

Sovereignty Comes from the Strongest Link in the Chain

Why Europe's technological strategy should be all in on areas of comparative advantage

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What does sovereignty *mean*?

Minimalist

“Sovereignty means onshore capacity”

- Focus on deployment over development of technology
- Purchase chips and other key inputs from overseas without trading back
- **Invests in temporary capacity using an overseas value chain**
- **Europe depends on other partners more than they do on us**

Maximalist

“Sovereignty means a fully European chain”

- Pursue independence through a complete European value chain
- Invest in European companies tackling all steps from minerals to applications
- **Requires unfeasible investment in areas of low competitive advantage**
- **Impossible goal of no dependencies**

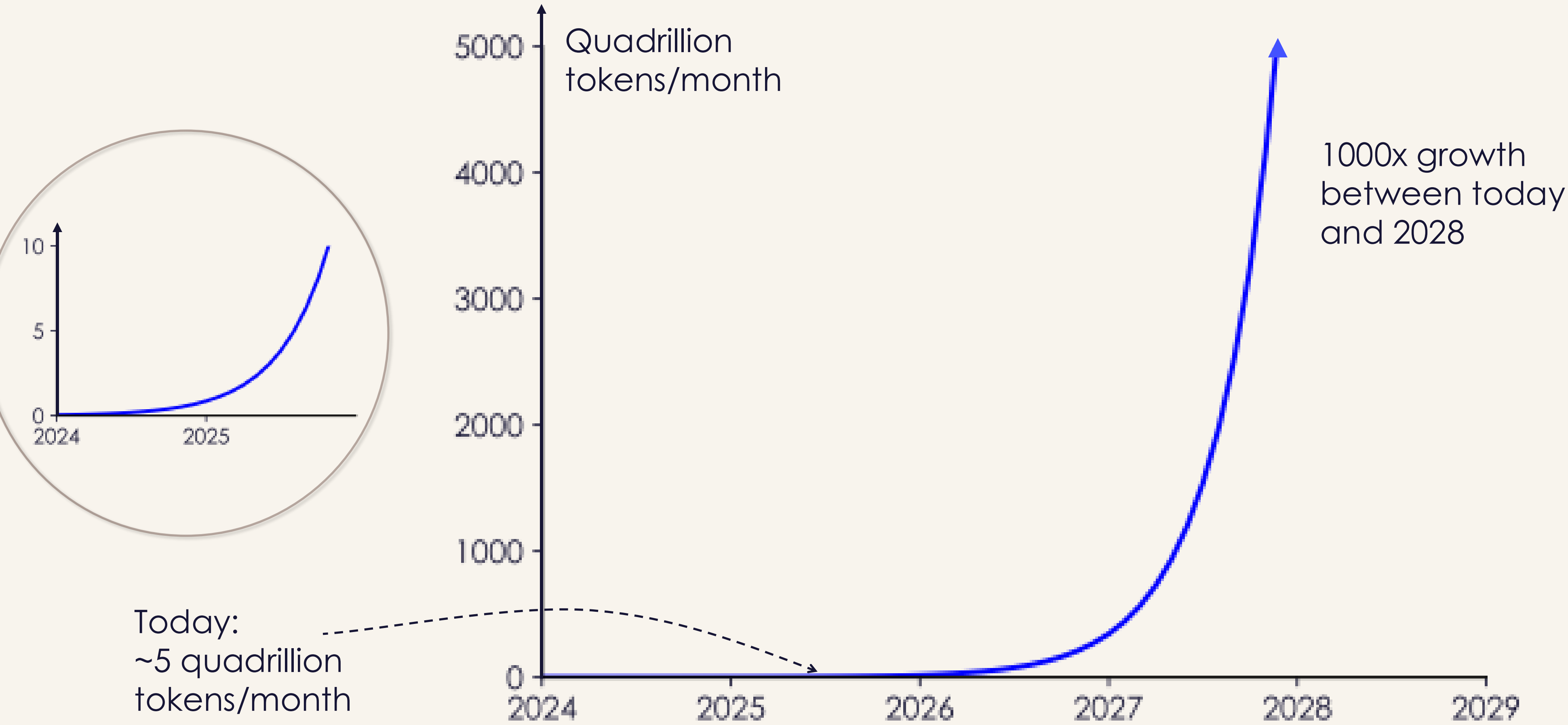
Sovereignty can only mean strategic interdependence

