SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

☐ 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, 2024

Commission file number 001-38705

ALITHYA GROUP INC.

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English (if applicable))

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

7370
(Primary Standard Industrial Classification Code Number (if applicable))

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 Registrant's principal executive offices)

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

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

None

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

Class A subordinate voting shares

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

None

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

☒ Annual Information Form ☒ Audited Annual Financial Statements

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:

88,141,000 Class A subordinate voting shares and 7,274,248 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 reports); 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 (§232.405 of this chapter) 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: ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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. The Registrant's class A subordinated shares started trading on the Toronto Stock Exchange and the Nasdaq Stock Market LLC ("**Nasdaq**") on November 2, 2018, but were voluntarily delisted from Nasdaq on February 19, 2024. Accordingly, section 12(b) of the Exchange Act does not apply to the Registrant, but sections 12(g) and 15(d) of the Exchange Act will continue to apply so long as the class A subordinate voting shares remain registered with the U.S. Securities Exchange Commission.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report contains or incorporates by reference 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, 2024 and March 31, 2023, 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.sedarplus.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 mainly in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant also prepares its consolidated financial statements 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, 2024 (the "**2024 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, 2024 and March 31, 2023, including the reports of the independent registered public accounting firm, KPMG LLP, Montréal, Canada (Auditor Firm ID: 85) ("**KPMG**"), 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, 2024 and March 31, 2023 (the "**2024 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 Disclosure Controls and Procedures and Internal Control over Financial Reporting – Disclosure Controls and Procedures" and "Management's Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting – Limitations on Effectiveness of Disclosure Control and Procedures and Internal Control over Financial Reporting" in the Registrant's 2024 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

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The information provided under the headings "Management's Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting – Internal Control over Financial Reporting", "Management's Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting – Remediation Plan" and "Management's Evaluation of Disclosure Controls and Procedures – Limitations on Effectiveness of Disclosure Control and Procedures and Internal Control over Financial Reporting" in the Registrant's 2024 MD&A attached as Exhibit 99.3 to this Annual Report is incorporated by reference herein.

D. Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Registrant's internal control over financial reporting as of March 31, 2024 has been audited by KPMG, the independent registered public accounting firm who also audited the Registrant's audited annual consolidated financial statements for the fiscal years ended March 31, 2024 and 2023. KPMG's report is included as part of the Registrant's audited annual consolidated financial statements attached as Exhibit 99.2 to this Annual Report and is incorporated by reference herein.

E. Changes in Internal Control over Financial Reporting

The information provided under the heading "Management's Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting – Changes in Internal Control over Financial Reporting" in the Registrant's 2024 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(b) of General Instruction B to Form 40-F) serving on its Audit and Risk Management Committee (the "**Audit Committee**"). The Board has determined that 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 Nasdaq Stock Market LLC rules.

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 director and Chair of the Audit Committee of H2O Innovation Inc. from 2017 to 2021 as well as Special Committee Member of Groupe Conseil FXInnovation Inc. from 2014 to 2017. Mr. Comeau was a Chartered Professional Accountant (CPA) from 2013 to 2021. He holds a Bachelor's degree in accounting from HEC Montréal.

Form 40-F rules indicate that the designation of Mr. Comeau as an audit committee financial expert does not (i) result in him being deemed an "expert" including without limitation for purposes of Section 11 of the Securities Act of 1933, as amended, (ii) impose on him any duties, obligations or liability that are greater than the duties, obligations and liability imposed on him as a member of the Audit Committee and of the Board in absence of such designation, or (iii) 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 (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 Form 40-F rules. The Code is available on the Registrant's website at www.alithya.com/investors/governance. No waivers (i.e. a material departure from a provision) or implicit waivers to the Code were granted in favor of the principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. 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, Montréal, Canada (Auditor Firm ID: 85), acted as the Registrant's independent registered public accounting firm for the fiscal years ended March 31, 2024 and 2023. See section titled "External Auditor Service Fee" in the Registrant's 2024 AIF, for the amounts billed to the Registrant by KPMG for services performed in the last two fiscal years by category of service (audit fees, audit-related fees, tax fees and all other fees), and section titled "Audit and Risk Management Committee – Pre-approval Policy and Procedures" in the Registrant's 2024 AIF, for a description of the Registrant's pre-approval policy and procedures and the services approved thereunder, which sections are incorporated herein by reference.

OFF-BALANCE SHEET ARRANGEMENTS

The information provided under the heading "Off-Balance Sheet Arrangements" in the Registrant's 2024 MD&A attached as Exhibit 99.3 is incorporated by reference herein.

DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information provided under the heading "Contractual Obligations" in the Registrant's 2024 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.

INTERACTIVE DATA FILE

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

MINE SAFETY DISCLOSURE

Not applicable.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

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 Exchange Act, 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.

By: */s/ Nathalie Forcier*

Name: Nathalie Forcier

Title: Chief Legal Officer and Corporate Secretary

Date: June 13, 2024

EXHIBIT INDEX

97.1	Clawback Policy
99.1	Annual Information Form for the fiscal year ended March 31, 2024
99.2	Audited Annual Consolidated Financial Statements for the fiscal years ended March 31, 2024 and March 31, 2023
99.3	Management's Discussion and Analysis of Financial Position and Results of Operations for the fiscal years ended March 31, 2024 and March 31, 2023
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
101.1	Interactive Data File
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.1)

Exhibit 97.1

CLAWBACK POLICY

1. Objective

Alithya Group inc. (the "**Company**" or "**Alithya**") has adopted this clawback policy (the "**Policy**") in order to allow the Board of Directors (the "**Board**") to require, in specific circumstances, the reimbursement of short-term and long-term incentive compensation by certain Covered Persons (as defined below) and thereby discourage them from engaging in activities that may expose Alithya to financial and reputational risk. The Policy has been adopted in compliance with the requirements of Section 10D of the *Securities Exchange Act of 1934* and the listing standards of the NASDAQ Stock Market ("**NASDAQ**") and applies while the Company continues to have a class of securities listed on NASDAQ.

2. Definitions

For purposes of this Policy:

"**Amended and Restated Date**" has the meaning set out in Section 8 of this Policy.

"**Applicable Laws**" has the meaning set out in Subsection 3.3 of this Policy.

"**Committee**" means the Human Capital and Compensation Committee of the Board or, in the absence of such committee, a majority of independent directors serving on the Board.

"**Covered Person**" means, with respect to the Company, (i) its President and Chief Executive Officer, (ii) its Chief Financial Officer, (iii) its principal accounting officer (or if there is no such accounting officer, its controller), (iv) its executive officers, (v) any vice-president in charge of a principal business unit, division or function (such as sales, administration, accounting or finance), (vi) any other officer who performs a policy-making function for the Company or any of its subsidiaries, and (vii) any other person who performs similar policy-making functions for the Company.

"**Effective Date**" has the meaning set out in Section 8 of this Policy.

"**Financial Reporting Measure**" means any (i) measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, (ii) stock price, (iii) total shareholder return, and (iv) any measures that are derived wholly or in part from any measure referenced in (i), (ii) or (iii). Such measures need not be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to constitute a Financial Reporting Measure.

"**Financial Restatement**" means an accounting restatement of any of the interim quarterly or annual consolidated financial statements of the Company due to the material non-compliance of the Company with any financial reporting requirement under securities laws, including any required accounting restatement to correct:

(a) an error in previously issued financial statements that is material to the previously issued financial statements, or

(b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period,

but does not include (1) an out-of-period adjustment (i.e., the correction of an immaterial error in previously-issued financial statements, provided that such correction is immaterial to the current period), (2) an accounting restatement pursuant to an order issued by an applicable securities regulatory authority (provided such order is unrelated to any material non-compliance of the Company with any financial reporting requirement under securities laws), (3) the retrospective application of a change in accounting principles, (4) the retrospective revision to reportable segment information due to a change in the structure of the Company's internal organization, (5) a retrospective reclassification due to a discontinued operation, (6) the retrospective application of a change in reporting entity, such as from a reorganization of entities under common control, (7) retrospective adjustments to provisional amounts in connection with a prior business combination, and (8) retrospective revision for stock splits, stock dividends, or other changes in the Company's capital structure.

"**Incentive Compensation**" means any compensation that is:

(a) granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure; or

(b) determined based on (or otherwise calculated by reference to) compensation in (a) above (this may include, without limitation, amounts under any severance plan or agreement, any notional account that is based thereon, as well as any earnings or dividend equivalents accrued thereon).

"**Misconduct**" means: (i) fraud; or (ii) intentional and/or reckless non-compliance with applicable laws, rules or regulations, or the Company's Code of Business Conduct; or (iii) any failure to report or take action to stop the same of another individual in respect of which the Board reasonably determines the Covered Person had actual knowledge or was willfully blind.

"**Received**", with respect to Incentive Compensation, occurs in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the grant or payment of the Incentive Compensation occurs after the end of that period.

"**Recoupment Amount**" means the amount determined under Subsection 4.1 of this Policy.

"**Recoupment Period**" means the three fiscal years completed immediately preceding any applicable Restatement Date, plus any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.

"**Restatement Date**" has the meaning set out in Subsection 3.1 of this Policy.

3. Recoupment Events

3.1 Recoupment Due to Financial Restatement

In the event of a Financial Restatement, Incentive Compensation shall be subject to recoupment under this Policy as of the date (the "**Restatement Date**") which is the earlier to occur of:

(a) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement; or

(b) the date a court, regulator, or other legally authorized body directs the Company to prepare a Financial Restatement.

Notwithstanding the foregoing, recoupment in connection with a Financial Restatement under this Policy as amended and restated on the Amended and Restated Date will not apply to Incentive Compensation Received (i) by a person prior to October 2, 2023, (ii) prior to the date the person became a Covered Person, or (iii) by a person if they were not a Covered Person during the performance period applicable to such Incentive Compensation. With respect to Incentive Compensation Received by a person prior to October 2, 2023, any recoupment in connection with a Financial Restatement will be made, if at all, under the terms of this Policy in effect prior to the Amended and Restated Date.

3.2 Recoupment Due to Misconduct

In the event a Covered Person committed or was involved in any Misconduct not giving rise to a Financial Restatement, Incentive Compensation paid, granted, awarded to, or received or earned, or vested in favour of, the Covered Person during the 24 months preceding the date on which the Board determined that the Misconduct occurred and any award that was exercised, settled or paid after the Misconduct shall be subject to recoupment under this Policy.

3.3 Recoupment Required under Applicable Law

Incentive compensation shall be subject to recoupment as may be required by any applicable law, rule or regulation, stock exchange rule or regulatory body having jurisdiction over the Company from time to time ("**Applicable Laws**"), in which case, in the event of any inconsistency, conflict or ambiguity, Applicable Laws shall govern and supersede any limitations, rights, terms or discretion set out in this Policy.

4. Recoupment Process for Incentive Compensation

4.1 Determination of Recoupment Amount

In the case of recoupment due to Financial Restatement, subject to Section 5, the "**Recoupment Amount**" shall be the amount by which the Incentive Compensation Received by the Covered Person during the Recoupment Period exceeds the amount the Covered Person would have Received during that period had it been determined based on the restated amounts in the Financial Restatement, measured on a before-tax basis, as determined by the Committee. Where the Recoupment Amount is not subject to mathematical recalculation directly from the information in the Financial Restatement (such as if it is based on stock price or total shareholder return), then (i) the amount will be based on a reasonable estimate of the effect of the Financial Restatement on the applicable Financial Reporting Measure, (ii) the Company will maintain documentation related to that determination, and (iii) the Company will provide such documentation to NASDAQ.

In the case of recoupment due to a Covered Person's Misconduct that does not involve a Financial Restatement, the Recoupment Amount shall be the amount which the Board in its sole discretion determines to be appropriate. In determining that Recoupment Amount, the Board may take into account any factors it deems relevant, including, without limitation:

(a) the individual's position and degree of responsibility for the Misconduct;

(b) the availability of other remedies to the Company;

(c) any actual or potential penalties or punishments that regulators or third parties may impose on the relevant individual or the Company;

(d) the cost and likely outcome of any potential litigation relating to the recoupment, and whether recoupment may prejudice any other interests of the Company, including its interest in any related proceeding or investigation; and

(e) taxes paid or payable by the individual on compensation subject to recoupment.

Any such determination by the Board under this Policy will be final and binding on all interested parties and any successors thereto.

4.2 Procedure for Recoupment

The Company will reasonably promptly recover the Recoupment Amount. Except as set forth in Section 5, the Company may not accept an amount that is less than the Recoupment Amount in satisfaction of the Covered Person's obligations under this Policy.

To the extent that a Covered Person has already reimbursed the Company for any Recoupment Amount received under any duplicative recovery obligations established by the Company or applicable law, such reimbursed amount shall be credited to the Recoupment Amount that is subject to recovery under this Policy.

5. Exceptions to Recoupment Requirement

Notwithstanding anything to the contrary in this Policy, the Company may elect not to recover some or all of the Recoupment Amount in the case of recoupment due to Financial Restatement to the extent the Committee determines that recovery would be impracticable and one or more of the following conditions, and any other requirements of applicable law, are met:

(a) the direct expense paid to a third party to assist in enforcing the Policy would exceed the Recoupment Amount, and the Company (i) has made a reasonable attempt to recover the Recoupment Amount, (ii) documented such attempt, and (iii) provided such documentation to NASDAQ;

(b) recovery of the Recoupment Amount by the Company would violate applicable laws in Canada that were adopted prior to November 28, 2022, and the Company (i) has obtained an opinion of Canadian counsel that recovery would result in a violation of such laws, and (ii) has provided such opinion to NASDAQ; or

(c) recovery of the Recoupment Amount would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the U.S. Internal Revenue Code of 1986, as amended.

6. No Impairment of Other Remedies

Each award agreement or other document setting forth the terms and conditions of any Incentive Compensation granted to a Covered Person shall be deemed to include the provisions of this Policy. The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy that may be available to Alithya, including termination of employment and institution of any proceedings. Notwithstanding any provision of the Articles or By-laws of the Company or of any agreement between the Company and a Covered Person, Covered Persons are not entitled to be indemnified for any portion of any Incentive Compensation which is recouped or cancelled under this Policy or any taxes previously paid or other costs associated with the receipt of such Incentive Compensation or application of this Policy and no employee will be entitled to any compensation or damages in respect of any portion of any Incentive Compensation which is recouped pursuant to this Policy. Recoupment under this Policy shall not be considered to be or give rise to an event or action of the Company constituting “good reason” for resignation (or any similar concept) under any agreement, incentive plan or award of the Company.

7. Policy Review and Oversight

The Committee shall have overall responsibility for this Policy, including the periodic review, monitoring of the effectiveness and compliance thereof, and make appropriate recommendations to the Board. All determinations, decisions and interpretations to be made under this Policy shall be approved by the Board, on the recommendation of the Committee. Subject to Section 10D of the *Securities Exchange Act of 1934* and the listing standards of NASDAQ, as applicable, this Policy may be amended or terminated at any time by the Board.

8. Approval of this Policy and Effective Date

On the recommendation of the Committee, this Policy was first approved by the Board on June 9, 2021 (the “**Effective Date**”) and was subsequently amended and restated on November 13, 2023 (the “**Amended and Restated Date**”).

Annual Information Form of Alithya Group inc.

For the year ended March 31, 2024

June 12, 2024

Exhibit 99.1

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GENERAL INFORMATION

This Annual Information Form is dated June 12, 2024. Unless otherwise indicated, all information disclosed herein is provided as at March 31, 2024, references to "Alithya", "we", "our", "us", "the Company" or similar terms refer to Alithya Group inc. and its subsidiaries, references to the "Board" refer to the board of directors of Alithya Group inc., references to "subordinate voting shares" and "multiple voting shares" refer to the Class A subordinate voting shares and the Class B multiple voting shares of Alithya Group inc., respectively, and all monetary amounts are in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains or incorporates by reference 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 contained or incorporated by reference 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 maintain and develop its business, including by broadening the scope of its service offerings, leveraging artificial intelligence ("AI") and machine learning technologies, entering into new contracts and penetrating new markets; (iv) the Company's growth strategy, future operations, and prospects, including its expectations regarding future revenue resulting from bookings and backlog and providing stakeholders with long-term growing return on investment; (v) the Company's ability to service its debt and raise additional capital; (vi) the Company's estimates 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 identify suitable acquisition targets and realize the expected synergies or cost savings relating to the integration of such acquisitions; and (viii) the Company's intention to deregister its subordinate voting shares from the U.S. Securities and Exchange Commission ("SEC"), the estimated benefits of a deregistration as well as the anticipated duration of time the Company will continue to file period reports with the SEC.

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, 2024 and 2023, 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.sedarplus.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 Stock Market LLC ("Nasdaq"), 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 under the symbol "ALYA". The subordinate voting shares of the Company were subsequently voluntarily delisted from Nasdaq on February 19, 2024.

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, 2024, 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, 2024, based on the Company's annual audited consolidated financial statements for the fiscal year ended March 31, 2024, 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, 2024.

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%
Alithya Zero2Ten, Inc.	Delaware, USA	100%
Datum Consulting Group, LLC	Indiana, USA	100%
Datum Consulting Group Australia Pty Limited	Australia	100%
Datum Cybertech India Pvt Ltd.	India	100%
DCG Team UK Limited	United Kingdom	100%
Vitalyst, LLC	Delaware, USA	100%

GENERAL DEVELOPMENT OF THE BUSINESS

Fiscal 2024 Developments

On September 13, 2023, the Company announced the renewal of its normal course issuer bid ("NCIB") to purchase for cancellation up to 2,411,570 subordinate voting shares, representing 5% of the Company's public float as of the close of markets on September 7, 2023. Purchases for cancellation under the NCIB commenced on September 20, 2023 and will end on the earlier of September 19, 2024 and the date on which 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, through alternative trading systems, if eligible, or outside the facilities of the TSX pursuant to exemption orders issued by securities regulatory authorities. Purchases could also be made on the Nasdaq until February 9, 2024.

On December 22, 2023, the Company entered into a second amended and restated credit agreement to, among others, extend its maturity date from April 1, 2024 to April 1, 2026 and allow for annual extensions, and increase the principal amount of the Company's credit facility (the "Credit Facility") to $140 million and the accordion to $50 million.

On January 30, 2024, the Company announced it was consolidating the trading of its subordinate voting shares on the TSX and that it was voluntarily delisting from the Nasdaq. On February 9, 2024, the subordinate voting shares ceased trading on the Nasdaq and were officially delisted on February 19, 2024.

During the year ended March 31, 2024, the Company purchased for cancellation 500,560 subordinate voting shares for approximately $1 million at a weighted average price of $1.91 under the previous and current NCIB. As at March 31, 2024, the Company could still purchase up to 2,007,049 subordinate voting shares for cancellation under the current NCIB.

Fiscal 2023 Developments

On April 1, 2022, the Company acquired, through Alithya Consulting Inc., all the issued and outstanding shares of Trafic 3W Inc., an information technology ("IT") consulting firm specialized in the digital transformation in Québec, for total consideration of approximately $2 million, paid in cash and through the issuance of 83,449 subordinate voting shares. Immediately following the acquisition, Trafic 3W Inc. was amalgamated with Alithya Consulting Inc.

On July 1, 2022, the Company acquired, 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, a leader in IP digital transformation services for data-rich insurers and other regulated entities such as state governments and which specialized in application modernization and data migration, for a purchase price of approximately up to US$45.5 million, consisting of (i) US$13.6 million paid in cash at closing, net of working capital adjustment; (ii) US$4.3 million paid by the issuance of 1,867,262 subordinate voting shares at closing; (iii) US$10.3 million of deferred cash consideration, payable over three years on July 1, 2023, 2024 and 2025; (iv) deferred share consideration of 1,867,261 subordinate voting shares with a value of US$4.3 million; and (v) a potential earnout consideration of up to US$13 million, payable over three years in 2023, 2024 and 2025, based on annual gross profit increases, also payable in cash (75%) and shares (25%).

The consideration payable in cash at closing was 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 Credit Facility.

On September 14, 2022, the Company announced the renewal of its NCIB to purchase for cancellation up to 2,491,128 subordinate voting shares, representing 5% of the Company's public float as of the close of markets on September 8, 2022. Purchases for cancellation under the then current NCIB commenced on September 20, 2022 and ended on September 19, 2023. Purchases could 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 January 30, 2023, Bernard Dockrill joined the Company as Chief Operating Officer and Claude Rousseau, the former Chief Operating Officer, was appointed Special Advisor to the President and Chief Executive Officer, a position he held until his retirement on March 31, 2023.

On September 29, 2022 and February 13, 2023, the Company's amended and restated credit agreement was amended to, among others, include an accordion provision pursuant to which the maximum amount of the Credit Facility was increased from $125 million to $140 million during a period ending no later than January 31, 2023 (the "Bulge Period"), and to change applicable margins during the Bulge Period.

During the year ended March 31, 2023, the Company purchased for cancellation 378,425 subordinate voting shares for approximately $1 million at a weighted average price of $2.77 under the then current NCIB. As at March 31, 2023, the Company could still purchase up to 2,396,589 subordinate voting shares for cancellation under the then current NCIB.

Fiscal 2022 Developments

On April 1, 2021, the Company acquired all the issued and outstanding shares of R3D Consulting Inc. ("R3D Consulting"), whose name was thereafter amended for 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 totaling approximately $600 million in combined revenues during the 10-year term commercial agreements entered into with 9429-1143 Québec Inc. (a subsidiary of Quebecor Media Inc.) ("Quebecor") and La Capitale Civil Service Insurer Inc. (which was amalgamated with SSQ, Life Insurance Company Inc. to form Beneva Inc. on January 1, 2023) ("Beneva"), two of R3D Consulting's principal shareholders. Following the closing of the R3D Transaction, Beneva and Quebecor became principal shareholders of the Company, and each held more than 10% of the Company's share capital as at April 1, 2021.

On September 15, 2021, the Company announced the launch of its first 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 then current NCIB commenced on September 20, 2021 and ended on September 19, 2022. Purchases could 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 amended and restated 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 approximately US$45.4 million, including working capital and other adjustments, comprised of the assumption of certain accounts payable and accrued liabilities of US$2.3 million and of long-term debt of US$30.2 million and a payment in cash of US$12.9 million. The transaction also included a potential earnout of up to US$1 million payable by March 31, 2023, but it was determined that no such earnout would be payable. 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 indirectly controlled by a director then in office 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 remaining two unsecured promissory notes entered into in connection with funding received by certain U.S. subsidiaries under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act that were then still under review for forgiveness and which amounted to US$4.8 million were forgiven by the U.S. Small Business Administration.

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 then current NCIB. As at March 31, 2022, the Company could still purchase up to 5,113,172 subordinate voting shares for cancellation under the then current NCIB.

DESCRIPTION OF THE BUSINESS

Corporate Overview

With professionals in Canada, the U.S. and internationally, Alithya provides technology advisory services based on deep expertise in strategy and digital transformation. The Company guides and supports its clients in the pursuit of their business objectives, leveraging innovation and delivery excellence in the application of digital technologies.

Alithya's collective intelligence and expertise targets three main pillars: strategic consulting, enterprise transformation, and business enablement. With collaboration at the core of its business model, Alithya professionals deliver practical IT services and solutions to help solve complex business challenges for clients in the financial services, healthcare, manufacturing, government, energy, higher education, telecommunications, transportation and logistics, and other sectors. The Company has developed industry-specific solutions and services for many of these industries that aim at solving sector-specific business challenges and helping expedite the time to value of technology investments.

Business Offerings

Alithya's expertise with respect to its main pillars, offered in each reportable segment, includes:

- Strategic Consulting: Alithya provides advisory services for digital strategy, organization performance, cybersecurity, enterprise architecture, and change management. Business outcomes in this area include refining business processes to reflect real-world scenarios; boosting systems security from cyberattacks; migrating critical applications and data to the cloud; understanding the optimal enterprise architecture approach; defining change management strategies; and facilitating project planning activities for software selections, strategic roadmaps, or agile/scrum delivery teams.
- Enterprise Transformation: Alithya has more than 20 years of business transformation and enterprise applications implementation experience with enterprise resource planning (ERP), supply chain management (SCM), enterprise performance management (EPM), customer relationship management (CRM), and human capital management (HCM). Also, leveraging AI and machine learning technologies as a foundation, the Company provides transformational solutions and services for cloud infrastructure, custom applications development, legacy systems modernization, control/software engineering, data and analytics, and intelligent document processing. Alithya not only helps clients modernize enterprise applications through upgrades and the consolidation of multiple systems, but also helps to define overall technology ecosystems, to envision the use and impact of AI throughout an organization, and to build custom applications to address unique client needs.
- Business Enablement: Alithya offers ongoing paths to drive value through the provision of digital adoption and training, managed services, change enablement, and quality engineering. This practice area enables Alithya to move beyond advisory, implementations and project go-lives to provide ongoing value, including using AI to mine data for important insights for making faster, smarter business decisions; realizing a return on investment on digital projects by driving adoption and consumption of technology; helping clients to train and retain their workforce; bookending a change management strategy with a change enablement plan that converts visions into reality; and providing a routine, consistent way to test updates and fixes before deploying any new software products.

Business Structure

Alithya has three operating and reportable segments based on the regional geographic areas in which it operates: Canada, the U.S. and International.

The following table presents Alithya's revenues, in total and by reportable segment, for the fiscal years ended March 31, 2024 and 2023:

	FISCAL YEAR ENDED MARCH 31	
Reportable Segments	2024	2023
Canada	$ 277,544,000	$ 312,349,000
U.S.	$ 192,493,000	$ 189,883,000
International	$ 21,088,000	$ 20,469,000
Total	$ 491,125,000	$ 522,701,000

For additional information on our operating and reportable segments and the Company's revenues from customers for each category of services per reportable segments, please refer to note 23 "Segment and Geographical Information" of the Company's annual consolidated financial statements for the fiscal years ended March 31, 2024 and 2023, which is incorporated herein by reference. The annual consolidated financial statements for the fiscal years ended March 31, 2024 and 2023 are available on SEDAR+ at www.sedarplus.com and EDGAR at www.sec.gov and on the Company's website at www.alithya.com under the "Investors" section.

Competitive Environment

For many companies, digital systems and infrastructures are among their most important and strategic assets. These assets require significant investments and 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 focusing on our clients' complex business challenges, 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 partner capable of delivering rapid results for its clients.

Alithya's competitors in each of its operating and reportable segments include systems integration firms, 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, global presence, responsiveness to client needs, reputation and experience, financial stability, 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 embarked on a journey to be recognized as the trusted technology advisor of its clients. By the end of the fiscal year ending March 31, 2027, management believes that the achievement of its new scale and scope would allow it to leverage its industry knowledge, geographic presence, expertise, integrated offerings, and its position on the value chain to target higher value IT segments.

Alithya's strategic process begins with its agile approach to aligning its offerings with the most pressing challenges being experienced within the sectors that it services, and in its ability to continuously reinforce the building blocks of trusted relationships with its clients, employees, investors and partners. To ensure that it remains innovative and relevant, Alithya strives to meet or exceed the expectations of its stakeholders, including optimizing employee experiences, assisting its clients in achieving their missions, and creating greater value for its investors.

Clients by Market Sectors

Alithya's clients are mainly concentrated in the financial services, healthcare, manufacturing, government, energy, higher education, telecommunications, and transportation and logistics 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 the renewal of existing contracts and entry into new ones. Alithya's agile approach aims at providing an optimal alignment with clients, in order to enable them to overcome their challenges and attain their goals with strategic consulting, enterprise transformation and business enablement services. 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 represents an opportunity to achieve the scale that is increasingly required for mandates awarded by government and private organizations, as well as an opportunity for potential business acquisition candidates to benefit from Alithya's established relationships, 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. and internationally.

In order to provide its clients with the solutions best suited to their needs, Alithya has established strategic partnerships with a number of companies who are either industry leaders, including Microsoft, Oracle and Amazon Web Services (AWS), or well-regarded new entrants. Such partnerships are, however, generally terminable at will by either party.

Human Capital

With more than 3,000 professionals as at March 31, 2024, 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.

Specialized 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 programs such as the Alithya Leadership Academy and Leading@Alithya as a People Manager, programs offered in collaboration with the Executive Institute of McGill University. Secondly, Alithya actively seeks talented and skilled professionals through various recruitment strategies, including international recruitment, an employee referral bonus program, a skilled recruitment team, participation at career fairs, and widespread job postings. Thirdly, Alithya is always on the lookout for opportunities to complement its team’s expertise and industry knowledge through targeted business acquisitions.

Principal Offices 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
Montréal, Québec	Alpharetta, GA	Aix-en-Provence, France
Québec, Québec	Austin, TX	Sophia-Antipolis, France
Pickering, Ontario	Bala Cynwyd, PA	Tangier, Morocco
Toronto, Ontario		Hyderabad, India

Intellectual Property

Through its practices and expertise, Alithya leverages its proprietary innovations, accelerators, methodologies and other intellectual property when providing strategic advice to its clients. Alithya relies on a combination of trademarks, laws that protect intellectual property rights, regardless of whether such rights are registered, as well as contractual restrictions, such as confidentiality agreements, assignment of rights and licenses, to protect its intellectual property rights. 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:

- Alithya Adaptive Learning™: This on-demand, subscription-based platform helps drive usage and awareness of Microsoft applications, allowing organizations to improve the return on their investment by enhancing user proficiency and productivity and creating transformative change enablement.
- Alithya AI-FI™ solutions: These solutions leverage Alithya’s range of proprietary applications using AI and machine learning technologies. A play on the term hi-fi, short for high fidelity, the Alithya AI-FI™ solutions brand integrates the concepts of AI and fidelity (FI). The Alithya AI-FI™ solutions include a variety of solutions for the trading industry, the energy industry and others.
- Alithya Rapid QA™: 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 versions of this solution designed to automate testing of Oracle modules and Microsoft D365 applications.

- CASSI™ Analytics and KPIs: These solutions help nuclear plants and the energy sector reduce the work needed to generate and distribute maintenance performance reports and provide insight into opportunities to streamline maintenance. The CASSI™ software drives accountability and tracks progress against corporate and site-based performance goals for work week leaders, planners, schedulers, operations and maintenance staff.
- Alithya Rapid Capture™: This solution is the primary component of the Alithya Rapid Suite. It is an intelligent document processing solution that provides the ability to ingest commercial documents and efficiently extract key information to correctly store and launch appropriate workflows, a key in driving down costs for organizations while reducing errors. With AI and machine learning powered cognitive modules, Alithya Rapid Capture™ helps organizations to empower their lines of business with efficiency gains found by leveraging document capturing techniques that allows for structured, semi-structured and unstructured document analysis, image clean-up, document assembly and data extraction for all types of documents, including both machine printed and handwritten documents.
- Alithya SIDER™: This secure solution 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 healthcare professionals, health clinics and laboratory managers involved in monitoring medical results.

Alithya also offers a range of accelerators and intellectual property designed to bolster Microsoft and Oracle business application implementations. Alithya's Microsoft intellectual property caters to distinct requirements across various sectors, such as the manufacturing sector (including the dairy and poultry industries). Similarly, Alithya's Oracle accelerators encompass intellectual property, methodologies and add-ons tailored to address specific needs within sectors like manufacturing or professional services, supporting various facets of operations.

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, 2024 and 2023, incorporated herein by reference, and in the Company's other materials that are made public from time to time, all of which are available on SEDAR+ at www.sedarplus.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.

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 the TSX, (ii) an unlimited number of multiple voting shares, without par value, which are held by a limited number of holders, except that no further multiple voting shares can be issued, except pursuant to the exercise of options to purchase multiple voting shares that were issued and outstanding as at November 1, 2018, and (iii) an unlimited number of preferred shares, without par value, issuable in series. As at March 31, 2024, 88,141,000 subordinate voting shares and 7,274,248 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, 2024, 54.79% 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.

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.sedarplus.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 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.

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.

MARKET FOR SECURITIES

Trading Price and Volume

Alithya's subordinate voting shares started trading on the TSX and Nasdaq under the symbol "ALYA" on November 2, 2018, but were voluntarily delisted from the Nasdaq on February 19, 2024. As required by securities regulation, 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, 2024.

