

SCALE AI announces a major financing round in artificial intelligence: \$50 million to support 12 new projects

Montreal, August 22, 2022 – With an additional 12 projects representing more than \$50 million in investments announced today by SCALE AI, artificial intelligence (AI) is continuing on its path of rapid adoption by Canadian industry leaders. The integration of AI represents a vector of growth, productivity, and competitiveness with significant benefits for the entire Canadian economy. By optimizing production and transportation, AI is proving essential in efforts to address the crucial challenges our supply chains face today, including the ripple effects of the pandemic on demand, labour shortages, and environmental performance.

The Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry, says: “With over 50 multinational AI research centres, nearly 1,000 AI start-ups and thousands of top researchers, Canada continues to be a global leader when it comes to artificial intelligence. Thanks to our government’s investments in AI, we are making the Canadian economy more agile, competitive and resilient. The 12 projects announced today by SCALE AI demonstrate how Canadian companies are using AI to compete on a global scale.”

Pierre Fitzgibbon, Quebec Minister of Economy and Innovation and Minister Responsible for Regional Economic Development, notes: “Investments in AI allow us to support the competitiveness of several key sectors of the Quebec economy and will allow us to create more wealth for the country, contribute to addressing the labour shortage, and develop innovative solutions to important societal issues. I am proud to see Quebec continue to solidify its position as a leader in AI as a large number of projects involve Quebec-based companies, partners, or researchers.”

Julien Billot, CEO, SCALE AI, explains: “In just a few years, AI integration has gone from experimental to established processes for many applications. The projects announced demonstrate that regardless of the size of the company or the industry, integrating AI enables companies to identify new opportunities and create sustainable value, which includes increased revenue growth and improved competitiveness.”

Hélène Desmarais, Co-Chair of the Board of Directors, SCALE AI, adds: “SCALE AI is pleased to support the development of artificial intelligence by and for Canadian companies, for the benefit of Canadian society. The collaboration between players in this sector has resulted in a series of initiatives and investment programs that touch on all areas of AI development: talent training, the emergence of Canadian expertise and excellence in AI, the development of start-ups and SMEs, and the implementation of AI in sectors across the economy.”

Twelve projects representing investments of over \$50 million

<p>→ Improving Save-On-Foods' supply chain through AI-based demand forecasting</p> <p>Partners: Save-On-Foods, D-Wave Systems, ThoughtsWin Systems, White Box Analytics, OpsGuru, Deloitte</p> <p>SCALE AI investment: \$2.8 million</p> <p>Total investment: \$7.2 million</p>	<p>A strategic opportunity assessment of Save-On-Foods identified two high-priority opportunities to improve customer service and operational efficiency: demand forecasting and scheduling of e-commerce deliveries. With the expertise of multiple service partners, Save-On-Foods will build and integrate several AI solutions to develop a demand forecasting model with the overall goal of ensuring the right products are in the right place, at the right price for their customers. Additionally, an optimization algorithm will automate scheduling of e-commerce deliveries to improve productivity and align with customer demand.</p> <p>Chris Allen, Vice-President Information Technology, Save-On-Foods: "Canada's grocery retail sector is highly competitive and Save-On-Foods is committed to delivering extra-mile service to our customers in Western Canada and the Yukon. The AI project supports our efforts to improve the supply chain and ensure we have the right products at the right time for our customer."</p>
<p>→ Canard Bleu</p> <p>Partners: Flybits, TD Bank Group, CEVA Freight Canada Corp., mimik, Toronto Metropolitan University</p> <p>SCALE AI investment: \$2 million</p> <p>Total investment: \$9.2 million</p>	<p>In response to the continued digital transformation of the financial services sector, Flybits, TD Bank Group, mimik, and Toronto Metropolitan University, along with a consortium of ventures and institutions, are developing a data ecosystem and a predictive solution to help businesses overcome current and future supply chain disruptions and crises. Leveraging a unique privacy-preserved data access protocol along with a number of advanced AI and machine learning-based inference capabilities, the program can help improve insights sharing and drive efficiency, revenue, and cost savings for business ecosystems.</p> <p>Hossein Rahnema, Founder & CEO, Flybits: "One major challenge in the use of data and AI to help forge effective and sustainable business relationships lies in the availability, mobility, and effective use of privacy-preserved data. This solution can prove especially beneficial for companies active in supply chain and logistics, which maintain a myriad of interdependent supplier, vendor, and client relationships."</p>
<p>→ The DAL-IA</p> <p>Partners: Logibec, CHUM, Moov AI, Chair in Analytics and Logistics in Healthcare (HANALOG)</p> <p>SCALE AI investment: \$2.4 million</p> <p>Total investment: \$5.7 million</p>	<p>Logibec's DAL-IA project (Artificial Intelligence for Management, Supply and Logistics) aims to develop a solution that prevents inventory run-out in hospitals through improved consumption forecasting of more than 50,000 essential products. The solution will also offer availability predictions for potentially delayed or incomplete orders. It will be incorporated into Logibec's existing material resource management solution, already in use in more than 70% of healthcare facilities in Quebec.</p> <p>Anne Nguyen, Director of Product, Analytics and Innovation, Logibec: "This project will propel hospitals into a proactive inventory and supply chain management mode through predictive intelligence. Artificial intelligence is a powerful tool for improving hospital performance, eliminating waste and achieving significant savings. These benefits will also translate into peace of mind for healthcare professionals who will know that the equipment they need to care for their patients will always be available in time, quantity, and quality."</p>

