standards and controls related to information security, data privacy, physical security and business continuity. In addition, while Alithya selects third-party suppliers carefully and includes safeguards in its contractual terms, it does not control their actions. Any security breaches caused by the negligence or misconduct of these third parties could adversely affect Alithya's ability to safeguard its information technology infrastructure and deliver solutions and services to its customers and otherwise conduct business. Furthermore, while Alithya's liability insurance policy covers cyber risks, there is no assurance that such insurance coverage will be sufficient in type or amount to cover the costs, damages, liabilities or losses that could result from security breaches, cyber-attacks and other related breaches, that insurance will continue to be available to Alithya on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The occurrence of any of these aforementioned security threats could expose Alithya, its customers or other third parties to potential liability, litigation, and regulatory action, could materially compromise or disrupt Alithya's business operations, and could cause the loss of customer confidence, loss of existing or potential customers, loss of sensitive government contracts, damage to brand and reputation and other financial loss.

### 18.3.21 Risks from security breaches or disclosure of sensitive data or failure to comply with data protection laws and regulations

Alithya is dependent on IT networks and systems to process, transmit, host and securely store electronic information and to communicate among its locations around the world and with its customers, contractors and partners. Security breaches, employee negligence or malfeasance or human or technological error could lead to shutdowns or disruptions of Alithya's operations and potential unauthorized disclosure of sensitive data, which in turn could jeopardize projects that are critical to the operations of Alithya's customers' businesses. The theft and/or unauthorized use or disclosure of Alithya's or its customers' and their customers' confidential information or other proprietary business information as a result of such an incident could adversely affect Alithya's competitive position and reduce marketplace acceptance of its services. Any failure in the networks or computer systems used by Alithya or its customers could also result in a claim for substantial damages against Alithya and significant reputational harm, and may cause Alithya's current and prospective customers to lose confidence in the effectiveness of our data security measures, regardless of Alithya's responsibility for the failure.

In addition, as a global service provider with customers in a broad range of industries, Alithya often has access to or is required to collect, process and store personal data and sensitive data, subject to various regulatory regimes, including but not limited to US (federal and state), or Canadian (federal and provincial) laws governing the protection of personal information and the European Union's General Data Protection Regulation (GDPR). Alithya's Privacy Officer oversees its compliance with the laws that protect the privacy of personal information. If unauthorized access to or disclosure of personal information in Alithya's possession or control occurs or it otherwise fails to comply with applicable laws and regulations in this regard, Alithya could be exposed to civil or criminal enforcement actions and penalties, as well as lawsuits brought by its customers, its customers' customers, or third parties for breaching contractual confidentiality and security provisions or data protection laws. Laws and expectations relating to data protections continue to evolve in ways that may limit Alithya's access, use and disclosure of sensitive data, and may require increased expenditures by Alithya or may dictate that it no longer continues to offer certain types of services.

### 18.3.22 Reputational risks

Alithya's reputation as a capable and trustworthy service provider and long-term business partner is key to its ability to compete effectively in the market for IT services. The nature of Alithya's operations exposes it to the potential loss, unauthorized access to, or destruction of its customers' information, as well as temporary service interruptions. Depending on the nature of the information or services, such events may have a negative impact on how Alithya is perceived in the marketplace. Under such circumstances, Alithya's ability to obtain new customers and retain existing customers could suffer with a resulting impact on its revenues and net earnings.

#### 18.3.23 Operational, financial and other internal controls and systems

Alithya's historic and anticipated growth places significant demands on its management and other resources, and requires Alithya to continue to develop and improve its operational, financial and other internal controls. In particular, Alithya's growth has presented and will continue to present challenges with respect to: (i) recruiting, training and retaining technical, finance, marketing and management personnel with the knowledge, skills and experience that its business model requires; (ii) maintaining high levels of customer satisfaction; (iii) developing and improving its internal administrative infrastructure, particularly its operational, financial and other internal control systems; (iv) preserving its culture, values and entrepreneurial environment; and (v) effectively managing its personnel and operations and effectively communicating to its personnel worldwide its core values, strategies and goals.

In addition, the increasing size and scope of Alithya's operations increases the possibility that a member of its personnel will engage in unlawful or fraudulent activity, breach its contractual obligations, or otherwise expose Alithya to unacceptable business risks, despite its efforts to train its personnel and maintain internal controls to prevent such instances. If Alithya does not continue to develop and implement the right processes and tools to manage its enterprise, its business, results of operations and financial condition could be adversely affected.

Due to the inherent limitations of internal controls including the circumvention or overriding of controls or fraud, there can, however, only be reasonable assurance that Alithya's internal controls will detect and prevent a misstatement. If Alithya is unable to design, implement, monitor and maintain effective internal controls throughout its different business environments, the efficiency of its operations might suffer, resulting in a decline in revenues and profitability, and the accuracy of its financial reporting could be impaired.

