

Why Artificial Intelligence Giants are Heading to Montréal











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Top reasons to invest in AI in Greater Montréal



Cutting-edge expertise developed by world-renowned researchers



1,000+
Researchers MSc, PhD,
post-doc in Mila, the world's
largest academic Al

research center

1st



\$1.6B+

1st in Canada for university research funding



Many global leaders
Including Google, Microsoft
and Meta, have made Montréal
their AI R&D centre



Best student city in the world and university capital of Canada



33% cost advantage for an Al company



30,000+ Experts with Al skills in Montréal



18,000+ university students enrolled in Al-related programs in Québec



Many attractive tax credits and incentives for R&D and talent development

01
A Large Ecosystem Driven by Innovation





Montréal, a hub for research and development of Al expertise

2016

Google

Opens Google Brain Montréal headed by Hugo Larochelle

2017

Microsoft

Acquires Maluuba and announces it will hire 40 AI specialists

IBM

Opens an Al lab in collaboration with Québec Al Institute Mila

Meta Al

Opens its Al lab headed by Joëlle Pineau. Associate Professor at McGill University

DeepMind

Opens its second international Al lab

THALES

Opens a new Al global hub. with the creation of the Centre of Research and Technology in Al eXpertise (cortAlx)

BOREALIS AL RBC opens Al lab

2018

Research

Expands research lab and hires Geoff Gordon

Creates an innovation centre for AI and its applications to the customer experience

Meta Al

Expands its lab to accommodate up to 60 researchers

SAMSHING

Opens an Al Centre

GOOD AI

Becomes the first VC from Silicon Valley to open an office in Montréal

QUANTUMBLACK Opens an Al office

2019

DFNSO

Opens its North American satellite R&D lab focusing in Al

CORNING

Opens a software innovation center focusing in Al. data analytics, etc.

ERICSSON

Launches its global Al accelerator focusing on R&D in Al and automation

← unity

Expansion and creation of a new Al lab and create 450 jobs

NOVARTIS

Establishes a strategic alliance with Québec Al Institute Mila

2020

Google

Announces major expansion of its Montréal's office

BEHAVOX

Opens a larger office, which will serve as a major innovation and operational center

BIOME

Opens a Biome innovation hub that will bring together tech companies and people

Opens a worldwide Al Hub, in partnership with Centech

servicenow

Establishes an Al innovation hub

2021

(aspentech

Opens its new AloT hub, an industrial Centre of Excellence for AI and industrial IoT

CONSULTANCY
SERVICES

Opens an Al centre that will offer services and solutions around advanced technologies

Recursion

Opens office space within Mila and build machine learning team to focus on drug discovery

N GEOCART

Opens an R&D center for remote environmental and infrastructure monitoring and observation

2022

SAMSUNG

Samsung Al Center opens a modern lab to develop wireless and robotics technologies

vmware[®]

Launches Next G-Al Research and Innovation Centre

Examples of other foreign companies that have chosen Greater Montréal



























SAMSUNG

Testimonial by Gregory Dudek
Vice-president of Research for Samsung
Electronics

Tapping into the Al ecosystem to take projects to the next level

"Montréal's strong Al ecosystem and innovative talent pool offer a unique environment to allow us to reach new heights." Established in Montréal in 2018, Samsung Al Center Montréal opens a lab to develop wireless and robotics technologies and adds 15 researchers to the team.

Recognizing the importance of Al for DeepTech

"The demand for wireless data from mobile devices users has never been greater. The combination of Al and machine learning technologies will allow transformations that are key to our everyday use of mobile devices and reduce power consumption."

Applying AI to machine learning and robotics

The new lab will specialize in developing wireless and robotics technology. The team will build on demonstrated results from using Al methods to improve mobile network service quality. What's more, the team will be tasked with developing sensors for robotic systems that are intended for commercial and personal applications, including jobs such as cleaning up a restaurant or the kitchen or even tidying the house.

Providing a strategic location for strategic networks

The Samsung Al Center Montréal is part of a network of seven Global Al Centres worldwide, including the SRA Silicon Valley and Toronto Al Centers. It is one of Samsung's two facilities dedicated to Al in Montréal with the Samsung Advanced Institute of Technology located within the MILA facility (Montréal Institute for Learning Algorithms).