<p>→ AI for exploration and development of critical raw materials</p> <p>Partners: Enersoft (GeologicAI), Kirkland Lake Gold, Casino Mining Corporation, Fireweed Zinc, Tech-X Resources, Yukon Geological Survey, Ontario Geological Survey</p> <p>SCALE AI investment: \$1.6 million</p> <p>Total investment: \$7.1 million</p>	<p>The metals and mined mineral supply chain affects nearly all industry sectors as it supplies physical inputs necessary for the manufacture of countless goods and the delivery of most services. Mining companies need to allocate and utilize scarce resources and equipment as efficiently as possible to discover and develop new mineral resources, essential for the global energy transition. This requires a detailed geological understanding of mineral deposits at new sites that AI can support.</p> <p>Yannai Segal, Chief Strategy Officer, Enersoft: "This project will bring together Calgary-based technology SME Enersoft, also known as GeologicAI, with four mining adopters in collaboration with relevant government agencies, to develop machine learning models that use new high-resolution multi-sensor rock scan data to allow for a faster, more precise, and more cost-effective analysis of core samples. The project also has the potential to create a significant number of jobs directly with additional upskilling opportunities."</p>
<p>→ Prediction and optimization of rental assets stock and transportation</p> <p>Partners: Simplex Equipment Rental, Mind in a box, CGI, Maya HTT, Équipements Mathieu, Construction Bugère</p> <p>SCALE AI investment: \$1.3 million</p> <p>Total investment: \$2.7 million</p>	<p>Simplex specializes in tools and equipment rental across a host of sectors, including construction, manufacturing, government, events, and entertainment. The project aims to maximize the offer by optimizing two essential parts of the Simplex supply chain: inventory, by predicting the availability and dispatch needed, and transport, by estimating the likelihood of success of each pick-up, delivery, or transfer within a queue of potential activities.</p> <p>Euclide Véronneau, CEO, Simplex Equipment Rental: "Our clients across all sectors will be positively impacted by the solution, having access to a more relevant product inventory with more timely delivery and pick-up service. Building upon our partner Mind in a Box's expertise and Equipment-as-a-Service integrated solutions, this new collaboration is perfectly in line with the acceleration of our digital shift focused on the customer experience, which began in June 2020."</p>
<p>→ Project Galactic</p> <p>Partners: Ravel by CF, Coveo Solutions Inc., Gensquared Inc., Konrad Group Inc., Matt and Nat SE, The Silver Mountain LTD, QE Home Quilts Etc., Ann-Louise Jewellers Ltd.</p> <p>SCALE AI investment: \$1.2 million</p> <p>Total investment: \$5.3 million</p>	<p>The rapid increase in e-commerce has driven massive digital and supply chain transformations for every retailer. Customers expect to have full visibility and access to a retailer's inventory no matter the channel and location. To meet these expectations, Ravel, an innovation hub backed by Cadillac Fairview, has developed an app that gathers, standardizes, and recommends millions of consumer products across hundreds of Canadian retailers in 18 CF shopping centres. Project Galactic builds upon a previously funded Scale AI project to improve search, the most critical element for connecting shoppers with retailers.</p> <p>Laura Manes, Senior Vice-President Innovation, Ravel by CF: "The project supports the development of an innovative shopping tool to help Canadian retailers showcase their full product offering and real-time in-store availability for consumers in an easy-to-use, personalized app. This functionality is expected to help consumers more easily find the products they are looking for. In turn, the data generated by these interactions will help retailers measure product demand and drive customer conversion in-store and online, and facilitate better inventory management decisions."</p>