#### 18.3.24 Goodwill

Alithya recognizes an accounting value for goodwill and other intangible assets in connection with its acquisitions. Under IFRS, goodwill must be assessed at least annually and potentially more frequently, in the event the value of goodwill and other indefinite-lived intangible assets has been impaired. Amortizing intangible assets will be assessed for impairment in the event of an impairment indicator. Any reduction or impairment of the value of goodwill or other intangible assets will result in a charge against earnings, which could materially adversely affect Alithya's results of operations and shareholders' equity in future periods.

## 18.4 Risks Related to Subordinate Voting Shares

### 18.4.1 Limited voting rights

Alithya's Multiple Voting Shares are similar to its Subordinate Voting Shares except that each Multiple Voting Share has ten times the voting rights of each Subordinate Voting Share. As a result, holders of Multiple Voting Shares have a disproportionate level of control over matters submitted to Alithya shareholders for approval, which may reduce the ability of holders of Subordinate Voting Shares to influence corporate matters and, as a result, Alithya may take actions that they do not view as beneficial.

Alithya

### 18.4.2 Market price of Subordinate Voting Shares

Alithya cannot predict the price of Subordinate Voting Shares. The stock market may experience significant price and volume fluctuations that are often unrelated or disproportionate to the operating performance of companies. These broad market and industry factors, together with other economical circumstances, may materially harm the market price of Alithya's Subordinate Voting Shares, regardless of Alithya's operating performance. In addition, the price of Alithya's Subordinate Voting Share may be dependent upon the valuations and recommendations of the analysts who cover the Alithya business, and if Alithya's results do not meet the analysts' forecasts and expectations, Alithya's share price could decline as a result of analysts lowering their valuations and recommendations or otherwise. In the past, following periods of volatility in the market, securities class-action litigations have often been instituted against companies. Such litigations, if instituted against Alithya, could result in substantial costs and diversion of management's attention and resources.

### 18.4.3 Raising additional capital

Alithya's future growth is contingent on the execution of its business strategy, which, in turn, is dependent on its ability to grow the business organically as well as through acquisitions. In the event Alithya would need to fund any currently unidentified or unplanned future acquisitions and other growth opportunities, Alithya may have to raise additional capital through a combination of public and private equity offerings and debt financings and there can be no assurance that such funding will be available in amounts and on terms acceptable to Alithya. Alithya's ability to raise the required funding depends on the capacity of the capital markets to meet Alithya's equity and/or debt financing needs in a timely fashion and on the basis of interest rates and/or share prices that are reasonable in the context of Alithya's commercial objectives. Increasing interest rates, volatility in Alithya's share price, and the capacity of Alithya's current lenders to meet Alithya's additional liquidity requirements are all factors that may have a material adverse effect on any acquisitions or growth activities that Alithya may, in the future, identify or plan. If Alithya is unable to obtain the necessary funding, it may be unable to achieve its growth objectives.

To the extent that Alithya raises additional capital through the sale of equity or convertible debt securities, the ownership interests of Alithya's shareholders will be diluted, and the terms may include liquidation or other preferences that could adversely affect the rights of Alithya's shareholders. The incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on Alithya's ability to incur additional debt and other operating restrictions that could adversely impact its ability to conduct its business.

### 18.4.4 Active market

If an active market for Alithya's Subordinate Voting Shares is not sustained, holders of Subordinate Voting Shares may be unable to sell their investments on satisfactory terms. Declines in the value of Subordinate Voting Shares may adversely affect the liquidity of the market for Subordinate Voting Shares. Factors unrelated to Alithya's performance may also have an effect on the price and liquidity of Subordinate Voting Shares including the extent of analyst coverage of Alithya, lower trading volume and general market interest in Subordinate Voting Shares, the size of Alithya's public float and any event resulting in a delisting of Subordinate Voting Shares from the TSX or NASDAQ.

### 18.4.5 Dividends

Alithya does not expect to pay dividends in the immediate future and anticipates that it will retain all earnings, if any, to support its operations. Any future determination as to the payment of dividends will, subject to Canadian legal requirements and Alithya's articles of incorporation, be at the sole discretion of Alithya's Board and will depend on Alithya's financial condition, results of operations, capital requirements and other factors the Board deems relevant. Holders of Subordinate Voting Shares must therefore rely on potential increases in the trading price of their shares for returns on their investment in the foreseeable future.

# 19. Management's Evaluation of Our Disclosure Controls and Procedures

*Disclosure Controls and Procedures*

The Company has established and maintains disclosure controls and procedures designed to provide reasonable assurance that the material information relating to the Company is made known to the Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which annual and interim filings are prepared and that information required to be disclosed by the Company in its annual, interim filings or other reports filed or submitted by the Company under Canadian and U.S. securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and the related rules. The effectiveness of these disclosure controls and procedures, as defined under National Instrument 52-109 – Issuers' annual and interim filings ("NI 52-109") adopted by Canadian securities regulators and in Rule 13a-15(e) and 15d-15(e) under the U.S. Securities Exchange Act of 1934, as amended, was evaluated under the supervision of and with the participation of the Company's Chief Executive Officer and Chief Financial Officer as at the end of the Company's most recently completed financial year ended March 31, 2022. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as at March 31, 2022.