The ideal location to develop applied AI in many cutting-edge sectors

Examples of companies in Montréal offering Al-based solutions by sector

Management and marketing tool	Dialog Insight	DELVE	<kaloôm></kaloôm>	Silentale	Semeon	"ĸeatext
∠ Life sciences	C⊕RSTEM	BIOS	AFX MEDICAL	K INVIVO.AI	♡ Dialogue	MIM
▲ FinTech	PERFIQT	BOREALIS AI	BOAST.AI	zesty.ai	<u>M</u> akila <mark>Ai</mark>	← TickSmith
⊿ CleanTech	dcbel	®F∧iMD ATA	W5 SEEKER	nector		BRAINBOX A)
Industrial and automation	ROSOTICS	♥ VENTION	THALES	IRYStec** **Verception is fiscility**	ITNX	<i>DENSO</i>
	(L(A N D)R)	d unity	MOMENT FACTORY	technicolor	UBISOFT	eidos: 14 montreal

Montréal is home to many organizations to propel the industry

SCALE AI

Home to Canada's Al supply chain supercluster, dedicated to building the next-generation supply chain and boosting industry performance by leveraging Al technologies

Examples of support and funding organizations:



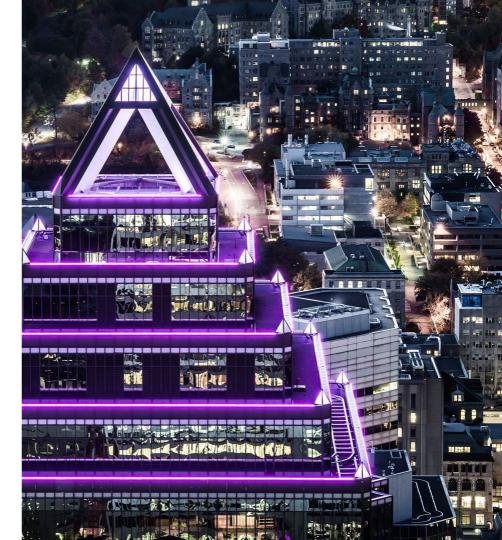














Major public investments to support Al development and adoption

\$475M	by Québec to support Al development and adoption (budget 2017-2018,2018- 2019 and 2019-2020)
\$430M	in venture capital funds for Al (CDPQ-Al Fund and Real Ventures)
\$329M	over the next 5 years to accelerate the adoption of Al in Québec (2019)
\$310M	in support of Scale Al Supercluster (2018) and for the development of Al talents (2019)
\$117M	mobilized by Scale AI to support 15 AI project (2023)
\$15M	for the International Centre of Expertise in Montréal for the Advancement of Artificial Intelligence (CEIMAI) (2019)

Greater Montréal stands on a strong information technology ecosystem

- 190,000+ IT workers and 7,000+ companies in Greater Montréal
- Lowest operating costs in North America* for software development, ahead of Toronto, Boston, New York and San Francisco
- Broadly diversified industry:

Software development

Among the top metropolitan areas in Canada and the U.S. for tech job concentration



Cybersecurity

1st in Canada for cybersecurity study programs, courses, research chairs and university labs



FinTech

A global hub with many cutting-edge expertise in PayTech, PropTech, InsurTech, etc.



Quantum technology

Quantum communications expertise provided by prominent researchers such as Gilles Brassard

Video Game

Among the top five largest video game development hubs in the world



Al and big data

One of the best places to invest in Al in North America



^{*} Among the 20 largest metropolitan areas in Canada and the United States. Source: Statistics Canada, 2022; fDi Benchmark, 2023; CBRE, "Scoring Tech Talent", 2022; Serene-Risc, 2019.