<p>→ Apollo.AI</p> <p>Partners: Ray-Mont Logistics International, Volume Freight, IVADO Labs, Faimdata</p> <p>SCALE AI investment: \$1.2 million</p> <p>Total investment: \$2.5 million</p>	<p>Ray-Mont Logistics is an essential link in the international and domestic North American supply chain. Ray-Mont already relies on AI to optimize its transloading terminal operations. The Apollo.AI Project will enhance its decision support systems by suggesting customer pricing estimates based on transportation and transloading capacity as well as forecasting costs. Every day, Ray-Mont helps dozens of major exporters and importers across North America and fulfills many customer orders, all of which involves complex routing and multi-modal transportation plans. The AI-based decision support system will enable better customer service and a more accurate estimation of the completion of orders.</p> <p>Luke Mireault, Chief Innovation Officer, Ray-Mont Logistics: "This dynamic pricing and freight routing system will improve supply chain fluidity while leveraging Ray-Mont's capabilities in terms of transloading, railways, shipping lines, and domestic transportation. As a result, the company's customers and commercial teams will observe reduced delays and more flexibility."</p>
<p>→ Supply chain optimization platform</p> <p>Partners: Adastra, Taiga Building Products, Standard Building Supplies</p> <p>SCALE AI investment: \$1.1 million</p> <p>Total investment: \$2.8 million</p>	<p>The building materials distribution supply chain is fragmented and includes manual business processes that are heavily reliant on human capital. The overall goal of this initiative is to use data inputs that are readily available in disparate systems and use advanced AI techniques to solve three of the most pressing bottlenecks in the building materials supply chain: accurately forecasting demand, maximizing truck loads, and optimizing warehouse layouts.</p> <p>Darren Edery, CEO, Adastra: "By using AI to enable data-driven decisions on these critical elements of Taiga's supply chain there will be a direct impact on the consumer in the form of more accurate inventory information, lower costs, and a wider selection of products. Standard Building Supplies, one of Taiga's retail customers, will participate in the project and provide real-time data that will be integrated into Taiga's just-in-time inventory model to create tangible impact along the building materials supply chain."</p>
<p>→ Self-learning route optimization</p> <p>Partners: Routific Solutions, Flashbox, Flourist</p> <p>SCALE AI investment: \$1 million</p> <p>Total investment: \$2.4 million</p>	<p>Routific Solutions is a route optimization and delivery management platform for SMEs in the delivery sector, currently working with 1,300+ customers all over the globe. The company is developing new machine learning algorithms to better predict ETAs, using historical traffic data that takes into account the day of the week and time of day to optimize routes. By incorporating traffic patterns and driver behaviours, this solution will help more accurately estimate travel times, which will allow for increased delivery efficiencies.</p> <p>Marc Kuo, Founder and CEO, Routific Solutions: "Algorithm-based routes increase profits by making more stops per route. The new features we're building into our machine learning solution will positively impact Routific's customers, most of which are SMEs in the delivery sector. It will increase driver efficiency and help companies grow and stay competitive, especially as they navigate a tough economic climate."</p>
<p>→ Supply chain insights & optimization</p>	<p>AMG Medical Inc. manufactures and distributes home healthcare and medical professional products across North America. In response to</p>