Pragmatic

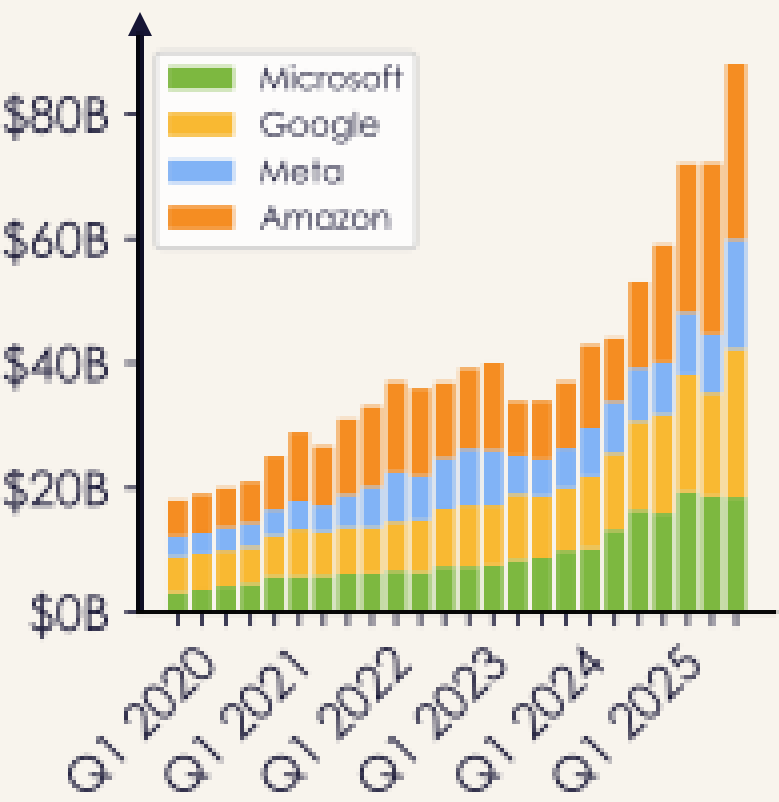
“Win where we can, onshore where we must, build partnerships to guarantee both”

- Go all-in on the **highest potential technological wins**, where Europe can dominate and export world-beating technology that others will need to keep up
- Onshore capacity for necessary critical areas e.g. onshore processing of sensitive data
- Build deep partnerships with trustworthy partners to be part of the most competitive value chain globally
- **Focuses investments on areas of competitive advantage**
- **Overseas partners depend on Europe for our best technologies**

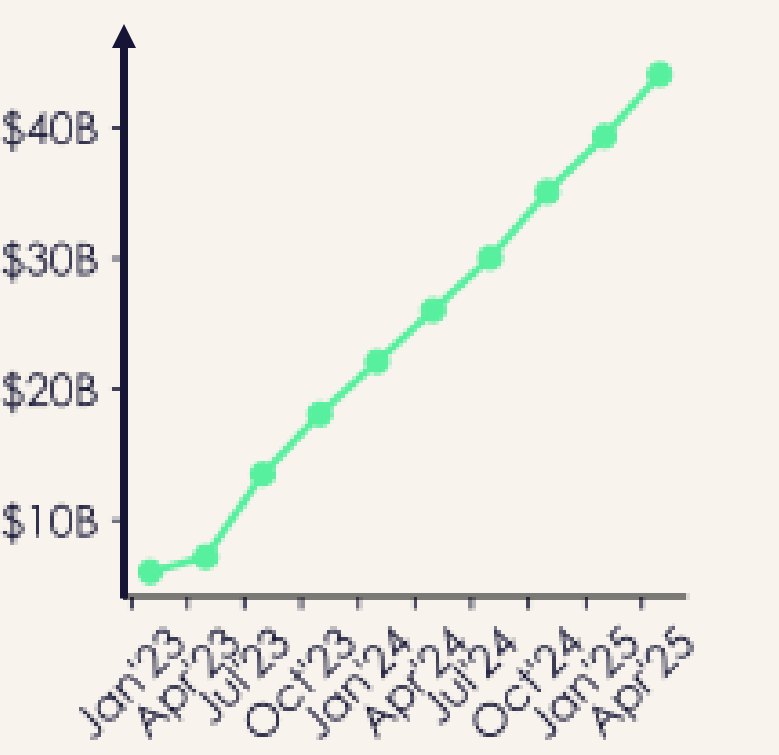
We are in an ongoing explosion in AI inference token generation



Quarterly hyperscaler capex



Nvidia quarterly revenues



The future of the AI stack

Layer	Success factors	Market cap of #1	Likely maximum global credible players
AI Applications	Talent, business environment	\$300B	Infinite
Frontier models	Energy, capital, talent, R&D	\$500B	<5
Neoclouds	Energy, capital, talent	\$60B	Many
AI chips	Talent, R&D	\$4500B	<5
Foundries	Energy, capital	\$1000B	<5
Semicap	Talent, R&D	\$390B	Many (but specialist)

Fractile has achieved our technological breakthrough in partnership with TSMC



A Fractile test chip, produced at TSMC with IMEC

This enables us to:

- Develop a revolutionary new silicon architecture and deliver to first customers at speed of light
- Smash the memory wall and beat GPUs on token throughput and speed simultaneously
- Remake the global AI stack with Europe at its centre

Thank you!