A booming startup ecosystem



Canada ranks 1st among OECD countries for its attractiveness to entrepreneurs



\$11G+ in VC investments between 2017 and 2022 in Québec



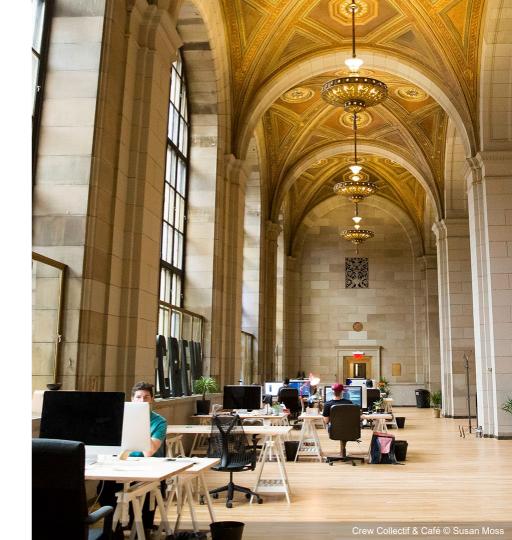
Six of Canada's ten most active funds in Canada are based Montréal



30+ incubators/accelerators



Close to 60 coworking spaces



Montréal welcomes major events focused on Al industry



19-20 April 2023

Gather major influencers in Al globally across business, science and tech



21-29 May 2023

Brings together more than 6,500 participants in the sectors of Commerce and Creativity to explore trends, opportunities, disruptions and major shifts on the horizon

SCALE AI

Autumn 2023

ALL IN, the first gathering of Canadian AI ecosystem to showcase our achievements



02 A World-Class Artificial Intelligence Research Hub







Yoshua Bengio, a pioneer in deep learning

- 1st in Canada and 2nd in the world in the 2021 Top Scientists Ranking for Computer Science & Electronics
- Winner of the Turing Award 2018: "Nobel Prize of computing"
- Winner of the Killam Prize in Natural Sciences in 2019
- Fellow of the Royal Society
- Full Professor, Department of Computer Science and Operations Research, Université de Montréal
- Founder and Scientific Director of Mila
- Scientific Director of IVADO
- CIFAR Fellow and Program Director, Learning in Machines and Brains
- Worked at the CIFAR research institute alongside Yann LeCun (now at Meta AI) and Geoffrey Hinton (now at Google)







Mila, the world's largest academic Al research lab

- A collaborative research ecosystem with 1,000+ researchers, startups and major companies
- Specialized in deep learning and reinforcement learning
- Examples of strategic global partners within Mila:











































A unique centre of excellence: **IVADO** (Institute for Data Valorisation)



More than 1,400 scientists (professors, professionals and students) with complementary areas of expertise

Close to **150** members and partners Over **270** collaborative research projects

Research centres















research chairs

Network partners











Academic partners













& labs

International partners









The **Alan Turing** Institute

Examples of world-renowned AI researchers who make Montréal shine



Joëlle Pineau

Associate Professor with the School of
Computer Science at McGill University and
CIFAR Senior Fellow, Program in Learning in
Machines and Brains. She is also the Head of the
Meta Al Research lab, as well as a member of
Mila



Aaron Courville

Associate Professor in the **Department of Computer Science and Operations Research**(DIRO) at the University de Montréal, and **CIFAR Fellow**, Program in Learning in Machines and
Brains. He is also a member of **Mila**





Doina Precup

Associate Professor with the School of
Computer Science at McGill University and
CIFAR Senior Fellow, Program in Learning in
Machines and Brains. She is also the Head of the
DeepMind Lab in Montréal, as well as a member
of Mila



Simon Lacoste Julien

Associate Professor in the Department of
Computer Science and Operations Research
(DIRO) at the University de Montréal and CIFAR
Fellow, Program in Learning in Machines and
Brains. He is also Director at Samsung SAIT AI
Lab and a member of Mila



Gregory Dudek

Chaired professor of computer science at McGill University and Director of McGill School of Computer Science. He is also the Head of the Samsung Al Center, as well as a member of Mila



Andrea Lodi

Full Professor at École Polytechnique de Montréal and the Canada Excellence Research Chair in Data Science for Real-Time Decision-Making, as well as a member of Mila



At the forefront of Al for good initiatives

For ethical & responsible Al



An initiative of the Université de Montréal

Since December, 2018 2,200+ signatures from citizens and 200+ organizations

Research centres with AI for good initiatives



Fostering a dialogue on the socially responsible use of Al and the development of social and environmental applications

Montréal's Al4Good lab aims to get more Al4Good Lab. women working in Artificial Intelligence and other events



