

Montréal's fashion industry: Where Know-How and Technology Meet to Inspire Style and Creativity

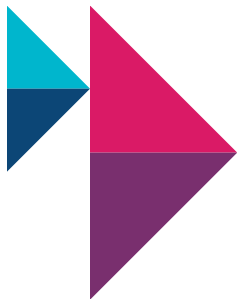


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Top reasons to invest in Greater Montréal



1. FASHION & DESIGN HUB

- **Ranked 3rd** in North America after NYC and Los Angeles in clothing manufacturing
- Sales of **\$8 billion**
- **1,846 companies** and many innovative startups
- **48%** of the Canadian production
- Glamorous & tech savvy fashion events



2. TALENT

- Canada's most Bilingual and trilingual population
- Qualified labour and student pool: **50,000 workers** and close to **10,000 students** in the fashion & design industry
- Numerous fashion institutions & technology transfer centres



3. INNOVATIVE & CREATIVE BUSINESS ENVIRONMENT

- **Major AI and Tech hub**
- **Ranked 16th** in Inc.'s **Emerging Startup Hubs** to Watch in 2016
- Easy access to financing, including **venture capital**



4. COST ADVANTAGE

- Competitive salaries
- Tailor made incentives and government support
- **One of the most competitive operating costs in North America**
- **Higher purchasing power** than in other major cities in North America and Europe



5. STRATEGIC LOCATION

- Government committed to innovation and creativity
- Mid-way between the **American and European markets**
- **A logistics hub**
- **A 90-minute flight** to New York City
- Direct flights to Paris and LA

01

Montréal: Fashion Capital of Canada



Fashion is booming in Montréal

Fashion: A key industry for Québec and for Greater Montréal

The fashion industry has a rich history in Montréal's metropolitan region and throughout Québec, and it generates significant economic activity and employment.

Though the industry has been deeply affected by globalization, it has been able to reinvent itself through new business models and the inclusion of more and more world-class players. It sets itself apart via innovation, inventiveness, design and the know-how of its workforce.

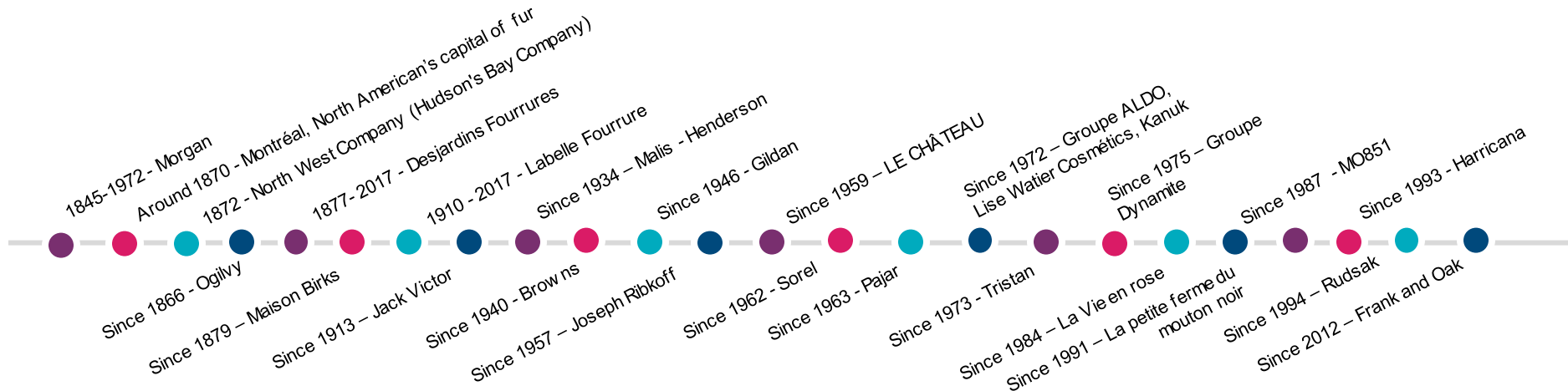
In short, this is an industry whose success, renewal and future rely on innovation, creativity, collaboration and the ability to quickly embrace progress and change.



