

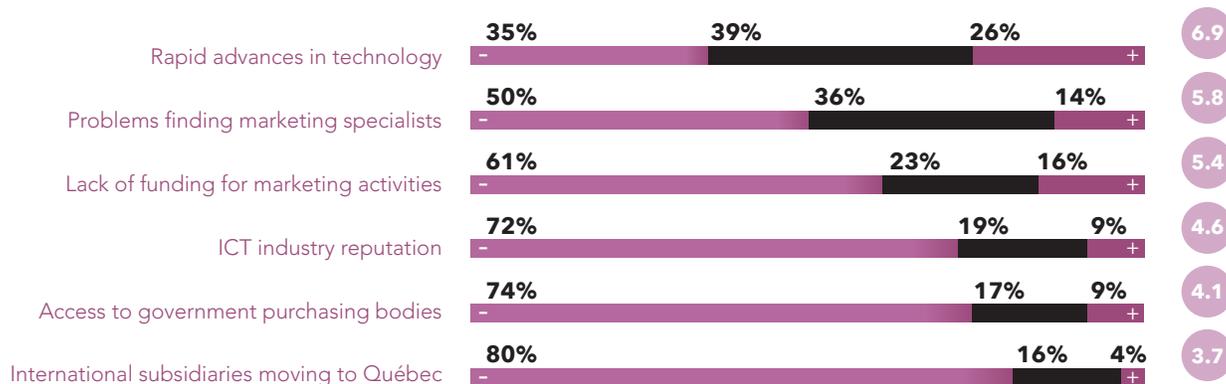
THE AQT 2018 COMPETITIVENESS BAROMETER

DATA ANALYSIS RESULTS FOR COMPANIES
WITH 4 TO 500 EMPLOYEES

TECH SMES CHALLENGES AND ISSUES

65% OF RESPONDENTS BELIEVE THE RAPID PACE OF TECHNOLOGICAL CHANGE IS THE ISSUE **MOST LIKELY TO IMPACT COMPETITIVENESS**

Half of all respondents reported that identifying/hiring qualified marketing specialists for their companies is a significant issue.



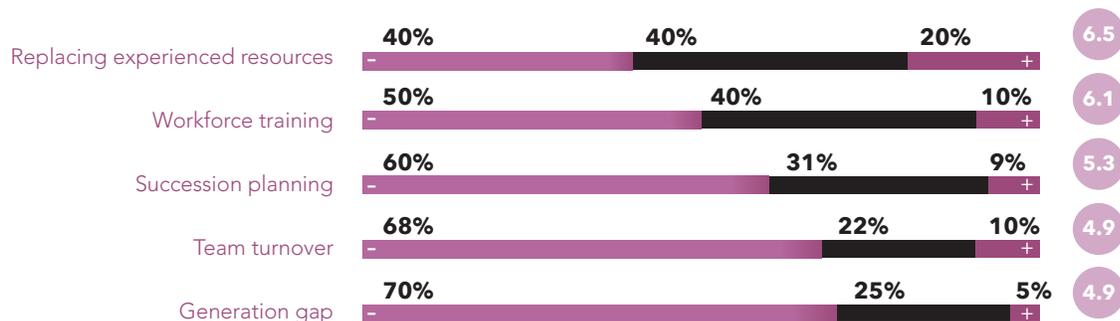
AVERAGE MARK (ON 10):

1 > no impact 10 > major impact | 1-6 - 7 or 8 9 or 10 + ● Average on 10

➤ Rapid technological changes present a major challenge. Examples of business requirements include management and data usage technology, analytics, artificial intelligence in support of employee performance, as well as "deep learning" to optimize and analyze massive quantities of data.