Directing AI towards the common good through humanistic and multidisciplinary studies and research



Catalyst for technosocial and responsible innovation projects



Helps maximize the positive effects of AI and digital technology on society and minimize its negative impacts





Presence of the CEIMIA, an international centre to foster the responsible use of Al

- The International Centre of Expertise for the Advancement of Artificial Intelligence (CEIMIA) spearheaded by Montréal International as part of the Global Partnership on Artificial Intelligence (GPAI)
- One of the two centres of expertise along with the centre in Paris working closely with the GPAI Secretariat, housed at the OECD
- Supports two of the four themes the GPAI is working on which are responsible use of AI and data governance, and also analyzes measures to strengthen our national capacity to commercialize and adopt AI-related technologies
- \$15M investment by the Government of Québec and the Government of Canada

Source: ceimia, 2023.



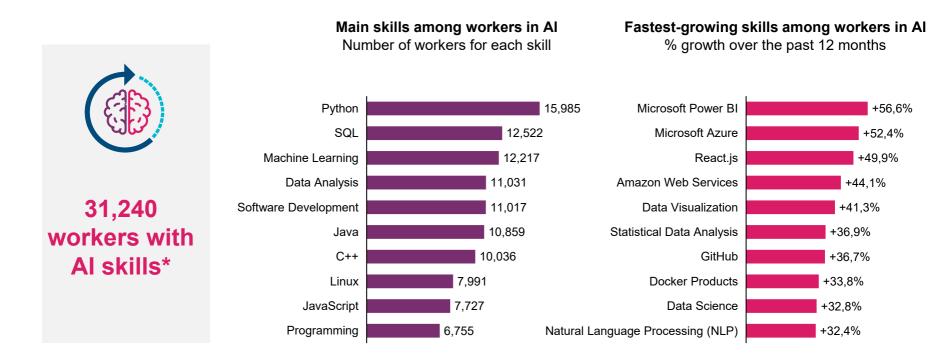
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03
A Deep and Growing Pool of Highly Qualified Talent





There are more than 30,000 workers with AI skills in Montréal, an increase of 16% over the past 12 months



^{*}Key skills identified using LinkedIn's Talent Insights tool are not cumulative or exclusive and include for example: machine learning, deep learning, data mining, Bayesian methods, Perl, Predictive analytics, etc. Excluding profiles for the following titles: *founder, co-founder, CEO* and *President*.

Source: LinkedIn, Talent Insights, March 2023.

Montréal, best city in the world to study

- Canada's university capital: 15 university institutions, 100+ colleges and 50+ vocational training centers
- 600,000+ post-secondary students in Québec, including 350,000+ university students and 65,000+ international students
- Over half of Québec's students are located in Greater Montréal
- 1st in Canada for university research funding with \$1.6B+ per year*



* Tied with Toronto.

Source: Helpul Professor, 2023; Québec Ministry of Education and Higher Education, 2022; Research Infosource Inc., 2023; Montréal International

analysis.





More than 18,000 university students are enrolled in Al-related programs in Québec

Al-related University programs	Students enrolled 2021-2022	University graduates 2021
Computer Sciences	13,397	3,316
Computer Engineering	2,907	610
Mathematics	1,667	367
Probabilities, Statistics and Applied Mathematics	416	117

PIA, a training expertise centre

Initiative of 12 colleges and 7 universities in Montréal for training adapted to the industry

Source: Ministère de l'Éducation et de l'Enseignement supérieur, 2022; compilation Montréal International.

04

Attractive Operating Costs and Incentives

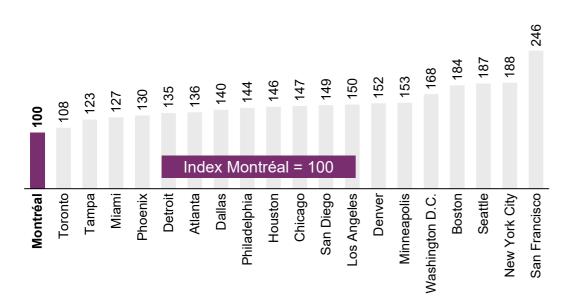




Operating a business costs less in Greater Montréal than in any other major metropolitan area in Canada and the U.S.