Renown retailers shaped Montréal's rich fashion history

Men's, women's and children's ready-to-wear, furs, lingerie, footwear, leatherwork, jewelry, cosmetics or wedding dresses, so many fields that contributed to transforming Montréal into an international fashion capital

Some of the retailers from 1845 until today



A strong cluster



82,540 jobs

In Québec's fashion sector, of which 58% are in the Greater Montréal area*



1,846 establishments

In the fashion sector across Québec*



\$8 billion

Total sales for the manufactured goods, and wholesale distribution in Québec, excluding retail sales**



48% Canadian production

Nearly half of Canada's manufacturing jobs in the fashion industry are in Québec. Montréal ranks 3rd in clothing manufacturing in North America after New York and Los Angeles.**

mmode

THE FASHION INDUSTRY'S METROPOLITAN CLUSTER

*Government of Canada awards
\$600,000 in financial assistance
over the next three years to mmode,
the Metropolitan Fashion Cluster**

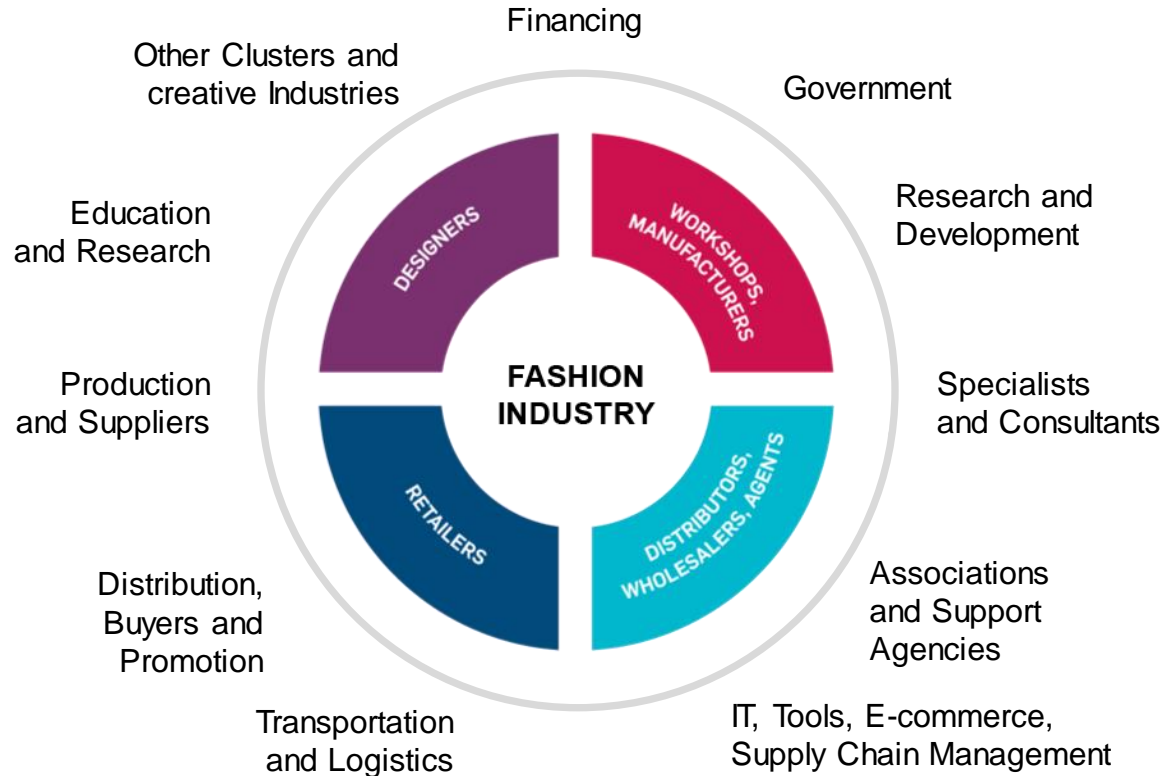
82,540 jobs in the fashion industry in Québec

Around 50,000 jobs in the Greater Montréal area
40% of which are in design & manufacturing

Québec	Jobs
Textile mills (NAICS 313)	450
Clothing manufacturing (NAICS 315)	14,600
Footwear manufacturing (NAICS 3162)	1,800
Other leather and allied product manufacturing (NAICS 3169)	345
Textile, clothing and footwear merchant wholesalers (NAICS 4141)	10,600
Clothing and clothing accessories stores (NAICS 448)	38,406
Sporting goods, hobby and musical instrument stores (NAICS 4511)	9,400
Department stores (NAICS 4521)	6,936
Total	82,540