MONTH	HIGH ($)	LOW ($)	MONTHLY VOLUME
April 2023	2.86	2.42	435,423
May 2023	2.62	2.28	375,560
June 2023	3.00	2.16	1,056,989
July 2023	2.77	2.15	401,570
August 2023	2.57	2.26	435,736
September 2023	2.61	2.05	551,824
October 2023	2.34	1.89	483,555
November 2023	1.96	1.50	1,068,781
December 2023	1.78	1.34	1,650,234
January 2024	2.05	1.50	742,012
February 2024	2.05	1.45	1,125,178
March 2024	2.40	1.80	521,355

Normal Course Issuer Bid and Share Purchases for Cancellation

On September 13, 2023, the Company announced that it was renewing its NCIB to purchase for cancellation up to 2,411,570 subordinate voting shares, representing 5% of the Company's public float as of the close of markets on September 7, 2023. Please refer to the section titled "General Development of the Business – Fiscal 2024 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 that the Board shall consist of a minimum of 3 and a maximum of 15 directors. As at March 31, 2024, the Board was comprised of 9 directors. The following table lists the name and place of residence of the directors, as well as their current principal occupation and other positions they have held over the past five years, if any.

NAME AND PLACE OF RESIDENCE	POSITION WITH THE COMPANY	PRINCIPAL OCCUPATION	DIRECTOR SINCE[1]	OTHER POSITIONS HELD OVER THE PAST FIVE YEARS
Dana Ades-Landy Québec (Canada)	Director	Contract Position in the Special Loans Group, National Bank of Canada (Canadian chartered bank)	November 2016	Chief Executive Officer, Heart & Stroke Foundation of Canada (Québec)
André P. Brosseau Québec (Canada)	Director	President and Chief Executive Officer, Du Musée Investments Inc. (family office)	September 2022	-
Robert Comeau Québec (Canada)	Lead Director	Corporate Director and Lead Director of the Company	May 2018	-
Ines Gbegan Québec (Canada)	Director	Vice President of Finance, Biron Health Group Inc. (company offering medical laboratory expertise)	March 2024	Senior Director, Finance, Biron Health Group Inc. Vice President, Finance, Quebec and Maritimes, Transdev Canada Inc. Manager, Corporate Accounting, Enerkem Inc.
Lucie Martel Québec (Canada)	Director	Corporate Director	September 2019	Senior Vice President and Chief Human Resources Officer, Intact Financial Corporation
Paul Raymond Québec (Canada)	President and Chief Executive Officer, and Director	President and Chief Executive Officer of the Company	June 2011	-
Ghyslain Rivard Québec (Canada)	Director	Founder of the Company and Corporate Director	April 1992	-
C. Lee Thomas Ohio (USA)	Director	Corporate Director and Chair of the Board of Trustees of Baldwin Wallace University	November 2018	Executive in Residence at the School of Business of Baldwin Wallace University
Pierre Turcotte Québec (Canada)	Chair of the Board, and 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. Quebecor and Beneva are each party to an Investor Rights Agreement entered into with the Company on April 1, 2021 and pursuant to which the Company shall propose for election a candidate designated by each of Quebecor and Beneva until each of them ceases to beneficially own at least 10% of the issued and outstanding subordinate voting shares of the Company. André P. Brosseau was proposed by Quebecor and Ines Gbegan was proposed by Beneva for appointment to the Board.

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 U.S. securities laws (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 Paul Raymond, who is not independent as he is the President and Chief Executive Officer of the Company. All other directors of the Company, namely Dana Ades-Landy, André P. Brosseau, Robert Comeau, Ines Gbegan, Lucie Martel, Ghyslain Rivard, C. Lee Thomas and Pierre Turcotte, have no material relationship with the Company and are, in the reasonable opinion of the Board, independent directors within the meaning of 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 AND 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 executive officers of the Company as at June 12, 2024, as well as their current position with the Company and other positions they have held over the past five years, if any.

NAME	CURRENT POSITION	EXECUTIVE OFFICER SINCE (1)	OTHER POSITIONS HELD OVER THE PAST FIVE YEARS
Amar Bukkasagaram Indiana (USA)	Senior Vice President, Data Solutions	June 2023	President, Datum Consulting Group, LLC
Giulia Cirillo Québec (Canada)	Chief Human Capital Officer	April 2023	Senior Vice President and Chief Human Resources and Global Communications Officer, PSP Investments
Bernard Dockrill New Hampshire (USA)	Chief Operating Officer	January 2023	Senior Vice President, CGI Information Technologies & Solutions Inc.
Nigel Fonseca Ontario (Canada)	Senior Vice President, Ontario and Western Canada	June 2018	-
Nathalie Forcier Québec (Canada)	Chief Legal Officer and Corporate Secretary	September 2018	-
Robert Lamarre Québec (Canada)	Chief Information Officer	April 2016	-
Dany Paradis Québec (Canada)	Senior Vice President, Québec	November 2018	Senior Vice President, Québec and Oracle Practices Canada, Alithya Senior Vice President, Integrated Management Solutions, Alithya
Paul Raymond Québec (Canada)	President and Chief Executive Officer, and Director	April 2011	-
Russell Smith Alabama (USA)	President, Alithya USA	November 2018	-
Claude Thibault Québec (Canada)	Chief Financial Officer	August 2018	-

(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 12, 2024, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 4,887,711 subordinate voting shares and 7,274,248 multiple voting shares, representing respectively 5.55% 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

Other than as disclosed below, 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) 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 while the director or executive officer was acting in that capacity; or (b) 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 that was issued after the director or executive officer ceased to act in that capacity, but which resulted from an event that occurred while the director or executive officer was acting in that capacity. Mr. Brosseau was a director of Aptilon Corporation (“Aptilon”) from December 2006 to August 2021. On May 4, 2012, a management cease trade order was issued by the Autorité des marchés financiers followed by a cease trade order on all of Aptilon's securities on July 5, 2012 as a result of the failure to file annual audited financial statements, related management's discussion and analysis and certification of annual filings for the fiscal year ended December 31, 2011. From July 2012 to February 2013, similar cease trade orders were issued by the securities regulatory authorities of British Columbia, Manitoba, Alberta and Ontario. In August 2014, the cease trade orders were lifted and Aptilon, then known as DMD Digital Health Connections Group Inc., resumed trading on the NEX stock exchange in October 2014.

Other than as disclosed below, 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. Mr. Brosseau was a director of Virtutone Networks Inc. ("Virtutone") from September 2013 to November 2014. On January 23, 2015, Virtutone filed a notice of intention to make a proposal under the Bankruptcy and Insolvency Act (Canada). Mr. Rivard, was a director of Facilis Inc. ("Facilis") from November 1, 2021 to March 8, 2023. On March 8, 2023, Facilis initiated bankruptcy proceedings and a trustee was appointed to hold its 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.

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: Robert Comeau (Chair), Dana Ades-Landy 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 13, 2023. Each member of the Audit Committee is "independent" and "financially literate" within the meaning of the 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 was a Chartered Professional Accountant (CPA) from 2013 to 2021.
- Dana Ades-Landy has extensive financial expertise. With more than 25 years of experience as an executive in the banking industry, including executive leadership positions at Scotiabank, Laurentian Bank and National Bank of Canada, she currently works in the Special Loans Group of National Bank of Canada which she had run for over seven years in her previous time at this institution. Ms. Ades-Landy also serves as director and member of the Audit Committee of First Lion Holdings Inc. and Sagen MI Canada Inc. since 2018 and 2021, respectively. She previously acted as Chair of the Audit Committee of First Lion Holdings Inc. from 2018 to 2022 and director and Chair of the Audit Committee of the Canada Mortgage and Housing Corporation from 2017 to 2020. Ms. Ades-Landy 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 held various roles at Ernst & Young LLP from 1976 to 2014, including that of Managing Partner of its Cleveland office, Leader of its Northeast Ohio Market Segment, and global client serving audit partner. Mr. Thomas currently acts as Chair of the Board of Trustees of Baldwin Wallace University and as financial consultant for Regional Brands Inc. He previously served as director and Chair of the Audit Committee of Technical Consumer Products International. Mr. Thomas holds a Bachelor's degree in accounting from Baldwin Wallace University and is a Certified Public Accountant (CPA).

Pre-approval Policy and Procedures

The Audit Committee has adopted a policy and procedures for the pre-approval of engagement for services of its external auditor, which list prohibited services that the external auditor may not provide and require pre-approval of all audit and non-audit services provided by the external auditor.

For all permitted services, a request for pre-approval must be submitted to the Audit Committee through the Chief Financial Officer prior to engaging the external auditor to perform the services. The Audit Committee considers such requests, if applicable, on a quarterly basis, and, if acceptable, pre-approves such audit and non-audit services. During its deliberations, the Audit Committee assesses, among other factors, whether the services requested are prohibited and whether they, and the fees related thereto, could impair the independence of the Company's external auditor.

Notwithstanding the foregoing, in the interest of efficiency:

- The Audit Committee has delegated to the Chair of the Audit Committee the authority to effect such pre-approval from time to time. The Chair must, however, present all pre-approvals of non-audit services to the Audit Committee at the first meeting of the Audit Committee subsequent to such pre-approval.
- Certain permitted services are pre-approved with an envelope by the Audit Committee and thereafter only require approval by the Chief Financial Officer prior to the engagement. For services not covered by the pre-approved envelopes and costs in excess of the pre-approved amounts, separate requests for pre-approval must be submitted to the Audit Committee.
- At each meeting of the Audit Committee, a consolidated summary of all fees by service type is presented including a breakdown of fees incurred within each of the pre-approved envelopes.

Since the implementation of the Audit Committee pre-approval procedures in 2019, all audit and non-audit services rendered by the external auditor have been pre-approved in accordance therewith.

The Audit Committee also approves, on an annual basis, the fees charged to the Company by the external auditor for the current and following year.

EXTERNAL AUDITOR SERVICE FEE

KPMG LLP ("KPMG") is the external auditor of the Company. The fees billed by KPMG in the fiscal years ended March 31, 2024 and 2023 for audit, audit-related, tax and all other services provided to the Company were as follows:

	FISCAL YEAR ENDED MARCH 31	
	2024	2023
Audit fees[(1)]	$ 1,887,250	$ 951,300
Audit-related fees[(2)]	—	—
Tax fees[(3)]	—	$ 12,800
All other fees[(4)]	$ 45,000	—
Total	$ 1,932,250	$ 964,100

(1) "Audit fees" means the aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual consolidated financial statements and internal control over financial reporting, the review of the Company's interim condensed consolidated financial statements, and fees for additional audit procedures related to accounting and internal control matters. The fees billed in the fiscal year ended March 31, 2024 include audit fees billed for the first year audit of internal controls over financial reporting. For the fiscal year ended March 31, 2023, the Company was exempt from such requirement as it qualified as an emerging growth company in the U.S.

(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.

(3) "Tax fees" means the aggregate fees billed for professional services rendered by the auditor for tax compliance and tax advice. For the fiscal year ended March 31, 2023, tax fees consisted of fees billed in connection with tax compliance services assisting in the preparation of T2200 forms for filing with the Canadian taxation authorities.

(4) "All other fees" includes the aggregate of all other fees. For the fiscal year ended March 31, 2024, other fees consisted of fees billed in connection with information technology advisory services.

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. Beneva and Quebecor each beneficially own, control or direct, directly or indirectly, more than 10% of Alithya's subordinate voting shares as a result of the acquisition of R3D Consulting. Beneva and Quebecor are parties to commercial contracts pursuant to which Alithya receives significant revenues.

TRANSFER AGENT AND REGISTRAR

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.

MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business, the following material contract of the Company was entered into during the year ended March 31, 2024 and is still in effect as of the date hereof:

- Second Amended and Restated Credit Agreement entered into on December 22, 2023 among the Company, The Bank of Nova Scotia, as Administrative Agent, the other lenders named therein and each of the guarantors party thereto. Please refer to the section titled "General Development of the Business – Fiscal 2024 Developments" earlier in this Annual Information Form for more information on the content of this agreement.

INTERESTS OF EXPERTS

KPMG is the external auditor of the Company and has prepared (i) the report relating to the audit of the Company's annual consolidated financial statements for the fiscal years ended March 31, 2024 and 2023 and notes thereto, presented under the International Financial Reporting Standards as issued by the International Accounting Standards Board, and (ii) the report relating to the audit of the Company's internal controls over financial reporting as at March 31, 2024, both of which are included with the Company's annual consolidated financial statements for the fiscal year ended March 31, 2024. 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 regulations and also that it is an independent accountant with respect to the Company under all relevant U.S. professional and regulatory standards.

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 13, 2023.

Additional information regarding the Company, including financial information, can be found on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov, including the Company's annual audited consolidated financial statements and management's discussion and analysis for the fiscal years ended March 31, 2024 and 2023 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
Email: investorrelations@alithya.com

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 auditor;

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

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

2. In addition, the Committee shall review disclosure on matters related to the Committee and the external auditor to be made in the Company's annual management information circular and other annual and period disclosure documents, in accordance with applicable rules and regulations. The Committee is also responsible for assisting the Board in fulfilling its responsibilities relating to any 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 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 auditor is 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

5. *Composition* – The Committee shall be comprised of at least 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 NASDAQ).

6. *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 the 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 of the Committee's powers 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 is duly appointed and qualified.

7. *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.

8. *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 notifying the Committee Chair of such conflict. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair shall advise the Chair of the Board (or the Lead Director if the Committee Chair and the Chair of the Board are the same person). If the Committee Chair, the Chair of the Board or the Lead Director, 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.

9. *Service on Multiple Audit Committees* – Members of the Committee may not serve on the audit committee of more than two other publicly-traded companies unless the Board has first determined that such simultaneous service would not impair the ability of the applicable director to serve on the Committee.

10. *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.

11. *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. Meetings may be held at any time deemed appropriate by the Committee. The Committee may meet in person and by telephone or electronic means.

    (a) *Calling of Meetings* – The Committee shall meet as often as it deems appropriate to execute 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 24 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 such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been 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. The notice of meeting does not, however, need to state the purpose for which the meeting is being held.

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

    (c) *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 meeting of the Committee. The agenda of the Committee meeting will be prepared by the Chair of the Committee, working with the Corporate Secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

    (d) *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.

12. *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 auditor 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 without management present at every regular meeting.

13. *Professional Assistance* – The Committee may require the external auditor and internal auditors, if any, to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may, at the Company's expense, retain special legal, accounting, financial or other consultants to advise the Committee in executing its duties.

14. *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 auditor as to any information technology, audit and other non-audit services provided by the external auditor to the Company and its subsidiaries.

15. *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.

16. *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 auditor will have direct access to the Committee at their own initiative.

Powers

17. 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.

RESPONSIBILITIES

Selection and Oversight of the External Auditor

18. The external auditor is ultimately accountable to the Committee and the Board as the representative of the shareholders of the Company and shall report directly to the Committee and the Committee shall so instruct the external auditor. The Committee shall annually evaluate the performance of the external auditor and propose the appointment of the external auditor 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 auditor, 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 auditor, and enquire on the qualifications of the proposed external auditor before approving or rejecting the proposed change in external auditor.

19. The Committee shall approve in advance the terms of engagement and the compensation to be paid by the Company to the external auditor 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 auditor, 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 auditor 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 Policy and Procedures.

20. The Committee shall annually review the independence of the external auditor 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 auditor. In connection with such review, the Committee shall:

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

(b) require that the external auditor submit to it, at least annually, a formal written statement delineating all relationships between the Company and its subsidiaries, on one hand, and the external auditor, on the other hand, that may reasonably be considered to bear on the external auditor's independence;

(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.

21. The Committee may approve any permissible non-audit engagements of the external auditor and its affiliates to the Company and its affiliates in accordance with applicable laws.

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

23. The Committee shall require the external auditor to provide to the Committee, and the Committee shall review and discuss with the external auditor, all reports which the external auditor is required to provide to the Committee or the

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

(a) a description of the external auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the external auditor, 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 auditor, 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 auditor and (iii) other material written communication between the external auditor and management, such as any management letter or schedule of unadjusted differences.

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

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

Appointment and Oversight of Internal Auditors

26. The appointment, terms of engagement, compensation, replacement or dismissal of internal auditors, if any, 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.

27. The Committee shall obtain from the internal auditors, if any, and shall review summaries of 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.

28. The Committee shall, as it deems necessary and applicable, communicate with the internal auditors, if any, 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.

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

Oversight and Monitoring of Audits

30. The Committee shall review with the external auditor, the internal auditors, if any, 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 auditor, the audit procedures to be used and the timing and estimated budgets of the audits.

31. The Committee shall meet periodically or as it deems necessary and applicable, with the internal auditors, if any, 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.

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

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

34. 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

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

    (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 auditor or the internal auditors, if any, 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 part of the Company's ordinary course of business;

    (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.

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

Oversight and Monitoring of Internal Controls

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

    (a) the adequacy and effectiveness of the Company's internal accounting and financial controls and the recommendations of management, the external auditor and the internal auditors, if any, 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

38. In accordance with the Company's Whistleblower Policy, the Committee shall maintain 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, if any, these procedures and any significant complaints received.

Oversight and Monitoring of the Company’s Financial Disclosures

39. The Committee shall:

   (a) review with the external auditor and management and recommend to the Board for approval the annual audited financial statements and notes relating thereto and management’s 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 auditor and management each set of interim unaudited financial statements and notes related thereto and management’s 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.

40. 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, if applicable, 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.

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

Oversight of Finance Matters

42. Appointments of 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.

43. 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.

44. 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.

45. 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

46. 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 auditor’s opinion of management’s assessment of significant financial risks facing the Company and how effectively such risks are being managed or controlled.

47. 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.

48. 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.

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

Committee Reporting

50. 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, where applicable, state whether it has:

    (a) reviewed and discussed the audited or unaudited financial statements with management, the external auditor and the internal auditors, if any;

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

51. 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, dividends and the issuance and/or repurchase of shares.

52. The Committee shall maintain and review, as necessary, policies and procedures with respect to the delegation of authority by the Board to employees of the Company and its subsidiaries for day-to-day management.

53. 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, November 10, 2021, November 9, 2022 and November 13, 2023.

Alithya

Annual Consolidated Financial Statements of Alithya Group inc.

For the years ended March 31, 2024 and 2023

Exhibit 99.2

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Alithya Group inc. (the "Company") as of March 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended March 31, 2024 and 2023, 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, 2024 and 2023, and its consolidated results of operations and its consolidated cash flows for the years ended March 31, 2024 and 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated June 12, 2024 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the 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 audits 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. Our audits 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 audits 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 audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment test of goodwill

As discussed in Note 9 of the consolidated financial statements, the goodwill balance as of March 31, 2024 was $166.5 million. As discussed in Note 3 of the consolidated financial statements, goodwill is tested for impairment annually as of March 31, or more frequently, should events or changes in circumstances indicate that it may be impaired. An impairment loss is recognized if the carrying amount of the CGU exceeds its estimated recoverable amount. The recoverable amount of a CGU is the greater of its value in use and its fair value less cost of disposal. Key assumptions of the individual CGUs' value-in-use include forecasted revenues, cost of revenues and selling, general and administration expenses ("SG&A") applied in the determination of the Company's three year net operating cash flow forecast, the estimated long-term growth rate used to extrapolate the three year net operating cash flow forecast, and the pre-tax value weighted average cost of capital ("WACC") applied in the determination of the present value of the net operating cash flow forecast. Key assumptions of the individual CGUs' fair value less cost of disposal include forecasted revenues, cost of revenues, SG&A expenses and other non-cash adjustments applied in the determination of forecasted Adjusted EBITDA, and an implied market multiple applied to forecasted Adjusted EBITDA.

We identified the impairment test of goodwill as a critical audit matter. There was a higher degree of auditor judgment required to evaluate the above noted assumptions used in determining the individual CGUs' value-in-use. The sensitivity of reasonably possible changes to those assumptions could have a significant impact on the determination of the recoverable amount of the CGUs and the valuation of goodwill.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's valuation of goodwill process, including controls related to (1) determining the three-year net operating cash flow forecast and estimated long-term growth rate used to extrapolate the three year net operating cash flow forecast; and, (2) determining the WACC applied in the determination of the present value of the net operating cash flow forecast. We evaluated each year of the three-year net operating cash flow forecast by comparing them to historical actual results and assessed adjustments made to historical actual results through independent corroboration. We involved valuation professionals with specialized skills and knowledge, who assisted in (1) evaluating revenue growth rates applied in the determination of the Company's three year net operating cash flow forecast to publicly available growth rate estimates for comparable companies; (2) evaluating estimated long-term growth rates of net operating cash flows compared to economic data; and, (3) evaluating the WACC assumption by comparing it against discount rate ranges that were independently developed using publicly available market data for comparable companies.

Revenue recognition for fixed-fee and time and material arrangements applying the input method

As discussed in Note 23 of the consolidated financial statements, revenue from fixed fee arrangements and time and material arrangements applying the input method for the year ended March 31, 2024 were $63.5 million and $106.8 million, respectively. As discussed in Note 3 of the consolidated financial statements, revenues from fixed fee arrangements, and time and material arrangements where contractual billings do not correspond with the value provided to the client and where the outcome of the arrangements can be estimated reliably, are recognized over time based on the measure of progress towards completion. The measure of progress towards completion is determined by comparing labour costs incurred to date to total expected labor costs to complete the service, to arrive at an estimate of the percentage of revenue earned to date. The determination of total expected labor costs to complete a service is based on estimates that can be affected by a variety of factors, including but not limited to, changes in the scope of the contract, delays in reaching milestones, changes in labor mix and rates, previously unidentified complexities in service delivery, or potential claims from customers.

We identified revenue recognition for fixed-fee and time and material arrangements applying the input method as a critical audit matter. There was a higher degree of auditor judgment required to evaluate the total expected labor costs to complete estimates applied to arrive at an estimate of the percentage of revenue earned to date because of the subjective nature of the estimate.

The following are the primary procedures we performed to address this critical audit matter. For a sample of contracts which are uncompleted at the reporting date, we (1) obtained and read customer arrangements and change orders, when applicable, to understand the contract scope and key terms; (2) evaluated the identification of factors that can affect total expected labor costs to complete, including, but not limited to, changes in the scope of the contract, delays in reaching milestones, changes in labor mix and rates, previously unidentified complexities in service delivery, or potential claims from customers; (3) interviewed operational personnel as to the status of projects to evaluate progress to date, the estimate of total labour costs to complete, and factors that can affect total expected labor costs to complete; (4) performed a comparison of total labor costs incurred and the total expected labor costs to complete at the reporting date, to the originally estimated labour costs; and, (5) performed a comparison of actual labor costs incurred for the month subsequent to year-end to expected labor costs to complete estimates as at period end.

/s/ KPMG LLP

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

Montréal, Canada
June 12, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control Over Financial Reporting

We have audited Alithya Group inc.'s (the "Company") internal control over financial reporting as of March 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weakness, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of March 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated statements of financial position of the Company as of March 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended March 31, 2024 and 2023, and the related notes (collectively, the "consolidated financial statements"), and our report dated June 12, 2024 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness related to the control activities in the Company's revenue processes has been identified and included in management's assessment. The material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2024 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the "Management's Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting" section of the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended March 31, 2024. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Montréal, Canada
June 12, 2024

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

		For the years ended March 31,	
(in thousands of Canadian dollars, except per share data)		2024	2023
	Notes	$	$
Revenues	23	491,125	522,701
Cost of revenues	19	341,815	370,927
Gross margin		149,310	151,774
Operating expenses			
Selling, general and administrative expenses	19	121,558	126,522
Business acquisition, integration and reorganization costs	20	3,384	18,079
Depreciation	19	5,913	6,536
Amortization of intangibles	8	23,095	27,497
Foreign exchange loss		102	159
		154,052	178,793
Operating loss		(4,742)	(27,019)
Net financial expenses	21	11,857	9,335
Loss before income taxes		**(16,599)**	**(36,354)**
Income tax expense (recovery)			
Current	12	317	569
Deferred	12	(256)	(6,826)
		61	(6,257)
Net loss		**(16,660)**	**(30,097)**
Other comprehensive loss			
Items that may be classified subsequently to profit or loss			
Cumulative translation adjustment on consolidation of foreign subsidiaries		(4)	5,557
		(4)	5,557
Comprehensive loss		**(16,664)**	**(24,540)**
Basic and diluted loss per share	17	(0.17)	(0.32)

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)		2024	2023
	Notes	$	$
Assets			
Current assets			
Cash		8,859	22,583
Accounts receivable and other receivables	5	98,808	92,453
Unbilled revenues		14,937	23,420
Tax credits receivable		9,942	9,944
Prepaids		7,069	7,680
		139,615	**156,080**
Non-current assets			
Tax credits receivable		10,938	12,108
Other assets		2,267	1,111
Property and equipment	6	4,590	8,724
Right-of-use assets	7	5,606	9,353
Intangibles	8	81,273	104,335
Deferred tax assets	12	5,715	5,997
Goodwill	9	166,493	166,393
		416,497	**464,101**
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	10	74,917	91,263
Deferred revenues		25,293	22,275
Current portion of lease liabilities	7	4,136	3,873
Current portion of long-term debt	11	12,687	12,808
		117,033	**130,219**
Non-current liabilities			
Contingent consideration	4	4,082	7,037
Long-term debt	11	104,695	114,382
Lease liabilities	7	7,384	14,643
Deferred tax liabilities	12	8,099	8,632
		241,293	**274,913**
Shareholders' equity			
Share capital	13	312,409	311,967
Deficit		(157,370)	(141,481)
Accumulated other comprehensive income		4,606	4,610
Contributed surplus		15,559	14,092
		175,204	**189,188**
		416,497	**464,101**
Commitments and contingencies	15		

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 [(a)]	Total
		Number	$	$	$	$	$
Balance as at March 31, 2023		**95,195,816**	**311,967**	**(141,481)**	**4,610**	**14,092**	**189,188**
Net loss		—	—	(16,660)	—	—	(16,660)
Other comprehensive loss		—	—	—	(4)	—	(4)
Total comprehensive loss		**—**	**—**	**(16,660)**	**(4)**	**—**	**(16,664)**
Share-based compensation	14	—	—	—	—	2,764	2,764
Share-based compensation granted on business acquisitions	14	—	—	—	—	2,099	2,099
Share-based compensation related to contingent consideration, granted on business acquisition, to be settled in shares	20	—	—	—	—	(865)	(865)
Issuance of Subordinate Voting Shares pursuant to vesting of share-based compensation granted on business acquisitions	13	622,421	1,924	—	—	(1,924)	—
Shares purchased for cancellation	13	(493,878)	(1,724)	771	—	—	(953)
Issuance of Subordinate Voting Shares from exercise of stock options	13,14	2,500	8	—	—	(2)	6
Issuance of Subordinate Voting Shares from settlement of DSUs	13,14	73,682	201	—	—	(201)	—
Issuance of Subordinate Voting Shares from settlement of RSUs	13,14	14,707	33	—	—	(33)	—
Cash settlement of RSUs issued as share-based compensation	14	—	—	—	—	(371)	(371)
Total contributions by shareholders		**219,432**	**442**	**771**	**—**	**1,467**	**2,680**
Balance as at March 31, 2024		**95,415,248**	**312,409**	**(157,370)**	**4,606**	**15,559**	**175,204**
Balance as at March 31, 2022		**92,725,616**	**305,222**	**(111,654)**	**(947)**	**7,130**	**199,751**
Net loss		—	—	(30,097)	—	—	(30,097)
Other comprehensive income		—	—	—	5,557	—	5,557
Total comprehensive income (loss)		**—**	**—**	**(30,097)**	**5,557**	**—**	**(24,540)**
Share-based compensation	14	—	—	—	—	3,745	3,745
Share-based compensation granted on business acquisitions	14	—	—	—	—	2,995	2,995
Share-based compensation related to contingent consideration, granted on business acquisition, to be settled in shares [(a)]	4, 20	—	—	—	—	2,120	2,120
Issuance of Subordinate Voting Shares pursuant to vesting of share-based compensation granted on business acquisitions	13	738,382	1,708	—	—	(1,708)	—
Issuance of Subordinate Voting Shares in consideration of the acquisition of Datum, net of share issuance costs	4, 13	1,867,262	5,528	—	—	—	5,528
Issuance of Subordinate Voting Shares in consideration of the acquisition of Trafic 3W inc., net of share issuance costs	4, 13	83,449	276	—	—	—	276
Shares purchased for cancellation	13	(371,525)	(1,303)	270	—	—	(1,033)
Issuance of Multiple Voting Shares from exercise of stock options	13,14	152,632	536	—	—	(190)	346
Total contributions by shareholders		**2,470,200**	**6,745**	**270**	**—**	**6,962**	**13,977**
Balance as at March 31, 2023		**95,195,816**	**311,967**	**(141,481)**	**4,610**	**14,092**	**189,188**

[(a)] The Company reclassified comparative figures as at March 31, 2023 in order to correct an immaterial balance sheet presentation misstatement resulting in an increase in contributed surplus and a decrease in contingent consideration in the amount of $2,120,000.

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, 2024	2023
		$	$
Operating activities			
Net loss		(16,660)	(30,097)
Items not affecting cash			
Depreciation and amortization		29,008	34,033
Contingent consideration	20	(3,827)	9,157
Net financial expenses	21	11,857	9,335
Share-based compensation	14	4,863	6,740
Unrealized foreign exchange loss (gain)		153	(318)
Realized foreign exchange (gain) loss on repayment of long-term debt		(26)	861
Impairment of property and equipment and right-of-use assets	19, 20	1,462	3,697
Settlement of RSUs	14	(371)	—
Other		(290)	—
Deferred taxes	12	(256)	(6,826)
		25,913	26,582
Changes in non-cash working capital items	22	(10,244)	2,300
Net cash from operating activities		**15,669**	**28,882**
Investing activities			
Additions to property and equipment	6	(746)	(1,736)
Additions to intangibles	8	(41)	(849)
Restricted cash		—	3,254
Business acquisitions, net of cash acquired	4	—	(14,397)
Net cash used in investing activities		**(787)**	**(13,728)**
Financing activities			
Increase in long-term debt, net of related transaction costs	18	148,340	98,682
Repayment of long-term debt	18	(159,110)	(97,518)
Exercise of stock options	13	6	346
Repayment of lease liabilities, including lease termination costs	7	(5,813)	(3,653)
Share issue costs	13	—	(29)
Shares purchased for cancellation	13	(953)	(1,033)
Financial expense paid	21	(11,047)	(8,121)
Net cash used in financing activities		**(28,577)**	**(11,326)**
Effect of exchange rate changes on cash		(29)	1,100
Net change in cash		**(13,724)**	**4,928**
Cash, beginning of year		22,583	17,655
Cash, end of year		**8,859**	**22,583**
Cash paid (included in cash flow from operating activities)			
Income taxes paid		601	411

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

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

1. GOVERNING STATUTES AND NATURE OF OPERATIONS

Alithya Group inc. (together with its subsidiaries, "Alithya" or the "Company") is a professional services firm providing IT services and solutions through the optimal use of digital technologies in the areas of strategic consulting, enterprise transformation and business enablement.

The Company's Class A subordinate voting shares (the "Subordinate Voting Shares") trade on the Toronto Stock Exchange ("TSX") under the symbol "ALYA".

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

2. 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 12, 2024.

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 resulting from 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.

3. MATERIAL ACCOUNTING POLICIES

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.

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

The Company's principal subsidiaries are as follows:

Entity	Jurisdiction	2024 Percentage Ownership	2023 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 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%
Vitalyst, LLC	Delaware, USA	100%	100%
Datum Consulting Group, LLC	Indiana, USA	100%	100%
Alithya France SAS	France	100%	100%
DCG Team UK Limited	United Kingdom	100%	100%
Datum Consulting Group Australia Pty Limited	Australia	100%	100%
Alithya Numérique Maroc SARLAU	Morocco	100%	100%
Datum Cybertech India Pvt Ltd.	India	100%	100%

TRANSLATION OF FOREIGN CURRENCIES

The Company'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. 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 are reflected in the consolidated statements of operations.