Operating costs index for an artificial intelligence company

20 largest metropolitan areas in Canada and the U.S., 2023





Advantageous Al and IT salaries for employers

Annual base salaries (US\$)* for AI / IT professions

	Montréal	Toronto	Boston	New York	San Francisco
Artificial intelligence engineer	\$89,398	\$94,821	\$141,010	\$145,013	\$152,528
Artificial intelligence specialist	\$95,142	\$100,815	\$136,659	\$140,058	\$147,607
Computer programmer	\$97,073	\$103,809	\$125,964	\$132,883	\$156,104
Software engineer deep learning	\$112,226	\$119,647	\$152,071	\$163,987	\$189,279
Machine learning engineer	\$108,648	\$115,910	\$150,749	\$162,244	\$187,468
Data scientist	\$110,420	\$119,158	\$148,761	\$161,284	\$184,366
Software developer	\$104,966	\$112,075	\$140,792	\$150,037	\$174,611

^{*} Base salaries based on Level 2 (Intermediate level with 5 to 7 years experience) at the 75th percentile, all industries. Currency exchange based on the 2022 yearly average: US\$1.00 = CA\$1.3013. Source: Economic Research Institute Inc., 2023.

Low mandatory benefit costs for employers

Examples of mandatory benefit costs for employers, 2023

Total benefits in % of gross annual salary	14.60%	11.45%	10,21%
Total cost	\$57,301.00	\$111,450.52	\$137,765.52
Total benefit costs	\$7,301.00	\$11,450.52	\$12,765.52
Workforce Skills Development and Recognition Fund - Québec Training Law 1% (1% of their total payroll in training for employers with total annual payroll over \$2M)	\$500.00	\$1,000.00	\$1,250.00
Commission de la santé et sécurité du travail (Occupational health and safety board) (0.41% in service sector, max. sal. of \$91,000)**	\$205.00	\$373.10	\$373.10
Commission des normes du travail (Labour standards board) (0.06%, max. sal. of \$91,000)	\$30.00	\$54.60	\$54.60
Health Services Fund (max. 4.26% if global salary total is more than \$7M)	\$2,130.00	\$4,260.00	\$5,325.00
Employment Insurance (employee: 1.27%, employer: 1.78%, max. sal. of \$61,500)	\$890.00	\$1,094.70	\$1,094.70
Québec Parental Insurance Plan (employee: 0.494%, employer: 0.692%, max. sal. of \$91,000)	\$346.00	\$629.72	\$629.72
Québec Public Pension Plan (employee: 6.40%; employer: 6.40%, max. \$4,038.40)	\$3,200.00	\$4,038.40	\$4,038.40
Gross annual salary*	\$50,000	\$100,000	\$125,000

Note: *Paid vacation represents a minimum of 4% of salary and is included in gross salary. Some rates apply up to a maximum insurable revenue.

Source: Revenu Québec, 2023.

^{**}The rate for the service sector (65110 - Bureau de courtage; bureau de services professionnels; bureau offrant des services de soutien administratif) is 0.41%. The average premium rate in 2023 is \$1.50 per \$100 of payroll.

E-Business tax credit could cover up to 30% of eligible salaries

SCENARIO

Québec refundable tax credit for the development of E-Business:

 Covers up to 30% of employee salaries, including 24% refundable, up to \$25,000 per employee, per year

ASSUMPTIONS¹

- Foreign-controlled company
- 20 employees eligible @ \$80,000/year
- 100% of their work is related to eligible activities under the E-Business

Payroll 20 employees @ \$80,000/year

\$1,600,000

E-Business tax credit @ 30%

\$1,600,000 * 30%

\$480,000

Do you have to pay taxes in Québec?



Your tax credit will be a maximum of 30%

= \$480,000

Your tax credit will be a maximum of 24%, as you are not eligible for the supplemental 6% non-refundable tax credit

\$1,600,000 * 24% = \$384,000

Note:

- 1. All values are in \$CA.
- 2. The unused portion of the non-refundable tax credit can be carried back three years or forward 20 years. Source: Ministry of Finance of Québec, 2021; Montréal International's analysis, 2021.

