

Press release

## SCALE AI announces record-breaking financing round with \$117M in investments supporting 15 AI projects

**Montreal, February 13, 2023** — The Honourable François-Philippe Champagne, Canada's Minister of Innovation, Science and Industry, as well as a number of business partners, were present at SCALE AI's offices to announce the most significant financing round to date for the organization since its creation. With \$117 million in investments, the 15 projects unveiled today further demonstrate the acceleration of AI adoption in manufacturing, retail and agriculture, as well as in the development of innovative AI solutions for businesses. In addition to 9 new AI projects, this announcement also includes further investments in 6 projects already supported by SCALE AI, to enable them to be deployed on a larger scale for the benefit of the entire AI ecosystem.

Since 2019, SCALE AI has supported more than 90 industry projects, with investments totaling half a billion dollars, 62% of which was funded by the industry. This demonstrates that big and small Canadian companies are increasingly relying on AI to fuel their growth, be more efficient and gain leadership on the global scale.

Additionally, these Canadian companies own 100% of the intellectual property (IP) generated and funded in their SCALE AI projects, which is a crucial step towards growing Canada's global competitive advantage in AI.

**The Honourable François-Philippe Champagne, Canada's Minister of Innovation, Science and Industry**, says: "Investing in innovation, especially in artificial intelligence, is paramount to growing our economy and cementing our position as a global leader. Today's projects demonstrate how the SCALE AI cluster plays a key role in supporting Canada's artificial intelligence sector, and ultimately creating highly skilled jobs, a more resilient supply chain and enabling companies to be more efficient and competitive."

**Julien Billot, CEO, SCALE AI**, explains: "Over the past years, we have seen an increasing number of Canadian companies develop AI practices and reap the benefits. 2022 was a record-breaking year for the organization with a remarkable total investment of \$204 million in 33 industry projects. Through each of these funding round, SCALE AI has contributed to further advancing the adoption of AI for a significant number of companies across Canada. Our team is looking forward to pursuing its work to benefit the entire AI ecosystem in the upcoming years."

**Hélène Desmarais, Co-Chair of the Board of Directors, SCALE AI**, adds: "This record-breaking financing round demonstrates the AI ecosystem's momentum in accelerating the adoption and commercialization of AI across key industries in Canada. SCALE AI investments are having a significant impact on AI commercialization in Canada. In its investment portfolio companies, the work of our Canadian AI talents employed by Canadian adopters and suppliers and the IP property they create, is owned here by Canadian companies, generating economic value and highly skilled jobs for the benefit of our country."

## 9 new projects representing investments of \$97 million

<p>→ <b>McCain Driving Impact (MDI) x AI</b></p> <p><b>Partners:</b> McCain Foods Limited, Boston Consulting Group, Fiddlehead, Lemay.ai, Tribal Scale, Dalhousie University, Gaia Consulting, Beaver Creek Farms Ltd, Riverview Farms, Valley Farms, Killoween Farms</p> <p><b>SCALE AI investment:</b> \$8.5 million</p> <p><b>Total investment:</b> \$35.9 million</p>	<p>McCain Foods Limited is the world's largest manufacturer of frozen potato products. Their new project McCain Driving Impact (MDI) is leveraging AI to address pain points plaguing the potato processing supply chain. The proposed solution will use AI and machine learning to minimize spoiled potato raw input from growers, reduce the amount of waste, further increase throughput and finished good quality, allow production lines to operate more smoothly, identify problematic areas along the manufacturing process and ensure efficient use of utilities and detection of potential waste.</p> <p>Dr. Attila Tamer, Chief Manufacturing Operations Officer, McCain Food Limited: "We are honoured that the SCALE AI Investment Committee has recognized the ambition of this program, to maintain McCain's competitiveness and commitment to sustainability while driving forward our innovation agenda. The opportunity to bring technology and AI into our manufacturing operations is our next great leap forward to benefit our full supply chain, from growers, to distributors to customers and to end consumers who enjoy our products every day."</p>
<p>→ <b>AI-Powered Experience and Profit Optimization</b></p> <p><b>Partners:</b> Coveo, IVADO Labs</p> <p><b>SCALE AI investment:</b> \$9.3 million</p> <p><b>Total investment:</b> \$25.4 million</p>	<p>Coveo is a global leader in using artificial intelligence (AI) to transform search, recommendations and merchandizing to create a truly personalized shopping experience for retailers and consumers. The goal of the AI project is to develop machine learning and personalization algorithms that consider not only the revenue generated but also the overall profitability of a transaction. These algorithms will use new data about margins, storage costs, shipping costs, disposal costs, return costs and others to measure and optimize the end-customer full basket's profitability. In addition, this project ultimately aims to empower merchandisers with profitability-aware reporting, recommended actions, advanced A/B testing and statistical analysis to help them make more informed decisions.</p> <p>Louis Tetu, Chairman and CEO, Coveo: "We're in the experience economy, where consumers are only a browser window away from better alternatives. Consumers today demand one-on-one personalized experiences, and large-scale retailers can only deliver on this promise profitably by leveraging data and AI."</p>
<p>→ <b>AI-Based Automotive Sunroof Installation &amp; Supply Chain Management</b></p> <p><b>Partners:</b> Foxfire Labs, Automotive Sunroof Craft, Dealership Consortium, The Design Quantum, York University, OEM Consortium, SEMA, Signature Sunroofs</p> <p><b>SCALE AI investment:</b> \$2.5 million</p> <p><b>Total investment:</b> \$9.2 million</p>	<p>Toronto-based Foxfire Labs' mission is to develop an entirely autonomous robotic platform that can serve to benefit consumers, businesses, and national defence. This project aims to develop a business platform for the automotive sunroof industry, leveraging AI to significantly improve planning visibility, inventory levels, and labour productivity for supply chain participants. This project will also enable participants across the supply chain to share data currently held in silos and leverage AI for specific applications.</p> <p>Aryan Durrani, Managing Partner, Foxfire Labs: "This consortium led by AI service provider Foxfire Labs includes all chain supply chain players, as they share a common pressing need for this impactful solution. Various companies will benefit from this project, with Foxfire Labs deploying the solution to adjacent industries with similar template and</p>

