

Press release

SCALE AI propels Québec companies with support for AI projects totalling nearly \$40 million

Montréal, **April 21**, **2023** — The Honourable Jean-Yves Duclos, Minister of Health and Member of Parliament (MP) for Québec City, along with Joël Lightbound, MP for Louis-Hébert, attended a ceremony at the head office of Vooban, a project partner, highlighting the four recent projects involving Québec businesses that are receiving support from SCALE AI, the global innovation supercluster dedicated to artificial intelligence. With investments totalling \$39.4 million, the projects led by Coveo, GUAY, Groupe Canam and BIM One are proof that adoption of AI is accelerating in the retail and construction sectors, as well as in development of innovative enterprise solutions.

As mentioned in SCALE AI's most recent research report, <u>AI at Scale</u>, the Québec City region is among the 17 top AI ecosystems to watch, contributing to the significant number of new companies being created in the AI field in Canada, which rank the country ahead of its rivals for the number of AI start-ups per capita.

In addition, the four companies own 100% of the intellectual property generated by their projects funded by SCALE AI, a crucial measure for boosting the country's global competitive advantage in AI.

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

The Honourable Jean-Yves Duclos, federal Minister of Health and MP for Québec City, adds: "Having an Al-fuelled economy drives massive productivity gains across all sectors of the economy and helps secure our competitiveness worldwide. The projects announced today will help strengthen the economies of both Québec and Canada, improving the resilience of supply chains and supporting businesses that are dealing with major industrial transformations."

Pierre Fitzgibbon, Québec Minister of Economy, Innovation and Energy, Minister Responsible for Regional Economic Development and Minister Responsible for the Metropolis and the Montréal Region, adds: "SCALE AI is a major player in the deployment of artificial intelligence, and its expertise will be most useful for informing thinking about how to frame the use of AI. Integrating AI while developing it ethically and responsibly are vital to ensuring Québec's productivity."

Joël Lightbound, MP for Louis-Hébert, notes: "Artificial intelligence poses many challenges and also offers many opportunities to improve our competitiveness and generate innovation in Québec and the rest of Canada. I'm proud that our government is supporting local businesses like Vooban, GUAY, Coveo and Groupe Canam, which are capitalizing on Canadian expertise in this field to develop and bring to market innovative technologies. In collaboration with SCALE AI, we are strengthening our supply chains, energizing our economy and cementing the positions of Canada and Québec as global innovation leaders."

Julien Billot, CEO, SCALE AI, explains: "Over the past five years, with its investments in tangible AI projects, SCALE AI has built an ecosystem that has enabled several Québec-based SMEs to shine both locally and internationally. At the same time, SCALE AI is helping to build a regulatory

framework for AI that will enable local companies to develop ethical, responsible AI and continue to grow our economy."

Hélène Desmarais, Co-Chair of the Board of Directors, SCALE AI, adds: "In recent years, artificial intelligence has been developing at a phenomenal rate in Québec. These recent projects illustrate the important role of AI in helping organizations become more efficient, reduce their carbon footprint and improve service delivery, among other things. These companies are developing know-how, expertise and intellectual property that are now available to the broader market and to any Canadian company interested in developing AI."

4 projects in Québec representing investments of \$39.4 million

→ AI-Powered Experience and Profit Optimization Partners: Coveo, IVADO Labs SCALE AI investment: \$9.3 million Total investment: \$25.4 million	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. 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."
 → Optimization of crane allocation Partners: GUAY inc., Vooban Scale Al investment: \$2.9 million Total investment: \$8.6 million 	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. 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."
→ Intelligent structural steel design and estimating system Partners: Canam Group Inc., RJC Engineers, McIntosh Perry	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 Al technology, structural steel engineering and construction

Consulting Engineers, Moov Al, CICIEM (Concordia University) SCALE Al investment: \$1.1 million Total investment: \$2.8 million	management. Al 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. Sébastien Paré, Vice President, Engineering and Estimation Service, Canam Group: "The proposed solution leverages Al 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."
→ AI to enhance capabilities in early issue handling Partners: BIM One, Nexapp, Moov AI, CIMA+, Clark Builders SCALE AI investment: \$0.9 million Total investment: \$2.6 million	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 adjustments, culminating in substantial reductions in the cost of project delivery. 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."

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 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.

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