Foreign operations

Assets and liabilities of each entity with a functional currency other than the Canadian dollar are translated into Canadian dollars upon consolidation at the closing rate at the reporting date. Revenue and expenses have been translated into Canadian dollars at average exchange rates over the reporting period. Exchange differences are recognized in other comprehensive income in the currency translation reserve in equity.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

SEGMENTED REPORTING

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the reportable segments.

A company shall disclose separately information about each operating segment, and can combine operating segments, with similar economic characteristics or that do not meet quantitative thresholds, into one reportable segment.

The Company has three operating and reportable segments based on geography: Canada, U.S. and International.

REVENUE RECOGNITION, UNBILLED REVENUES AND DEFERRED REVENUES

The Company generates revenue in the areas of information technology, principally through strategic consulting, enterprise transformation and business enablement services. These services are provided under various arrangements as defined below.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised 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 in the transaction price 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 Company's knowledge of the client or the industry, the type of services to be delivered and the specific contractual terms of each arrangement.

The Company enters into arrangements with multiple performance obligations which typically include consulting services, post-contract support (including maintenance), and software. 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 Company has determined standalone selling prices for:

- consulting services based on a stated and consistent rate per hour range in standalone transactions;
- post-contract support based on observable prices for standalone renewals; and
- software through consistent stated rates for software components.

Certain of the Company'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 Company 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Contract modifications are changes in scope and/or price that are approved by the parties to the contract. Approvals may be written, oral or implied by customary business practices, and are legally enforceable. The Company accounts for modifications as a separate contract if the modifications add distinct services that are priced commensurate with standalone selling prices or if the remaining services are distinct from those already transferred, otherwise modifications are accounted for as part of the original contract. When the contract modification is not accounted for as a separate contract, the Company recognizes an adjustment to revenue on the existing contract on a cumulative catch-up basis as at the date of the contract modification or, if the remaining services are distinct performance obligations, the Company recognizes the remaining consideration prospectively.

Time and materials arrangements

Revenue from strategic consulting and enterprise transformation services, including enterprise applications implementation, under time and materials arrangements is recognized as the services are rendered. Contractual billings of such arrangements correspond with the value provided to the client, and therefore revenues are recognized on an hourly basis.

Time and materials arrangements where contractual billings do not correspond with the value provided to the client are recognized based on the accounting policies for fixed-fee arrangements as defined below.

Fixed-fee arrangements

Revenue from enterprise transformation services, including enterprise applications implementation, 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 Company's efforts or inputs towards satisfying the performance obligation relative to the total expected inputs (the "Input Method") as it fulfills its performance obligations in line with contracted terms. The Company primarily uses labour costs to measure the progress towards completion. This method relies on estimates of total expected labour costs to complete the service, which are compared to labour costs 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. 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. For certain contracts, the Company recognizes revenue based on its right to consideration when such amount corresponds to the entity's performance completed to date.

Business enablement services

Managed services revenue is generated through a recurring fee in exchange for a monthly recurring service (typically support). The revenue for these arrangements is recognized over the contract term, either on a straight-line basis or based on usage.

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

Software revenue is generated in part from the resale of certain third-party off-the-shelf software and maintenance. The majority of the software sold by the Company is delivered electronically. For software that is delivered electronically, the Company 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

Company created software, and the associated maintenance, is reported on a gross basis and revenue is recognized at the point in time when it is distinct from the maintenance and support, otherwise it is recognized over the contractual term. Revenue from the sale of Company created software from software as a service ("SaaS") is recognized on a straight-line basis as the Company stands ready to provide customers with continuous access to its software over the contractual term. For a SaaS arrangement with a fee structure based upon customer usage and priced at a fixed rate for usage, the Company recognizes revenue over the contractual term based on its right to consideration when such amount corresponds to the entity's performance completed to date.

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, material and an allocation of other costs that relate directly to fulfilling contracts 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 when the Company has an unconditional right to invoice.

FINANCIAL INSTRUMENTS

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company 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

All financial assets of the Company are classified into the amortized cost category. 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.

Except for those accounts receivable 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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 receivable and other receivables, which is presented within selling, general and administrative expenses.

Subsequent measurement of financial assets at amortized cost

After initial recognition, all financial assets are measured at amortized cost using the effective interest method, less any impairment. Discounting is omitted where the effect of discounting is immaterial.

Impairment of accounts receivable and other receivables and unbilled revenues

The Company uses the simplified approach to measure the estimated credit loss for accounts receivable and other receivables and unbilled revenues and accordingly 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. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of accounts receivable 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 Company also assesses impairment of accounts receivable and other receivables and unbilled revenues on a customer-by-customer basis based on specific risks identified.

The Company considers a financial asset in default when contractual payments are considered past due and at risk depending on the various economic and asset-specific factors, or if it becomes probable that a customer will enter bankruptcy or other insolvency proceedings.

Classification and measurement of financial liabilities

All financial liabilities of the Company are initially measured at fair value, and where applicable, adjusted for transaction costs and subsequently measured at amortized cost using the effective interest method.

All interest-related charges are reported in the consolidated statements of operations within financial expenses.

EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) attributable to the holders of the Subordinate Voting Shares and Class B multiple voting shares (the “Multiple Voting Shares“) (together the “Shares”) by the weighted average number of Shares outstanding during the period.

Diluted earnings (loss) per share is determined using the treasury stock method to evaluate the dilutive effect of stock options and deferred, restricted and performance share units.

GOVERNMENT ASSISTANCE

Certain subsidiaries are eligible for government assistance programs, in different jurisdictions, in the form of grants 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. The government assistance is treated as a reduction in the cost of the qualifying expenditure.

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 Company. Management estimates the amounts to be received under these programs. Final government assistance received following examinations and audits could be different from amounts recorded.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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 Company as a lessee

For any new contracts entered into, the Company 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 identified asset (the underlying asset) for a period of time in exchange for consideration".

Measurement and recognition of leases as a lessee

At lease commencement date, the Company 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 Company, 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 Company 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 lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company 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 Company'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. Payments related to non-lease components, mostly made of common area maintenance fees, are excluded from the lease liabilities and are recorded as an expense over the lease term.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest, which are recorded as part of net financial expenses. 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

The Company 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.

INTANGIBLES

Intangible assets consist mainly of customer relationships, non-compete agreements and internal-use business solutions, software licenses and tradenames. 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 Company demonstrates its ability and intention to use them. Amortization of internal-use business solutions commences once the solution is available for use. Customer relationships, non-compete agreements, internal-use business solutions, software licenses and tradenames acquired through business combinations are initially recorded at their fair value. The Company amortizes its intangible assets using the straight-line method as follows :

	Method	Period
Customer relationships	Straight line	3 - 10 years
Non-compete agreements	Straight line	3 - 10 years
Software	Straight line	3 years
Tradenames	-	Indefinite

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

GOODWILL

Goodwill arises on business acquisitions accounted for under the acquisition method and represents the excess of consideration transferred over the fair value of the Company's share of the net identifiable assets acquired and liabilities assumed of the acquired entity 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 Company'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 Company assesses whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use are tested for impairment at least annually as at March 31.

3. MATERIAL 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 and which 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.

Reversal of Impairment

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, impairment of right-of-use assets from previous business combinations, gains or losses on disposal of non-core assets, transition costs relating to system integrations, contingent consideration as well as employee compensation related to business acquisitions and severance resulting from integrations and significant changes in management structure.

Reorganization costs, 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.

PROVISIONS

Provisions are recognized when the Company 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 Company's provisions may consist of litigation and claim provisions arising in the ordinary course of business.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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 and Multiple Voting Shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of any tax effects.

Normal course issuer bid ("NCIB")

When the Company purchases its Subordinate Voting 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.

SHARE-BASED COMPENSATION PLANS

Share purchase plan

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Long-term incentive plan ("LTIP") and share unit plan ("SUP"), (together the "Incentive Plans")

The Company operates a LTIP for eligible employees and directors of the Company 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 RSUs and PSUs in cash.

The Company also operates a SUP for eligible employees of the Company. Under this plan, eligible employees may elect to receive up to 50% of their annual bonus in DSUs and/or RSUs ("Bonus DSUs/RSUs") with the Company granting additional DSUs/RSUs equal to 25% of the Bonus DSUs/RSUs. The SUP also provides for the grant of discretionary DSUs and/or RSUs. The Board, at its discretion, may elect to settle DSUs and RSUs in cash.

The Company accounts for all grants as equity-settled awards as the Board intends to settle awards issued under the LTIP through the issuance of share capital and under the SUP through Subordinate Voting Shares purchased on the TSX.

The share-based payment expense is recognized in selling, general and administrative expenses with a corresponding adjustment through contributed surplus over the vesting period based on the grant date fair value of the award. Forfeitures, which are estimated at the time of grant, 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 respective vesting period.

For stock options, the grant date fair value is measured using the Black-Scholes option pricing model. 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.

For RSUs and DSUs, the grant date fair value is measured at the fair value of the underlying Subordinate Voting Share as at the grant date. For bonus DSUs/RSUs under the SUP, the fair value of the share-based expense is based on 125% of the fair value of the bonus elected to be settled as DSUs and/or RSUs, with a corresponding adjustment through contributed surplus. An expense is recognized over the vesting period as share-based payments within selling, general and administrative expenses, with a corresponding amount recognized in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of units for which the related service and performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the units of awards that do meet the related service and non-market performance conditions at the vesting date.

The terms and conditions of each grant of PSUs, 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 as 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 is made by the Board.

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

3. MATERIAL 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.

The following are critical judgements that management has made in applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

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 Company manages and monitors its operations, the nature of each CGU's operations, and the major customer markets they serve. As such, the Company has identified its CGUs for purposes of testing the recoverability and impairment of non-financial assets to be: Canada, France, EPM, ERP and Data Solutions.

Determination of operating segments – The Company uses judgment in the determination of operating segments for financial reporting and disclosure purposes. The Company has examined its activities and has determined that it has three reportable segments based on geography: Canada, U.S. and International.

The following are assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments within the next year:

Revenue recognition for fixed-fee and time and material arrangements applying the input method – The Company recognizes revenues from arrangements applying the input method 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 Company's best estimate of the total expected labour costs, and the related risks associated with completing the service. The determination of total expected labour costs to complete a service is based on estimates that can be affected by a variety of factors, including but not limited to, changes in the scope of the contract, delays in reaching milestones, changes in labour mix and rates, previously unidentified complexities in service delivery, or 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 Company'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 Company's impairment test for goodwill is based on internal estimates of its individual CGUs' recoverable amounts determined as the greater of value in use and fair value less costs of disposal. Value in use represents the present value of the future cash flows expected to be derived from the CGU from its continued use. The fair value less cost of disposal represents the price that would be received to sell the CGU in an orderly transaction between market participants at the measurement date under current market conditions, less incremental costs directly attributable to disposing of the CGU, excluding finance costs and income tax expense.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Key assumptions of the individual CGUs' value-in-use include forecasted revenues, cost of revenues, SG&A expenses and other non-cash adjustments applied in the determination of the Company's three year net operating cash flow forecast, estimated long-term growth rates used to extrapolate the three year net operating cash flow forecast and the pre-tax value weighted average cost of capital ("WACC") applied in the determination of the present value of the net operating cash flow forecast.

Key assumptions of the individual CGUs' fair value less cost of disposal include estimated revenues, cost of revenues, SG&A expenses and other non-cash adjustments applied in the determination of the Company's forecasted Adjusted EBITDA (as defined in note 26) and an implied market multiple applied to forecasted Adjusted EBITDA.

Changes in these key assumptions can have a material impact on the recoverable amount calculated and ultimately the amount of any goodwill impairment recognized. Refer to note 9 for additional information on the assumptions used.

Business acquisitions – The fair values allocated to identifiable intangible assets acquired as part of a business acquisition are based on management assumptions, including assumptions that would be made by market participants acting in their economic best interest. The Company develops the fair value of identifiable intangible assets acquired by using appropriate valuation techniques which are generally based on discounted future expected cash flows. Key assumptions applied in the determination of the acquisition date fair values of identifiable intangible assets acquired as part of a business acquisition include forecasted cash flows attributable to the asset, discount rates and, when applicable, attrition 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 twelve months. All other subsequent changes are recognized in the consolidated statements of operations.

ACCOUNTING STANDARD AMENDMENTS EFFECTIVE FOR THE YEAR ENDED MARCH 31, 2024

The following amendments to existing standards were adopted by the Company on April 1, 2023:

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 Company has updated its accounting policy information disclosures in these annual consolidated financial statements for the year ended March 31, 2024.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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 amendment of IAS 8 had no impact on the Company's annual consolidated financial statements for the year ended March 31, 2024.

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 Company has updated its disclosures in these annual consolidated financial statements for the year ended March 31, 2024. The adoption of these amendments resulted in a $4,907,000 gross-up presentation of the lease liability deferred tax asset and right-of-use deferred tax liability as at March 31, 2023, for note disclosure purposes, with no impact on the net amount of deferred tax liability recognized.

FUTURE ACCOUNTING STANDARDS CHANGES

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 Company. 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 Company'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. 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. On October 31, 2022, the IASB issued Non-current liabilities with covenants (Amendment to IAS 1) to clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Additional disclosure will be required to help users understand the risk that those liabilities could become repayable within twelve months after the reporting date. The amendments to IAS 1 apply retrospectively and are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

IFRS 18 - Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB published the new IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial statements.

IFRS 18 covers four main areas:

- Introduction of defined subtotals and categories in the statement of profit or loss
- Introduction of requirements to improve aggregation and disaggregation
- Introduction of disclosures about management-defined performance measures (MPMs) in the notes to the financial statements
- Targeted improvements to the statement of cash flows by amending IAS 7 – Statement of Cash Flows

IFRS 18 applies retrospectively and is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

4. BUSINESS COMBINATIONS

Business combinations realized in the fiscal year ended March 31, 2023

Datum

Overview

On July 1, 2022, the Company acquired 100% of the issued and outstanding equity interests of U.S.-based Datum Consulting Group, LLC and its international affiliates ("Datum") (the "Datum Acquisition"), a leader in IP enabled digital transformation services for data-rich insurers and other regulated entities such as governments. Management expects that its modernization practice and cloud-based software as a service (SaaS) offering will be complementary to Alithya's existing offerings and will allow for cross-selling opportunities.

The Datum Acquisition was completed for purchase consideration and other consideration of up to US$45,488,000 ($58,550,000), in aggregate.

The purchase consideration of US$27,200,000 ($35,010,000), in aggregate, consisted of: (i) US$13,542,000 ($17,430,000) paid in cash, net of working capital adjustment; (ii) US$4,313,000 ($5,552,000) paid by the issuance of 1,867,262 Subordinate Voting Shares; and (iii) US$9,345,000 ($12,028,000) of balance of sale, payable over three years on July 1, 2023, 2024 and 2025 (the "Anniversary Dates") (note 11).

The other consideration of up to US$18,288,000 ($23,540,000), consisted of: (i) deferred cash consideration of US$975,000 ($1,255,000); (ii) deferred share consideration of 1,867,261 Subordinate Voting Shares with a value of US$4,313,000 ($5,552,000); and (iii) potential earn-out consideration of up to US$13,000,000 ($16,733,000), all payable over three years on the Anniversary Dates.

The deferred cash consideration is recognized as employee compensation on business acquisition, over three years (note 20).

The deferred share consideration is recognized as share-based compensation to an employee, over three years (note 14).

The potential earn-out consideration is payable in cash (75%) and by Subordinate Voting Shares (25%), with a maximum of 1,517,151 Subordinate Voting Shares available for issuance with a value of US$3,505,000 ($4,511,000). The potential earn-out consideration has earn-out periods ending on each of the Anniversary Dates.

4. BUSINESS COMBINATIONS (CONT'D)

On March 31, 2023, an amending agreement to the equity purchase agreement was executed wherein the condition for employment for the payment of the potential earn-out was removed (the “Earn-out Amendment”).

As a result of the Earn-out Amendment, a contingent consideration liability in the amount of $7,037,000 (US$5,202,000), representing the portion payable in cash, and contributed surplus in the amount of $2,120,000, representing the portion to be settled in shares, for a total expense of $9,157,000, was recorded as at March 31, 2023, representing the present value of the expected payout amount for the potential earn-out over the next three years. The contingent consideration expense is recorded in business acquisition, integration and reorganization costs (note 20).

The portion of the contingent consideration to be settled in shares is adjusted to reflect the number of awards for which the non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the non-market performance conditions at the vesting dates.

The fair value of the assets acquired and liabilities assumed, and the purchase consideration’s valuation were completed on March 31, 2023.

On March 31, 2024, management’s best estimate of the earn-out settlement amount was reviewed, resulting in a recovery of $3,827,000, in aggregate, which was recorded in business acquisition, integration and reorganization costs (note 20), with a corresponding adjustment to contingent consideration liability and contributed surplus.

For the year ended March 31, 2023, the Company incurred acquisition-related costs pertaining to the Datum Acquisition of approximately $1,369,000. 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)

4. BUSINESS COMBINATIONS (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 Datum	$
Current assets	
Cash	2,798
Accounts receivable and other receivables	3,552
Unbilled revenue	1,301
Prepaids	159
	7,810
Non-current assets	
Other assets	2
Property and equipment	55
Right-of-use assets	135
Intangibles (note 7)	24,070
Goodwill (note 8)	13,696
Total assets acquired	**45,768**
Current liabilities	
Accounts payable and accrued liabilities	4,255
Deferred revenue	945
Current portion of lease liabilities	71
	5,271
Non-current liabilities	
Lease liabilities	64
Deferred tax liabilities	6,398
Total liabilities assumed	**11,733**
Net assets acquired	**34,035**

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 Datum into the Company's existing business. The Company does not expect the goodwill to be deductible for income tax purposes.

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

4. BUSINESS COMBINATIONS (CONT'D)

Consideration paid

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

Acquisition of Datum	$
Consideration transferred settled in cash	17,430
Issuance of 1,867,262 Subordinate Voting Shares (note 13)	5,552
Balance of purchase payable with a nominal value of US$9,345,000 ($12,028,000) (note 11)	11,053
Total consideration transferred	**34,035**

Datum's contribution to the Company’s results

For the year ended March 31, 2023, the Datum business contributed revenues of approximately $16,326,000 and a loss before income taxes in the amount of $15,762,000, including amortization, primarily related to the acquired customer relationships, of $5,658,000, contingent consideration of $9,157,000, share-based compensation granted on business acquisitions of $2,644,000, and acquisition and integration costs of $2,099,000.

If the acquisition had occurred on April 1, 2022, pro-forma consolidated revenues and loss before income taxes for the year ended March 31, 2023 would have been $526,492,000 and $38,991,000, respectively. These amounts have been calculated using Datum’s results and adjusting for:

- differences in accounting policies between the Company and Datum;
- the removal of transaction costs incurred by Datum from April 1, 2022 to June 30, 2022; and
- the additional amortization that would have been charged assuming the fair value adjustments to intangibles had been applied from April 1, 2022.

Trafic 3W inc.

On April 1, 2022, the Company acquired all of the issued and outstanding shares of Trafic 3W inc. (the “Trafic3W Acquisition”) for total consideration of $2,005,000, comprised of cash, in the amount of $900,000, and a balance of purchase price payable in the amount of $1,105,000.

The actual amount paid at acquisition, net of the cash acquired in the amount of $86,000, was $814,000, for a total consideration transferred of $1,919,000. The purchase price was mostly allocated to intangible assets and goodwill, in the amount of $455,000 and $1,270,000 respectively. Intangible assets acquired at the date of acquisition consisted of customer relationships and goodwill, allocated to the Canada CGU.

The balance of purchase price payable was settled in October 2022 with the issuance of 83,449 Subordinate Voting Shares, for a total value of $281,000, and the balance, in the amount of $824,000, was paid cash.

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

5. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

As at	March 31,	
	2024	2023
	$	$
Trade accounts receivable, net of allowance for estimated credit loss	98,346	90,007
Other receivables	462	2,446
	98,808	**92,453**

6. PROPERTY AND EQUIPMENT

As at	March 31, 2024				March 31, 2023			
	Furniture, fixtures & equipment	Computer equipment	Leasehold improvements	Total	Furniture, fixtures & equipment	Computer equipment	Leasehold improvements	Total
	$	$	$	$	$	$	$	$
Opening cost	1,725	6,792	8,081	16,598	1,874	4,925	8,494	15,293
Additions	174	550	22	746	89	1,321	326	1,736
Additions through business acquisitions (note 4)	—	—	—	—	—	55	—	55
Disposals / retirements	(325)	—	(2,125)	(2,450)	(325)	(13)	(758)	(1,096)
Foreign currency translation adjustment	(2)	17	4	19	87	504	19	610
Ending cost	**1,572**	**7,359**	**5,982**	**14,913**	**1,725**	**6,792**	**8,081**	**16,598**
Opening accumulated depreciation	651	3,829	3,394	7,874	448	2,083	2,350	4,881
Depreciation expense	448	1,884	1,006	3,338	280	1,344	1,183	2,807
Impairment	260	—	1,296	1,556	164	5	605	774
Disposals / retirements	(325)	—	(2,125)	(2,450)	(325)	(13)	(758)	(1,096)
Foreign currency translation adjustment	1	4	—	5	84	410	14	508
Ending accumulated depreciation	**1,035**	**5,717**	**3,571**	**10,323**	**651**	**3,829**	**3,394**	**7,874**
Net carrying amount	**537**	**1,642**	**2,411**	**4,590**	**1,074**	**2,963**	**4,687**	**8,724**

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

7. LEASES

Right-of-use assets

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

As at	March 31,	
	2024	2023
	$	$
Beginning balance	9,353	15,146
Additions	557	428
Depreciation	(2,575)	(3,729)
Impairment [(a)]	(1,272)	(2,923)
Derecognition [(b)]	(448)	—
Exchange rate effect	(9)	431
Net carrying amount	**5,606**	**9,353**

[(a)] *During the year ended March 31, 2024, the Company recorded impairment charges against certain real estate right-of-use assets, in the context of an on-going review of its real estate strategy following the integration of acquisitions and changes in working conditions in order to reduce the Company's footprint, realize synergies and improve the cost structure of the combined business. As a result, an impairment charge of $1,272,000 (2023 - $1,984,000) is presented in selling, general and administrative expenses and nil (2023 - $939,000) is presented in integration costs.*

[(b)] *During the year ended March 31, 2024, the Company 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 a short-term and a long-term lease receivable, included in accounts receivable and other receivables and other assets, respectively, in the aggregate amount of $1,033,000 (2023 - $103,000).*

Lease liabilities

As at	March 31,	
	2024	2023
	$	$
Beginning balance	18,516	21,263
Additions	557	428
Lease payments	(5,617)	(4,478)
Lease interest	664	825
Remeasurement	(2,593)	—
Exchange rate effect	(7)	478
Ending balance	**11,520**	**18,516**
Current portion	4,136	3,873
	7,384	**14,643**

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

7. LEASES (CONT'D)

Contractual lease payments under the lease liabilities as at March 31, 2024 are as follows:

As at	March 31, 2024
	$
Less than one year	4,559
One to two years	2,750
Two to five years	3,981
More than five years	1,325
Total undiscounted lease payments at period end	**12,615**

Amounts recognized in net loss

Year ended	March 31,	
	2024	2023
	$	$
Interest on lease liabilities	664	825

Total cash outflows for leases, including non-lease components, for the years ended March 31, 2024 and 2023 were $7,209,000 and $6,801,000, respectively.

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

8. INTANGIBLES

As at	March 31, 2024					March 31, 2023				
	Customer relationships	Software	Tradenames [(a)]	Non-compete agreements	Total	Customer relationships	Software	Tradenames [(a)]	Non-compete agreements	Total
	$	$	$	$	$	$	$	$	$	$
Opening cost	163,208	15,812	2,841	7,733	189,594	145,966	4,989	—	6,886	157,841
Additions, purchased	—	41	—	—	41	—	93	—	—	93
Additions through business acquisition (note 4)	—	—	—	—	—	11,525	9,782	2,703	515	24,525
Additions, internally generated	—	—	—	—	—	—	756	—	—	756
Disposals / retirements	—	—	—	—	—	—	(454)	—	—	(454)
Foreign currency translation adjustment	89	13	3	5	110	5,717	646	138	332	6,833
Ending cost	**163,297**	**15,866**	**2,844**	**7,738**	**189,745**	**163,208**	**15,812**	**2,841**	**7,733**	**189,594**
Opening accumulated amortization	74,135	6,279	—	4,845	85,259	49,958	2,741	—	3,215	55,914
Amortization	17,304	4,279	—	1,512	23,095	22,183	3,843	—	1,471	27,497
Disposals / retirements	—	—	—	—	—	—	(454)	—	—	(454)
Foreign currency translation adjustment	91	20	—	7	118	1,994	149	—	159	2,302
Ending accumulated amortization	**91,530**	**10,578**	**—**	**6,364**	**108,472**	**74,135**	**6,279**	**—**	**4,845**	**85,259**
Net carrying amount	**71,767**	**5,288**	**2,844**	**1,374**	**81,273**	**89,073**	**9,533**	**2,841**	**2,888**	**104,335**

[(a)] *Tradenames are allocated to the Data Solutions CGU for the purpose of impairment testing.*

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

9. GOODWILL

As at	March 31, 2024						
	Canada	France	EPM	ERP	Data Solutions [(b)]	Not allocated	Total
	$	$	$	$	$	$	$
Beginning balance	78,405	136	9,592	63,867	14,393	—	166,393
Foreign currency translation adjustment	—	(1)	11	74	16	—	100
Net carrying amount	**78,405**	**135**	**9,603**	**63,941**	**14,409**	**—**	**166,493**

As at	March 31, 2023						
	Canada	France	EPM	ERP	Data Solutions [(b)]	Not allocated	Total
	$	$	$	$	$	$	$
Beginning balance	77,135	128	8,852	29,005	—	30,968	146,088
Business acquisition (note 4)	1,270	—	—	—	13,696	(1,049)	13,917
Allocation [(a)]	—	—	—	29,919	—	(29,919)	—
Foreign currency translation adjustment	—	8	740	4,943	697	—	6,388
Net carrying amount	**78,405**	**136**	**9,592**	**63,867**	**14,393**	**—**	**166,393**

[(a)] *During the year ended March 31, 2023, upon completion of the purchase price allocation, the Company allocated the goodwill from the Vitalyst Acquisition to the ERP CGU for the purpose of impairment testing.*
[(b)] *Data Solutions is the CGU that relates to the goodwill from the Datum Acquisition for the purpose of impairment testing.*

The Company completed annual impairment tests as at March 31, 2024 and 2023 and concluded that 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 the CGU is based on the higher of the value in use and fair value less costs of disposal.

The recoverable amount of each CGU was determined based on the value-in-use calculations, with the exception of the ERP CGU, whose recoverable amount, for the year ended March 31, 2023, was determined based on the fair value less costs of disposal method. The value-in-use calculations covered 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 operating cash flows of each CGU is determined by applying a suitable pre-tax WACC reflecting current market assessments of the time value of money and the CGU-specific risks.

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

9. GOODWILL (CONT'D)

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

As at	March 31, 2024				
	Canada	France	EPM	ERP	Data Solutions
	%	%	%	%	%
Pre-tax WACC	13.8	19.4	17.7	17.8	18.9
Long-term growth rate of net operating cash flows [c]	1.8	1.4	1.9	1.9	1.9

As at	March 31, 2023				
	Canada	France	EPM	ERP	Data Solutions
	%	%	%	%	%
Pre-tax WACC	14.3	20.2	18.4	N/A	19.1
Long-term growth rate of net operating cash flows [c]	1.9	1.5	1.8	N/A	1.8

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

Varying the key assumptions in the values of the recoverable amount calculations, individually, as indicated below, for the years ended March 31, 2024 and 2023, assuming all other variables remain constant, would result in the recoverable amounts being equal to the carrying amounts.

As at	March 31, 2024	
	Incremental increase in pre-tax WACC	Incremental decrease in long-term growth rate of net operating cash flows
	Basis points	Basis points
Canada	228	296
France	444	711
EPM [d]	4,078	—
ERP	323	458
Data Solutions	285	386

[d] *The recoverable amount of the EPM CGU is not sensitive to its long-term growth rate assumption.*

As at	March 31, 2023	
	Incremental increase in pre-tax WACC	Incremental decrease in long-term growth rate of net operating cash flows
	Basis points	Basis points
Canada	165	218
France	2,224	5,839
EPM	98	146
ERP [e]	N/A	N/A
Data Solutions	1,795	3,335

[e] *Excluding the ERP CGU, whose recoverable amount, for the year ended March 31, 2023, was determined based on the fair value less costs of disposal method.*

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

9. GOODWILL (CONT'D)

Furthermore, a decrease of 18% in the three year net operating cash flows would result in the recoverable amounts being equal to the carrying amounts for the Canada and ERP CGUs (March 31, 2023 - 13% for the Canada CGU).

Recoverable amount of the ERP CGU for the year ended March 31, 2023

For the year ended March 31, 2023, the Company determined the recoverable amount of the ERP CGU based on the fair value less costs of disposal method. The fair value of the ERP CGU was based on a multiple applied to Adjusted EBITDA (as defined in note 26), which considers financial forecasts approved by management (level 3 of the fair value hierarchy as per note 25). The key assumptions of the individual CGUs' fair value less cost of disposal include estimated revenues, cost of revenues, SG&A expenses and other non-cash adjustments applied in the determination of forecasted Adjusted EBITDA, and an implied market multiple of 11 applied to forecasted Adjusted EBITDA. The Adjusted EBITDA multiple was obtained by using market comparables as a reference. The values assigned to the key assumptions represent management's assessment of the future Adjusted EBITDA and were based on historical data from external and internal sources.

For the year ended March 31, 2023, the key assumptions related to ERP CGU, 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, 2023, assuming all other variables remain constant, would result in the recoverable amount being equal to the carrying amount.

	Incremental decrease in Adjusted EBITDA margin	Incremental decrease in Adjusted EBITDA multiple
	Basis points	**Multiple**
ERP	231	2.4

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	**March 31,**	
	2024	**2023**
	$	**$**
Trade payable	41,751	53,357
Accrued compensation	27,458	33,835
Consumption taxes payable	5,708	4,071
	74,917	**91,263**

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

11. LONG-TERM DEBT

The following table summarizes the Company's long-term debt:

As at	March 31,	
	2024	2023
	$	$
Senior secured revolving credit facility (the "Credit Facility") [(a)]	81,073	82,512
Secured loans [(b)]	8,537	13,192
Subordinated unsecured loans [(c)]	20,000	20,000
Balance of purchase price payable with a nominal value of $8,436,000 (US$6,230,000) (March 31, 2023 - $12,641,000 (US$9,345,000)), non-interest bearing (4.4% effective interest rate), payable in annual installments of $4,218,000 (US$3,115,000), maturing on July 1, 2025	8,172	11,993
Unamortized transaction costs (net of accumulated amortization of $215,000 and $1,184,000)	(400)	(507)
	117,382	**127,190**
Current portion of long-term debt	12,687	12,808
	104,695	**114,382**

[(a)] On December 22, 2023, the Company entered into an Amended and Restated Credit Agreement (the "Agreement"). The Agreement increased the existing available Credit Facility to a maximum amount of $140,000,000 which can be increased under an accordion provision to $190,000,000, under certain conditions, and can be drawn in Canadian dollars and the equivalent amount in U.S. dollars. It is available in prime rate advances, CORRA advances, SOFR advances and letters of credit of up to $2,500,000.

The advances bear interest at the Canadian or U.S. prime rate, plus an applicable margin ranging from 0.75% to 1.75%, or CORRA or SOFR rates, plus an applicable margin ranging from 2.00% to 3.00%, 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 Company is required to maintain certain financial covenants which are measured on a quarterly basis.

The Credit Facility now matures on April 1, 2026 and is renewable for additional one-year periods at the lender's discretion, but the term of the Credit Facility cannot exceed three years.

As at March 31, 2024, the amount outstanding under the Credit Facility includes $71,773,000 (March 31, 2023 - $82,512,000) payable in U.S. dollars (US$53,000,000; March 31, 2023 - US$61,000,000).