60% OF RESPONDENTS CLAIM THAT FINDING QUALIFIED REPLACEMENTS FOR EXPERIENCED RESOURCES IS THEIR PRIMARY RECRUITMENT CHALLENGE

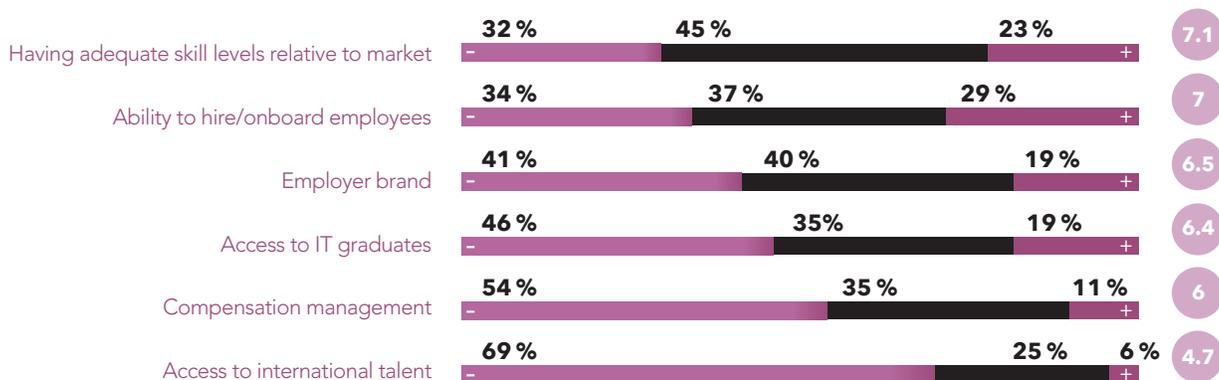
WORKFORCE TURNOVER AND THE GENERATION GAP APPEAR TO BE LESS CRITICAL ISSUES FOR THE MAJORITY OF SMES.



AVERAGE MARK (ON 10):

1 > no impact 10 > major impact | 1-6 - 7 or 8 9 or 10 + ● Average on 10

68% OF RESPONDENTS CLAIM THAT MAINTAINING ADEQUATE LEVELS OF IN-HOUSE SKILLS IS THEIR PRIMARY HR CHALLENGE INTERNALLY



AVERAGE MARK (ON 10):

1 > no impact 10 > major impact | 1-6 - 7 or 8 9 or 10 + ● Average on 10

Most Québec-based technology SMEs were founded 20 years ago, a fact which exposes them to issues relating to imminent workforce retirement. Moreover, the complex challenges relating to human resources are further impacted by factors such as:

➤ Tech companies operate in a market that, on average, is growing by 3.9% annually. These results are driven by the accelerated pace of technological changes, which in turn generates a strong demand for qualified human capital.

➤ The creation of technology hubs and centres of expertise in artificial intelligence and deep learning has caused an exodus of specialists from tech SMEs.

52% OF ICT PROFESSIONALS HOLD POSITIONS IN NON-ICT COMPANIES¹

This confirms that the digital shift by business is prevalent in all activity sectors.

27% OF WORKERS ARE IMMIGRANTS

The role played by immigrant professionals is twice as significant in technology as in the overall economy.²

46% OF RESPONDENTS EXPECT TO LEVERAGE ACQUISITIONS TO ENSURE THEIR COMPANY'S GROWTH



The survey reports that 77% of SMEs with sales between 5 and 10 million dollars expect to leverage acquisitions in order to grow, whereas only 67% of SMEs with sales of 10 million dollars or more anticipate using this growth model.

The industry is entering a consolidation phase. Nearly one in two companies expects to take this approach, and over one-third (39%) of surveyed executives anticipate selling their business if they receive a competitive offer.



At GIRO, our expertise has always supported our go-to-market initiatives. This approach explains why the vast majority of our international commercial and sales activities have been carried out by people in Montréal, at the heart of the company's operations. The reputation we have acquired in our areas of expertise also ensure that our business development activities can be targeted and conducted primarily out of Montréal. The nature of the company's business therefore influences the decision of whether to set up an external or off-site sales force.

PAUL HAMELIN
Chairman of the Board, GIRO

1. 2018 Sectoral Analysis, TECHNOCompétences, p.13

2. 2018 Sectoral Analysis, TECHNOCompétences, p.53