R&D tax credits: 15% non-refundable from Canada and 14% refundable from Québec

SCENARIO		Canada	Québec
Scientific Research and Experimental Development	Qualifying salaries and wages	\$1,500,000 (A)	\$1,500,000 (D)
(SR&ED) tax incentive program	Other eligible expenses @ 55%1	\$825,000 (B)	-
	Subcontractor ²	\$160,000 (C)	\$100,000 (E)
ASSUMPTIONS	Exclusion on the first \$225,000 of R&D expenditures ³	-	\$(225,000) (F)
■ Foreign-controlled company, more than \$75M	Deduction of the Québec R&D credit ⁵	\$(192,500) (G)	-
assets ■ 15 eligible employees @ \$100,000/year	Total qualifying expenditures	\$2,292,500 (A) + (B) + (C) - (G)	\$1,375,000 (D) + (E) - (F)
	Refundable Québec credit @ 14%	-	\$192,500 (G)
 100% of their work is related to eligible activities 	Non-refundable federal credit @ 15%	\$343,875 (H)	-
Subcontractor: \$200,000	Total tax credit	\$536,375 (G) + (H)	

Note:

- 1. Up to 55% of qualifying salaries and wages, federal only: expenditures should be related to R&D activities.
- 3. Only 80% of the amount paid to a subcontractor is eligible for a federal tax credit and 50% for Québec tax credit.
- 4. Québec only: For SMEs (less than \$50M assets) there is an SR&ED tax credit exclusion on the first \$50K of R&D spending. For large companies (more than \$75M assets) and companies under foreign control, the exclusion applies on the first \$225K of R&D spending. This amount is deducted of the qualifying salaries and wages.
- 5. For the purposes of calculating the combined rate of the credit, the tax credit from the government of Québec is applied against the federal tax credit. Source: Ministry of Finance of Québec, 2021; PWC, 2021; Compilation: Montréal International, 2021.

Combination of E-Business and SR&ED tax credits

Refundable tax credits for Scientific Research and Experimental Development (SR&ED) and E-Business¹:

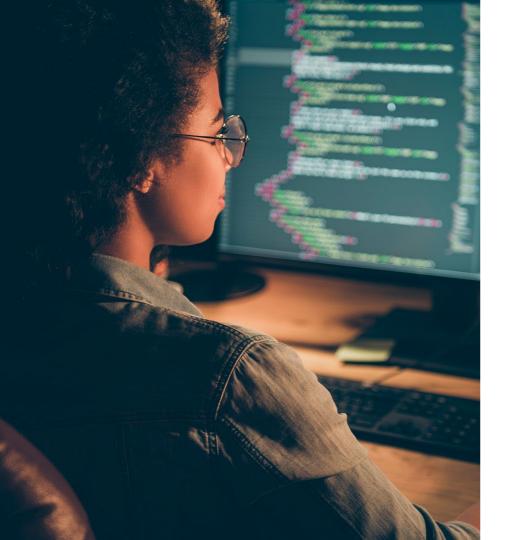
- E-Business covers up to 30%, including 24% refundable, of employee salaries up to \$25,000 per job per year
- SR&ED covers 15% from the Government of Canada, and 14%, refundable, from the Government of Québec

SCENARIO	_	SR&ED	E-Business
Combination of the Québec refundable tax credit for the development of E-Business and the Canada		CANADA	QUÉBEC
Scientific Research and Experimental Development	Qualifying salaries and wages	\$1,600,000 (A)	\$1,600,000 (C)
(SR&ED)	Other eligible expenses @ 55% of A ²	\$880,000 (B)	-
	Total qualifying expenditures	\$2,480,000 (A)+(B)	\$1,600,000 (C)
ASSUMPTIONS	Federal credit @ 15% of total	¢272.000	
 Foreign-controlled company 	qualifying expenditures	\$372,000	
20 eligible employees @ \$80,000/year	Québec credit @ 30% ³ of total qualifying expenditures	-	\$480,000
 100% of their work is related to eligible activities 	Total credit	\$852,000	

Other scenarios are possible to maximize the total credit amount depending on the R&D intensity

Note:

- 1. Company has to choose between the R-D or the E-Business tax credit for the Québec credits. Only the SR&ED applies in combination with the E-Business.
- 2. Up to 55% of qualifying salaries and wages, federal only: expenditures should be related to R&D activities.
- 3. If the company has no taxes to be paid, the Québec credit will be 24%.