The Company has an additional operating credit facility available to a maximum amount of $2,708,000 (US$2,000,000), bearing interest at U.S. prime rate plus 1.00%, with the same security and financial covenants as the Credit Facility. This operating credit facility can be terminated by the lender at any time. There was no amount outstanding under this additional operating credit facility as at March 31, 2024 and 2023.

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

11. LONG-TERM DEBT (CONT'D)

[(b)] The secured loans issued by Investissement Québec to finance the Company's refundable tax credits have the following terms and conditions:

As at			March 31,	
			2024	2023
			$	$
Year of related Refundable Tax Credit	**Repayable on the earlier of the date of receipt of the refundable tax credits receivable and**	**Bearing interest at**		
2022	March 31, 2024	Prime rate + 1,00%	—	8,719
2023	March 31, 2025	Prime rate + 1,25%	8,537	4,473
			8,537	**13,192**

The maximum amount that can be financed for the 2023 refundable tax credits is the lesser of 90% of the eligible refundable tax credits and $10,670,000. The loans are secured by a first ranking hypothec on the universality of the Company's financed refundable tax credits receivable and a subordinated ranking hypothec on accounts receivable and other receivables.

[(c)] On March 13, 2024, the Company entered into an amended agreement. The maturity of the subordinated unsecured loans with Investissement Québec, in the amount of $20,000,000, was extended from October 1, 2025 to October 1, 2026 and the loans are now renewable for one additional year at the lender's discretion. For the period up to October 1, 2025, the first $10,000,000 bears interest at fixed rates ranging between 6.00% and 7.25% and the additional $10,000,000 bears interest ranging between 7.10% and 8.35%, determined and payable quarterly, based on threshold limits for certain financial ratios. The interest rates for the period between October 1, 2025 to October 1, 2026 will be communicated by the lender at the latest fifteen days prior to October 1, 2025. Once communicated, the Company will have the option to partially or fully repay the loans, without penalties, by October 1, 2025 at the latest.

Under the terms of the loans, the Company is required to maintain compliance with certain financial covenants which are measured on a quarterly basis.

[(a)(c)] The Company was in compliance with all of its financial covenants as at March 31, 2024 and 2023.

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

12. INCOME TAXES

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

Year ended	March 31,	
	2024	2023
Current tax expense:	$	$
Current tax expense for the year	**317**	**569**
Deferred tax recovery:		
Recognition of previously unrecognized tax benefits related to tax losses	—	(6,470)
Origination and reversal of temporary differences	(256)	(356)
Total deferred tax recovery	**(256)**	**(6,826)**
Total income tax expense (recovery)	**61**	**(6,257)**

The Company’s effective income tax rate differs from the combined statutory tax rate as follows:

Year ended	March 31,			
	2024		2023	
	%	$	%	$
Loss before income taxes		(16,599)		(36,354)
Company's statutory tax rate	26.5	(4,399)	26.5	(9,634)
Non-deductible share-based compensation expense	(6.7)	1,113	(3.1)	1,112
Other non-deductible and tax exempt items	3.0	(496)	(8.8)	3,198
Change in unrecognized deferred tax assets	(21.7)	3,600	0.7	(247)
Other	(1.5)	243	1.9	(686)
Effective income tax rate	**(0.4)**	**61**	**17.2**	**(6,257)**

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

Deferred income tax assets and liabilities

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

As at	March 31,	
	2024	2023
	$	$
Deferred tax liabilities	(8,099)	(8,632)
Deferred tax assets	5,715	5,997
	(2,384)	**(2,635)**

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

12. INCOME TAXES (CONT'D)

Movements in temporary differences during the year were as follows:

As at	March 31, 2024					
	Opening balance	Recognized in earnings	Recognized in equity	Business acquisition	Foreign currency translation adjustment	Total
	$	$	$	$	$	$
Losses available for carryforward and other tax deductions	18,240	(8,308)	—	—	—	9,932
Lease liabilities	4,907	(1,854)	—	—	—	3,053
Deferred financing costs	484	(89)	—	—	—	395
Total deferred tax assets	**23,631**	**(10,251)**	**—**	**—**	**—**	**13,380**
Intangibles and goodwill	(16,140)	7,652	—	—	(5)	(8,493)
Tax credits and other	(7,580)	1,794	—	—	—	(5,786)
Right-of-use assets	(2,546)	1,061	—	—	—	(1,485)
Total deferred tax liability	**(26,266)**	**10,507**	**—**	**—**	**(5)**	**(15,764)**
Net carrying amount	**(2,635)**	**256**	**—**	**—**	**(5)**	**(2,384)**

As at	March 31, 2023					
	Opening balance	Recognized in earnings	Recognized in equity	Business acquisition	Foreign currency translation adjustment	Total
	$	$	$	$	$	$
Losses available for carryforward and other tax deductions	17,268	972	—	—	—	18,240
Lease liabilities	4,562	345	—	—	—	4,907
Deferred financing costs	576	(102)	10	—	—	484
Total deferred tax assets	**22,406**	**1,215**	**10**	**—**	**—**	**23,631**
Intangibles and goodwill	(15,439)	6,055	—	(6,519)	(237)	(16,140)
Tax credits and other	(6,659)	(921)	—	—	—	(7,580)
Right-of-use assets	(3,023)	477	—	—	—	(2,546)
Total deferred tax liability	**(25,121)**	**5,611**	**—**	**(6,519)**	**(237)**	**(26,266)**
Net carrying amount	**(2,715)**	**6,826**	**10**	**(6,519)**	**(237)**	**(2,635)**

During the year ended March 31, 2023, the Company recognized a deferred tax asset in the amount of $6,470,000 that was probable of being realized as a result of the deferred tax liability recognized pursuant to the Datum Acquisition (note 4). The recognized deferred tax asset relates to previous years' net operating losses of the Company in the U.S. available for carryforwards as at July 1, 2022 in the amount of approximately $24,359,000 that was previously not recognized.

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

12. INCOME TAXES (CONT'D)

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

Expiry date	Canada
	$
2039	922
2040	390
2041	2,075
2042	3,516
2043	3,603
2044	802
	11,308

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

Expiry date [a]	USA
	$
2037	13,344
Indefinite	15,682
	29,026

[a] Net operating losses amounting to $20,316,000, of which $13,344,000 will expire in 2037, 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 $51,633,000 (with expiry dates ranging from 2025 to 2044) and ii) net deductible temporary differences totaling approximately $18,998,000 for which no deferred tax benefit has been recognized.

13. SHARE CAPITAL

AUTHORIZED

As at March 31, 2024 and 2023, the Company's authorized share capital consisted of 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.

NCIB

On September 13, 2023, the Company's Board of Directors authorized and subsequently the TSX approved the renewal of its NCIB. Under the NCIB, the Company is allowed to purchase for cancellation up to 2,411,570 (previously 2,491,128) Subordinate Voting Shares, representing 5% of the Company's public float as of the close of markets on September 7, 2023.

The NCIB commenced on September 20, 2023 and will end on the earlier of September 19, 2024 (previously between September 20, 2022 and September 19, 2023) and the date on which the Company will have acquired the maximum number of Subordinate Voting Shares allowable under the NCIB or will otherwise decide 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.

In connection with the NCIB, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker. The ASPP allows 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.

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

13. SHARE CAPITAL (CONT'D)

ISSUED

The following table presents information concerning issued share capital activity for the year ended March 31, 2024:

	Subordinate Voting Shares		Multiple Voting Shares	
	Number of shares	$	Number of shares	$
Beginning balance	87,871,568	307,110	7,324,248	4,857
Shares issued pursuant to vesting of share-based compensation granted on business acquisition	622,421	1,924	—	—
Conversion of shares	50,000	33	(50,000)	(33)
Shares purchased for cancellation	(493,878)	(1,724)	—	—
Exercise of stock options	2,500	8	—	—
Settlement of DSUs	73,682	201	—	—
Settlement of RSUs	14,707	33	—	—
Ending balance	**88,141,000**	**307,585**	**7,274,248**	**4,824**

During the year ended March 31, 2024, the following transactions occurred:

- As part of the Datum Acquisition, 622,421 Subordinate Voting Shares, with a total value of $1,924,000 (US$1,438,000), reclassified from contributed surplus, were issued as settlement of the first anniversary share consideration.
- 50,000 Class B multiple voting shares ("Multiple Voting Shares") with a carrying value of $33,000 were converted into 50,000 Subordinate Voting Shares by a director of the Company.
- 493,878 Subordinate Voting Shares were purchased for cancellation under the Company's NCIB for a total cash consideration of $953,000 and a carrying value of $1,724,000. The excess of the carrying value over the purchase price in the amount of $771,000 was recorded as a reduction to deficit.
- 2,500 stock options were exercised and 2,500 Subordinate Voting Shares were issued with a carrying value of $8,000, for cash consideration of $6,000, with $2,000 reclassified from contributed surplus.
- 73,682 DSUs were settled and 73,682 Subordinate Voting Shares were issued with a carrying value of $201,000, which was reclassified from contributed surplus.
- 14,707 RSUs were settled and 14,707 Subordinate Voting Shares were issued with a carrying value of $33,000, which was reclassified from contributed surplus.

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

13. SHARE CAPITAL (CONT'D)

The following table presents information concerning issued share capital activity for the year ended March 31, 2023:

	Subordinate Voting Shares		Multiple Voting Shares	
	Number of shares	$	Number of shares	$
Beginning balance	85,554,000	300,901	7,171,616	4,321
Shares issued pursuant to vesting of share-based compensation granted on business acquisitions	738,382	1,708	—	—
Shares issued in consideration of the Datum Acquisition (note 4)	1,867,262	5,528	—	—
Shares issued in consideration of the acquisition of Trafic 3W inc. (note 4)	83,449	276	—	—
Shares purchased for cancellation	(371,525)	(1,303)	—	—
Exercise of stock options	—	—	152,632	536
Ending balance	**87,871,568**	**307,110**	**7,324,248**	**4,857**

During the year ended March 31, 2023, the following transactions occurred:

- As part of the acquisition of Matricis Informatique Inc., 157,882 Subordinate Voting Shares, with a total value of $600,000, reclassified from contributed surplus, were issued as settlement of the third anniversary share consideration.
- As part of the acquisition of Travercent LLC, 580,500 Subordinate Voting Shares, with a total value of US$819,000 ($1,108,000), reclassified from contributed surplus, were issued as settlement of the third anniversary share consideration.
- As part of the Datum Acquisition (note 4), 1,867,262 Subordinate Voting Shares, with a total fair value of $5,552,000, were issued. The Company incurred share issue costs in the amount of $32,000, net of deferred income tax of $8,000, for net consideration of $5,528,000.
- As part of the Trafic3W Acquisition (note 4), 83,449 Subordinate Voting Shares, with a total fair value of $281,000, were issued. The Company incurred share issue costs in the amount of $7,000, net of deferred income tax of $2,000, for net consideration of $276,000.
- 371,525 Subordinate Voting Shares were purchased for cancellation under the Company's NCIB for a total cash consideration of $1,033,000 and a carrying value of $1,303,000. The excess of the carrying value over the purchase price in the amount of $270,000 was recorded to retained earnings.
- 152,632 stock options were exercised and 152,632 Multiple Voting Shares were issued with a value of $536,000, for cash consideration of $346,000, with $190,000 reclassified from contributed surplus.

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

14. SHARE-BASED PAYMENTS

Share purchase plan

Under the Company's share purchase plan, eligible employees may contribute up to 10% of their annual gross salary and the Company matches contributions made by employees up to a maximum percentage, depending on the position held by the employee, of the employee's gross salary. The employee's and the Company's contributions are remitted to an independent administrative agent who purchases Subordinate Voting Shares on the TSX on behalf of the employee.

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. The LTIP provides that stock options be issued with an exercise price equal to the volume weighted average price of the Subordinate Voting Shares on the TSX for the five trading days ending on and including the day that is immediately prior to the grant date. Stock options vest as set out in the applicable award agreement between the participant and the Company. Vesting is generally four years from the date of grant and stock options shall be exercised by the tenth anniversary of the grant date, except in the event of death, disability, retirement or termination of employment, in which case the LTIP provides earlier terms. 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.

The following tables present information concerning outstanding stock options issued by currency:

Year ended	March 31, 2024		March 31, 2023	
	Number of stock options	Weighted average exercise price (CAD)	Number of stock options	Weighted average exercise price (CAD)
		$		$
Beginning balance	3,400,696	3.23	3,079,598	3.19
Granted	—	—	626,230	3.25
Forfeited	(57,250)	3.32	(67,500)	3.60
Expired	(22,750)	3.71	(85,000)	3.65
Exercised	—	—	(152,632)	2.27
Ending balance	**3,320,696**	**3.22**	**3,400,696**	**3.23**
Exercisable at year end	**1,932,064**	**3.34**	**1,464,014**	**3.42**

Year ended	March 31, 2024		March 31, 2023	
	Number of stock options	Weighted average exercise price (USD)	Number of stock options	Weighted average exercise price (USD)
		$		$
Beginning balance	1,084,175	2.55	1,004,484	2.63
Granted	—	—	265,125	2.50
Forfeited	(52,100)	2.44	(94,475)	2.91
Expired	(13,000)	3.23	(90,959)	2.92
Exercised	(2,500)	1.67	—	—
Ending balance	**1,016,575**	**2.55**	**1,084,175**	**2.55**
Exercisable at year end	**509,525**	**2.66**	**284,400**	**2.81**

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

14. SHARE-BASED PAYMENTS (CONT'D)

Included in the 1,932,064 (2023 - 1,464,014) exercisable stock options issued in Canadian dollars, 505,264 (2023 - 505,264) stock options are available to purchase Multiple Voting Shares as at March 31, 2024. No further stock options to purchase Multiple Voting Shares may be issued as per the stock options plan.

During the year ended March 31, 2024, the weighted average share price at the date of exercise of stock options was $2.45 (2023 - $2.66).

The Company did not grant stock options during the year ended March 31, 2024.

On June 21, 2022, the Company issued 626,230 and 265,125 stock options, to purchase a total of 891,355 Subordinate Voting Shares, at grant date fair values of $1.38 and US$1.06, respectively.

The assumptions used to determine the 2023 stock options grant date fair values using the Black-Scholes stock option pricing model were as follows:

Year ended	March 31, 2023
Weighted average assumptions	
Share price	$3.25
Exercise price	$3.25
Risk-free interest rate	3.50%
Expected volatility [a]	35.0%
Dividend yield	—
Expected option life (years)	6.6
Vesting conditions – time (years)	3.3

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

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, 2024		March 31, 2023	
Exercise price range (CAD)	Number of stock options	Weighted average remaining exercise period – in years	Number of stock options	Weighted average remaining exercise period – in years
$				
1.90 to 2.55	730,264	4.48	735,264	5.44
2.56 to 2.96	295,000	1.63	295,000	2.63
2.97 to 3.30	1,316,432	7.12	1,366,432	8.15
3.31 to 3.95	550,000	4.47	564,000	5.48
3.96 to 4.55	429,000	4.59	440,000	5.59
	3,320,696	**5.29**	**3,400,696**	**6.31**

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

14. SHARE-BASED PAYMENTS (CONT'D)

As at	March 31, 2024		March 31, 2023	
Exercise price range (USD)	Number of stock options	Weighted average remaining exercise period – in years	Number of stock options	Weighted average remaining exercise period – in years
$				
1.67 to 2.25	165,000	6.23	175,000	7.23
2.26 to 2.75	624,825	7.15	665,425	8.20
2.76 to 3.44	226,750	4.96	243,750	5.96
	1,016,575	**6.52**	**1,084,175**	**7.54**

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 eligible employees and directors of the Company. 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.

Under the SUP, eligible employees of the Company may elect annually to receive up to 50% of their annual bonus in DSUs ("Bonus DSUs"). The Company also grants additional DSUs ("Matching DSUs") equal to 25% of the Bonus DSUs.

The number of Bonus DSUs to be received by an eligible employee is determined by dividing the amount of the eligible employee's bonus to be paid in the form of Bonus DSUs on the date on which the bonus is payable to the eligible employee (the "Award Date") by the volume weighted average price of the Subordinate Voting Shares on the TSX for the five trading days ending on and including the date that is immediately prior to the Award Date. Bonus DSUs vest as of the Award Date. Matching DSUs vest one year following the Award Date.

The following table presents information concerning the outstanding number of DSUs for the respective years:

Year ended	March 31,	
	2024	2023
Beginning balance	666,974	439,521
Granted to non-employee directors	280,100	227,453
Granted to employees	304,688	—
Settled	(73,682)	—
Ending balance	**1,178,080**	**666,974**

During the year ended March 31, 2024, 280,100 (2023 - 227,453) fully vested DSUs, in aggregate, were granted under the LTIP to non-employee directors of the Company at a weighted average grant date fair value of $2.01 (2023 - $2.55), per DSU, for an aggregate fair value of $563,000 (2023 - $579,000).

During the year ended March 31, 2024, 304,688 DSUs, in aggregate, were granted under the SUP at a grant date fair value of $2.30, per DSU, for an aggregate fair value of $701,000. Share-based compensation expense was recorded as at March 31, 2023 as the related services were performed and the performance conditions were met at that date.

During the year ended March 31, 2024, 73,682 DSUs issued under the LTIP were settled through the issuance of 73,682 Subordinate Voting Shares, with a carrying value of $201,000.

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

14. SHARE-BASED PAYMENTS (CONT'D)

As at March 31, 2024, included in the 1,178,080 DSUs are 873,392 DSUs issued under the LTIP and 304,688 DSUs issued under the SUP.

RSUs

Under the Incentive Plans, the Board, subject to the provisions of the Incentive Plans and such other terms and conditions, may grant RSUs to obtain Subordinate Voting Shares to eligible employees (and directors per the LTIP) of the Company. Unless otherwise specified by the Board at the time of grant, RSUs granted under the LTIP vest on the third anniversary of the date of grant and discretionary RSUs granted under the SUP vest on December 15th of the second calendar year following the year in which the grant occurs. Under both the LTIP and SUP, RSUs will be settled as soon as practicable following vesting.

The following table presents information concerning the outstanding number of RSUs for the respective years:

Year ended	March 31,	
	2024	2023
Beginning balance	181,498	181,498
Granted	349,700	—
Settled	(181,498)	—
Ending balance	**349,700**	**181,498**

During the year ended March 31, 2024, 349,700 RSUs, in aggregate, vesting over three years from the date of grant, were granted under the SUP at an average grant date fair value of $2.23, per RSU, for an aggregate fair value of $780,000.

During the year ended March 31, 2024, 181,498 RSUs issued under the LTIP were settled. 14,707 RSUs were settled through the issuance of 14,707 Subordinate Voting Shares, with a carrying value of $33,000. The balance was settled for a total cash consideration of $371,000.

As at March 31, 2024, all 349,700 RSUs were issued under the SUP.

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 eligible employees and directors of the Company. The terms and conditions of each PSU grant, including market and non-market performance goals, are determined by the Board.

The following table presents information concerning the outstanding number of PSUs for the respective years:

Year ended	March 31,	
	2024	2023
Beginning balance	855,383	332,263
Granted	1,349,752	528,120
Forfeited	(48,608)	(5,000)
Ending balance	**2,156,527**	**855,383**

During the year ended March 31, 2024, 1,349,752 (2023 - 528,120) PSUs, in aggregate, vesting three years from the date of grant, were granted at a grant date fair value of $2.30 (2023 - $3.25), per PSU, for an aggregate fair value of $3,104,000 (2023 - $1,716,000).

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

14. SHARE-BASED PAYMENTS (CONT'D)

As at March 31, 2024, all 2,156,527 PSUs were issued under the LTIP.

Share-Based Compensation expense

Total share-based compensation expense for the years ended March 31, 2024 and 2023 is summarized as follows:

Year ended	March 31,	
	2024	2023
	$	$
Stock options	594	1,262
Share purchase plan – employer contribution	1,394	1,372
Share-based compensation granted on business acquisitions [(a)]	2,099	2,995
DSUs	600	1,250
RSUs	363	—
PSUs	1,207	1,233
	6,257	**8,112**

[(a)] *Excludes the portion of the contingent consideration payable to be settled in shares (note 20).*

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 Datum Acquisition, an amount of $2,099,000 (2023 - $2,644,000);
- In relation to the Subordinate Voting Shares to be issued as part of the acquisition of Matricis Informatique Inc., an amount of nil (2023 - $100,000); and
- In relation to the Subordinate Voting Shares to be issued as part of the acquisition of Travercent LLC, an amount of nil (2023 - $251,000).

15. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Company 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 Company's financial position and results of operations. Claims for which there is a probable unfavorable outcome are recorded in provisions.

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

15. COMMITMENTS AND CONTINGENCIES (CONT'D)

Operating commitments

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

Year ended	March 31, 2024
Technology licenses, infrastructure and other	Total
	$
2025	6,725
2026	3,096
2027	1,660
2028	1,009
Thereafter	2,070
	14,560

16. RELATED PARTIES

Ultimate controlling party

As at March 31, 2024, the holders of Multiple Voting Shares, directly or indirectly, collectively owned or exercised control over Subordinate Voting Shares and Multiple Voting Shares representing approximately 45.6% 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 Company's Executive Committee and certain other key management personnel. Key management of Alithya participate in the share purchase plan and the Incentive Plans. The compensation paid or payable to directors and to key management for services is shown below:

Year ended	March 31,	
	2024	2023
	$	$
Director compensation, and key management salaries and benefits [(a)]	4,100	4,101
Share-based compensation	2,106	3,081
	6,206	**7,182**

[(a)] *Salaries and benefits include short-term incentive compensation.*

In addition to the above amounts, the Company is committed to pay incremental benefits to certain members of key management up to $6,433,000 (2023 - $6,624,000) in the event of a change of control and/or termination without cause.

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

16. RELATED PARTIES (CONT'D)

Operating transactions with key management personnel

In the normal course of operations, the Company 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. As at March 31, 2024, the entity was no longer a related party as its controlling shareholder ceased to be a director of the Company on September 14, 2022.

Year ended	March 31,	
	2024	2023
	$	$
Revenues [(a)]	—	6,811

[(a)] Under a ten-year commercial agreement, ending in April 2031, an entity controlled by a former 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.

17. EARNINGS (LOSS) PER SHARE

Year ended	March 31,	
	2024	2023
	$	$
Net loss	(16,660)	(30,097)
Weighted average number of Shares outstanding	95,527,385	94,178,549
Basic and diluted loss per share	**(0.17)**	**(0.32)**

The potentially dilutive outstanding equity instruments, which are DSUs, PSUs and options mentioned in Note 14 granted under the LTIP and certain shares to be issued as part of anniversary payments related to business acquisition, 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.

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

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

As at	March 31, 2024			March 31, 2023		
	Contingent consideration	Long-term debt	Total	Contingent consideration	Long-term debt	Total
	$	$	$	$	$	$
Beginning balance	7,037	127,190	134,227	—	106,676	106,676
Repayment	—	(159,110)	(159,110)	—	(97,518)	(97,518)
Proceeds	—	148,340	148,340	—	98,682	98,682
Total cash flow	**—**	**(10,770)**	**(10,770)**	**—**	**1,164**	**1,164**
Business acquisition (note 4)	—	—	—	7,037	11,053	18,090
Changes in estimate (note 4, 20)	(2,962)	—	(2,962)	—	—	—
Amortization of finance costs	—	426	426	—	430	430
Interest accretion on balances of purchase payable	—	384	384	—	784	784
Impacts of foreign exchange	7	152	159	—	7,083	7,083
Total non-cash	**(2,955)**	**962**	**(1,993)**	**7,037**	**19,350**	**26,387**
Ending balance	**4,082**	**117,382**	**121,464**	**7,037**	**127,190**	**134,227**

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

19. ADDITIONAL INFORMATION ON CONSOLIDATED LOSS

The following table provides additional information on the consolidated loss:

Year ended	March 31, 2024	March 31, 2023
	$	$
Expenses by Nature		
Employee compensation and subcontractor costs	431,543	469,210
Government assistance in the form of tax credits [(a)]	(8,467)	(10,686)
Licenses and telecommunications	13,915	12,692
Professional fees	9,010	7,496
Other expenses	15,910	15,979
Impairment of property and equipment and right-of-use assets (note 6,7) [(b)]	1,462	2,758
Depreciation of property and equipment	3,338	2,807
Depreciation of right-of-use assets	2,575	3,729
	469,286	**503,985**
Expenses by Function		
Cost of revenues	341,815	370,927
Selling, general and administrative expenses	121,558	126,522
Depreciation	5,913	6,536
	469,286	**503,985**

[(a)] *Tax credits are included in cost of revenues.*
[(b)] *Includes derecognition of right-of-use assets, remeasurement of lease liabilities and certain costs related to lease termination.*

20. BUSINESS ACQUISITION, INTEGRATION AND REORGANIZATION COSTS

Year ended	March 31, 2024	March 31, 2023
	$	$
Acquisition costs [(a)]	263	1,554
Integration costs [(b)]	2,096	2,189
Reorganization costs [(c)]	4,377	4,582
Employee compensation on business acquisition (note 4) [(d)]	475	597
Contingent consideration (note 4) [(e)]	(3,827)	9,157
	3,384	**18,079**

[(a)] *The acquisition costs consisted mainly of professional fees incurred in relation to business acquisitions (note 4).*
[(b)] *For the year ended March 31, 2024, integration costs referred mainly to retention bonuses and common area expenses on vacated premises in relation to business acquisitions (2023 - mostly for $939,000 for impairment of right-of-use assets previously acquired as part of business combinations (note 7)).*
[(c)] *Reorganization costs consisted of employee termination costs.*
[(d)] *Employee compensation on business acquisition included deferred cash consideration from the Datum Acquisition (note 4).*
[(e)] *Contingent consideration includes recoveries from changes in the estimated amount payable of $(2,962,000) (2023 - expenses of $7,037,000) related to the portion payable in cash and $(865,000) (2023 - expenses of $2,120,000) related to the portion to be settled in shares as per the earn-out consideration of the Datum Acquisition (note 4).*

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

21. NET FINANCIAL EXPENSES

The following table summarizes net financial expenses:

Year ended	March 31, 2024	March 31, 2023
	$	$
Interest on long-term debt	10,831	7,087
Interest on lease liabilities	664	825
Amortization of finance costs	426	430
Interest accretion on balances of purchase price payable	384	784
Financing fees	220	558
Interest income	(668)	(349)
	11,857	**9,335**

22. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in non-cash working capital items are as follows :

As at	March 31, 2024	March 31, 2023
	$	$
Accounts receivable and other receivables	(6,243)	15,750
Unbilled revenues	8,496	(4,482)
Tax credits receivable	1,168	(1,606)
Prepaids	614	(940)
Other assets	(213)	103
Accounts payable and accrued liabilities	(17,054)	(6,159)
Deferred revenues	2,988	(366)
	(10,244)	**2,300**

During the year ended March 31, 2024, non-cash investing and financing activities included additions to right-of-use assets and lease liabilities in the amount of $557,000 (2023 - $293,000).

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

23. SEGMENT AND GEOGRAPHICAL INFORMATION

The Company has three operating and reportable segments: Canada, U.S. and International.

The Company's chief operating decision maker assesses the performance of the reportable segments based on revenues and operating income by segment. Operating income by segment refers to operating income before head office general and administrative expenses and business acquisition, integration and reorganization costs, which are not considered when assessing the underlying financial performance of the reportable segments. Head office general and administrative expenses are expenses and salaries related to centralized functions, such as global finance, legal, human capital, and technology teams, which are not allocated to segments. This measure also excludes the effects of depreciation, amortization, and foreign exchange loss (gain).

The accounting policies of each reportable segment are the same as described in Note 3. The revenues and operating income by segment exclude intersegmental revenues and cost of revenues.

The following tables present the Company's operations based on reportable segments:

Year ended	**March 31, 2024**			
	Canada	**U.S.**	**International**	**Total**
	$	**$**	**$**	**$**
Revenues	277,544	192,493	21,088	491,125
Operating income by segment	32,913	32,830	2,480	68,223
Head office general and administrative expenses				40,471
Business acquisition, integration and reorganization costs				3,384
Foreign exchange loss				102
Operating income before depreciation and amortization				24,266
Depreciation and amortization				29,008
Operating loss				**(4,742)**

Year ended	**March 31, 2023**			
	Canada	**U.S.**	**International**	**Total**
	$	**$**	**$**	**$**
Revenues	312,349	189,883	20,469	522,701
Operating income by segment	35,964	26,736	2,953	65,653
Head office general and administrative expenses				40,401
Business acquisition, integration and reorganization costs				18,079
Foreign exchange loss				159
Operating income before depreciation and amortization				7,014
Depreciation and amortization				34,033
Operating loss				**(27,019)**

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

23. SEGMENT AND GEOGRAPHICAL INFORMATION (CONT'D)

Long-lived assets by geographic location

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

As at	March 31,			
	2024		2023	
	$	%	$	%
Canada	123,981	48.1	138,450	47.9
U.S.	132,366	51.3	148,316	51.4
International	1,615	0.6	2,039	0.7
	257,962	**100.0**	**288,805**	**100.0**

Information about revenues and deferred revenues

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

Year ended	March 31, 2024			
	Canada	U.S.	International	Total
	$	$	$	$
Strategic consulting and enterprise transformation services - time and materials arrangements [(a)]	241,422	108,217	18,609	368,248
Enterprise transformation services - fixed-fee arrangements	23,604	37,382	2,479	63,465
Business enablement services	12,518	46,894	—	59,412
	277,544	**192,493**	**21,088**	**491,125**

Year ended	March 31, 2023			
	Canada	U.S.	International	Total
	$	$	$	$
Strategic consulting and enterprise transformation services - time and materials arrangements	264,542	115,145	18,263	397,950
Enterprise transformation services - fixed-fee arrangements	34,062	25,834	2,201	62,097
Business enablement services	13,745	48,904	5	62,654
	312,349	**189,883**	**20,469**	**522,701**

[(a)] *Including $106,826,000 of time and materials arrangements applying the Input Method.*

During the years ended March 31, 2024 and 2023, significantly all amounts included in the opening balance of deferred revenues were recognized as revenue.

Major customer

During the year ended March 31, 2024, one Canadian client generated more than 10% of total revenues for $52,916,000 (2023 - two Canadian clients generated individually more than 10% of total revenues for $109,743,000). As at March 31, 2024, no customer represented more than 10% of total accounts receivable and other receivables (2023 - one major customer amounted to $10,777,000 or 11.7%).

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

24. REMAINING PERFORMANCE OBLIGATIONS

Remaining performance obligations relate to the Company’s performance obligations that are partially or fully unsatisfied under signed time and materials arrangements applying the Input Method and fixed-fee arrangements. When estimating minimum transaction prices allocated to the remaining unsatisfied, or partially unsatisfied, performance obligations, the Company applied the practical expedient to not disclose information about remaining performance obligations if the underlying contract has an original expected duration of one year or less and for those contracts where the Company bills the same value as that which is transferred to the customer.

The amount of the selling price allocated to remaining performance obligations as at March 31, 2024 is $80,781,000 (2023 - $30,989,000) and is expected to be recognized as revenue within a weighted average of 2.7 years (2023 - 1.6 years).

25. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable and other receivables, other assets, accounts payable and accrued liabilities, contingent consideration and long-term debt. The Company, 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 deem necessary.

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 Company is exposed to fluctuations in interest rates with respect to its variable rate on long-term debts. The Company's financial instruments bearing interest at variable rates are as follows:

As at	March 31, 2024	March 31, 2023
	$	$
Credit Facility (note 11)	81,073	82,512
Secured loans (note 11)	8,537	13,192
	89,610	**95,704**

On August 30, 2022, the Company entered into, and designated as an effective hedging instrument, an interest rate swap for a nominal amount of $30,000,000, maturing on August 30, 2025, to fix the variability in interest rates on a designated portion of borrowings under its Credit Facility. Under the interest rate swap agreement, the Company pays interest based on a fixed rate of 3.97%, and receives interest based on the actual one-month BA/CDOR rate. The fair market value of the interest rate swap agreement as at March 31, 2024 and 2023 was insignificant.

For the year ended March 31, 2024, the Company has determined that a reasonably possible increase or decrease of 100 basis points in interest rates on 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 was performed on the same basis for the year ended March 31, 2023.