<p>Partners: AMG Medical, KPI Digital, Alpine Pacific Agencies, GDK Marketing Inc</p> <p>SCALE AI investment: \$1 million</p> <p>Total investment: \$2.3 million</p>	<p>rising consumer demand, the objective of this AI project is to improve purchasing and sales decisions across AMG's supply chain. The proposed solution integrates with AMG's existing technology solutions to provide better insights to decision makers across the organization.</p> <p>Janick Coulombe, Vice-President Finance and Administration, AMG Medical: "As a Quebec-based manufacturer and distributor of medical equipment, we are proud to be modernizing our technology across our supply chain. Apart from the expected improvement to the business performance of AMG, this will also help improve coordination with distributors, which we are currently trialing with the two organizations involved in the project as well as with other suppliers."</p>
<p>→ AI-powered vehicle operations suite</p> <p>Partners: Canada Drives, Canadian Black Book, Infostrux Solutions, UBC Sauder School of Business, ProCogia</p> <p>SCALE AI investment: \$0.9 million</p> <p>Total investment: \$2.2 million</p>	<p>Through a combination of technology and customer service, Canada Drives enables consumers to shop, purchase, finance, and sell vehicles entirely online. To provide this value and convenience, Canada Drives must predict market prices and reconditioning costs to provide accurate and fair prices to sellers and buyers, and to optimize its supply chain. Canada Drives will use SCALE AI's funding to acquire intelligence in the form of data and machine learning models to fuel the development of consumer-facing solutions and to deepen its relationships with ecosystem partners.</p> <p>Andrew Hall, Vice-President Data & Analytics, Canada Drives: "We offer a service that provides the easiest way for consumers to buy or sell a car, turning what is typically the second-largest financial decision into a fast, transparent, and fun experience. In launching this project, we are scaling our capacity to support rapidly evolving demand at fair prices, in a distinctive approach that combines the best of our know-how with the best in AI technology."</p>
<p>→ ML tool for supply policies</p> <p>Partners: Logistik Unicorp, Inmind Technologies (Mind in a Box solutions), SimWell, Ville de Montréal, Dristex, Polytechnique Montréal</p> <p>SCALE AI investment: \$0.7 million</p> <p>Total investment: \$1.5 million</p>	<p>As the leader of managed clothing solutions, providing some of the most customized programs worldwide, Logistik Unicorp dresses more than 650,000 individuals working in various government organizations and large corporations all over the world. Logistik manages more than 250,000 SKUs, 90% of which have fluctuating and sporadic demand. Such a business model makes demand forecasting – and consequently, optimizing production flow, inventory management, and on-time delivery of complete orders – a constant challenge. In order to eliminate stock shortages while maximizing item turnover, this AI project, based on anticipated demand, will integrate a predictive and automated model to the procurement management system.</p> <p>Karine Bibeau, Vice-President, Client Experience, Logistik Unicorp: "This artificial Intelligence project will have a positive impact on all our clients and will revolutionize our procurement chain! All our manufacturing partners, comprised of more than 436 Canadian suppliers, will witness the significant benefits for their business: optimizing efficiency and fostering growth."</p>

About SCALE AI (scaleai.ca)

As Canada's AI Global Innovation Cluster, 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 and funded by

the federal government and the Québec government, SCALE AI works with nearly 500 industry partners, research institutes, and other players in the field of AI. The organization develops programs aimed at supporting investments in companies that implement real-world applications of AI and encouraging the emergence of future Canadian flagships in the sector, all while facilitating the development of a skilled workforce.

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Source: SCALE AI

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