Incentives to attract and develop talents

Workforce Training Measure (MFOR)

 Up to 50% of eligible costs for the implementation of a training program (up to \$5M

Tax holiday for foreign researchers and experts

Five-year Québec income tax exemption

- **0**% of provincial income tax for the 1st and 2nd year
- 25% for the 3rd year
- **50%** for the 4th year
- **75%** for the 5th year

Mitacs: internship units to drive collaboration and innovation between universities and companies

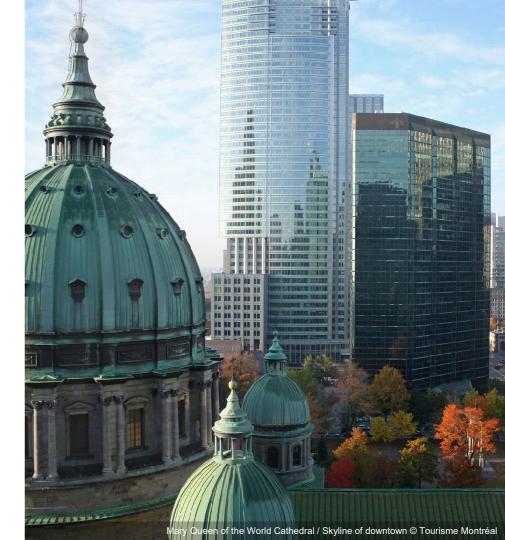
\$64.6M invested by the government of Québec to fund innovation internships

Source: Ministère du Travail, de l'Emploi et de la Solidarité sociale, 2022; Ministère du Travail, de l'Emploi et de la Solidarité sociale, 2022; Mitacs, 2023; Compilation by Montréal International.

Québec offers corporations an attractive tax treatment

Comparison of corporate effective tax rate (%) Selected Canadian provinces and U.S. States, 2021

Québec (Montréal)	26.50%
Ontario	26.50%
Massachusetts	27.32%
California	27.98%
New Jersey	28.11%
Illinois	28.51%
New York	34.64%



05
An Exceptional Quality of Life



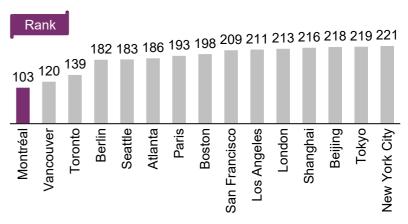




A low cost of living

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

Mercer Cost of Living Index
World rank from least to most expensive, 227 cities*



Greater Montréal offers a higher purchasing power thanks to:

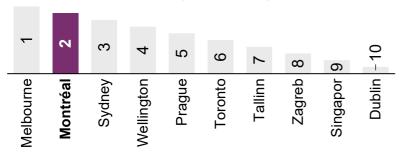
- Affordable housing
- Low medical insurance costs
- Generous family allowances
- Affordable child care

^{*} Montréal International's analysis. Source: Mercer, "Cost of Living Survey", 2022.

An exceptional quality of life

 Montréal is the 2nd best city in the world for remote workers

World ranking of the best cities for for remote work, WorkMotion, 2021



- Lowest crime index among the 20 largest metropolitan areas in Canada and the U.S.
- Universal healthcare
- Lowest education tuition fees in Canada and the U.S.
- Vibrant cultural metropolis with 100+ festivals and 70 museums





Globally recognized

Most reputable city in the Americas Reputation Institute, 2018

Best city in Canada and 2nd in North America Time Out, 2022

Among the best student city in the Americas QS Best Student Cities Rankings, 2023

Best city in the Americas for its quality of life Knight Frank, City Wellbeing Index, 2020

Safest metropolitan area among the 20 largest in Canada and the U.S.

Numbeo, 2022

Best Cycling City in North America Luko, Global Bicycle Cities Index, 2022

Second most walkable city in Canada Walk Score, 2022

UNESCO City of Design since 2006

Top host city in North America for international association events

Union of International Associations (UIA), 2022

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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