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

25. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's activities are financed through a combination of cash flows from operations, borrowings under the existing Credit Facility, issuance of debt and issuance of equity instruments. In order to manage its exposure to liquidity risk, the Company'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, 2024, the Company has an unused capacity of $58,927,000 (2023 - $37,449,000) under its Credit Facility of $140,000,000 (2023 - $125,000,000).

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

As at	March 31, 2024					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	$	$	$	$	$	$
Trade payable	41,751	41,751	41,751	—	—	—
Contingent consideration	4,082	4,358	—	4,358	—	—
Credit Facility	81,073	93,444	6,065	6,306	81,073	—
Secured loans	8,537	8,580	8,580	—	—	—
Subordinated unsecured loans	20,000	23,871	1,310	1,608	20,953	—
Balance of purchase price payable	8,172	8,436	4,218	4,218	—	—
Lease liabilities	11,520	12,615	4,559	2,750	3,981	1,325
	175,135	**193,055**	**66,483**	**19,240**	**106,007**	**1,325**

As at	March 31, 2023					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	$	$	$	$	$	$
Trade payable	53,145	53,145	53,145	—	—	—
Contingent consideration	9,157	9,565	—	8,826	739	—
Credit Facility	82,512	88,436	5,924	82,512	—	—
Secured loans	13,192	14,226	9,398	4,828	—	—
Subordinated unsecured loans	20,000	23,275	1,310	1,310	20,655	—
Balance of purchase price payable	11,993	12,642	4,214	4,214	4,214	—
Lease liabilities	18,516	20,499	4,545	5,219	7,197	3,538
	208,515	**221,788**	**78,536**	**106,909**	**32,805**	**3,538**

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

25. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations. As at March 31, 2024 and 2023, the Company's credit risk exposure consists mainly of the carrying amounts of cash held with major Canadian banks, accounts receivable and other receivables, unbilled revenues and other assets. The carrying amounts of financial assets and unbilled revenues represent the maximum credit exposure.

Impairment losses recognized in profit or loss were not significant in both 2024 and 2023.

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

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

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

The Company 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 Company considered the economic impact resulting from the rising levels of inflation and increased borrowing rates on its ECL assessment, including the risk of default of its customers given the continued economic uncertainty. As at March 31, 2024 and 2023, 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,**	
	2024	**2023**
	$	**$**
Current	65,907	65,682
0-30 days	26,726	19,544
31-60 days	979	1,690
61-90 days	2,191	852
Over 90 days	2,543	2,239
	98,346	**90,007**

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)

25. FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

The Company is exposed to foreign currency risk on financial instruments denominated in currencies which are different from the respective functional currencies of the subsidiaries. The currency in which these financial instruments are mainly denominated is USD. Other currencies have no significant impact on the Company's exposure to currency risk.

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

As at	March 31,	
	2024	2023
	$	$
Cash	16	3,662
Accounts receivable and other receivables	901	325
Accounts payable and accrued liabilities	(1,865)	(1,449)
Contingent consideration	(4,082)	(2,120)
Intercompany receivable net of Credit Facility (Credit Facility net of intercompany receivable)	6,252	(759)
Balance of purchase price payable	(1,721)	(2,525)
Net statement of financial position exposure	**(499)**	**(2,866)**

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/Canadian dollar exchange rate 'all other things being equal'. It assumes a +/-5% change of the USD/Canadian dollar exchange rate for the year ended March 31, 2024 (2023: +/-13%). This percentage has been determined based on the average market volatility of the exchange rate in the previous twelve months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

			Profit or loss	
Effect in Canadian dollars			**Strengthening**	**Weakening**
As at March 31, 2024				
USD	5%	Movement	(18)	18
As at March 31, 2023				
USD	13%	Movement	(278)	278

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)

25. FINANCIAL INSTRUMENTS (CONT'D)

The carrying amounts of cash, accounts receivable and other receivables, other assets, accounts payable and accrued liabilities and long-term debt bearing interest at variable rates is a reasonable approximation of fair value.

The fair value of the long-term debt bearing interest at fixed rates is estimated by discounting expected cash flows at rates that would be currently offered to the Company for debts of the same remaining maturities and conditions (level 2). For both 2024 and 2023, the Company has determined that the fair values of the Credit Facility, the secured loans, the subordinated unsecured loan and the balance of purchase price payable are not significantly different than their carrying amounts.

The following table summarizes their carrying amounts:

As at	March 31,	
	2024	2023
	$	$
Credit Facility	81,073	82,512
Secured loans	8,537	13,192
Subordinated unsecured loans	20,000	20,000
Balance of purchase price payable	8,172	11,993
	117,782	**127,697**

26. CAPITAL DISCLOSURES

The Company's capital consists of cash, long-term debt, contingent consideration and total shareholders' equity. The Company'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 Company 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 Company may purchase shares from existing shareholders, issue new shares, issue new debt (including issuing 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)

26. CAPITAL DISCLOSURES (CONT'D)

Total capital as at March 31, 2024 and 2023 is calculated as follows:

As at	March 31,	
	2024	2023
	$	$
Cash	(8,859)	(22,583)
Current portion of long-term debt	12,687	12,808
Contingent consideration	4,082	7,037
Long-term debt	104,695	114,382
Share capital	312,409	311,967
Deficit	(157,370)	(141,481)
Accumulated other comprehensive income	4,606	4,610
Contributed surplus	15,559	14,092
	287,809	**300,832**

The Company 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, impairment, 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 Company uses operating income, Adjusted EBITDA, Adjusted Net Earnings (defined as net earnings (loss) before adjusting for amortization of intangibles, impairment of intangibles and goodwill, impairment of property and equipment and right-of-use assets and (gain) loss on lease termination, share-based compensation, business acquisition, integration and reorganization costs, and the income tax effects of these items) and cash flow from operations as measurements to monitor operating performance. Adjusted EBITDA, Adjusted EBITDA ratio and Adjusted Net Earnings, 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 Company'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 Company 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 Company was in compliance with all such covenants at March 31, 2024 and 2023.

Alithya

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

For the year ended March 31, 2024

Exhibit 99.3

Table of Contents

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, 2024. 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, 2024 and 2023. 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.sedarplus.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 U.S. 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 section 5 titled "Non-IFRS and Other Financial Measures".

Unless otherwise stated, in preparing this MD&A, the Company has considered information available up to June 12, 2024, the date the Company's Board of Directors ("Board") approved this MD&A and the annual audited consolidated financial statements for the year ended March 31, 2024.

2. Forward-Looking Statements and Financial Outlook

This MD&A contains statements that may constitute "forward-looking information", "forward-looking statements" or "financial outlook" within the meaning of applicable Canadian securities laws and 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 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 maintain and develop our business, including by broadening the scope of our service offerings, by leveraging artificial intelligence ("AI"), our geographic presence, our expertise, and our integrated offerings, and by entering into new contracts and penetrating new markets; (iv) our strategy, future operations, and prospects, including our expectations regarding future revenue resulting from bookings and backlog and providing stakeholders with long-term growing return on investment; (v) our ability to service our debt and raise additional capital; (vi) our estimates 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 identify suitable acquisition targets and realize the expected synergies or cost savings relating to the integration of our business acquisitions, and (viii) our ability to balance, meet and exceed the needs of our stakeholders.

Forward-looking statements are presented for the sole purpose of assisting investors and others in understanding Alithya's objectives, strategies and strategic business plan 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.sedarplus.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

With professionals in Canada, the United States, and internationally, Alithya provides technology advisory services based on deep expertise in strategy and digital transformation. The Company guides and supports its clients in the pursuit of their business objectives, leveraging innovation and delivery excellence in the application of digital technologies.

Alithya's collective intelligence and expertise targets three main pillars: strategic consulting, enterprise transformation, and business enablement. With collaboration at the core of its business model, Alithya professionals deliver practical IT services and solutions to help solve complex business challenges for clients in the financial services, healthcare, manufacturing, government, energy, higher education, telecommunications, transportation and logistics, and other sectors. The Company has developed industry-specific solutions and services for many of these industries that aim at solving sector-specific business challenges and helping expedite the time to value of technology investments.

Alithya's expertise with respect to its main pillars, offered in each reportable segment, includes:

- Strategic Consulting: Alithya provides advisory services for digital strategy, organization performance, cybersecurity, enterprise architecture, and change management. Business outcomes in this area include refining business processes to reflect real-world scenarios; boosting systems security from cyberattacks; migrating critical applications and data to the cloud; understanding the optimal enterprise architecture approach; defining change management strategies; and facilitating project planning activities for software selections, strategic roadmaps, or agile/scrum delivery teams.

- Enterprise Transformation: Alithya has more than 20 years of business transformation and enterprise applications implementation experience with enterprise resource planning (ERP), supply chain management (SCM), enterprise performance management (EPM), customer relationship management (CRM), and human capital management (HCM). Also, leveraging AI and machine learning technologies as a foundation, the Company provides transformational solutions and services for cloud infrastructure, custom applications development, legacy systems modernization, control/software engineering, data and analytics, and intelligent document processing. Alithya not only helps clients modernize enterprise applications through upgrades and the consolidation of multiple systems, but also helps to define overall technology ecosystems, to envision the use and impact of AI throughout an organization, and to build custom applications to address unique client needs.

- Business Enablement: Alithya offers ongoing paths to drive value through the provision of digital adoption and training, managed services, change enablement, and quality engineering. This practice area enables Alithya to move beyond advisory, implementations and project go-lives to provide ongoing value, including using AI to mine data for important insights for making faster, smarter business decisions; realizing a return on investment (ROI) on digital projects by driving adoption and consumption of technology; helping clients to train and retain their workforce; bookending a change management strategy with a change enablement plan that converts visions into reality; and providing a routine, consistent way to test updates and fixes before deploying any new software products.

Competitive Environment

For many companies, digital systems and infrastructures are among their most important and strategic assets. These assets require significant investments and 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 focusing on our clients’ complex business challenges, 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 partner capable of delivering rapid results for its clients.

Alithya's competitors, in each of its operating and reportable segments, include systems integration firms, 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, global presence, responsiveness to client needs, reputation and experience, financial stability, 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) a broad referral base; (e) continual investment in process improvement and knowledge capture; (f) investment in infrastructure and research and development; (g) continued focus on responsiveness to client needs, quality of services and competitive prices; and (h) project management capabilities and technical expertise.

4. Strategic Business Plan Outlook

Alithya embarked on a journey to be recognized as the trusted technology advisor of its clients. By the end of fiscal 2027, management believes that our achievement of this new scale and scope would allow us to leverage our industry knowledge, geographic presence, expertise, integrated offerings, and our position on the value chain to target higher value IT segments.

Our strategic process begins with our agile approach to aligning our offerings with the most pressing challenges being experienced within the sectors that we service, and in our ability to continuously reinforce the building blocks of trusted relationships with our clients, our people, our investors, and our partners. To ensure that we remain innovative and relevant, we strive to meet or exceed the expectations of our stakeholders, including optimizing employee experiences, assisting our clients in achieving their missions, and creating greater value for our investors.

More specifically, Alithya has developed a three-year strategic plan outlining objectives for each of our four stakeholder categories, with the primary goals detailed as follows:

- Increasing scale through organic growth and strategic acquisitions:
    - **Organic Growth:** Alithya aims to achieve between 5 and 10 percent annualized organic growth.
    - **Acquisitions:** Alithya plans to acquire complementary businesses totaling 150 million dollars of revenues.

- ◦ **AI and IP Solutions:** Alithya intends to increase the utilization of its AI and intellectual property solutions.

- Providing our investors, partners and stakeholders with long-term growing return on investment:
  - ◦ **Profitability:** Alithya's Adjusted EBITDA Margin[(1)] is targeted to increase to within the range of 11 to 13 percent.
  - ◦ **Smart shoring centers:** Alithya aims to deliver an increasing percentage of its business through smart shoring centers.
  - ◦ **Environmental goal:** Alithya endeavours to obtain Carbon Care Certification® (Level 1), and to initiate steps towards achieving carbon neutrality certification (Level 2).

The objectives in our three-year strategic plan, including our organic growth, acquisition, and profitability objectives, are based on our current business plan and strategies and are not intended to be a forecast or a projection of future results. Rather, they are objectives that we seek to achieve from the execution of our strategy over time, and contemplate our historical performance and certain assumptions including but not limited to (i) our ability to execute our growth strategies, (ii) our ability to identify and acquire complementary businesses on accretive terms, and (iii) our estimates and expectations in relation to future economic and business conditions and other factors.

[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 8.8 titled "EBITDA and Adjusted EBITDA" for a quantitative reconciliation to the most directly comparable IFRS measures.

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 are provided as additional information to complement IFRS measures by providing further understanding of Alithya's results of operations from management's perspective. They do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. They should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. They are used to provide investors with additional insight into Alithya's operating performance and thus highlight trends in Alithya's business that may not otherwise be apparent when relying solely on IFRS measures.

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

EBITDA and EBITDA Margin

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

"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 and amortization. For a reconciliation of net earnings (loss) to EBITDA, see section 8.8 titled "EBITDA and Adjusted EBITDA".

Adjusted Net Earnings and Adjusted Net Earnings per Share

"Adjusted Net Earnings" refers to net earnings (loss) before adjusting for amortization of intangibles, impairment of intangibles and goodwill, impairment of property and equipment and right-of-use assets and (gain) loss on lease termination, share-based compensation, business acquisition, integration and reorganization costs, and the income tax effects of these items.

"Adjusted Net Earnings per Share" is calculated by dividing Adjusted Net Earnings by the weighted average number of outstanding Class A Subordinate Voting Shares ("Subordinate Voting Shares") and Class B Multiple Voting Shares ("Multiple Voting Shares"), during the period.

Management believes that Adjusted Net Earnings and Adjusted Net Earnings per Share are useful measures for investors as they allow comparability of operating results from one period to another, prior to taking into consideration non-cash items and business acquisition, integration and reorganization costs, which can vary significantly from period to period. These measures provide an indication of the results generated by Alithya's main business activities prior to taking into consideration the non-cash and other items listed above which have resulted primarily from acquisitions and their subsequent integrations. For a reconciliation of net earnings (loss) to Adjusted Net Earnings, see section 8.6 titled "Adjusted Net Earnings and Adjusted Net Earnings per Share".

Adjusted EBITDA and Adjusted EBITDA Margin

"Adjusted EBITDA" refers to net earnings (loss) 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, impairment of property and equipment and right-of-use assets and (gain) loss on lease termination, share-based compensation, business acquisition, integration and reorganization costs, 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 earnings (loss) to Adjusted EBITDA, see section 8.8 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, expressed as a percentage, before foreign currency translation impacts. This measure is calculated by dividing 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 Debt

“Net Debt” refers to long-term debt, including the current portion, less cash. For the calculation of Net Debt, see section 10.6 titled “Long-Term Debt and Net Debt”. Management believes that Net Debt is a useful measure for investors as it provides an indication of the liquidity of the Company.

Other Financial Measures

The other financial measures used by Alithya are described below:

"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.

“Backlog” refers to the amount of future revenue stemming from signed revenue agreements, which includes new contracts, including those acquired through acquisitions, as well as renewals, extensions and changes to existing contracts, expressed as a number of months of trailing twelve-month revenue, as at a given date. Backlog differs from the IFRS definition of remaining performance obligations, as disclosed in the Company's consolidated financial statements, as backlog also includes time and materials arrangements in which contractual billings correspond with the value provided to the client and contracts with original expected durations under one year. Management believes that backlog information can provide useful trend insight to investors regarding changes in management's best estimate of future revenue stemming from signed revenue agreements.

"Days Sales Outstanding" ("DSO") refers to the average number of days it takes for the Company to convert its accounts receivable and other receivables (net of sales taxes) and unbilled revenues, less deferred revenues, into cash. Management believes this measure provides useful insight to investors regarding the Company's liquidity.

6. Financial Highlights

Results of Operations	**Three months ended March 31,**		**Year ended March 31,**	
(in $ thousands)	**2024**	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Revenues	120,540	136,224	491,125	522,701
Gross Margin	38,747	40,732	149,310	151,774
Gross Margin as a Percentage of Revenues [1]	32.1 %	29.9 %	30.4 %	29.0 %
Selling, General and Administrative Expenses	29,608	35,978	121,558	126,522
Selling, General and Administrative Expenses as a Percentage of Revenues [1]	24.6 %	26.4 %	24.8 %	24.2 %
Net Earnings (Loss)	2,298	(19,993)	(16,660)	(30,097)
Basic and Diluted Earnings (Loss) per Share	0.02	(0.21)	(0.17)	(0.32)
Adjusted Net Earnings [2]	6,055	5,001	13,608	14,742
Adjusted Net Earnings per Share [2]	0.06	0.05	0.14	0.16
Adjusted EBITDA [3]	10,504	10,463	35,471	36,122
Adjusted EBITDA Margin [3]	8.7 %	7.7 %	7.2 %	6.9 %

Other	**March 31,**	**March 31,**
(in $ thousands, except Backlog and DSO)	**2024**	**2023**
	$	**$**
Total Assets	416,497	464,101
Non-Current Financial Liabilities [4]	116,161	136,062
Total Long-Term Debt	117,382	127,190
Net Debt [5]	108,523	104,607
Backlog [1]	16 months	16 months
DSO [1]	56 days	54 days

Shares, Stock Options and Share Units Outstanding	June 11, 2024
Subordinate Voting Shares	88,080,427
Multiple Voting Shares	7,274,248
Options (6)	4,322,271
Deferred Share Units ("DSUs")	1,178,079
Restricted Share Units ("RSUs")	349,700
Performance Share Units ("PSUs")	2,156,527

[1] 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.

[2] 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 8.6 titled “Adjusted Net Earnings and Adjusted Net Earnings per Share” for a quantitative reconciliation to the most directly comparable IFRS measures.

[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 8.8 titled “EBITDA and Adjusted EBITDA” for a quantitative reconciliation to the most directly comparable IFRS measures.

[4] Non-current financial liabilities include the long-term portion of the long-term debt, the long-term portion of lease liabilities, and the long-term portion of the contingent consideration. For an explanation of the variance, refer to section 10.6 titled "Long-Term Debt and Net Debt".

[5] 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 Debt” for a quantitative reconciliation to the most directly comparable IFRS measures and an explanation of the variance.

[6] Includes 505,264 stock options to purchase Multiple Voting Shares.

For the three months ended March 31, 2024

- Revenues decreased 11.5% to $120.5 million, compared to $136.2 million for the same quarter last year. On a sequential basis, revenues increased by $0.1 million, from the third quarter of this year.

- 83.9% of revenues were generated from clients which we had in the same quarter last year.

- Gross margin as a percentage of revenues increased to 32.1%, compared to 29.9% for the same quarter last year. On a sequential basis, gross margin as a percentage of revenues increased, compared to 31.3% for the third quarter of this year.

- Gross margin decreased 4.9% to $38.7 million, compared to $40.7 million for the same quarter last year.

- Selling, general and administrative expenses decreased by $6.4 million, or 17.7%, to $29.6 million, compared to $36.0 million for the same quarter last year.

- Adjusted EBITDA increased 0.4% to $10.5 million, for an Adjusted EBITDA Margin of 8.7% of revenues, compared to $10.5 million, or an Adjusted EBITDA Margin of 7.7% of revenues, for the same quarter last year. On a sequential basis, Adjusted EBITDA increased by $1.0 million, from $9.5 million for the third quarter of this year.

- Net earnings was $2.3 million, or $0.02 per share, compared to a net loss of $20.0 million, or $0.21 per share, for the same quarter last year.

- Adjusted Net Earnings increased by $1.1 million, or 21.1%, to $6.1 million, compared to $5.0 million for the same quarter last year. This translated into Adjusted Net Earnings per Share of $0.06, compared to $0.05 for the same quarter last year.

- Net cash from operating activities was $9.7 million, representing an increase of $5.3 million, from $4.4 million for the same quarter last year.

- Q4 bookings(1) reached $133.9 million, which translated into a book-to-bill ratio(1) of 1.11. The book-to-bill ratio would be 1.27 if revenues from the two long-term contracts signed as part of an acquisition in the first quarter of fiscal year 2022 were excluded.

- Backlog represented approximately 16 months of trailing twelve-month revenues as at March 31, 2024.

[1] 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.

For the twelve months ended March 31, 2024

- Revenues decreased 6.0% to $491.1 million, compared to $522.7 million last year.
- Gross margin as a percentage of revenues increased to 30.4%, compared to 29.0% last year.
- Gross margin decreased 1.6% to $149.3 million, compared to $151.8 million last year.
- Selling, general and administrative expenses decreased by $4.9 million, or 3.9%, to $121.6 million, compared to $126.5 million last year.
- Adjusted EBITDA decreased 1.8% to $35.5 million, for an Adjusted EBITDA Margin of 7.2% of revenues, from $36.1 million, or an Adjusted EBITDA Margin of 6.9% of revenues, last year.
- Net loss was $16.7 million, or $0.17 per share, compared to a net loss of $30.1 million, or $0.32 per share, last year.
- Adjusted Net Earnings decreased by $1.1 million, or 7.7%, to $13.6 million, compared to $14.7 million last year. This translated into Adjusted Net Earnings per Share of $0.14, compared to $0.16 last year.
- Net cash from operating activities was $15.7 million, representing a decrease of $13.3 million, or 45.7%, from $28.9 million last year.
- Fiscal 2024 bookings reached $480.5 million, which translated into a book-to-bill ratio of 0.98. The book-to-bill ratio would be 1.13 if revenues from the two long-term contracts signed as part of an acquisition in the first quarter of fiscal year 2022 were excluded.

7. Business Combinations

Business combinations realized in the fiscal year ended March 31, 2023

Datum

Overview

On July 1, 2022, the Company acquired 100% of the issued and outstanding equity interests of U.S.-based Datum Consulting Group, LLC and its international affiliates (“Datum”) (the “Datum Acquisition”), a leader in IP enabled digital transformation services for data-rich insurers and other regulated entities such as governments. Management expects that its modernization practice and cloud-based software as a service (SaaS) offering will be complementary to Alithya's existing offerings and will allow for cross-selling opportunities.

The Datum Acquisition was completed for purchase consideration and other consideration of up to US$45,488,000 ($58,550,000), in aggregate.

The purchase consideration of US$27,200,000 ($35,010,000), in aggregate, consisted of: (i) US$13,542,000 ($17,430,000) paid in cash, net of working capital adjustment; (ii) US$4,313,000 ($5,552,000) paid by the issuance of 1,867,262 Subordinate Voting Shares; and (iii) US$9,345,000 ($12,028,000) of balance of sale, payable over three years on July 1, 2023, 2024 and 2025 (the "Anniversary Dates").

The other consideration of up to US$18,288,000 ($23,540,000), consisted of: (i) deferred cash consideration of US$975,000 ($1,255,000); (ii) deferred share consideration of 1,867,261 Subordinate Voting Shares with a value of US$4,313,000 ($5,552,000); and (iii) potential earn-out consideration of up to US$13,000,000 ($16,733,000), all payable over three years on the Anniversary Dates.

The deferred cash consideration is recognized as employee compensation on business acquisition, over three years.

The deferred share consideration is recognized as share-based compensation to an employee, over three years.

The potential earn-out consideration is payable in cash (75%) and by Subordinate Voting Shares (25%), with a maximum of 1,517,151 Subordinate Voting Shares available for issuance with a value of US$3,505,000 ($4,511,000). The potential earn-out consideration has earn-out periods ending on each of the Anniversary Dates.

On March 31, 2023, an amending agreement to the equity purchase agreement was executed wherein the condition for employment for the payment of the potential earn-out was removed (the “Earn-out Amendment”).

As a result of the Earn-out Amendment, a contingent consideration liability in the amount of $7,037,000 (US$5,202,000), representing the portion payable in cash, and contributed surplus in the amount of $2,120,000, representing the portion to be settled in shares, for a total expense of $9,157,000, was recorded as at March 31, 2023, representing the present value of the expected payout amount for the potential earn-out over the next three years. The contingent consideration expense is recorded in business acquisition, integration and reorganization costs.

The portion of the contingent consideration to be settled in shares is adjusted to reflect the number of awards for which the non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the non-market performance conditions at the vesting dates.

The fair value of the assets acquired and liabilities assumed, and the purchase consideration's valuation were completed on March 31, 2023.

On March 31, 2024, management's best estimate of the earn-out settlement amount was reviewed, resulting in a recovery of $3,827,000, in aggregate, which was recorded in business acquisition, integration and reorganization costs, with a corresponding adjustment to contingent consideration liability and contributed surplus.

For the year ended March 31, 2023, the Company incurred acquisition-related costs pertaining to the Datum Acquisition of approximately $1,369,000. 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 Datum (in $ thousands)	$
Current assets	
Cash	2,798
Accounts receivable and other receivables	3,552
Unbilled revenue	1,301
Prepaids	159
	7,810
Non-current assets	
Other assets	2
Property and equipment	55
Right-of-use assets	135
Intangibles	24,070
Goodwill	13,696
Total assets acquired	**45,768**
Current liabilities	
Accounts payable and accrued liabilities	4,255
Deferred revenue	945
Current portion of lease liabilities	71
	5,271
Non-current liabilities	
Lease liabilities	64
Deferred tax liabilities	6,398
Total liabilities assumed	**11,733**
Net assets acquired	**34,035**

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 Datum into the Company'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 Datum (in $ thousands)	$
Consideration transferred settled in cash	17,430
Issuance of 1,867,262 Subordinate Voting Shares	5,552
Balance of purchase payable with a nominal value of US$9,345,000 ($12,028,000)	11,053
Total consideration transferred	**34,035**

Datum's contribution to the Company's results

For the year ended March 31, 2023, the Datum business contributed revenues of approximately $16,326,000 and a loss before income taxes in the amount of $15,762,000, including amortization, primarily related to the acquired customer relationships, of $5,658,000, contingent consideration of $9,157,000, share-based compensation granted on business acquisitions of $2,644,000, and acquisition and integration costs of $2,099,000.

If the acquisition had occurred on April 1, 2022, pro-forma consolidated revenues and loss before income taxes for the year ended March 31, 2023 would have been $526,492,000 and $38,991,000, respectively. These amounts have been calculated using Datum's results and adjusting for:

- differences in accounting policies between the Company and Datum;
- the removal of transaction costs incurred by Datum from April 1, 2022 to June 30, 2022; and
- the additional amortization that would have been charged assuming the fair value adjustments to intangibles had been applied from April 1, 2022.

Trafic 3W inc.

On April 1, 2022, the Company acquired all of the issued and outstanding shares of Trafic 3W inc. for total consideration of $2,005,000, comprised of cash, in the amount of $900,000, and a balance of purchase price payable in the amount of $1,105,000.

The actual amount paid at acquisition, net of the cash acquired in the amount of $86,000, was $814,000, for a total consideration transferred of $1,919,000. The purchase price was mostly allocated to intangible assets and goodwill, in the amount of $455,000 and $1,270,000 respectively. Intangible assets acquired at the date of acquisition consisted of customer relationships and goodwill, allocated to the Canada CGU.

The balance of purchase price payable was settled in October 2022 with the issuance of 83,449 Subordinate Voting Shares, for a total value of $281,000, and the balance, in the amount of $824,000, was paid cash.

8. Results of Operations

	For the three months ended March 31,		For the year ended March 31,	
(in $ thousands, except for per share data)	**2024**	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Revenues	120,540	136,224	491,125	522,701
Cost of revenues	81,793	95,492	341,815	370,927
Gross margin	38,747	40,732	149,310	151,774
Operating expenses				
Selling, general and administrative expenses	29,608	35,978	121,558	126,522
Business acquisition, integration and reorganization costs	(1,414)	12,166	3,384	18,079
Depreciation	1,303	1,721	5,913	6,536
Amortization of intangibles	4,795	8,693	23,095	27,497
Foreign exchange loss	152	96	102	159
	34,444	58,654	154,052	178,793
Operating income (loss)	4,303	(17,922)	(4,742)	(27,019)
Net financial expenses	2,262	2,577	11,857	9,335
Income (loss) before income taxes	**2,041**	**(20,499)**	**(16,599)**	**(36,354)**
Income tax expense (recovery)				
Current	(133)	362	317	569
Deferred	(124)	(868)	(256)	(6,826)
	(257)	(506)	61	(6,257)
Net earnings (loss)	**2,298**	**(19,993)**	**(16,660)**	**(30,097)**
Basic and diluted earnings (loss) per share	0.02	(0.21)	(0.17)	(0.32)

8.1 Revenues

The following table reconciles Constant Dollar Revenue[(1)] to revenues by geographic location:

(in $ thousands, except for percentages)	For the three months ended March 31, 2024	2023	% [(2)]	For the twelve months ended March 31, 2024	2023	%
Total Alithya revenue as reported	**120,540**	**136,224**	**(11.5)%**	**491,125**	**522,701**	**(6.0)%**
Variation prior to foreign currency impact	**(11.4)%**			**(7.0)%**		
Foreign currency impact	**(0.1)%**			**0.9 %**		
Variation over previous period	**(11.5)%**			**(6.1)%**		
Canada						
Constant dollar revenue	64,589	81,158	**(20.4)%**	277,544	312,349	**(11.1)%**
Foreign currency impact	—			—		
Canada revenue as reported	**64,589**	**81,158**	**(20.4)%**	**277,544**	**312,349**	**(11.1)%**
U.S.						
Constant dollar revenue	50,604	49,289	**2.7 %**	188,790	189,883	**(0.6)%**
Foreign currency impact	(155)			3,703		
U.S. revenue as reported	**50,449**	**49,289**	**2.4 %**	**192,493**	**189,883**	**1.4 %**
International						
Constant dollar revenue	5,454	5,777	**(5.6)%**	19,857	20,469	**(3.0)%**
Foreign currency impact	48			1,231		
International revenue as reported	**5,502**	**5,777**	**(4.8)%**	**21,088**	**20,469**	**3.0 %**

[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.

[2] Constant Dollar Growth, which is a 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 $120.5 million for the three months ended March 31, 2024, of which 83.9% was generated from clients which we had in the same quarter last year, representing a decrease of $15.7 million, or 11.5%, from $136.2 million for the three months ended March 31, 2023. On a sequential basis, revenues increased by $0.1 million, from the third quarter of this year.

Revenues in Canada decreased by $16.6 million, or 20.4%, to $64.6 million for the three months ended March 31, 2024, from $81.2 million for the three months ended March 31, 2023. The decrease in revenues was principally due to a reduction in information technology investments in the banking sector, and certain client projects reaching maturity compared to the same quarter last year. On a sequential basis, revenues in Canada decreased by $3.4 million, from $68.0 million for the third quarter of this year.

U.S. revenues increased by $1.1 million, or 2.4%, to $50.4 million for the three months ended March 31, 2024, from $49.3 million for the three months ended March 31, 2023, due primarily to organic growth in certain areas of the business, partially offset by an unfavorable US$ exchange rate impact of $0.2 million between the two periods. On a sequential basis, revenues in the U.S. increased by $3.3 million, from $47.1 million for the third quarter of this year.

International revenues decreased by $0.3 million, or 4.8%, to $5.5 million for the three months ended March 31, 2024, from $5.8 million for the three months ended March 31, 2023, mainly due to reduced activities in Australia, partially offset by a favorable foreign exchange rate impact of $0.05 million between the two periods. On a sequential basis, revenues increased by $0.1 million, from $5.4 million for the third quarter of this year.

Revenues amounted to $491.1 million for the twelve months ended March 31, 2024, representing a decrease of $31.6 million, or 6.0%, from $522.7 million for the twelve months ended March 31, 2023.

Revenues in Canada decreased by $34.8 million, or 11.1%, to $277.5 million for the twelve months ended March 31, 2024, from $312.3 million for the twelve months ended March 31, 2023. The decrease in revenues was principally due to a reduction in information technology investments in the banking sector and certain client projects reaching maturity.

U.S. revenues increased by $2.6 million, or 1.4%, to $192.5 million for the twelve months ended March 31, 2024, from $189.9 million for the twelve months ended March 31, 2023, due primarily to increased revenues from the acquisition of Datum's U.S. business, which contributed an additional three months of revenues compared to the prior year, and organic growth in other parts of the business and a favorable US$ exchange rate impact of $3.7 million between the two periods, partially offset by weaker conditions in certain areas of the information technology services sector, notably in digital skilling and change enablement services, and some slower project starts.

