

News release

*For immediate release*

## **Investments of \$29 million: SCALE AI advances the transition to AI with five new projects**

Montreal, July 21, 2020 — After more than \$120 million invested during its first year, SCALE AI continues its work in leveraging AI (artificial intelligence), and announces investments of an additional \$29 million in five new projects, including the participating companies' contributions. This represents more than \$9 million directly committed by SCALE AI to supporting the implementation of AI, through the collaboration of established Canadian companies.

Each example illustrates how AI can bring productivity gains and growth in all sectors, from forecasting demand to reducing waste or improving productivity, including deployment of an intelligent supply chain in minerals and metals, a project that stands out from Optel Group, with a total investment of \$16.6 million.

The Honourable Navdeep Bains, Canadian Minister of Innovation, Science and Industry, stated, "Innovative new SCALE AI projects are bringing together partners across industries ranging from metallurgy to retail, including twenty small and medium-sized enterprises. The new partnerships are a testament to the supercluster's convening power. These collaborations are sustaining SCALE AI's momentum, driving innovation and contributing to Canada's leadership and growth in the emerging field of artificial intelligence."

Highlighting the initiative and leadership of Quebec companies, Pierre Fitzgibbon, Minister of Economy and Innovation of Quebec, said, "Artificial intelligence will fundamentally transform industrial processes and the global economy in the coming years. The related technologies can be applied in a multitude of fields and will have major repercussions. Fostering growth means enabling companies to take advantage of new technologies and become more competitive in foreign markets." The Quebec government has provided financial assistance totaling \$83.4 million to support the activities of SCALE AI until 2023.

Julien Billot, CEO of SCALE AI, noted, "Things are moving fast. Now we see the first concrete results and how the success of the early adopters has inspired new projects on an increasingly large scale. Our team is enthusiastic about the diversity of the projects in which we have invested—big and small, and coming from all sectors. The five projects announced today, representing total investments of \$29 million, illustrate this trend and the accelerated pace of growth we are experiencing in all our programs."

Hélène Desmarais, Co-Chair of the SCALE AI Board of Directors, added, "SCALE AI's mission is to create the conditions for a sustainable AI ecosystem in Canada. We are very happy with the results. With more than \$120 million in investments announced since the launch of our co-investment programs, we see that the leveraged effects are even greater than anticipated, as companies commit beyond our expectations."

### **Five projects representing investments of \$29 Million**

With artificial intelligence still in its early stages of development, the projects supported by SCALE AI show the added value of collaborative partnerships in developing practical and relevant

solutions. Altogether, over 30 key partners have taken part in the rollout of these projects, including the participating companies, consultancies, research centres and business partners (customers and suppliers).

Here is an overview of the supported projects:

<p>Smart supply chain for the minerals and metals sector</p> <p><b>Project Lead:</b> <a href="#">Groupe Optel</a></p> <p><b>Partners:</b> <a href="#">Aluminium Association of Canada</a>, <a href="#">Laserax</a>, <a href="#">Lithion Recycling</a>, <a href="#">Université Laval</a>, <a href="#">SmartyfAI</a></p> <p><b>SCALE AI's investment:</b> \$5.4 million <b>Total investment:</b> \$16.6 million</p>	<p>The initiative will enable the digitization of the mineral and metal value chain in order to secure supply chains and improve their performance. Among other benefits, the project will make it possible to measure the socioenvironmental impact of these value chains thereby maximizing the Canadian industry's competitive advantage, while making better and more planet-friendly use of resources. The development of highly advanced AI algorithms will provide an essential tool for industry stakeholders to meet commercial and environmental requirements.</p> <p>Louis Roy, president and founder of OPTEL: "An intelligent supply chain will allow Canada and its trading partners to optimize their commercial exchanges. In addition to providing commercial partners with information on the provenance of materials in circulation, the data collected and analyzed will make it possible to put concrete measures in place to improve the sector's environmental performance in relation to the circular economy, from extraction to utilization, as well as the recuperation of materials."</p>
<p>Port Logistics Optimization Tool</p> <p><b>Project Lead:</b> <a href="#">Montreal Port Authority</a></p> <p><b>Partners:</b> <a href="#">Montreal Gateway Terminals Partnership</a>, <a href="#">Canscan</a>, <a href="#">El Systems</a>, <a href="#">Termon</a></p> <p><b>SCALE AI's investment:</b> \$1.3 million <b>Total investment:</b> \$2.7 million</p>	<p>The movement of containers through the Port of Montreal's network is driven by a complex web of information exchanges between numerous stakeholders. A data-driven approach provides, at best, good upstream visibility on the rail and marine supply chain in order to support decision-making. At a tactical level, this upstream visibility can be enhanced through AI and predictive analytical tools. A better synchronization of all elements of supply chains is expected to bring substantial benefits to the entire gateway ecosystem.</p> <p>Daniel Dagenais, Vice-President, Operations, Montreal Port Authority: "This project is another critical milestone in our progress towards the 'Smart Port' vision we are implementing. It will benefit all stakeholders involved in the chain, reducing cargo delays and overall dwell time, while maximizing global throughput to our major logistics hub."</p>
<p>Demand forecasting and real-time monitoring in retail businesses</p> <p><b>Project Lead:</b> <a href="#">FIND A.I.</a></p> <p><b>Partners:</b> <a href="#">Pr Chi-Guhn Lee</a>, <a href="#">Pacific West Commercial Corporation</a>, <a href="#">Boathouse Apparel</a>, <a href="#">Cook Culture Ltd</a>, <a href="#">Bella Group</a>, <a href="#">Plenty Apparel</a>, <a href="#">Purdy's</a></p>	<p>Predicting and managing consumer demand is an incredibly challenging task for retailers in the apparel, footwear and accessories (AFA) space and, like their customers' requirements, their supply chain continually changes, while new fashion trends are constantly invented. The right inventory mix, lead times, and fulfillment can make or break an entire business, while significantly impacting the environment.</p> <p>This is even more important in an era when the retail industry is heavily impacted by the current pandemic, as supply chains are disrupted and consumer demand is even more unpredictable.</p>