Industry players

A rich ecosystem composed of many different players contributing to its growth




Montréal's fashion industry: major players

ALDO					judith & charles
la Vie en Rose		LE CHÂTEAU	LOLë	m0851	RUDSAK
MARIE SAINT PIERRE MONTREAL				PHILIPPE DUBUC	Reitmans
	YOGAJeans			JACK VICTOR	MATT & NAT live beautifully MV
SSENSE		AUBAINERIE DEPUIS 1944	ARDENE		SHAN SECOND LIFE BEACHWEAR

Smart clothing and wearables key players

HEXOSKIN
WEARABLE BODY METRICS

Hexoskin Smart



The Montreal based smart clothing startup recently unveiled its latest connected shirt that's laced with sensors. Along with monitoring heart rate, breathing and movement, it's now fitted with a Bluetooth Smart sensor so you can pair your favourite fitness apps such as MapMyRun, RunKeeper and Strava, as well as a whole host of third-party accessories.

Data is captured in real time and sends it all to the companion app, providing insights on a range of sporty metrics including intensity and recovery, calories burned, fatigue level and sleep quality.


Groupe CTT Group

Centre de recherche et d'innovation en habillement
Apparel Research and Innovation Center


REYJIN

"There is a new emerging market - already well established, especially in the U.S. - which represents 2% of the textile industry today." Jérôme Reynaud, cofounder of Reyjin about smart clothing.

SOUPLESSE
FLUIDITÉ DES MOUVEMENTS



Fashion future innovators

Montréal is filled with companies that are innovating the industry both in terms of product offerings and corporate vision

ATELIER NEW REGIME

Trendy streetwear style and provocative slogans



NATHON KONG

Custom men's suits that combine technology and know-how



STEFANKA

One of the most promising retail tech startups with a garment fitting technology



Trendays

A repertory of local trends fuelled by the community for the best online experience



The future of retail

Collaborations emerge to redefine the retail sector



+

SCALE|AI



**Supply chain
management**



**Retail and consumer
goods**

E L E M E N T ^{AI}

+

SSENSE



**Strengthening the
AI Commons**

Meeting the industry space needs: SDC District Central (Chabanel area)



A thriving district developed around 3 business pillars:

1. **Design**
2. **Urban manufacturing**
3. **Technology**

- An area of over **25,000,000** square feet
- Close to **1,800** businesses
- Over **3,100** offices
- **4th** employment zone in Montréal
- **3** co-working spaces and rental spaces: offices, conference rooms, studios

CANADA GOOSE®

One of the world's leading makers of performance luxury apparel has chosen the Chabanel area to open its 8th manufacturing facility

- **115,000** square-foot factory
- **650** new positions expected at full capacity by the end of 2020

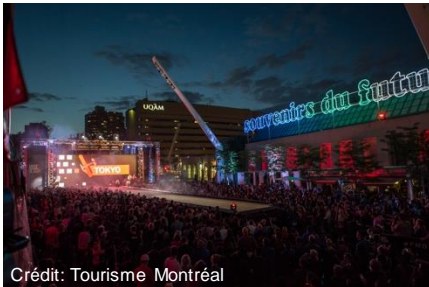


Glamorous & tech savvy fashion events

Attracting over half a million visitors a year, the Montréal Fashion & Design Festival is the largest outdoor fashion and design event in North America.



FASHION & DESIGN FESTIVAL



Crédit: Tourisme Montréal

SFW

STARTUP
FASHION
WEEK

Fashion Forward conference series presents
panel on AI & tech influences



Montréal's Olympic Stadium © Parc olympique

Globally recognized

Most reputable city in the Americas

Reputation Institute, 2018

Best city in Canada and 6th in the world

Time Out, 2019

Best student city in the Americas

QS Best Student Cities Rankings, 2019

Best city in the Americas for its quality of life

Knight Frank, City Wellbeing Index, 2020

Most affordable major city in Canada and the U.S.