International revenues increased by $0.6 million, or 3.0%, to $21.1 million for the twelve months ended March 31, 2024, from $20.5 million for the twelve months ended March 31, 2023, driven predominantly by a favorable foreign exchange rate impact of $1.2 million between the two periods, partially offset by reduced activities in Australia.

8.2 Gross Margin

Gross margin decreased by $2.0 million, or 4.9%, to $38.7 million for the three months ended March 31, 2024, from $40.7 million for the three months ended March 31, 2023. Gross margin as a percentage of revenues increased to 32.1% for the three months ended March 31, 2024, from 29.9% for the three months ended March 31, 2023. On a sequential basis, gross margin as a percentage of revenues increased, from 31.3% for the third quarter of this year, despite the seasonal governmental employer benefits reset as at January 1, 2024.

In Canada, gross margin as a percentage of revenues increased, compared to the same quarter last year, mainly due to higher margin offerings, higher hourly billing rates, and a proportionally larger decrease in the use of subcontractors compared to permanent employees. On a sequential basis, gross margin as a percentage of revenues also increased compared to the third quarter of this year.

In the U.S., gross margin as a percentage of revenues increased, compared to the same quarter last year, as a result of higher utilization and improved project performance. On a sequential basis, gross margin as a percentage of revenues also increased, compared to the third quarter of this year.

International gross margin as a percentage of revenues increased compared to the same quarter last year, mainly as a result of higher utilization and improved project performance in France, partially offset by reduced activities in Australia, which historically had a higher gross margin. On a sequential basis, gross margin as a percentage of revenues also increased, compared to the third quarter of this year.

Gross margin decreased by $2.5 million, or 1.6%, to $149.3 million for the twelve months ended March 31, 2024, from $151.8 million for the twelve months ended March 31, 2023. Gross margin as a percentage of revenues increased to 30.4% for the twelve months ended March 31, 2024, from 29.0% for the twelve months ended March 31, 2023, despite annual salary increases which came into effect in the first quarter of this year and a $1.1 million provision on tax credits receivable related to previous periods recorded in the second quarter of this year.

In Canada, gross margin as a percentage of revenues increased for the twelve months ended March 31, 2024, compared to the same period last year, mainly due to higher margin offerings, higher hourly billing rates, and a proportionally larger decrease in the use of subcontractors compared to permanent employees, partially offset by a $1.1 million provision on tax credits receivable related to previous periods.

In the U.S., gross margin as a percentage of revenues increased for the twelve months ended March 31, 2024, compared to the same period last year, due to a positive margin impact from the acquisition of Datum's U.S. business, higher margin offerings, higher utilization rates, and improved project performance.

International gross margin as a percentage of revenues decreased for the twelve months ended March 31, 2024, compared to the same period last year, mainly due to reduced activities in Australia, which historically had a higher gross margin.

8.3 Operating Expenses

8.3.1 Selling, General and Administrative Expenses

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

Selling, general and administrative expenses totaled $29.6 million for the three months ended March 31, 2024, representing a decrease of $6.4 million, or 17.7%, from $36.0 million for the three months ended March 31, 2023. Selling, general and administrative expenses as a percentage of revenues amounted to 24.6% for the three months ended March 31, 2024, compared to 26.4% for the same period last year, driven mainly by decreases of $1.8 million in employee compensations costs, due to an ongoing review of Alithya's cost structure, $1.7 million in non-cash shared-based compensation expenses, $0.3 million in training costs, and a decrease of $2.7 million in expenses mainly related to a reduction in impairment of property and equipment and right-of-use assets from the same quarter last year, as part of Alithya's ongoing review of its real estate strategy following the integration of acquisitions and changes in working conditions in order to reduce the Company's footprint and realize synergies.

In Canada, expenses decreased by $4.0 million, or 20.1%, to $16.2 million for the three months ended March 31, 2024, from $20.2 million for the three months ended March 31, 2023, due primarily to a decrease of $2.7 million in expenses mainly related to a reduction in impairment of property and equipment and right-of-use assets, as discussed above, and decreases of $1.0 million in non-cash share-based compensation, $0.8 million in employee compensation costs, and $0.4 million in employee training costs, partially offset by increases of $0.5 million in professional fees and $0.2 million in information technology and communications costs.

U.S. expenses decreased by $2.4 million, or 16.3%, to $12.1 million for the three months ended March 31, 2024, from $14.5 million for the three months ended March 31, 2023, due primarily to decreases of $1.2 million in employee compensation costs, $0.8 million in non-cash share-based compensation, $0.4 million in professional fees, and $0.2 million in information technology and communications costs, partially offset by increases of $0.1 million in recruiting fees and $0.1 million in travel costs.

International expenses remained constant at $1.3 million for the three months ended March 31, 2024 and 2023.

Selling, general and administrative expenses totaled $121.6 million for the twelve months ended March 31, 2024, representing a decrease of $4.9 million, or 3.9%, from $126.5 million for the twelve months ended March 31, 2023. Selling, general and administrative expenses as a percentage of revenues amounted to 24.8% for the twelve months ended March 31, 2024, compared to 24.2% for the twelve months ended March 31, 2023 driven mainly by a decrease of $4.8 million in employee compensation costs due to an ongoing review of Alithya's cost structure, in response to the current economic environment, since the beginning of the year, and decreases of $1.8 million in non-cash shared based compensation costs, $1.4 million in impairment of property and equipment and right-of-use assets, $0.8 million in recruiting fees, and $0.4 million in social activities costs, partially offset by increases of $1.3 million in professional fees, $1.0 million related to internal IT projects and support costs, $0.7 million in travel costs, $0.5 million in information technology and communications costs, $0.3 million in business development costs, $0.3 million in occupancy costs, and $0.2 million in public listing and investor fees.

Expenses in Canada decreased by $5.0 million, or 7.0%, to $65.9 million for the twelve months ended March 31, 2024, from $70.9 million for the twelve months ended March 31, 2023, due primarily to decreases of $3.2 million in employee compensation costs, $1.3 million in non-cash share-based compensation, $1.4 million in impairment of property and equipment and right-of-use assets, as discussed above, $0.6 million in recruiting fees, $0.6 million in occupancy costs, and $0.5 million in training costs. These decreases were partially offset by increases of $1.3 million in professional fees, mainly due to the first year integrated SOX audit, $0.8 million in information technology and communications costs, $0.2 million in travel costs, and $0.2 million in public listing and investor fees.

US expenses decreased by $1.2 million, or 2.4%, to $50.4 million for the twelve months ended March 31, 2024, from $51.6 million for the twelve months ended March 31, 2023, due primarily to decreases of $2.2 million in employee compensation costs, $0.5 million in non-cash share-based compensation, and $0.4 million in professional fees, partially offset by increases of $0.6 million in information technology and communications costs, $0.6 million in occupancy costs, and $0.6 million in travel costs. The decreased expenses were partially offset by an unfavorable US$ exchange rate impact of $1.0 million.

International expenses increased by $1.3 million, or 32.1%, to $5.3 million for the twelve months ended March 31, 2024, from $4.0 million for the twelve months ended March 31, 2023, mainly due to increases of $0.6 million in employee compensation costs, $0.3 million in professional fees, and $0.2 million in occupancy costs, primarily related to Datum's international business, acquired on July 1, 2022.

8.3.2 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:

	For the three months ended March 31,		For the year ended March 31,	
(in $ thousands)	**2024**	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Stock options	127	525	594	1,262
Share purchase plan – employer contribution	340	347	1,394	1,372
Share-based compensation granted on business acquisitions	404	734	2,099	2,995
DSUs	146	818	600	1,250
RSUs	121	—	363	—
PSUs	88	527	1,207	1,233
	1,226	**2,951**	**6,257**	**8,112**

Share-based compensation amounted to $1.2 million for the three months ended March 31, 2024, representing a decrease of $1.8 million, from $3.0 million for the three months ended March 31, 2023. The decrease in share-based compensation was driven primarily by decreased expenses related to DSUs granted to eligible employees, decreased PSU expenses resulting from a recovery of expenses following management's review of assumptions related to the achievement of a performance vesting condition, and decreases in stock option expenses and share-based compensation granted on business acquisitions, partially offset by increased expenses related to RSUs.

Share-based compensation amounted to $6.3 million for the twelve months ended March 31, 2024, representing a decrease of $1.8 million, from $8.1 million for the twelve months ended March 31, 2023. The decrease in share-based compensation was driven primarily by decreased expenses related to share-based compensation granted on business acquisitions, stock options, and DSUs granted to eligible employees, partially offset by increased expenses related to RSUs.

8.3.3 Business Acquisition, Integration and Reorganization Costs

Business acquisition, integration and reorganization costs amounted to a recovery of $1.4 million for the three months ended March 31, 2024, compared to an expense of $12.2 million for the three months ended March 31, 2023, driven primarily by a review of the earn-out settlement amount related to the Datum Acquisition, resulting in a recovery of $3.8 million of the earn-out consideration, as described in section 7 titled "Business Combinations", and a decrease of $0.9 million in integration costs, partially offset by an increase of $0.3 million in reorganization costs driven by severance payments related to workforce reductions in response to the current economic environment, compared to the same quarter last year where reorganization costs were entirely related to modifications to cost structure consisting of employee termination and benefits costs.

Business acquisition, integration and reorganization costs amounted to $3.4 million for the twelve months ended March 31, 2024, representing a decrease of $14.7 million, from $18.1 million for the twelve months ended March 31, 2023, driven primarily by a recovery of $3.8 million of the earn-out settlement related to the Datum Acquisition, as described above, and decreases of $1.3 million in acquisition costs, $0.2 million in reorganization costs, and $0.1 million in integration costs.

8.3.4 Depreciation

Depreciation totaled $1.3 million for the three months ended March 31, 2024, compared to $1.7 million for the three months ended March 31, 2023. These costs consisted primarily of depreciation of Alithya's property and equipment, which decreased by $0.1 million, and right-of-use assets, which decreased by $0.3 million.

Depreciation totaled $5.9 million for the twelve months ended March 31, 2024, compared to $6.5 million for the twelve months ended March 31, 2023. These costs consisted primarily of depreciation of Alithya's property and equipment, which increased by $0.5 million, and right-of-use assets, which decreased by $1.1 million.

8.3.5 Amortization of Intangibles

Amortization of intangibles totaled $4.8 million for the three months ended March 31, 2024, compared to $8.7 million for the three months ended March 31, 2023. These costs consisted primarily of amortization of customer relationships recognized on acquisitions, which decreased by $3.5 million, and amortization of software, which decreased by $0.4 million, as certain intangibles were fully amortized, compared to the same quarter last year.

Amortization of intangibles totaled $23.1 million for the twelve months ended March 31, 2024, compared to $27.5 million for the twelve months ended March 31, 2023. These costs consisted primarily of amortization of customer relationships recognized on acquisitions, which decreased by $4.9 million, and amortization of software, which increased by $0.4 million.

8.3.6 Foreign Exchange Loss

Foreign exchange loss amounted to $0.2 million for the three months ended March 31, 2024, compared to $0.1 million for the three months ended March 31, 2023.

Foreign exchange loss amounted to $0.1 million for the twelve months ended March 31, 2024, compared to $0.2 million for the twelve months ended March 31, 2023.

8.4 Other Income and Expenses

8.4.1 Net Financial Expenses

Net financial expenses are summarized in the table below:

(in $ thousands)	For the three months ended March 31, 2024	For the three months ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
	$	$	$	$
Interest on long-term debt	2,173	2,127	10,831	7,087
Interest on lease liabilities	129	194	664	825
Amortization of finance costs	79	149	426	430
Interest accretion on balances of purchase price payable	87	127	384	784
Financing fees	39	96	220	558
Interest income	(245)	(116)	(668)	(349)
	2,262	**2,577**	**11,857**	**9,335**

Net financial expenses amounted to $2.3 million for the three months ended March 31, 2024, representing a decrease of $0.3 million, or 12.3%, from $2.6 million for the three months ended March 31, 2023, driven mainly by increased interest income and decreases in amortization of finance costs, interest on lease liabilities, financing fees, and interest accretion on balances of purchase price payable.

Net financial expenses amounted to $11.9 million for the twelve months ended March 31, 2024, representing an increase of $2.6 million, or 27.0%, from $9.3 million for the twelve months ended March 31, 2023, driven mainly by increased variable interest rates, which accounted for the increase in interest on long-term debt, partially offset by decreases in interest accretion on balances of purchase payable, financing fees, and interest on lease liabilities, and increased interest income, earned primarily in the first quarter of this year on a special one-time commercial agreement.

8.4.2 Income Taxes

Income tax recovery amounted to $0.3 million for the three months ended March 31, 2024, representing a decrease of $0.2 million, from $0.5 million for the three months ended March 31, 2023, due primarily to decreased deferred tax recovery in certain entities, partially offset by increased current tax recovery, as a result of decreased taxable income in certain jurisdictions. Certain entities of the Group with a history of losses do not recognize deferred tax assets related to their loss in the period.

Income tax expense amounted to $0.1 million for the twelve months ended March 31, 2024, representing an increase of $6.4 million, from a recovery of $6.3 million for the twelve months ended March 31, 2023, due primarily to a deferred tax recovery resulting from a deferred tax asset in the amount of $6.0 million that was probable of being realized as a result of the deferred tax liability pursuant to the acquisition of Datum in the same period last year, partially offset by a decrease in current tax expense, as a result of decreased taxable income in certain jurisdictions. Certain entities of the Group with a history of losses do not recognize deferred tax assets related to their loss in the period.

8.5 Net Earnings (Loss) and Earnings (Loss) per Share

Net earnings for the three months ended March 31, 2024 were $2.3 million, representing an increase of $22.3 million, from a net loss of $20.0 million for the three months ended March 31, 2023. The net earnings were driven by a decrease in selling, general and administrative expenses, including a $2.7 million reduction in expenses mainly related to impairment of property and equipment and right-of-use assets, decreased business acquisition, integration and reorganization costs, including a recovery of $3.8 million of the earn-out consideration related to the Datum Acquisition, decreased amortization of intangibles and depreciation of property and equipment, and decreased net financial expenses, partially offset by decreased gross margin and increased income tax expense for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. On a per share basis, this translated into basic and diluted net earnings per share of $0.02 for the three months ended March 31, 2024, compared to a net loss of $0.21 per share for the three months ended March 31, 2023.

Net loss for the twelve months ended March 31, 2024 was $16.7 million, representing a decrease of $13.4 million, from $30.1 million, for the twelve months ended March 31, 2023. The decreased net loss was driven by decreased selling, general and administrative expenses, including a $1.4 million reduction in expenses mainly related to impairment of property and equipment and right-of-use assets, decreased business acquisition, integration and reorganization costs, including a recovery of $3.8 million of the earn-out consideration related to the Datum Acquisition, and decreased amortization of intangibles and depreciation of property and equipment, partially offset by an increase in income tax expense, primarily due to a decrease in deferred tax recovery resulting from a deferred tax asset in the amount of $6.0 million that was probable of being realized as a result of the deferred tax liability pursuant to the acquisition of Datum in the same period last year, a decrease in gross margin, and an increase in net financial expenses for the twelve months ended March 31, 2024, compared to the twelve months ended March 31, 2023. On a per share basis, this translated into a basic and diluted net loss per share of $0.17 for the twelve months ended March 31, 2024, compared to a net loss of $0.32 per share for the twelve months ended March 31, 2023.

8.6 Adjusted Net Earnings and Adjusted Net Earnings per Share

The following table reconciles net earnings (loss) to Adjusted Net Earnings:

	For the three months ended March 31,		For the year ended March 31,	
(in $ thousands)	**2024**	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Net earnings (loss)	**2,298**	**(19,993)**	**(16,660)**	**(30,097)**
Business acquisition, integration and reorganization costs	(1,414)	12,166	3,384	18,079
Amortization of intangibles	4,795	8,693	23,095	27,497
Share-based compensation	1,226	2,951	6,257	8,112
Impairment of property and equipment and right-of-use assets and loss on lease termination	139	2,758	1,462	2,758
Income tax related to deferred tax asset recognized on purchase price allocation	—	—	—	(6,026)
Income tax expense related to above items	(989)	(1,574)	(3,930)	(5,581)
Adjusted Net Earnings [1][2]	**6,055**	**5,001**	**13,608**	**14,742**
Basic and diluted earnings (loss) per share	0.02	(0.21)	(0.17)	(0.32)
Adjusted Net Earnings per Share [1][2]	0.06	0.05	0.14	0.16

[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.

[2] Figures for the year ended March 31, 2024 reflect adjustments for certain changes to the calculations and assumptions.

Adjusted Net Earnings amounted to $6.1 million for the three months ended March 31, 2024, representing an increase of $1.1 million, or 21.1%, from $5.0 million for the three months ended March 31, 2023. As explained above, decreased selling, general and administrative expenses, decreased depreciation of property and equipment and right-of-use assets, and decreased net financial expenses were partially offset by decreased gross margin and decreased income tax recovery. This translated into Adjusted Net Earnings per Share of $0.06 for the three months ended March 31, 2024, compared to $0.05 for the three months ended March 31, 2023.

Adjusted Net Earnings amounted to $13.6 million for the twelve months ended March 31, 2024, representing a decrease of $1.1 million, or 7.7%, from $14.7 million for the twelve months ended March 31, 2023. As explained above, decreased gross margin, increased net financial expenses, and increased income tax expense, resulting primarily from a deferred tax asset in the amount of $6.0 million that was probable of being realized as a result of the deferred tax liability pursuant to the acquisition of Datum in the same period last year, were partially offset by decreased selling, general and administrative expenses and decreased depreciation of property and equipment and right-of-use assets. This translated into Adjusted Net Earnings per Share of $0.14 for the twelve months ended March 31, 2024, compared to $0.16 for the twelve months ended March 31, 2023.

8.7 Segment Reporting

Operating income by segment refers to operating income before head office general and administrative expenses and business acquisition, integration and reorganization costs, which are not considered when assessing the underlying financial performance of the reportable segments. Head office general and administrative expenses are expenses and salaries related to centralized functions, such as global finance, legal, human capital, and technology teams, which are not allocated to segments. This measure also excludes the effects of depreciation, amortization, and foreign exchange loss (gain).

The following tables present the Group's operations based on reportable segments:

	For the three months ended March 31, 2024			
(in $ thousands)	**Canada**	**U.S.**	**International**	**Total**
	$	**$**	**$**	**$**
Revenues	64,589	50,449	5,502	120,540
Operating income by segment	7,992	10,258	761	19,011
Head office general and administrative expenses				9,872
Business acquisition, integration and reorganization costs				(1,414)
Foreign exchange loss				152
Operating income before depreciation and amortization				10,401
Depreciation and amortization				6,098
Operating income				**4,303**

	For the three months ended March 31, 2023			
(in $ thousands)	**Canada**	**U.S.**	**International**	**Total**
	$	**$**	**$**	**$**
Revenues	81,158	49,289	5,777	136,224
Operating income by segment	10,490	7,572	688	18,750
Head office general and administrative expenses				13,996
Business acquisition, integration and reorganization costs				12,166
Foreign exchange loss				96
Operating loss before depreciation and amortization				(7,508)
Depreciation and amortization				10,414
Operating loss				**(17,922)**

(in $ thousands)	For the year ended March 31, 2024 Canada	U.S.	International	Total
	$	$	$	$
Revenues	277,544	192,493	21,088	491,125
Operating income by segment	32,913	32,830	2,480	68,223
Head office general and administrative expenses				40,471
Business acquisition, integration and reorganization costs				3,384
Foreign exchange loss				102
Operating income before depreciation and amortization				24,266
Depreciation and amortization				29,008
Operating loss				**(4,742)**

(in $ thousands)	For the year ended March 31, 2023 Canada	U.S.	International	Total
	$	$	$	$
Revenues	312,349	189,883	20,469	522,701
Operating income by segment	35,964	26,736	2,953	65,653
Head office general and administrative expenses				40,401
Business acquisition, integration and reorganization costs				18,079
Foreign exchange loss				159
Operating income before depreciation and amortization				7,014
Depreciation and amortization				34,033
Operating loss				**(27,019)**

For a discussion of revenue variances by segment, refer to section 8.1 titled “Revenues”.

Operating income by segment in Canada decreased by $2.5 million, or 23.8%, to $8.0 million for the three months ended March 31, 2024, from $10.5 million for the three months ended March 31, 2023, due to decreased gross margin caused primarily by revenue decline, partially offset by decreased selling, general and administrative expenses related to operations.

Operating income by segment in the U.S. increased by $2.7 million, or 35.5%, to $10.3 million for the three months ended March 31, 2024, from $7.6 million for the three months ended March 31, 2023, due to increased revenues and gross margin and decreased selling, general and administrative expenses related to operations.

Operating income for the international segment increased by $0.1 million, or 10.6%, to $0.8 million for the three months ended March 31, 2024, from $0.7 million for the three months ended March 31, 2023, due to increased gross margin.

Operating income by segment in Canada decreased by $3.1 million, or 8.5%, to $32.9 million for the twelve months ended March 31, 2024, from $36.0 million for the twelve months ended March 31, 2023, due to decreased gross margin caused primarily by revenue decline, partially offset by decreased selling, general and administrative expenses related to operations.

Operating income by segment in the U.S. increased by $6.1 million, or 22.8%, to $32.8 million for the twelve months ended March 31, 2024, from $26.7 million for the twelve months ended March 31, 2023, due to increased revenues and gross margin and decreased selling, general and administrative expenses related to operations.

Operating income for the international segment decreased by $0.5 million, or 16.0%, to $2.5 million for the twelve months ended March 31, 2024, from $3.0 million for the twelve months ended March 31, 2023, due to decreased gross margin and increased selling, general and administrative expenses related to operations.

8.8 EBITDA and Adjusted EBITDA

The following table reconciles net earnings (loss) to EBITDA and Adjusted EBITDA:

	For the three months ended March 31,		For the year ended March 31,	
(in $ thousands)	**2024**	**2023**	**2024**	**2023**
	$	$	$	$
Revenues	**120,540**	**136,224**	**491,125**	**522,701**
Net earnings (loss)	**2,298**	**(19,993)**	**(16,660)**	**(30,097)**
Net financial expenses	2,262	2,577	11,857	9,335
Income tax (recovery) expense	(257)	(506)	61	(6,257)
Depreciation	1,303	1,721	5,913	6,536
Amortization of intangibles	4,795	8,693	23,095	27,497
EBITDA [1]	**10,401**	**(7,508)**	**24,266**	**7,014**
EBITDA Margin [1]	**8.6 %**	**(5.5)%**	**4.9 %**	**1.3 %**
Adjusted for:				
Foreign exchange loss	152	96	102	159
Share-based compensation	1,226	2,951	6,257	8,112
Business acquisition, integration and reorganization costs	(1,414)	12,166	3,384	18,079
Impairment of property and equipment and right-of-use assets and loss on lease termination	139	2,758	1,462	2,758
Adjusted EBITDA [1]	**10,504**	**10,463**	**35,471**	**36,122**
Adjusted EBITDA Margin [1]	**8.7 %**	**7.7 %**	**7.2 %**	**6.9 %**

[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 $10.4 million for the three months ended March 31, 2024, representing an increase of $17.9 million, from a loss of $7.5 million for the three months ended March 31, 2023. EBITDA Margin was 8.6% for the three months ended March 31, 2024, compared to (5.5)% for the three months ended March 31, 2023.

Adjusted EBITDA amounted to $10.5 million for the three months ended March 31, 2024 and 2023. As explained above, decreased gross margin caused primarily by revenue decline was offset by decreased selling, general, and administrative expenses. Adjusted EBITDA Margin was 8.7% for the three months ended March 31, 2024, compared to 7.7% for the three months ended March 31, 2023.

EBITDA amounted to $24.3 million for the twelve months ended March 31, 2024, representing an increase of $17.3 million, or 246.0%, from $7.0 million for the twelve months ended March 31, 2023. EBITDA Margin was

4.9% for the twelve months ended March 31, 2024, compared to 1.3% for the twelve months ended March 31, 2023.

Adjusted EBITDA amounted to $35.5 million for the twelve months ended March 31, 2024, representing a decrease of $0.6 million, or 1.8%, from $36.1 million for the twelve months ended March 31, 2023. As explained above, decreased gross margin was partially offset by decreased selling, general and administrative expenses. Adjusted EBITDA Margin was 7.2% for the twelve months ended March 31, 2024, compared to 6.9% for the twelve months ended March 31, 2023.

9. Bookings and Backlog

Bookings during the three months ended March 31, 2024 were $133.9 million, which translated into a Book-to-Bill Ratio of 1.11 for the quarter. The Book-to-Bill Ratio would be 1.27 if revenues from the two long-term contracts signed as part of an acquisition in the first quarter of fiscal year 2022 were excluded.

For the twelve months ended March 31, 2024, Bookings were $480.5 million, which translated into a Book-to-Bill ratio of 0.98. The Book-to-Bill Ratio would be 1.13 if revenues from the two long-term contracts signed as part of an acquisition in the first quarter of fiscal year 2022 were excluded.

Management believes information regarding Bookings can provide useful trend insight to investors regarding changes in the volume of new business over time. However, contracts typically provide termination clauses at the option of the customer. Furthermore, modifications of the scope of work and demand-driven usage may occur. As such, the amount of the contract actually realized could materially differ from the initial Bookings.

As at March 31, 2024, Backlog represented approximately 16 months of trailing twelve-month revenues. The Backlog includes revenue agreements for projects which may extend beyond twelve months.

Management believes that Backlog information can provide useful trend insight to investors regarding changes in management's best estimate of future revenues stemming from signed revenue agreements. However, contracts typically provide termination clauses at the option of the customer. Furthermore, modifications of the scope of work and demand-driven usage may occur. There can be no assurance that subsequent cancellations or scope adjustments will not occur, that the Backlog will ultimately result in earnings, or when the related revenues and earnings from such Backlog will be recognized. As such, the amount of the contract actually realized could materially differ from the amount included in Backlog at a given date.

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, 2024 and 2023:

	For the three months ended March 31,		For the year ended March 31,	
(in $ thousands)	**2024**	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Net cash from operating activities	9,732	4,431	15,669	28,882
Net cash used in investing activities	(331)	(326)	(787)	(13,728)
Net cash used in financing activities	(11,473)	(5,633)	(28,577)	(11,326)
Effect of exchange rate changes	114	92	(29)	1,100
Net change in cash	**(1,958)**	**(1,436)**	**(13,724)**	**4,928**
Cash at the beginning of the period	10,817	24,019	22,583	17,655
Cash at the end of the period	**8,859**	**22,583**	**8,859**	**22,583**

10.2 Cash Flows - Operating Activities

For the three months ended March 31, 2024, net cash from operating activities was $9.7 million, representing an increase of $5.3 million, or 119.6%, from $4.4 million for the three months ended March 31, 2023. The cash flows for the three months ended March 31, 2024 resulted primarily from the net earnings of $2.3 million, plus $5.8 million of non-cash adjustments to net earnings, consisting primarily of depreciation and amortization, net financial expenses, share-based compensation, and unrealized foreign exchange loss, partially offset by a recovery of contingent consideration from the earn-out settlement amount related to the Datum Acquisition, as described in section 7 titled "Business Combinations", and deferred taxes, and $1.7 million in favorable changes in non-cash working capital items. In comparison, the cash flows for the three months ended March 31, 2023 resulted primarily from the net loss of $20.0 million, plus $28.0 million of non-cash adjustments to the net loss, consisting primarily of depreciation and amortization, contingent consideration, impairment of property and equipment and right-of-use assets, share-based compensation, and net financial expenses, partially offset by deferred taxes, and $3.6 million in unfavorable changes in non-cash working capital items.

Favorable changes in non-cash working capital items of $1.7 million during the three months ended March 31, 2024 consisted primarily of a $5.9 million decrease in tax credits receivable, a $2.5 million decrease in unbilled revenues, a $2.3 million increase in deferred revenues, a $1.3 million increase in accounts payable and accrued liabilities, and a $0.2 million decrease in other assets, partially offset by a $9.6 million increase in accounts receivable and other receivables and a $0.9 million increase in prepaids. For the three months ended March 31, 2023, unfavorable changes in non-cash working capital items of $3.6 million consisted primarily of a $4.5 million increase in unbilled revenues, a $1.3 million increase in prepaids, a $0.5 million increase in tax credits receivable, and a $0.4 million decrease in deferred revenues, partially offset by a $2.8 million increase in accounts payable and accrued liabilities and a $0.5 million decrease in accounts receivable and other receivables.

For the twelve months ended March 31, 2024, net cash from operating activities was $15.7 million, representing a decrease of $13.3 million, or 45.7%, from $28.9 million for the twelve months ended March 31, 2023. The cash flows for the twelve months ended March 31, 2024 resulted primarily from the net loss of $16.7 million, plus $42.6 million of non-cash adjustments to the net loss, consisting primarily of depreciation and amortization, net financial expenses, share-based compensation, and impairment of property and equipment and right-of-use assets, partially offset by a recovery of contingent consideration from the earn-out settlement amount related to the Datum Acquisition, the settlement of RSUs, deferred taxes, and other items, and $10.2 million in unfavorable changes in non-cash working capital items. In comparison, the cash flows for the twelve months ended March 31, 2023 resulted primarily from the net loss of $30.1 million, plus $56.7 million of non-cash adjustments to the net loss, consisting primarily of depreciation and amortization, net financial expenses, contingent consideration, share-based compensation, impairment of property and equipment and right-of-use assets, and realized foreign exchange loss on repayment of long-term debt, partially offset by deferred taxes and unrealized foreign exchange gain, and $2.3 million in favorable changes in non-cash working capital items.

Unfavorable changes in non-cash working capital items of $10.2 million during the twelve months ended March 31, 2024 consisted primarily of a $17.1 million decrease in accounts payable and accrued liabilities, a $6.2 million increase in accounts receivable and other receivables and a $0.2 million increase in other assets, partially offset by a $8.5 million decrease in unbilled revenues, a $3.0 million increase in deferred revenues, a $1.2 million decrease in tax credits receivable, and a $0.6 million decrease in prepaids. For the twelve months ended March 31, 2023, favorable changes in non-cash working capital items of $2.3 million consisted primarily of a $15.8 million decrease in accounts receivable and other receivables and a $0.1 million decrease in other assets, partially offset by a $6.2 million decrease in accounts payable and accrued liabilities, a $4.5 million increase in unbilled revenues, a $1.6 million increase in tax credits receivable, a $0.9 million increase in prepaids, and a $0.4 million decrease in deferred revenues.

10.3 Cash Flows - Investing Activities

For the three months ended March 31, 2024 and 2023, net cash used in investing activities was $0.3 million. The cash used in the three months ended March 31, 2024 resulted primarily from purchases of property and equipment as part of the ordinary course of business. In comparison, the cash used in the three months ended March 31, 2023 resulted primarily from purchases of property and equipment and intangibles as part of the ordinary course of business.

For the twelve months ended March 31, 2024, net cash used in investing activities was $0.8 million, representing a decrease of $12.9 million, from $13.7 million for the twelve months ended March 31, 2023. The cash used in the twelve months ended March 31, 2024 resulted primarily from 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, 2023 resulted primarily from the Datum Acquisition, net of the working capital adjustment, and purchases of property and equipment and intangibles as part of the ordinary course of business, partially offset by a decrease in restricted cash.

10.4 Cash Flows - Financing Activities

For the three months ended March 31, 2024, net cash used in financing activities was $11.5 million, representing an increase of $5.9 million, from $5.6 million for the three months ended March 31, 2023. The cash flows for the three months ended March 31, 2024 resulted primarily from $45.1 million in long-term debt repayments, $2.1 million in financial expenses paid, $1.5 million in repayments of lease liabilities, including lease termination costs, and $0.2 million in shares purchased for cancellation, partially offset by $37.5 million in proceeds from long-term debt, net of related transaction costs, as described in section 10.6. In comparison, the cash flows for the three months ended March 31, 2023 resulted primarily from $30.9 million in long-term debt repayments, $2.3 million in financial expenses paid, and $0.9 million in repayments of lease liabilities, including lease termination costs, partially offset by $28.2 million in proceeds from long-term debt, net of related transaction costs, as described in section 10.6, and $0.3 million from the exercise of stock options.