<p><b>SCALE AI's investment:</b> \$1 million  <b>Total investment:</b> \$4.5 million</p>	<p>FIND.AI offers an industry-specific inventory and supply chain planning solution for AFA retailers that ensures improved predictability of product demand and control of production, thereby reducing production waste and environmental impacts, while maximizing financial gains.</p> <p>Poya Haghnegahdar, CEO, FIND.AI : "By focusing on the needs of AFA retailers, and teaming up retail know-how with AI expertise, we create tools that offer incredibly accurate forecasts and real-time monitoring of product demand. Our progressive approach, and close collaboration between all partners, provides much needed and, until now, missing business intelligence and calls-to-action that allow operators to make the best decisions at every step - from inventory planning and merchandising to customer experience."</p>
<p>An AI-based prediction platform for driving supply chain efficiencies</p> <p><b>Project Lead:</b> <a href="#">Fleet Complete</a>  <b>Partners:</b> <a href="#">Pitstop</a>, <a href="#">Sensata</a>, <a href="#">NPL Canada</a>, <a href="#">Superior Propane</a>  <b>Scale AI's investment:</b> \$0.9 million  <b>Total investment:</b> \$3.6 million</p>	<p>Vehicle and equipment downtime is the leading cause of inefficiencies within supply chain and logistics in terms of costs and time. AI introduces new ways of better managing the maintenance of commercial vehicle fleets with predictive analytics around components. Creating a robust and scalable solution that is brand-agnostic and big-data oriented, Fleet Complete will be able to provide advanced brake and tire prognostics to fleet owners and managers to significantly reduce downtime and, consequently, lower the cost of ownership of their mobile assets.</p> <p>Tony Lourakis, CEO of Fleet Complete: "At project completion, the global automotive industry will gain an AI-powered prediction platform that will support the entire connected vehicle ecosystem in driving cost and time efficiencies, as well as help promote growth and employment opportunities across Canada and abroad. Building these new vehicle maintenance prognostic models will help overcome a multitude of challenges that the commercial vehicle industry is facing today - from daily vehicle maintenance to handling of exceptional repairs to improving the performance of teams on the road. It will also help the automotive industry better prepare for a connected, autonomous, and electric future that will radically change vehicle costs and ownership models."</p>
<p>Intelligent forecasting for a more reliable supply chain</p> <p><b>Project Lead:</b> <a href="#">Distribution Pharmaplus</a>  <b>Partners:</b> <a href="#">Groupe Horizon Santé</a>, Pharmacie SM, CS et AP Inc, <a href="#">Sodan</a>, <a href="#">Conseillers TI</a>, <a href="#">Thales Digital Solutions</a>  <b>SCALE AI's investment:</b> \$0.8 million  <b>Total investment:</b> \$1.6 million</p>	<p>Facing growing challenges, including an increasingly complex regulatory environment, pharmaceutical distributors are key partners of the health care system. Distribution Pharmaplus relies on AI to improve pharmacy inventory management, reduce shortages and increase revenues. The Alter Ego Pharma solution is an innovative cloud-based platform for improving the drug distribution chain.</p> <p>Denis Forget, CEO, Distribution Pharmaplus: "As science brings pharmaceutical innovations for patients, AI offers new ways to manage our business and improve the distribution of pharmaceutical products in the complex network of the health care system. The Alter Ego Pharma solution will allow us to unlock productivity by improving inventory management, limiting the</p>

	impact of shortages and reducing administrative management—a typical win-win solution, as we reduce our costs, while increasing our sales and offering better service.”
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**About SCALE AI ([scaleai.ca](https://scaleai.ca))**

As Canada's AI supercluster, SCALE AI acts as an investment and innovation hub that accelerates the rapid adoption and integration of artificial intelligence (AI) and contributes to the development of a world-class Canadian AI ecosystem.

Based in Montreal, funded by the federal government and the Quebec government, SCALE AI has nearly 120 industry partners, research institutes and other players in the AI field. It develops programs aimed at supporting investment projects of companies that implement real-world applications in AI, the emergence of future Canadian flagships in the sector, as well as the development of a skilled workforce.

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