	cutting requirements for materials such as glass, fabric, and composites."
<p>→ <b>Optimization of crane allocation</b></p> <p><b>Partners:</b> GUAY inc., Vooban</p> <p><b>Scale AI investment:</b> \$2.9 million</p> <p><b>Total investment:</b> \$8.6 million</p>	<p>GUAY specializes in crane rental, handling and transportation and has the largest fleet in Canada. With this AI project, the company will optimize the planning and dispatching process of its cranes and operators to various construction sites. The first phase is to create an intelligent dispatch system that will be able to allocate the team and equipment to suitable projects, optimizing the number of daily service calls. The second phase adds an intelligent submission module to speed up the entry of service requests into the system, reducing the risk of errors that occur in the scheduling process from one day to the next.</p> <p>Guillaume Gagnon, Executive vice president, GUAY: "The impacts of this AI project will globally affect the construction industry. We know that crane operation occurs at a critical moment on the construction site. Our team will improve at processing and dispatching service calls, bringing a significant efficiency gain for all the partners involved, particularly in minimizing downtime. The project will also have a positive environmental impact in optimizing equipment location and transportation in the province of Quebec."</p>
<p>→ <b>Supply Chain AI for Circular Manufacturing Feedstock</b></p> <p><b>Partners:</b> Macrodyne Technologies Inc., ReGen Composites Inc., SimWell, Moov AI, Claude-Guy Quimper from Institute Intelligence and data—Université Laval</p> <p><b>SCALE AI investment:</b> \$2.2 million</p> <p><b>Total investment:</b> \$5.3 million</p>	<p>Macrodyne Technologies, North America's largest hydraulic press manufacturer, has seen an opportunity in the market to support its customer base by providing the physical equipment and a complete AI-enabled software solution to help feed the equipment and to run their operations by utilizing supply chain tooling with AI. To achieve the desired results, they will develop two AI modules, a supplier feedstock prediction module that will predict the distribution of feedstock (in their case, solely types of plastics) at supplier sites, as well as a pickup cost optimizing module that will combine the predicted supplier feedstock with the inventory needs of processing plants and current information on suppliers, availability of drivers, trucks, and time constraints.</p> <p>Kevin Fernandes, President, Macrodyne Technologies Inc.: "The project uses AI to make a new technology to recycle plastics economically viable, steering additional investment into the compression moulding industry. We are very proud to use AI solutions that will allow our client to automate operations, reduce costs, and make more informed decisions."</p>
<p>→ <b>Aircraft Parts Affinity Recommendation with AI</b></p> <p><b>Partners:</b> Bombardier, IVADO Labs, Xennial Innovations</p> <p><b>SCALE AI investment:</b> \$1.5 million</p> <p><b>Total investment:</b> \$3.6 million</p>	<p>Bombardier, a global leader in business aviation, will deploy an AI project that will provide Bombardier's Customer Experience team with data-driven insights to guide their service recommendations to aircraft operators and Maintenance, Repair and Overhaul facilities. This will help Bombardier adopt a tailored approach to scheduled maintenance, optimize Bombardier Service Centre visits by reducing aircraft downtime and associated costs, and ultimately provide comprehensive data to back up customer recommendations.</p> <p>Jean-Christophe Gallagher, Executive Vice President, Services and Support and Corporate Strategy, Bombardier: "Last year, we embarked on exciting collaborations in big data, artificial intelligence, and cleaner, greener technology that we believe will deliver an even higher level of sophistication in the mobility solutions of tomorrow."</p>