For the twelve months ended March 31, 2024, net cash used in financing activities was $28.6 million, representing an increase of $17.3 million, from $11.3 million for the twelve months ended March 31, 2023. The cash flows for the twelve months ended March 31, 2024 resulted primarily from $159.1 million in long-term debt repayments, $11.0 million in financial expenses paid, $5.8 million in repayments of lease liabilities, including lease termination costs, and $1.0 million in shares purchased for cancellation, partially offset by $148.3 million in proceeds from long-term debt, net of related transaction costs. In comparison, the cash flows for the twelve months ended March 31, 2023 resulted primarily from $97.5 million in long-term debt repayments, $8.1 million in financial expenses paid, $3.7 million in repayments of lease liabilities, including lease termination costs, and $1.0 million in shares purchased for cancellation, partially offset by $98.7 million in proceeds from long-term debt, net of related transaction costs, and $0.3 million from the exercise of stock options.

10.5 Capital Resources

Alithya’s capital consists of 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, borrowings.

10.6 Long-Term Debt and Net Debt

The following table summarizes the Company's long-term debt:

As at (in $ thousands)	March 31, 2024	March 31, 2023
	$	$
Senior secured revolving credit facility (the "Credit Facility") [(a)]	81,073	82,512
Secured loans [(b)]	8,537	13,192
Subordinated unsecured loans [(c)]	20,000	20,000
Balance of purchase price payable with a nominal value of $8,436,000 (US$6,230,000) (March 31, 2023 - $12,641,000 (US$9,345,000)), non-interest bearing (4.4% effective interest rate), payable in annual installments of $4,218,000 (US$3,115,000), maturing on July 1, 2025	8,172	11,993
Unamortized transaction costs (net of accumulated amortization of $215,000 and $1,184,000)	(400)	(507)
	117,382	**127,190**
Current portion of long-term debt	12,687	12,808
	104,695	**114,382**

[(a)] On December 22, 2023, the Company entered into an Amended and Restated Credit Agreement (the "Agreement"). The Agreement increased the existing available Credit Facility to a maximum amount of $140,000,000 which can be increased under an accordion provision to $190,000,000, under certain conditions, and can be drawn in Canadian dollars and the equivalent amount in U.S. dollars. It is available in prime rate advances, CORRA advances, SOFR advances and letters of credit of up to $2,500,000.

The advances bear interest at the Canadian or U.S. prime rate, plus an applicable margin ranging from 0.75% to 1.75%, or CORRA or SOFR rates, plus an applicable margin ranging from 2.00% to 3.00%, 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 Company is required to maintain certain financial covenants which are measured on a quarterly basis.

The Credit Facility now matures on April 1, 2026 and is renewable for additional one-year periods at the lender's discretion, but the term of the Credit Facility cannot exceed three years.

As at March 31, 2024, the amount outstanding under the Credit Facility includes $71,773,000 (March 31, 2023 - $82,512,000) payable in U.S. dollars (US$53,000,000; March 31, 2023 - US$61,000,000).

The Company has an additional operating credit facility available to a maximum amount of $2,708,000 (US$2,000,000), bearing interest at U.S. prime rate plus 1.00%, with the same security and financial covenants as the Credit Facility. This operating credit facility can be terminated by the lender at any time. There was no amount outstanding under this additional operating credit facility as at March 31, 2024 and 2023.

[b] The secured loans issued by Investissement Québec to finance the Company's refundable tax credits have the following terms and conditions:

As at (in $ thousands)			March 31, 2024	March 31, 2023
			$	$
Year of related Refundable Tax Credit	Repayable on the earlier of the date of receipt of the refundable tax credits receivable and	Bearing interest at		
2022	March 31, 2024	Prime rate + 1,00%	—	8,719
2023	March 31, 2025	Prime rate + 1,25%	8,537	4,473
			8,537	**13,192**

The maximum amount that can be financed for the 2023 refundable tax credits is the lesser of 90% of the eligible refundable tax credits and $10,670,000. The loans are secured by a first ranking hypothec on the universality of the Company's financed refundable tax credits receivable and a subordinated ranking hypothec on accounts receivable and other receivables.

[c] On March 13, 2024, the Company entered into an amended agreement. The maturity of the subordinated unsecured loans with Investissement Québec, in the amount of $20,000,000, was extended from October 1, 2025 to October 1, 2026 and the loans are now renewable for one additional year at the lender's discretion. For the period up to October 1, 2025, the first $10,000,000 bears interest at fixed rates ranging between 6.00% and 7.25% and the additional $10,000,000 bears interest ranging between 7.10% and 8.35%, determined and payable quarterly, based on threshold limits for certain financial ratios. The interest rates for the period between October 1, 2025 to October 1, 2026 will be communicated by the lender at the latest fifteen days prior to October 1, 2025. Once communicated, the Company will have the option to partially or fully repay the loans, without penalties, by October 1, 2025 at the latest.

Under the terms of the loans, the Company is required to maintain compliance with certain financial covenants which are measured on a quarterly basis.

[a][c] The Company was in compliance with all of its financial covenants as at March 31, 2024 and 2023.

Total long-term debt as at March 31, 2024 decreased by $9.8 million, to $117.4 million, from $127.2 million as at March 31, 2023, due primarily to a decrease of $4.7 million in the secured loans, a reduction of $3.8 million in the balance of purchase price payable related to the Datum Acquisition, and a decrease of $1.4 million in drawings under the Credit Facility. The decrease in total long-term debt resulted in a $13.7 million decrease in cash as at March 31, 2024 compared to March 31, 2023.

As at March 31, 2024, cash amounted to $8.9 million and $81.1 million was drawn under the Credit Facility and classified as long-term debt. In comparison, as at March 31, 2023, cash amounted to $22.6 million and $82.5 million was drawn under the Credit Facility and classified as long-term debt.

The following table reconciles long-term debt to Net Debt[(1)]:

As at (in $ thousands)	March 31, 2024	March 31, 2023
	$	$
Current portion of long-term debt	12,687	12,808
Non-current portion of long-term debt	104,695	114,382
Total long-term debt	**117,382**	**127,190**
Less:		
Cash	8,859	22,583
Net Debt	**108,523**	**104,607**

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, 2024, Alithya's Net Debt increased primarily as a result of the decrease in cash, partially offset by the decreased borrowing under the Credit Facility, as explained above.

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, 2024					
(in $ thousands)	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	$	$	$	$	$	$
Trade payable	41,751	41,751	41,751	—	—	—
Contingent consideration	4,082	4,358	—	4,358	—	—
Credit Facility	81,073	93,444	6,065	6,306	81,073	—
Secured loans	8,537	8,580	8,580	—	—	—
Subordinated unsecured loans	20,000	23,871	1,310	1,608	20,953	—
Balance of purchase price payable	8,172	8,436	4,218	4,218	—	—
Lease liabilities	11,520	12,615	4,559	2,750	3,981	1,325
Operating commitments	—	14,560	6,725	3,096	4,739	—
	175,135	**207,615**	**73,208**	**22,336**	**110,746**	**1,325**

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 15 of the annual audited consolidated financial statements, there have been no material changes with respect to off-balance sheet arrangements since March 31, 2023 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 the “Company”. The details of Alithya's share capital are fully described in Note 13 of Alithya's annual audited consolidated financial statements.

11.1 Normal Course Issuer Bid

On September 13, 2023, the Company’s Board of Directors authorized and subsequently the TSX approved the renewal of its normal course issuer bid ("NCIB"). Under the NCIB, the Company is allowed to purchase for cancellation up to 2,411,570 (previously 2,491,128) Subordinate Voting Shares, representing 5% of the Company’s public float as of the close of markets on September 7, 2023.

The NCIB commenced on September 20, 2023 and will end on the earlier of September 19, 2024 (previously between September 20, 2022 and September 19, 2023) and the date on which the Company will have acquired the maximum number of Subordinate Voting Shares allowable under the NCIB or will otherwise decide 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.

In connection with the NCIB, the Company entered into an automatic share purchase plan (“ASPP”) with a designated broker. The ASPP allows 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.

12. Related Parties

Ultimate controlling party

As at March 31, 2024, the holders of Multiple Voting Shares, directly or indirectly, collectively owned or exercised control over Subordinate Voting Shares and Multiple Voting Shares representing approximately 45.6% 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 Company's Executive Committee and certain other key management personnel. Key management of Alithya participate in the share purchase plan, the Long-term Incentive Plan, and the Share Unit Plan. The compensation paid or payable to directors and to key management for services is shown below:

Year ended (in $ thousands)	March 31, 2024	March 31, 2023
	$	$
Director compensation, and key management salaries and benefits [a]	4,100	4,101
Share-based compensation	2,106	3,081
	6,206	**7,182**

[a] *Salaries and benefits include short-term incentive compensation.*

In addition to the above amounts, the Company is committed to pay incremental benefits to certain members of key management up to $6,433,000 (2023 - $6,624,000) in the event of a change of control and/or termination without cause.

Operating transactions with key management personnel

In the normal course of operations, the Company 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. As at March 31, 2024, the entity was no longer a related party as its controlling shareholder ceased to be a director of the Company on September 14, 2022.

Year ended (in $ thousands)	March 31, 2024	March 31, 2023
	$	$
Revenues [a]	—	6,811

[a] *Under a ten-year commercial agreement, ending in April 2031, an entity controlled by a former 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.*

13. Selected Annual Information

	For the years ended March 31,		
(in $ thousands)	**2024**	**2023**	**2022**
	$	**$**	**$**
Revenues	491,125	522,701	437,885
Net loss	(16,660)	(30,097)	(15,548)
Basic and diluted loss per share	(0.17)	(0.32)	(0.18)
Total assets	416,497	464,101	447,721
Non-current long-term debt and lease liabilities	112,079	129,025	105,113

Revenues decreased from March 31, 2023 to March 31, 2024 primarily due to a reduction in information technology investments in the banking sector and certain client projects reaching maturity, partially offset by organic growth in certain areas of the business and the positive impact of foreign exchange variations between the periods. Revenues increased from March 31, 2022 to March 31, 2023 primarily due to the acquisitions of Vitalyst, LLC ("Vitalyst"), which provided an additional ten months of revenues in fiscal 2023 compared to the prior year, and Datum, as well as organic growth in all areas and the positive impact of foreign exchange variations between the periods.

Net loss and basic and diluted loss per share decreased from March 31, 2023 to March 31, 2024 primarily due to decreases in selling, general and administrative expenses, business acquisition, integration and reorganization costs, including a recovery of the earn-out consideration related to the Datum Acquisition, and amortization of intangibles and depreciation of property and equipment, partially offset by decreased gross margin and increases in income tax expense, primarily due to a decrease in deferred tax recovery resulting from a deferred tax asset that was probable of being realized as a result of the deferred tax liability pursuant to the acquisition of Datum in the prior year, and net financial expenses. Net loss and basic and diluted loss per share increased from March 31, 2022 to March 31, 2023 primarily due to increases in selling, general and administrative expenses, including decreased governmental wage subsidies, business acquisition, integration and reorganization costs, including the potential earn-out consideration related to the Datum Acquisition, depreciation and amortization, and net financial expenses, partially offset by increases in gross margin and income tax recovery.

The decrease in total assets from March 31, 2023 to March 31, 2024 was due primarily to the decrease in cash, due to repayments under the Credit Facility, and the decreases in unbilled revenues and intangibles assets and property and equipment due to amortization and depreciation that occurred during the year ended March 31, 2024, partially offset by an increase in accounts receivable and other receivables. The increase in total assets from March 31, 2022 to March 31, 2023 was due primarily to the acquisition of Datum, which resulted in the recognition of intangible assets and goodwill, partially offset by the decrease in intangible assets due to amortization that occurred during the year ended March 31, 2023.

Non-current long-term debt and lease liabilities decreased from March 31, 2023 to March 31, 2024 primarily due to the decreased long-term debt, as described in section 10.6, a recovery of the earn-out consideration related to the Datum Acquisition, and a reassessment of lease liabilities as part of Alithya's ongoing review of its real estate strategy following the integration of acquisitions and changes in working conditions in order to reduce the Company's footprint and realize synergies. Non-current long-term debt and lease liabilities increased from

March 31, 2022 to March 31, 2023 primarily due to the increase in long-term debt, in order to fund the Datum Acquisition and operations.

14. Eight Quarter Summary

	For the three months ended							
(in $ thousands, except for per share data)	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024
Revenues	126,764	128,933	130,780	136,224	131,595	118,492	120,498	120,540
Cost of revenues	92,700	91,173	91,562	95,492	93,502	83,701	82,819	81,793
Gross margin	34,064	37,760	39,218	40,732	38,093	34,791	37,679	38,747
	26.9 %	29.3 %	30.0 %	29.9 %	28.9 %	29.4 %	31.3 %	32.1 %
Operating expenses								
Selling, general and administrative expenses	28,927	30,421	31,196	35,978	32,499	29,930	29,521	29,608
Business acquisition, integration and reorganization costs	1,882	2,741	1,290	12,166	1,105	2,663	1,030	(1,414)
Depreciation	1,579	1,602	1,634	1,721	1,668	1,498	1,444	1,303
Amortization of intangibles	4,699	6,708	7,397	8,693	6,824	6,177	5,299	4,795
Foreign exchange (gain) loss	(164)	64	163	96	(128)	112	(34)	152
	36,923	41,536	41,680	58,654	41,968	40,380	37,260	34,444
Operating (loss) income	(2,859)	(3,776)	(2,462)	(17,922)	(3,875)	(5,589)	419	4,303
Net financial expenses	1,793	2,301	2,664	2,577	3,220	3,073	3,302	2,262
(Loss) income before income taxes	**(4,652)**	**(6,077)**	**(5,126)**	**(20,499)**	**(7,095)**	**(8,662)**	**(2,883)**	**2,041**
Income tax (recovery) expense	(488)	(5,642)	379	(506)	150	514	(346)	(257)
Net (loss) earnings	**(4,164)**	**(435)**	**(5,505)**	**(19,993)**	**(7,245)**	**(9,176)**	**(2,537)**	**2,298**
Basic and diluted (loss) earnings per share	(0.04)	—	(0.06)	(0.21)	(0.08)	(0.10)	(0.03)	0.02

Quarterly variances in Alithya's results are due primarily to the timing of acquisitions. Quarterly variations can also be attributed 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.

Over the eight-quarter period, revenues have fluctuated due to business acquisitions, and most recently, reductions in information technology investments in the banking sector due to the current economic environment. Gross margin as a percentage of revenues has generally followed an increasing trend, including over the last four quarters, mainly due to higher utilization, improved project performance, and a steady migration towards higher value-added services. Selling, general and administrative expenses have fluctuated due to business acquisitions, net of possible synergies, and remained steady in the current quarter, after notably decreasing over the previous three quarters, mainly as a result of the review of Alithya's cost structure initiated in the fourth quarter of fiscal 2022 and the modifications undertaken in the quarters that followed, and workforce reductions in response to the current economic environment, incurred in recent quarters. As a percentage of consolidated revenues, total selling, general and administrative expenses have fluctuated due to acquisitions, cost structure reviews, and as a result of the variations in revenues discussed above. Other expenses, such as business acquisition, integration and reorganization costs, depreciation, amortization of intangibles, and income tax (recovery) expense, have also varied as a result of business acquisitions and the subsequent integration activities and requirements.

15. Significant Management Judgement and 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 material accounting policies are fully described in Note 3 of Alithya's annual audited consolidated financial statements.

The following are critical judgements that management has made in applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

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 Company manages and monitors its operations, the nature of each CGU's operations, and the major customer markets they serve. As such, the Company has identified its CGUs for purposes of testing the recoverability and impairment of non-financial assets to be: Canada, France, EPM, ERP and Data Solutions.

Determination of operating segments – The Company uses judgment in the determination of operating segments for financial reporting and disclosure purposes. The Company has examined its activities and has determined that it has three reportable segments based on geography: Canada, U.S. and International.

The following are assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments within the next year:

Revenue recognition for fixed-fee and time and material arrangements applying the input method – The Company recognizes revenues from arrangements applying the input method 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 Company's best estimate of the total expected labour costs, and the related risks associated with completing the service. The determination of total expected labour costs to complete a service is based on estimates that can be affected by a variety of factors, including but not limited to, changes in the scope of the contract, delays in reaching milestones, changes in labour mix and rates, previously unidentified complexities in service delivery, or 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 Company'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 Company's impairment test for goodwill is based on internal estimates of its individual CGUs' recoverable amounts determined as the greater of value in use and fair value less costs of disposal. Value in use represents the present value of the future cash flows expected to be derived from the CGU from its continued use. The fair value less cost of disposal represents the price that would be received to sell the CGU in an orderly transaction between market participants at the measurement date under current market conditions, less incremental costs directly attributable to disposing of the CGU, excluding finance costs and income tax expense.

Key assumptions of the individual CGUs' value-in-use include forecasted revenues, cost of revenues, SG&A expenses and other non-cash adjustments applied in the determination of the Company's three year net operating cash flow forecast, estimated long-term growth rates used to extrapolate the three year net operating cash flow forecast and the pre-tax value weighted average cost of capital ("WACC") applied in the determination of the present value of the net operating cash flow forecast.

Key assumptions of the individual CGUs' fair value less cost of disposal include estimated revenues, cost of revenues, SG&A expenses and other non-cash adjustments applied in the determination of the Company's forecasted Adjusted EBITDA and an implied market multiple applied to forecasted Adjusted EBITDA.

Changes in these key assumptions can have a material impact on the recoverable amount calculated and ultimately the amount of any goodwill impairment recognized. Refer to Note 9 of Alithya's annual audited consolidated financial statements. for additional information on the assumptions used.

Business acquisitions – The fair values allocated to identifiable intangible assets acquired as part of a business acquisition are based on management assumptions, including assumptions that would be made by market participants acting in their economic best interest. The Company develops the fair value of identifiable intangible assets acquired by using appropriate valuation techniques which are generally based on discounted future expected cash flows. Key assumptions applied in the determination of the acquisition date fair values of identifiable intangible assets acquired as part of a business acquisition include forecasted cash flows attributable to the asset, discount rates and, when applicable, attrition 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 twelve months. All other subsequent changes are recognized in the consolidated statements of operations.

16. Accounting Standard Amendments Effective for the Year Ending March 31, 2024

The following amendments to existing standards were adopted by the Company on April 1, 2023:

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 Company has updated its accounting policy information disclosures in these annual consolidated financial statements for the year ended March 31, 2024.

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 amendment of IAS 8 had no impact on the Company’s annual consolidated financial statements for the year ended March 31, 2024.

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 Company has updated its disclosures in these annual consolidated financial statements for the year ended March 31, 2024. The adoption of these amendments resulted in a $4.9 million gross-up presentation of the lease liability deferred tax asset and right-of-use deferred tax liability as at March 31, 2023, for note disclosure purposes, with no impact on the net amount of deferred tax liability recognized.

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 Company. 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 Company’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. 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. On October 31, 2022, the IASB issued Non-current liabilities with covenants (Amendment to IAS 1) to clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Additional disclosure will be required to help users understand the risk that those liabilities could become repayable within twelve months after the reporting date. The amendments to IAS 1 apply retrospectively and are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

IFRS 18 - Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB published the new IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial statements.

IFRS 18 covers four main areas:

- Introduction of defined subtotals and categories in the statement of profit or loss
- Introduction of requirements to improve aggregation and disaggregation
- Introduction of disclosures about management-defined performance measures (MPMs) in the notes to the financial statements
- Targeted improvements to the statement of cash flows by amending IAS 7 – Statement of Cash Flows

IFRS 18 applies retrospectively and is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. Management is currently evaluating the impact of the amendment on its consolidated financial statements.

18. Risks and Uncertainties

While Alithya is confident about its long-term prospects, it operates in an environment that presents a variety of risks and uncertainties and is affected by a number of factors which could have a material adverse effect on its business, financial condition and results of operations, cash flows, business or reputation.

Alithya’s risk management strategy is aligned with its business strategy and its activities are conducted with the understanding that risk-taking and effective management of risks are necessary and integral to achieving strategic objectives and managing business operations. The Board has delegated to the Audit and Risk Management Committee the responsibility to oversee risks and to the Corporate Governance and Nominating Committee the responsibility to oversee risks disclosure. Management discusses the critical risks facing Alithya’s business with the Audit and Risk Management Committee on a quarterly basis and with the Board on an annual basis during the strategic planning and budgeting processes, as well as on an ad hoc basis, as deemed necessary. Management also discusses risks disclosure with the Corporate Governance and Nominating Committee on a quarterly basis to ensure its disclosure remains accurate and addresses the material risks that Alithya faces. Early identification of risks helps Alithya be more proactive and prevent major incidents and consequences.

The risks that Alithya currently believes could materially affect it are described in this section. They are grouped in the following categories:

- **Risks related to the market:** Includes risks arising from the market in general and which could have a material impact on Alithya's business;
- **Risks related to Alithya's industry:** Includes risks to which companies providing digital technology consulting services are subject to;
- **Risks related to Alithya's business:** Includes risks specific to the way in which Alithya's business is structured and operates; and
- **Risks related to Subordinate Voting Shares and Liquidity:** Includes risks specific to holding Subordinate Voting Shares and liquidity.

These risks are, however, not necessarily the only risks Alithya faces. Additional risks and uncertainties that are presently unknown or that Alithya may currently deem immaterial could adversely affect its business. Investors should carefully consider the risks and uncertainties discussed in this section as well as in Alithya's other materials made public, including documents filed with Canadian and U.S. securities regulatory authorities and which are available on SEDAR+ and EDGAR, before making an investment decision. The realization of any of these risks could, among other things, have an impact on the market price of the Subordinate Voting Shares.

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 their level of economic activities in the industries and markets in which they operate as well as political uncertainty, which may include armed conflict, labour or social unrest, rising inflation, recession, climate change, and diseases or health emergencies. Economic conditions and political uncertainty could cause certain 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 maintains cost-savings initiatives to manage its expenses as a percentage of revenues, but there is no assurance that such initiatives would be successful over a long period affected by difficult economic conditions or political uncertainty. Alithya can neither predict the impact that economic and political conditions may have on its future revenues, nor predict changes in economic conditions or future political uncertainty.

Although its customers are principally located in Canada and the U.S., Alithya serves them through local presence as well as delivery centers located outside of Canada and the U.S. Accordingly, economic risks and political uncertainty in the jurisdictions from which it provides services could affect the delivery of its services. Similarly, as the Company continues to expand its operations in North America and internationally, including through acquisitions, the level of economic activity in such other jurisdictions, in which it may expand and develop more business with time, and the political uncertainty, war or armed conflict that could affect such jurisdictions could have a more significant footprint on Alithya's operations and business, financial condition and results of operations.

Additionally, the potential impacts of climate change are unpredictable and natural disasters, sea-level rise, floods, droughts or other weather-related events present additional risks, as they could disrupt Alithya's internal operations or its customers' operations, impact its professionals' health and safety, and increase insurance and other operating costs. Climate risks can arise from physical risks (risks related to the physical effects of climate change), transition risks (risks related to regulatory, legal, technological and market changes from a transition to a low-carbon economy), as well as reputational risks related to Alithya's management of climate-related issues and the level of disclosure related to such matters. Such risks could affect Alithya or affect the financial viability of its customers, leading to a reduction of demand and loss of business from such customers and each of these risks could negatively impact Alithya's business, results of operations and financial condition.

18.1.2 Inflation

With the current higher levels of inflation, Alithya may become subject to significant cost pressures, which may result in market volatility. Governments of jurisdictions in which Alithya has direct or indirect business activities may adopt initiatives to combat inflation, such as raising interest rates, thus increasing its cost of borrowing and decreasing the liquidity of capital markets. Higher levels of inflation may also lead to increased costs of labour and Alithya's selling, general and administrative expenses. If Alithya's operating costs were to become subject to significant inflationary pressures, there is no assurance that Alithya would be able to offset such higher costs, in part or in full, through price increases or other expense management efficiencies, which could have a material adverse effect on its business, financial condition or results of operations.

18.1.3 Pandemics

Pandemics can create significant volatility and uncertainty and disrupt the industries and markets in which Alithya operates and pose the risk that Alithya's professionals, customers, subcontractors and business partners may be prevented from, or restricted in, conducting business activities as per past practice or as expected for an indefinite period, including due to the virus or disease or as a result of emergency measures and restrictions that may be recommended or imposed by governmental authorities to combat any such pandemic. Governmental emergency measures may include 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 policies, curfews, social distancing measures and the temporary closure of non-essential businesses, all of which may cause material disruptions and significant pressure on businesses in general and have an adverse impact on Alithya's business and results of operations.

A pandemic 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 amounts of management time and resources and increased operating costs to mitigate the impact of the pandemic. No one can predict the duration or scope of a pandemic or the emergence or resurgence of a pandemic and, although some impacts may materialize themselves, it would be challenging for Alithya to accurately estimate or quantify the severity of a pandemic and the full scope and magnitude of its impacts and consequences on Alithya, its business, financial condition and prospects.

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. Alithya competes with local and international competitors, as well as customers' internal IT departments. There is also a growing number of smaller niche boutique digital technology consulting firms that have developed services similar to those offered by Alithya over the years and Alithya believes that competition will continue to be strong and may increase in the future, especially as there are relatively low barriers to enter the digital technology consulting services market.

While Alithya strives to remain competitive, Alithya's competitors may be better positioned to address technological changes or 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, or other advantages over the services Alithya offers in addition to lower prices. Also, as Alithya expands its portfolio of services and solutions, it may face new competitors who may be able to leverage a larger installed customer base and their involvement beyond the services and solutions provided by Alithya may allow them to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause Alithya to lose potential sales or to sell services and solutions at lower prices. Some of Alithya's competitors may also have longer operating histories and benefit from significantly greater financial, technical, marketing and managerial resources than Alithya. If Alithya fails to anticipate or react in an agile manner to known and unexpected moves by existing or new competitors or if competitors reduce their prices, Alithya could lose projects to such competitors. Any pricing pressure could also have a material adverse impact on Alithya's revenues and margins and limit its ability to provide competitive services. Alithya expects to continue to invest significant resources to develop and enhance its business offerings and leverage a high level of customer satisfaction, but there is no assurance it will be able to satisfy customer demands as they evolve and as competition continues to increase.

In addition, 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 skills of its personnel and the quality of its customer service. Also, as the costs to start a digital technology consulting services firm are relatively low and the general use of professionals located internationally 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, international providers and larger integrators and that 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 and retain qualified technical consultants, project management consultants, business analysts, and sales and marketing professionals of various levels of experience. The markets that Alithya serves are highly competitive and competition for skilled employees in the digital technology consulting industry is intense. The demand for qualified employees and inflation continues to be high, resulting in upward pressure on compensation. While Alithya's management believes its measures to attract and retain qualified employees are competitive, if such measures prove to be insufficient, Alithya may be unable to support its growth strategy and objectives or normal business operations, including completing existing projects or bidding on new projects, which could adversely affect its revenues. Since the COVID-19 pandemic, Alithya has been faced with new talent-related challenges and risks, including higher employee mobility, a re-evaluation of employee’s relationship with their workplace and a highly competitive employee marketplace which may make it more difficult to recruit, attract and retain skilled personnel.

18.2.3 Failure to expand, develop and adapt services and solutions to meet customers’ needs

The markets for technology, digital and outsourcing services are characterized by rapid technological change, evolving industry standards, continually declining costs of acquiring and maintaining IT infrastructure, changing customer preferences, and new services and solutions introductions. 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. Alithya must anticipate changes in its customers’ needs and to do so, it must adapt its services and solutions and remain able to provide cost effective services and solutions. Offerings relating to digital, cloud and security services are examples of areas that are continually evolving, as well as changes and developments in artificial intelligence (including generative artificial intelligence, as well as automation and machine learning) (“AI”). Although Alithya strives at developing digital and other new services and solutions addressing evolving technologies and customers’ 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 or that any such services and solutions it develops will be successful once offered in the marketplace. If Alithya does not keep pace and address the demands of the rapidly evolving technological environment and the needs of customers, including in the emerging field of AI, its ability to retain and attract customers and gain new business may be adversely affected, which could in turn have a material adverse effect on its business, financial condition and results of operations. Also, as Alithya expands its offerings of services and solutions, and as it expands such offerings, it may be exposed to operational, legal, regulatory, ethical, technological and other risks specific to such expanded services and solutions, which may result in additional pressure on its revenues, net earnings and resulting cash flow from operations.

18.2.4 Risks related to Artificial Intelligence

The use of AI may give rise to issues and risks related to harmful content, inaccurate content, bias, intellectual property right infringement or misappropriation, data privacy and cybersecurity, among others, and may also bring the possibility of ethical concerns and/or new or enhanced governmental or regulatory scrutiny, litigation or other legal liability, all of which could have a material adverse effect on Alithya’s business, financial condition and results of operations.

18.2.5 Protecting intellectual property rights

Alithya’s success depends in part on its ability to protect its proprietary methodologies, processes, know-how, techniques, tools and other intellectual property that are used to provide services. Alithya relies on a combination of trademarks, laws that protect intellectual property rights, regardless of whether such rights are registered, as well as contractual restrictions, such as confidentiality agreements, assignment of rights and licenses, to protect its intellectual property rights. Existing laws that protect intellectual property rights, however, only afford Alithya limited protection and there is no assurance that contractual restrictions will be observed by customers and third parties. 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 be successful in 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 require Alithya to devote additional resources to, among others, create, roll-out, advertise and market its new brands; (iv) configure services to avoid infringement; and (v) refund license fees or other payments that were previously received.

The protection of intellectual property rights and confidentiality in some jurisdictions in which Alithya operates may also not be as effective as in Canada, the U.S. or other jurisdictions with more developed intellectual property protection rights. In addition, 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. Furthermore, there is no assurance that competitors will not infringe Alithya's intellectual property rights, or that Alithya will have the necessary resources to enforce its intellectual property rights. If Alithya attempts to enforce its intellectual property rights through litigation, there is no assurance that Alithya would be successful and such legal proceedings could result in substantial costs and diversion of resources and management attention.

Alithya's solutions may also incorporate and be dependent to a certain extent on the use and development of open source code. Such open source code is generally licensed by its authors or other third parties under open source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open source licenses, Alithya may be subject to certain conditions, including requirements that it offers its proprietary software that incorporates the open source software for no cost, that it makes available source code for modifications or derivative works that is created based upon, incorporating or using the open source code, or that it licenses such modifications or derivative works under the terms of the particular open source license. If an author or other third party that uses or distributes such open source software were to allege that Alithya had not complied with the conditions of one or more of these licenses, Alithya could be required to incur significant legal expenses defending against such allegations, to pay significant damage awards, and to dispose of its solutions that contain or are dependent upon the open source code, all of which could disrupt the distribution and sale of some of Alithya's solutions. Litigation, if any, could be onerous, have a negative effect on Alithya's financial condition and results or operations or require it to devote additional research and development resources to implement any required changes to its solutions. Any requirement to disclose proprietary source code, terminate license rights or pay damages for breach of contract could have a material adverse effect on Alithya's business, financial condition and results of operations, and could help competitors develop products and services that are similar to or better than Alithya's. Although Alithya believes that it complies with its obligations under the licenses for open source code that it uses, it is possible that it may not be aware of all instances where open source code has been incorporated into its solutions or used in connection with its solutions.

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 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 customers 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 could exceed the revenues Alithya generates under the contracts or the coverage provided by Alithya's insurance policies.

Intellectual property claims or litigation against Alithya could incur substantial costs, divert management's attention, harm Alithya's reputation, require Alithya to enter into additional licensing arrangements or even restrict Alithya from providing its services and solutions as it has in the past or as it intended to. Any limitation on Alithya's ability to offer 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 Government sponsored programs

Alithya benefits from government sponsored programs designed to support research and development, labour and economic growth. Alithya may also receive tax credits from governments in Canada and abroad. 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 that such programs will not be reduced, amended or eliminated. In addition, these tax credits and programs are routinely subject to review and audit, which may result in challenges and disputes and could result in reductions or reversals of grants or tax credits previously received. Any government program reduction, elimination or other amendment to the government sponsored programs from which Alithya benefits, as well as any reduction or reversal of grants, credits or contributions previously received, could increase operating or capital expenditures incurred by Alithya and have a material adverse effect on its net earnings or cash flow.