*Internal Control over Financial Reporting*

The Company has also established and maintains adequate internal control over financial reporting, as defined under NI 52-109 adopted by Canadian securities regulators and in Rule 13a-15(f) and 15d-15(f) under the U.S. Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, and effected by management and other key employees, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. The effectiveness of the Company's internal control over financial reporting was evaluated under the supervision of and with the participation of the Company's Chief Executive Officer and Chief Financial Officer as at the end of the Company's most recently completed financial year ended March 31, 2022 based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's internal control over financial reporting was effective as at March 31, 2022.

### *Changes in Internal Control over Financial Reporting*

There has been no change in the Company's internal control over financial reporting during the year ended March 31, 2022, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

### *Auditor's Report on Internal Control over Financial Reporting*

This report does not include an attestation report on the effectiveness of the Company's internal controls over financial reporting from an independent registered public accounting firm as the Company is an emerging growth company under the rules of the US Securities and Exchange Commission.

### *Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting*

The Company's management recognizes that any disclosure controls and procedures and internal control over financial reporting, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Because of their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect all errors or misstatements on a timely basis.

### *Limitations on Scope of design of Disclosure Controls and Procedures and Internal Control over Financial Reporting*

The Company's management has excluded from its assessment of the scope of the disclosure controls and procedures and internal control over financial reporting the controls, policies and procedures of Vitalyst, which was acquired on January 31, 2022, the operating results of which are included in the annual audited consolidated financial statements of the Company for the year ended March 31, 2022. The scope limitation is in accordance with NI 52-109 adopted by Canadian securities regulators and existing SEC guidance, which allow an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

Since the acquisition date, Vitalyst has contributed revenues of $5.0 million and generated a net loss of $1.2 million. In addition, Vitalyst's current assets and current liabilities represented approximately 7.4% and 9.0%, respectively, of consolidated current assets and current liabilities, and non-current assets, which exclude intangible assets and goodwill from the acquisition, and non-current liabilities represented approximately 1.6% and 2.6%, respectively, of consolidated non-current assets and non-current liabilities. The amounts recognized for the assets acquired and liabilities assumed as at the date of the acquisition are described in Note 3 of the annual audited consolidated financial statements of the Company for the year ended March 31, 2022 and section 7 of this MD&A.

**Exhibit 99.4**

# SECTION 302 CERTIFICATION

I, Paul Raymond, certify that:

1. I have reviewed this annual report on Form 40-F of Alithya Group inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: June 17, 2022

*/s/ Paul Raymond*
Paul Raymond
President and Chief Executive Officer

**Exhibit 99.5**

# SECTION 302 CERTIFICATION

I, Claude Thibault, certify that:

1. I have reviewed this annual report on Form 40-F of Alithya Group inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: June 17, 2022

*/s/ Claude Thibault*

Claude Thibault

Chief Financial Officer

**Exhibit 99.6**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the filing of the Annual Report on Form 40-F for the fiscal year ended March 31, 2022 (the "Report") by Alithya Group inc. (the "Company"), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 17, 2022

*/s/ Paul Raymond*
Paul Raymond
President and Chief Executive Officer

**Exhibit 99.7**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the filing of the Annual Report on Form 40-F for the fiscal year ended March 31, 2022 (the “Report”) by Alithya Group inc. (the “Company”), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 17, 2022

*/s/ Claude Thibault*
Claude Thibault
Chief Financial Officer

KPMG

**Exhibit 99.8**

KPMG LLP
Tour KPMG, Suite 1500
600 de Maisonneuve Blvd. West
Montréal (Québec)  H3A 0A3
Tel. 514-840-2100
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# CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use of our report dated June 16, 2022 on the consolidated financial statements of Alithya Group inc. (the "Entity") which comprise the consolidated statements of financial position as of March 31, 2022, the related consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2022, and the related notes, which report is included in the annual report on Form 40-F of the Entity for the year ended March 31, 2022.

We also consent to the incorporation by reference of such report in the Registration Statement (File No. 333-228487) on Form S-8 of the Entity.

KPMG LLP

June 17, 2022
Montréal, Canada

Raymond Chabot Grant Thornton

**Raymond Chabot**
**Grant Thornton LLP**
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National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8

**T** 514-878-2691

# Consent of Independent Registered Public Accounting Firm

We have issued our report dated June 9, 2021, with respect to the consolidated financial statements of Alithya Group inc. (the “Company”) for the year ended March 31, 2021, included as an Exhibit to the Annual Report of the Company. on Form 40-F for the fiscal year ended March 31, 2022.

We consent to the inclusion of said report in the Annual Report of Alithya Group inc. on Form 40-F for the fiscal year ended March 31, 2022.

We also consent to the incorporation by reference of said report in the Registration Statement of Alithya Group inc. on Form S-8 (File No. 333-228487).

Raymond Chabot Grant Thornton LLP

Montréal, Canada
June 17, 2022