UBS Prices and Earnings, 2018

Best Cycling City in North America

Coya, Global Bicycle Cities Index, 2019

Second most walkable city in Canada

Walk Score, 2020

UNESCO City of Design since 2006

Top host city in North America for international association events

Union of International Associations (UIA), 2020

A cultural metropolis

- **Important cultural institutions** and more than **70 museums and exhibitions**
- **8** Schools of Arts and **2** conservatories
- More than **120** festivals and annual events
- **178** show halls
- **273** cinema halls
- **87** editors et **60** bookstores
- Close to **6,000** restaurants, bistros and cafés



02

A Deep and Growing Pool of Highly Qualified Talent



Fashion & design teaching institutions, research centers and associations

#mtl
style



Fashion teaching institutions and research centres

Greater Montréal boasts many teaching institutions that provide university and college programs in the fashion sector.

- **A bachelor's degree in fashion management and design** is offered in partnership with Université du Québec à Montréal (UQÀM) and Groupe Collège LaSalle, at École supérieure de mode de Montréal.
- **College programs specializing in fashion design, fashion marketing and garment production management** are offered in 3 organizations:
 - International Fashion School of Collège LaSalle
 - Fashion School of Cégep Marie-Victorin
 - Fashion School of Collège Notre-Dame-de-Foy (Québec city)
- **A college program in textile printing** offered at Centre du design et impression textile.
- **McGill University's Bensadoun School of Retail Management (BSRM) dedicated to the future of retail** will act as a hub in the heart of Montréal for students, researchers and practitioners to work collaboratively towards addressing the host of real-world challenges facing retailers today.

In addition to the teaching institutions the fashion industry benefits from **specialized research centres** :

- **Vestechpro**, an affiliate of CEGEP Marie-Victorin, offers innovation, research, and development support services, organizes training and development activities, and communicates strategic information.
- **CTT Group**, a technology transfer centre affiliate of CEGEP St-Hyacinthe's Industrial Chair on Innovative Technical Textiles.
- **SCALE AI**, Canada's AI supply chain supercluster based in Montréal and dedicated to building the next-generation supply chain and boosting the industry performance by leveraging AI technologies applied to fashion and retail within its collaboration with the Bensadoun School of Retail Management.

A large pool of college and university students in Fashion

Programs related to Fashion	College graduates in 2017	Students enrolled in 2018-2019
DisplayDesign	48	97
Fashion Design	161	767
Fashion Marketing	211	701
Graphic Design	228	1,013
Business Management	576	3,542
Accounting and Management	712	3,194
TOTAL	1,936	9,314

Programs related to Fashion	University graduates in 2018	Students enrolled in 2018-2019
Applied Design	144	689
Graphic Arts	118	710
Business Management	1,484	4,103
Production Management	375	1,112
International Business	438	1,249
Marketing and purchasing	865	2,533
Business Administration	4,765	13,202
TOTAL	8,189	23,598

Greater Montréal boasts close to **10,000 college and university graduates** in fields related to Fashion and Management



Canada's most bilingual and trilingual population



2.5 million residents speak English, that's 9% more than in Vancouver



55% of the population is bilingual (French and English), compared to 8% in Toronto and 7% in Vancouver



Almost 20% of the population is fluent in three or more languages, compared to 4% in Toronto and 3% in Vancouver

03

An Innovative and Creative Business Environment



A strong information technologies industry sector

- **179,000+ IT professionals** and **5,000+ companies** in Greater Montréal
- **Lowest operating costs in North America** for software development
- **A diverse industry:**



#1

Highest concentration of deep learning researchers in the world (AI)



#1

Largest VFX and animation hub in Canada and a VFX world leader



5th

Highest concentration of tech jobs among Canadian and U.S. metropolitan areas

Sample of major IT companies located in Greater Montréal



A world-class hub in artificial intelligence

- **\$2+ billion in AI investments** in Greater Montréal since 2016
- The Canadian government chose Montréal as headquarters for **Scale AI**, Canada's AI supply chain supercluster
- A community of more than 600 researchers and graduate students at Mila - the world's largest academic research lab in deep learning and reinforcement learning.
- Sample of major players located in Greater Montréal:





A booming startup ecosystem

- Canada is the most attractive country in the world for entrepreneurs according to the OECD
- **US\$1.7+ B in VC investments** since 2018 in Montréal
- **Six of the eight most active VCs** in Canada in 2019 are based in Greater Montréal
- **30+ incubators/accelerators**
- **45+ coworking spaces**



Source: OECD Indicators of Talent Attractiveness, 2019; "Global Ecosystem Report" 2018; Credo, "Montréal Startup Ecosystem Report", 2016; "Midterm Report" – Smart City, February 2017; PwC Canada | CB Insights, Canadian Report "Money Tree", 2019.