18.2.8 Regulatory risks

Alithya's global operations require compliance with laws and regulations in several jurisdictions on many matters of increasing levels of complexity, including anti-corruption, intellectual property, trade restrictions, immigration, taxation, antitrust, data privacy, labour 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. Laws and regulations frequently change and some may also impose conflicting requirements as well as restrictions on the movement of cash, currency fluctuation and other assets and on the repatriation of Alithya's net earnings.

18.2.9 Ethical and ESG risks

Alithya's professionals, officers, directors and subcontractors are expected to comply with applicable laws, regulations and ethical standards. Alithya has put in place measures and controls to ensure compliance therewith, including through the adoption a Code of Business Conduct that sets out uniform foundations for the way such persons are expected to conduct themselves. Despite Alithya's best efforts, there is, however, no assurance that such measures and controls will be sufficient to prevent violations and failure to do so could expose Alithya to significant penalties, harm its reputation or even disqualify it from bidding on contracts. This risk also increases as Alithya continues to expand its business internationally.

Also, over the past few years, stakeholders have started to voice their expectations with respect to environmental, social and governance ("ESG") matters and certain customers may have criteria to observe when selecting a service provider. The ESG practices and initiatives that Alithya maintains or chooses to implement and pursue, and Alithya’s ability to achieve and report on such practices and initiatives, could therefore have an impact on its growth and results of operations. Failure to effectively manage and sufficiently and accurately report on ESG matters could also lead to legal and regulatory consequences.

18.3 Risks Related to Alithya's Business

18.3.1 Changes in the nature of revenues

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 revenue-generating customer contracts generally fall into one of the following three categories: (i) strategic consulting and enterprise transformation services (time and materials arrangements), (ii) enterprise transformation services (fixed-fee arrangements), and (iii) business enablement services. Alithya also sometimes enters into arrangements with multiple performance obligations as well as payrolling services with certain customers through which contractor candidates recruited and selected by customers are hired by Alithya and then assigned to customer projects. Any change in the mix of Alithya's arrangements with its customers could have an impact upon its periodic operating performance, including gross margin.

18.3.2 Customer concentration

Alithya derives a significant portion of its revenues from certain major customers and expects this to continue in the foreseeable future. The increased breadth of Alithya’s services and solutions offerings has also resulted in, 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. Such major customers may not be easily replaced, and 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, however, 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 relationships with these customers or to keep providing high-quality services that meet their expectations 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. Consolidation among customers resulting from mergers and acquisitions could also result in loss or reduction of business when the successor's business IT needs are served by another service provider or provided by the successor company’s internal IT department. Growth in a customer’s IT needs resulting from acquisitions or operations may mean that Alithya no longer has a sufficient geographic scope or the critical mass to serve the customer’s needs efficiently, resulting in the loss of the customer’s business and impairing future prospects. There can be no assurance that Alithya will be able to achieve the objectives of its growth strategy in order to maintain and increase its geographic scope and critical mass in its targeted markets.

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 growth strategy by organic growth and acquisitions, 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). Alithya's business, revenues and cash flows may also be affected by certain seasonal trends that affect its customers. For example, revenues may be lower in its second quarter which covers the period from July 1 to September 30, as its customers operations often experience a slow-down in the summer.

18.3.4 Commitment of substantial resources for growth

Growing Alithya's business over the long-term requires commitment of continued investments. Alithya's future capital requirements depends 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 acquisitions; (iv) hiring and retaining key personnel; (v) maintaining customer relationships; and (vi) the identification of suitable future acquisition opportunities.

Alithya's cash on hand and available financing 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 Growth through acquisitions

Alithya's ability to grow through acquisitions requires that it identifies suitable acquisition targets that meet its financial and operational objectives and fit its culture and strategy. There can, however, be no assurance that Alithya will be able to identify and correctly evaluate suitable acquisition targets that meet its economic thresholds and create value for shareholders, 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 rate.

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 possible resulting pressure on the revenues and net 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 smooth, timely and cost-effective manner, it could have difficulty achieving expected synergies, which could as a result affect its growth and profitability objectives.

Additional risks and uncertainties relating to acquisitions and other strategic transactions include: (i) difficulties in retaining key employees and integrating new professionals joining from acquired businesses into Alithya's team and culture, (ii) difficulties in maintaining and building on relationships with present and potential customers, subcontractors and business partners of an acquired business or Alithya; (iii) difficulties managing and integrating operations in geographically dispersed locations; (iv) the risk that the targeted markets do not evolve as anticipated and that technologies acquired prove to be inferior to Alithya's expectations; (v) potential deficiencies in the internal controls and procedures at acquired companies; (vi) cybersecurity and compliance related issues; and (vii) exposure to unanticipated liabilities. Following an acquisition, Alithya may also remain reliant on the acquired business' personnel, good faith, expertise, historical performance, technical resources, IT infrastructure and systems, timely support, and proprietary information. Accordingly, Alithya may be exposed to risks associated with adverse developments in the business and affairs of the acquired business as well as vulnerabilities of its IT infrastructure and systems.

Although Alithya strives to conduct a sufficient level of due diligence when contemplating an acquisition, an unavoidable level of risk remains regarding the accuracy, quality and completeness of the information provided to Alithya during such process and there may be liabilities, deficiencies or other claims associated with companies or assets that are acquired and that Alithya failed to discover or which Alithya was unable to quantify accurately or at all during the due diligence process, as it was not in a position to independently verify the accuracy or completeness of such information, and which may result in unanticipated costs. In connection with acquisitions, Alithya may also incur debt, issue Subordinate Voting Shares or securities convertible into Subordinate Voting Shares, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could cause Alithya's earnings to decline.

18.3.6 Penetrating new markets

Penetrating new markets, including as a result of the development and offering of new technologies and solutions, represents both a risk and an opportunity. If Alithya expands its business offerings into new industries or geographies, it will face risks associated with entering into such new markets in which it may have 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 also be costly to establish, develop and maintain international operations, as well as promote 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.

18.3.7 International operations

Alithya operates in several jurisdictions around the world. As such, the scope of its operations subjects it to a variety of financial, regulatory, political, cultural and social challenges. These include: (i) currency fluctuations, (ii) risks related to, and the burden of, complying with a wide variety of local, national and international laws, regulations and policies; (iii) changes in regulatory practices and taxes, (iv) difficulties or expenses in enforcing contractual rights or intellectual property rights in certain jurisdictions; (v) exchange controls and other funding restrictions and limitations on Alithya's ability to repatriate cash, funds or capital invested or held in certain jurisdictions in which Alithya operates, (vi) cultural, logistical and communications challenges; (vii) general social, economic and political conditions or instability in one or more specific jurisdictions and/or globally, including recessions, political changes or disruptions and other economic crises in one or more jurisdictions in which Alithya operates, and (viii) the risks that foreign ownership restrictions with respect to operations in certain jurisdictions could be adopted. Any one or more of these factors could have a material adverse impact on Alithya's business, financial condition and results of operations.

18.3.8 Dependence on certain key personnel

Alithya believes that its success depends on the continued employment of its senior management team and other key personnel, the loss of which could have a material adverse effect on its business and results of operations, in addition to resulting in increased expenses to cover such persons' functions until a successor is appointed and is fully operational. This dependence is particularly important to Alithya's business because personal relationships are a critical element in obtaining and maintaining customer engagements. As its business grows, including through acquisitions, Alithya may also implement changes in its management structure, which it believes to be appropriate in the circumstances at the time they are implemented, but which could differ from the views or expectations of some. While management and the Board have established and regularly review a succession plan for Alithya's senior management team, which includes an emergency succession plan to deal with any situation which requires immediate replacement, it still presents logistical challenges in its application and may result in incremental costs to Alithya. 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 could attempt and successfully hire away certain of Alithya's key personnel.

18.3.9 Bidding processes

Alithya obtains a part of its contracts through competitive bidding processes. Costs and resources, including time from management, are required to prepare bids and proposals for contracts that may ultimately not be awarded to Alithya or that may be split with competitors. A part of Alithya's revenues depends on obtaining new orders and continued replenishment of its backlog and there is no assurance that Alithya will continue to win contracts through competitive bidding processes at the same rate as it has in the past or at a higher rate. Moreover, certain governments increasingly put pressure on prices or may require that bidders meet certain criteria that Alithya may not meet alone. In addition, as the competitive environment intensifies, Alithya remains subject to potential unsuccessful bidders protesting its selection through a bidding contest, which could divert management's attention and resources, in addition to potentially resulting in contract modifications or the award decision being reversed and the loss of the contract. Even though a bid protest would not result in the loss of an award, the resolution could extend the time until the contract activity can begin, which could reduce Alithya's earnings in the period in which the contract would otherwise have been performed.

In addition, when making proposals, Alithya relies heavily on estimates of costs and timing for completing projects, as well as assumptions regarding technical issues. It may also bid on contracts for which the work activities, deliverables and timelines are vague or for which the solicitation incompletely describes the actual work, which may result in inaccurate pricing assumptions. These factors affect the cost estimates of contracts on which Alithya bids, which can ultimately result in the contractual price being less favorable to Alithya. Also, failure to achieve program milestones as scheduled or the need to devote more resources than originally anticipated may impact timely execution and profitability. Furthermore, the delivery of services in connection with such contracts may result in the lost opportunity of not bidding on and winning other more favorable contracts that could have been pursued instead.

18.3.10 History of losses

Alithya generated a net loss of $16.6 million and $36.4 million for the fiscal years ended March 31, 2024 and 2023, 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 revenues 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's shareholders' equity and working capital.

18.3.11 Early termination, modification, delay and suspension risks

Most of Alithya's customer contracts contain "termination for convenience" or termination upon short notice provisions, which permit the customer to terminate or cancel the contract at its convenience upon providing Alithya with notice of a specified period of time before the termination date and/or paying a penalty, depending on the specific contract terms. Customers may elect to terminate their contracts before their agreed expiry date, or even modify, delay or suspend them, for a variety of reasons, including a failure by Alithya to deliver its services in accordance with the terms and conditions of its contractual agreements, a slow-down in business activity or any other reason whatsoever, which could result in a reduction of Alithya's net earnings and cash flow and may impact the value of its backlog. In cases of early termination, Alithya may also not be able to eliminate ongoing costs incurred to support the contract.

18.3.12 Changes to backlog

Backlog represents management's estimate of the aggregate amount of revenues expected to be realized in the future. As Alithya's revenues depend on the level of activities of its customers, Alithya cannot guarantee that the revenues projected in its backlog will be realized or, if realized, will result in profits. Projects may remain in the backlog for an extended period of time. Also, in the event a significant number of customers were to avail themselves of "termination for convenience" provisions, or if one or more significant customer contracts were terminated for convenience, Alithya's reported backlog would be adversely affected with a corresponding adverse impact on Alithya's expected financial condition and results of operations.

18.3.13 Customer collection and credit risk

In order to sustain its cash flow from operations, Alithya must invoice and collect amounts owed in an efficient and timely manner. Adverse changes in a customer's financial condition could cause Alithya to limit or discontinue business with that customer, require Alithya to assume more credit risk relating to that customer's future business, or result in uncollectible accounts receivable from that customer. Although Alithya maintains provisions to account for anticipated shortfalls in amounts collected from customers, the provisions it takes are based on management estimates and on its assessment of its customers' creditworthiness, which may prove to be inadequate in the light of actual results. To the extent that Alithya fails to invoice customers and collect the amounts owed for its services correctly in a timely manner, its collections could be negatively impacted, which could materially adversely affect its revenues, net earnings and cash flow. In addition, a prolonged economic downturn may impair customers' ability to pay for services already provided, and ultimately cause them to default on existing contracts. Future credit losses relating to any one of Alithya's major customers could also be material and result in a material change in its financial results.

18.3.14 Utilization rates

In order to maintain and grow revenues, Alithya has to maintain an appropriate level of availability of professional resources 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, or to the extent that laws and regulations restrict its ability to do so, Alithya's utilization rates may be reduced and thereby adversely affect its revenues and profitability. Conversely, 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 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 still represent a minority of Alithya's revenues, Alithya is increasingly contracting under a fixed-fee basis. If Alithya is unsuccessful in accurately estimating its labour costs or labour hours required to fulfill its obligations under a contract, or if unexpected factors, including those outside of its control, arise, Alithya may be required to absorb cost overruns, reducing profit margins or incurring losses, thereby having a material adverse effect on Alithya's expected net earnings.

18.3.16 Teaming agreements and subcontractors

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 competitors or choose to offer the services themselves 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.

18.3.17 Business 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 business 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.

18.3.18 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.

18.3.19 Insurance Limits

Alithya maintains comprehensive insurance coverage to provide indemnity for its losses and liabilities in connection with various aspects of its business and operations. Alithya’s insurance programs are, however, subject to varying coverage limits as well as retentions and exclusions that are customary or reasonable given the cost of procuring insurance, current operating conditions, and other relevant considerations. As a result, Alithya may be subject to future liability for which it is only partially insured, or completely uninsured. Alithya believes that its insurance programs address all material insurable risks and provide 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.

18.3.20 IT infrastructure and systems and use of the cloud

To deliver its services and solutions and provide reliable communications between its offices, delivery centers, customers, subcontractors and other business partners worldwide, Alithya relies upon its own IT infrastructure and systems as well as those of third parties. Any failure, outage or disruption in Alithya’s or any third party’s IT infrastructure or systems could result in curtailed operations, a loss of customers and reputational damage, all of which could have an adverse effect on Alithya’s business, financial condition and results of operations. For example, Alithya delivers its solutions and services to customers through the use of third-party cloud computing services, such as Microsoft Azure and Amazon Web Services (AWS) cloud services. If, for any reason, such services were discontinued or Alithya was required to migrate its computing towards other cloud service providers, such a transition could require significant time and expense and Alithya’s business could be adversely impacted. Although contractual agreements with such third-party cloud computing services contain minimum service levels, there is no assurance that Alithya’s business will not be affected by an interruption of services or incidents. Any damage to, or failure of, Alithya’s services providers' IT infrastructure or systems could result in interruptions of Alithya’s services, which could have an impact on its revenues, subject it to potential liability and adversely affect its ability to retain or attract customers. The performance, reliability and availability of Alithya’s services is critical to its reputation and ability to attract and retain customers. In addition, the costs for cloud services have increased over time, and may increase further as Alithya’s business grows and as it continues to require more computing or storage capacity. There is no assurance that such capacity will be available on the same terms or with the same costs or at all. These costs could therefore adversely impact its business, financial condition and results of operations.

18.3.21 Security and cybersecurity risks

Alithya faces security risks affecting its premises as well as cybersecurity risks affecting its IT infrastructure, systems, software and solutions. Both security risks present a risk of loss, theft and unauthorized access, use or disclosure of proprietary information (including intellectual property rights) or confidential information (including personal information of customers, partners or employees) of Alithya, its customers, their customers, its subcontractors and its business partners. Cybersecurity threats to IT infrastructure, systems, software and solutions are serious threats to the confidentiality, integrity, reliability, and availability of technology and information. Cybersecurity threats and incidents may take the form of denial of service, system failures or interruptions, software bugs or defects, cyber extortion (i.e. ransomware), breaches of systems security, electronic crime, malware, unauthorized attempts to gain access to proprietary and confidential information, hacking, phishing, identity theft, fraud and theft. State sponsored attacks, industrial espionage, employee misconduct or negligence, and human or technological errors (including from advertent or inadvertent actions or inactions by Alithya's professionals or subcontractors) also present potential risks and geopolitical instability and tension may exacerbate certain threats.

Also, in addition to the inherent cybersecurity risks that arise from operating in the IT sector, Alithya increases its exposure and vulnerability to cybersecurity risks as follows: (i) by allowing its professionals and subcontractors to work remotely and use video conferencing and collaborative platforms, (ii) by granting its subcontractors access to its IT infrastructure and systems, (iii) by operating or gaining access to its customers' IT infrastructure and systems to deliver services, (iv) by managing customer services in its IT infrastructure and thereby exposing itself to the risks that its customers face, especially if they have an elevated threat condition due to the nature of their business; (v) by allowing the use of open source code by its professionals and subcontractors, and (vi) by integrating and relying on AI services from suppliers. While Alithya selects its subcontractors carefully and includes safeguards in their contractual terms, it does not control their actions. Further, while Alithya has guidelines relating to the use of AI, AI poses evolving cybersecurity risks.

The occurrence of any of the aforementioned security and cybersecurity risks could expose Alithya, its customers or subcontractors to potential liability, litigation, and regulatory action, could materially affect or disrupt their business operations, and could cause loss of customer confidence, loss of existing or potential customers, damage to their reputation and competitive position, and increase costs and expenses.

Alithya seeks to detect and investigate all security incidents and to prevent their occurrence or recurrence by continuously testing, controlling and investing in security measures and controls (including both physical and logical controls on access to premises and information), adopting or enhancing mitigation policies and procedures, and providing employee security awareness and training. If security protection does not evolve at the same pace as threats, a growing gap on Alithya's level of protection will be created. However, given the highly evolving nature and sophistication of cyber and other security threats and their increased frequency, Alithya may be unable to anticipate, prevent, detect and react to all threats in a timely manner. Alithya may be required to expend significant capital and other resources to protect itself against potential security and cybersecurity threats or to mitigate the impact caused by security and cybersecurity breaches. Any cybersecurity incident could require Alithya to incur substantial costs, including costs associated with repairing its IT infrastructure and systems, implementing further protection measures, engaging third-party experts and consultants, and result in increased insurance premiums. The impact of any future security or cybersecurity incident cannot be easily predicted, and the costs related to such threats or disruptions could not be fully insured or indemnified by other means. 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 and cybersecurity incidents, 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.

Alithya's Chief Information Security Officer is responsible for overseeing its physical and cyber security measures, including the prevention, 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.

18.3.22 Data privacy rights and risks of unauthorized access or disclosure

In the course of its business, whether while providing its services or for its own proprietary information and the personal information of its employees, Alithya often has access to or collects, processes and stores personal information. When accessing, collecting, processing or storing personal information, Alithya depends on the security features of its IT infrastructure and systems and those of its customers, partners or third parties. Security or cybersecurity threats, employee or subcontractor negligence or misconduct, and human or technological errors, however, present potential risks of theft, loss or unauthorized access or disclosure of personal information.

Alithya's Privacy Officer oversees its compliance with the laws that protect personal information, including but not limited to U.S. and Canadian laws and regulations as well as the European Union's General Data Protection Regulation (GDPR), and puts in places policies, standards and procedures to cause personal information to be accessed, collected, processed and stored securely and in accordance with such applicable laws and regulations. The theft and/or unauthorized access to, loss of, or disclosure of personal information in Alithya's possession or control (or the failure by Alithya to comply with applicable laws and regulations) could expose it to civil, administrative 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 privacy laws or regulations. The amount of damages could be substantial, and any such claim could cause significant reputational harm to Alithya. Its current and prospective customers could also lose confidence in the effectiveness of its data security measures and reduce the demand for its services, regardless of whether Alithya was responsible for the breach. Incidentally, in the event of a data privacy incident, Alithya may be required to shut-down affected IT infrastructure and systems to isolate the threat and thereby jeopardize its operations, including projects that may be critical to the operations of its customers' businesses.

Furthermore, as laws and expectations relating to data privacy continue to rapidly evolve, the way in which Alithya may access, collect, process, store and disclose personal information may become even more limited, and may require increased expenditures by Alithya. Should those expenditures and risks outweigh the revenues and gains associated with certain services, Alithya could also take the decision of no longer continuing to offer certain types of services.

18.3.23 Services to government departments and agencies

One of Alithya's principal targeted markets is the government sector. 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.

18.3.24 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. Tax authorities have disagreed and may in the future disagree with Alithya's income tax positions and are taking increasingly restrictive positions in respect of income tax positions, including with respect to intercompany transactions.

A number of jurisdictions in which Alithya operates have also implemented, or are considering implementing, changes in relevant tax and other laws, regulations and interpretations and the overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty about taxation in many jurisdictions.

Any of the aforementioned factors could have a material adverse effect on Alithya's net earnings 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.

18.3.25 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, net earnings and net assets is denominated in foreign currencies, including in U.S. dollars, Euros, British pounds and Australian dollars, 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.

18.3.26 Estimates used in accounting and impairment risk

Accounting for Alithya's contracts requires judgment associated with estimating contract revenue and costs and assumptions for schedule and technical issues. Because of the significance of the judgements and estimation processes involved in accounting for contracts, materially different amounts could be recorded if Alithya used different assumptions or if the underlying circumstances were to change. Changes in underlying assumptions, circumstances or estimates may adversely affect Alithya's future results of operations.

Also, Alithya recognizes an accounting value for non-financial assets such as goodwill and other intangible assets in connection with its acquisitions. The carrying amounts of Alithya's non-financial assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment annually or at any time if an indicator of impairment exists. Changes in key assumptions may result in the carrying value of Alithya's goodwill not being recoverable. Key assumptions include changes in forecasted revenues and expenses applied in the determination the Company's three-year net operating cash flow forecast, estimated long-term growth rate and the pre-tax value weighted average cost of capital applied. Because of the significance of Alithya's non-financial assets, any reduction or impairment of the value of these assets could result in a charge against net earnings, which could materially adversely affect Alithya's results of operations and shareholders' equity in future periods.

18.3.27 Legal claims

During the ordinary course of conducting its business, Alithya may be threatened with or become subject to legal proceedings initiated by customers or other third parties. 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 adequate liability insurance coverage. However, Alithya may not always be able to include such provisions or obtain sufficient insurance coverage or certain provisions may ultimately prove to be unenforceable under the laws of certain jurisdictions or not protect Alithya adequately. Defending lawsuits against Alithya could require substantial amounts of management's attention and require Alithya to incur significant attorney fees or pay 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.

18.3.28 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.

18.3.29 Effectiveness of internal controls over financial reporting

Alithya is required to maintain internal controls over financial reporting, as defined under National Instrument 52-109 and in Rule 13(a)-15(f) under the U.S. Securities Exchange Act of 1934, as amended. Internal controls are a process designed under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, and effected by management and other key professionals, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, due to the inherent limitations of internal controls, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected and Alithya's internal controls over financial reporting could prove to be insufficient or unable to prevent or detect misstatements due to errors or fraud in timely manner or at all. Any failure of Alithya's internal controls could have an adverse effect on its results of operations, harm its reputation and limit its ability to produce timely and accurate financial statements or comply with applicable regulations, causing investors to lose confidence in its reported financial information.

Alithya's historic and anticipated growth also places significant pressure on its management and key resources that work on implementing internal controls throughout Alithya. 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.

18.4 Risks Related to Subordinate Voting Shares and Liquidity

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.

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 Alithya's 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. 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 divert management’s attention and resources.

18.4.3 Inability to service debt

Alithya uses its Credit Facility and other debt arrangements to fund its activities, including acquisitions. Accordingly, depending on its level of indebtedness, which may, from time to time, be substantial and involve significant interest payment requirements, Alithya may be required to dedicate an important part of its cash flow to make interest and capital payments on its debt. Alithya’s ability to generate sufficient cash flow to service its debt depends upon future performance, which is subject to prevailing economic conditions as well as financial, competitive and other factors, many of which are outside of its control. There is no assurance that Alithya will be able to generate sufficient cash flow to meet its obligations under its outstanding debt. If Alithya is unable to do so, Alithya may be required to refinance, restructure or otherwise amend some or all of its obligations, sell assets, raise additional cash through issuances of Subordinate Voting Shares or securities convertible in Subordinate Voting Shares, or be forced to reduce or delay investments that are important to Alithya’s growth, thereby placing it at a disadvantage compared to competitors that may have less debt or making it more vulnerable in a downturn in general economic conditions.

In addition, Alithya’s Credit Facility and other debt arrangements contain financial and other covenants, including covenants that require that certain financial ratios and/or other financial or other covenants be maintained. If Alithya were to breach these covenants, it could be required to repay or refinance its existing debt obligations prior to their scheduled maturity and its ability to do so could be restricted or limited by prevailing economic conditions, available liquidity and other factors. Alithya’s inability to service its debt or its inability to fulfill its financial or other covenants in its Credit Facility and other debt arrangements could have an adverse effect on Alithya’s business, financial condition and results of operations.

Also, a significant portion of Alithya’s debt bears interest at variable interest rates and is therefore subject to interest rate fluctuations. Although Alithya enters into derivative financial instruments to reduce its exposure to interest rate risks, there is no assurance that such instruments will be sufficient to adequately protect Alithya against this risk. If interest rates increase, debt service obligations would increase even though the amount borrowed would remain the same, and net earnings and cash flows would decrease accordingly, which could have an adverse effect on Alithya’s business, financial condition and results of operations.

18.4.4 Raising additional capital and maintaining credit

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 or other growth opportunities, Alithya may have to raise additional capital through public and private equity offerings, debt financings or a combination of both, 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. Interest rate fluctuations, financial market volatility, including volatility in Alithya’s share price, credit market disruptions 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 necessary funding, it may be unable to achieve its growth objectives. Alithya’s financial condition and results of operations are also contingent on its ability to maintain the credit it requires. Should Alithya have to obtain additional credit or renew its outstanding credit, there is no assurance that Alithya will be able to obtain such additional credit or renew its outstanding credit upon the same, or more advantageous, terms.

The incurrence of additional indebtedness would result in increased payment obligations and could involve additional or increased financial and other 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.

18.4.5 Dilution

When acquiring a new business, by way of share purchase or asset purchase, Alithya may consider paying the purchase price, in part of in whole, by way of issuance of Subordinate Voting Shares or securities convertible into Subordinate Voting Shares. Alithya may also, independent of any acquisition process, decide to seek the completion of a public or private financing involving the issuance of Subordinate Voting Shares or securities convertible into Subordinate Voting Shares to raise capital. Any issuance of additional Subordinate Voting Shares will result in dilution of the ownership interests of Alithya's shareholders as well as dilution in earnings per share. The terms of any such financing may also include liquidation or other preference rights that could adversely affect the rights of Alithya's shareholders. Alithya cannot predict the size of future issuances nor the effect that such issuances may have on the market price of the Subordinate Voting Shares. Issuances of a substantial number of additional Subordinate Voting Shares (or securities convertible into Subordinate Voting Shares), or the perception that such issuances could occur, could also adversely affect the prevailing market price of the Subordinate Voting Shares.

18.4.6 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 also adversely affect the liquidity of the market for Subordinate Voting Shares. Factors unrelated to Alithya's performance may 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 the Subordinate Voting Shares from the TSX.

18.4.7 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.

18.4.8 Foreign private issuer pursuant to U.S. securities laws and rules

Alithya is a "foreign private issuer" as such term is defined in Rule 405 under the Securities Act of 1933, as amended and, as a result, although its Subordinate Voting Shares are registered with the SEC, it is not subject to the same requirements that are imposed upon U.S. domestic issuers. Under the Securities Exchange Act of

1934, as amended (the “Exchange Act”), Alithya is indeed exempt from certain rules and regulations under U.S. securities laws and, as such, its reporting obligations are, in certain respects, less detailed and less frequent than those of U.S. domestic reporting issuers. As a result, Alithya does not file the same reports as U.S. domestic reporting issuers file with the SEC. Instead, it is required to file or furnish to the SEC the continuous disclosure documents that it is required to file in Canada under Canadian securities laws. In addition, Alithya’s officers, directors and principal shareholders are exempt from the reporting requirements set forth under Section 16 of the Exchange Act.

Also, although it is Alithya’s current intention to deregister its Subordinate Voting Shares from the SEC, there is no assurance as to if and when it will meet the eligibility requirements to do so in the near future. If and once deregistered, it will, however, no longer be required to file or furnish documents with the SEC in accordance with U.S. securities regulations. U.S. shareholders would therefore have to rely solely on documents filed with Canadian securities regulators and which would be prepared in accordance with Canadian securities regulations.

18.4.9 Enforcement of civil liabilities under U.S. securities laws and rules

Although Alithya does business in the U.S., it is governed by the Business Corporations Act (Quebec), its registered office is located in Canada, the majority of its directors and officers are based principally in Canada, and a substantial portion of its assets are located outside of the U.S.. It may therefore be difficult for investors who reside in the U.S. to enforce court judgments predicated upon civil liability provisions of U.S. federal securities laws against Alithya or any such persons. There is also substantial doubt regarding whether an action could be brought in Canada in the first instance predicated solely upon U.S. federal securities laws. Canadian courts may refuse to hear a claim based on an alleged violation of U.S. securities laws against Alithya or such persons on the grounds that Canada is not the most appropriate forum in which to bring such a claim. Even if a Canadian court agrees to hear a claim, it may determine that Canadian law and not U.S. law is applicable to the claim.

19. Management’s Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining adequate disclosure controls and procedures (“DC&P”) which are 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 DC&P, 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, 2024. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s DC&P

were not effective as of March 31, 2024 due to the material weakness in internal control over financial reporting described below.

Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"), 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 ICFR are 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 ICFR 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, 2024 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 ICFR was not effective as of March 31, 2024 due to the material weakness described below.

A material weakness is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In connection with the Company's evaluation of ICFR, management identified a material weakness related to the control activities in its revenue processes. Notwithstanding the existence of a material weakness, management has concluded that the Company's annual audited consolidated financial statements for the year ended March 31, 2024 present fairly, in all material respects, the Company's financial position, results of operations, changes in equity and cash flows in accordance with IFRS, and confirms that this material weakness did not result in (i) any material adjustments to the Company's annual audited consolidated financial statements for the year ended March 31, 2024 and (ii) there were no changes to previously released financial results. However, because the material weakness creates a reasonable possibility that a material misstatement to our financial statements would not be prevented or detected on a timely basis, it was concluded that as of March 31, 2024 the Company's ICFR was not effective.

Remediation Plan

Management, with oversight of the Audit and Risk Management Committee, has initiated and continues to implement remediation measures designed to ensure that the deficiencies in the Company's ICFR that resulted in a material weakness are remediated. The remediation actions include providing additional training to control operators as well as improving documentary evidence protocols at the control execution level. Although management expects that the remediation of deficiencies in key controls related to its revenue processes which resulted in the occurrence of a material weakness will be completed during the year ending March 31, 2025, there is no assurance as to when such remediation will be completed, nor if the remediation measures put in place will be effective to remediate such deficiencies. The material weakness will also not be considered fully remediated until the applicable internal controls operate for a sufficient period of time and management has concluded, through testing, that these internal controls are operating effectively.

Changes in Internal Control over Financial Reporting

Other than the material weakness and remediation process described above, there have been no changes in the Company's ICFR during the year ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Auditor's Report on Internal Control over Financial Reporting

The effectiveness of ICFR as of March 31, 2024 has been audited by KPMG LLP, ("KPMG"), the Company's independent registered public accounting firm. In view of the above, KPMG has expressed an adverse opinion on the Company's ICFR as of March 31, 2024.

Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's management recognizes that any DC&P and ICFR, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Because of their inherent limitations, DC&P and ICFR may not prevent or detect all errors or misstatements on a timely basis.

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 13, 2024

/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 13, 2024

/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, 2024 (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 13, 2024

/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, 2024 (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 13, 2024

/s/ Claude Thibault
Claude Thibault
Chief Financial Officer

Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Alithya Group inc.

We consent to the use of:

- our report dated June 12, 2024 on the consolidated financial statements of Alithya Group inc. (the "Company") which comprise the consolidated statements of financial position as of March 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended March 31, 2024 and 2023, and the related notes (collectively the "consolidated financial statements"), and
- our report dated June 12, 2024 on the effectiveness of the Company's internal control over financial reporting as of March 31, 2024

each of which is included in the Annual Report on Form 40-F of the Company for the fiscal year ended March 31, 2024.

We also consent to the incorporation by reference of such reports in the Registration Statements (Nos. 333-228487 and 333-265666) on Form S-8 of the Company.

/s/ KPMG LLP

Montréal, Canada
June 13, 2024