	<p>Working with Scale AI, a Canadian supercluster, and IVADO Labs, a world-class ecosystem of internationally renowned researchers, we are bringing together our know-how and academic expertise to grow and improve our Customer Experience activities using artificial intelligence."</p>
<p>→ <b>AI-Enabled Warehouse Digital Twin</b></p> <p><b>Partners:</b> Routeique, Big Rock Brewery, Alberta Machine Intelligence Institute (Amii)</p> <p><b>SCALE AI investment:</b> \$1.3 million</p> <p><b>Total investment:</b> \$3.5 million</p>	<p>Routeique helps businesses that distribute fast-moving consumer goods to save time and money while innovating their supply-chain operations. The Routeique platform currently captures and manages information on inventory levels, storage configuration, and warehouse operations, enabling their clients and partners to make informed decisions about operations. However, Routeique's clients are asking for more assistance in making faster, better decisions at scale. Working with our partners at the Alberta Machine Intelligence Institute, this project will further warehouse optimization and provide an archetype that increases the efficiency and productivity of future warehouses. As a result, Routeique will help Big Rock Brewery make even better use of its resources and improve revenue by bringing efficiencies to Big Rock's warehouse operations.</p> <p>Mike Allan, President, Routeique: "The proposed solution design will focus on orchestrating warehouse operations to maximize efficiency across three interconnected warehouses. The result will allow users to visualize the results in our Digital Twin platform and perform what-if scenario planning to evaluate the impact of changes on operations."</p>
<p>→ <b>Intelligent structural steel design and estimating system</b></p> <p><b>Partners:</b> Canam Group Inc., RJC Engineers, McIntosh Perry Consulting Engineers, Moov AI, CICIEM (Concordia University)</p> <p><b>SCALE AI investment:</b> \$1.1 million</p> <p><b>Total investment:</b> \$2.8 million</p>	<p>Canam Group Inc., a leading provider of structural steel components, is standardizing, digitizing and automating its estimating process. To achieve this goal, Canam is collaborating with experts in AI technology, structural steel engineering and construction management. AI algorithms will use structural steel assembly data collected from projects in different sectors at various stages of completion and observed production data to predict assemblies' structural connections and production costs on new projects.</p> <p>Sébastien Paré, Vice President, Engineering and Estimation Service, Canam Group: "The proposed solution leverages AI algorithms and uses proprietary data to predict costs and project schedules in the pre-construction stage. This will provide actionable information rapidly to all players in the supply chain allowing for better decisions early in the project life cycle."</p>
<p>→ <b>AI to enhance capabilities in early issue handling</b></p> <p><b>Partners:</b> BIM One, Nexapp, Moov AI, CIMA+, Clark Builders</p> <p><b>SCALE AI investment:</b> \$0.9 million</p> <p><b>Total investment:</b> \$2.6 million</p>	<p>BIM Track, a SaaS-based platform for the AECO (Architecture, Engineering, Construction and Operation) industry, provides an easy-to-learn and adopts BIM/VDC cloud-based BIM Model coordination and collaboration platform for the AECO industry to increase their efficacy in a meaningful way. With the BIMAI project, they will use artificial intelligence techniques to predict the priority and resolution time of coordination issues. This will allow users to benefit from efficient prioritization while minimizing the mismanagement of critical coordination issues. Better coordination of issues management can minimize many of the risks during projects, such as major changes in material, logistics and labour planning, as well as time for design</p>

	<p>adjustments, culminating in substantial reductions in the cost of project delivery.</p> <p>Carl Veillette, Chief Product Officer, Cloud Products for BIM Track and Newforma, BIM One: "This improved management of critical coordination issues will mitigate the risk of these becoming significant problems during pre-construction or construction and improve the supply chain of the construction project. Artificial intelligence techniques will allow us to manage the variety of contexts encountered and adapt to the diversity of variables involved in construction projects."</p>
--	---

## 6 AI projects scale up and receive an additional investment of \$20 million

<p><b>Additional investments from previously approved projects</b></p>	<p>→ <b>Space and assortment productivity solution</b>  Project Lead: Canadian Tire   Scale AI additional investment: +\$3.4M   Total additional investment: +\$ 7.8M</p> <p>→ <b>Predictive analytics for aviation</b>  Project Lead: Bombardier   Scale AI additional investment: +\$2.7M   Total additional investment: +\$ 5.4M</p> <p>→ <b>Transportation optimization</b>  Project Lead: Kemira   Scale AI additional investment: +\$1.2M   Total additional investment: +\$ 3.1M</p> <p>→ <b>AI-driven retail sales demand forecasting</b>  Project Lead: BRP   Scale AI additional investment: +\$0.8M   Total additional investment: + \$ 1.8M</p> <p>→ <b>Ancillary revenue management platform</b>  Project Lead: Plusgrade   Scale AI additional investment: +\$0.8M   Total additional investment: +\$ 1.6M</p> <p>→ <b>Apollo.AI</b>  Project Lead: Ray-Mont Logistics   Scale AI additional investment: +\$0.2M   Total additional investment: +\$ 0.5M</p>
--	--

### About Scale AI ([scaleai.ca](https://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 developing a world-class Canadian AI ecosystem. Based in Montreal and funded by the federal government and the Quebec government, Scale AI works with more than 500 industry partners, research institutes, and other players in the field of AI. The organization develops programs to support investments in companies that implement real-world applications of AI and encourage the emergence of future Canadian flagships in the sector, all while facilitating the development of a highly skilled workforce.

Source: Scale AI  
Contact: Eric Aach, [eaach@national.ca](mailto:eaach@national.ca) | 514-569-3594