04

Attractive Operating Costs and Incentives



Tax credits

Between

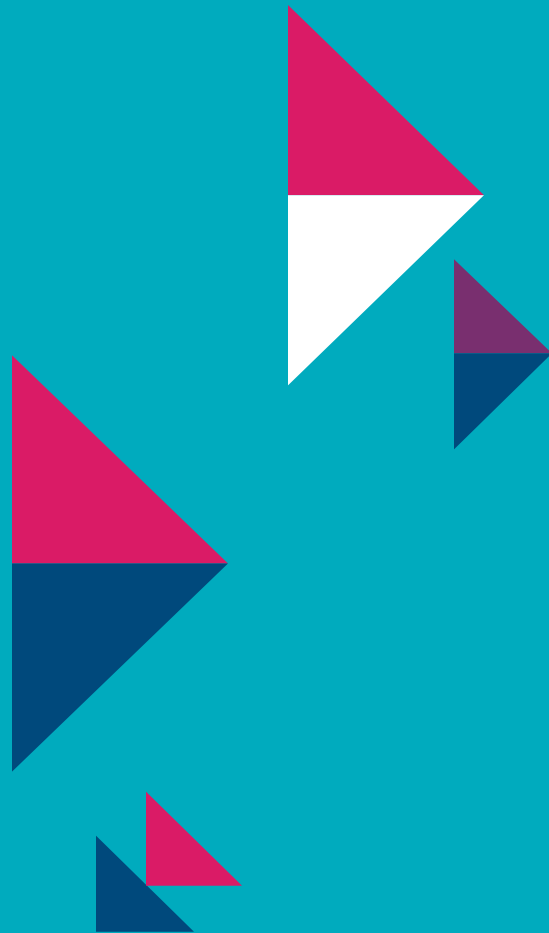
12%

and

24%

Refundable

Tax credit for the
design of factory-
made products
(fashion design
section)



Tax credits

15%

Canada

Refundable

14%

Québec

**Scientific research
and experimental development**



Tax credits

30%*
of eligible salaries

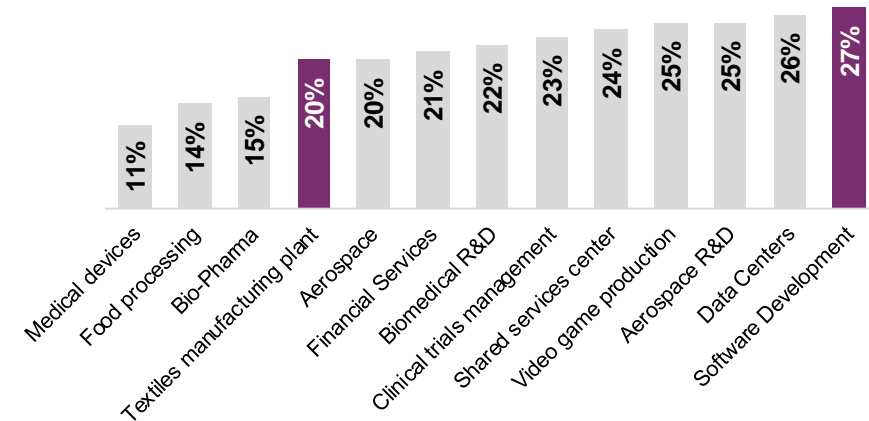
* Up to \$25,000 / employees / year

**Development
of E-business**

Very attractive operating costs for many industries

- Overall, running a business costs less in **Greater Montréal** than in any other major metropolitan area in Canada and the U.S.
- **More than 20% cost advantage** on average for high-tech sectors:

Greater Montréal's cost advantage compared to the average of the 20 largest metropolitan areas in Canada and the U.S., 2018

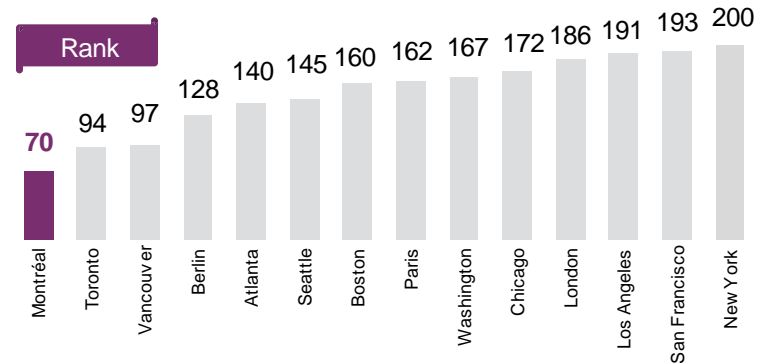




A low cost of living

Greater Montréal is **cheaper than almost all other large cities** in North America and Western Europe:

Mercer Cost of Living Index
World rank from least to most expensive*, 209 cities



Greater Montréal offers a higher purchasing power thanks to:

- **Cheap housing**
- **Low medical insurance costs**
- **Generous family allowances**
- **Affordable child care**

* Montréal International's analysis.
Source: Mercer, "Cost of Living Survey," 2019.

05

Access to Markets





Montréal's Old Port

A gateway to 60% of the world's GDP

Thanks to **CUSMA, CETA, CPTPP**
and 12 other free trade agreements in force*

Direct access to **1.5 billion consumers**
and a **combined GDP** of **US\$50 trillion**
(60% of the world's output of goods and services)

Only Canada has free trade agreements
with all other G7 countries

*Canada-United States-Mexico Agreement (CUSMA), Comprehensive Economic and Trade Agreement (CETA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Source: World Trade Organization, 2020; World Bank, 2019; Census Bureau, 2020..

A world-class logistics hub



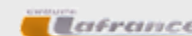
Major maritime hub: port of Montréal

- **Largest container port in Eastern Canada** and main port for approximately 95% of all importers and exporters in Québec and Ontario
- **2nd largest port** in Canada
- Open **12 months/year**
- **+ 39 million tonnes of goods** are handled at the Port of Montréal each year, **37%** of which are containerized
- Expansion project for the Contrecoeur terminal, contributing **\$2.1B** in added value to the Canadian economy

High-quality transportation infrastructure

- **Intermodal transportation hub:** air, maritime, road and rail transportation
- More than **142 million tonnes** of goods handled
- **3 industrial port zones (IPZ)** in Greater Montréal (Montréal, Contrecoeur, Côte-Sainte-Catherine) dedicated to transportation and logistics projects

Sample of major logistics companies located in Greater Montréal



A logistics hub with many advantages



- **Transit times**
Shortest transit times from Europe and the Mediterranean to North America
- **Strategic location**
Closest international container port to North America's industrial heartland
- **Speed**
One-stop port, with no intermediate calls
- **Reliability**
Dedicated weekly services from the leading global carriers
- **Cost efficiency**
Balanced equipment flows through full vessel discharge and load
- **Flexibility**
Partners are flexible to extraordinary requests and can accommodate needs on a case-by-case basis
- **Efficiency**
Container dwell time lower than North American East Coast standards
- **Choice**
Directly connected to two Class 1 North American rail networks, with daily departures to Toronto, Chicago and Detroit
- **Market reach**
Access to 40 million consumers within one trucking day and 70 million consumers within two rail days
- **Supply chain collaboration**
Continuous communication among terminal operators, the Montréal Port Authority and railway companies to ensure seamless operations and low dwell times

The excellence of Canada

The easiest place to start a business in the G20

World Bank, Doing Business, 2020

Canada has the soundest banking system among G7 countries and ranks 2nd in the world

World Economic Forum, 2019

Ranks second in the G20 for doing business over 2020-2024

Economist Intelligence Unit, 2019

1st in the Americas to attract and retain highly educated workers

OECD, Indicators of Talent Attractiveness 2019



06

Montréal International's Personalized, Free and Confidential Services



Montréal International, a single point of access to a series of personalized, free and confidential services



**Long-term
strategic support**



**Economic data
and communication
services**



**Government
relations facilitation**



**Incentive programs
assistance**



**Foreign workers
immigration
assistance**



**International
recruiting solutions**



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