TODAY'S WEBINAR

Sovereign AI and the Future of Data Centre Strategy



CHRIS BARRACLOUGH

CEO

STL Partners



JOE HURMAN

Principal Consultant & Data Centre Lead

STL Partners



JONAS TOPP-MUGGLESTONE

Consultant,
Data Centre Practice

STL Partners

Thursday 5 June – 3PM BST | 4PM CST | 10AM EDT

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Agenda

1	**Introductions**	15:00 – 15:05
2	**Understanding sovereign AI and its drivers**	15:05 – 15:15
3	**Approaching the sovereign AI opportunity**	15:15 – 15:40
4	**Panel discussion**	15:40 – 16:00

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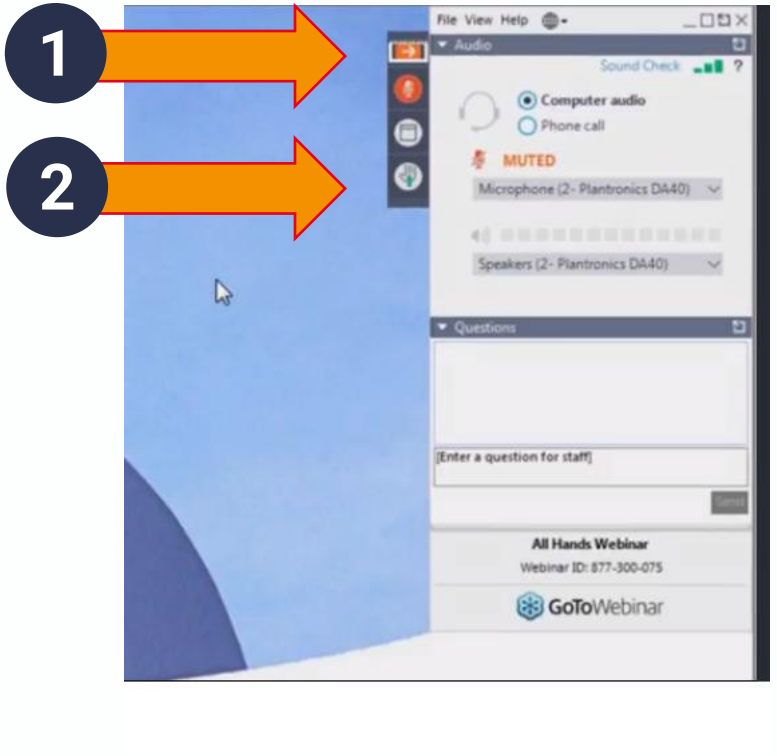
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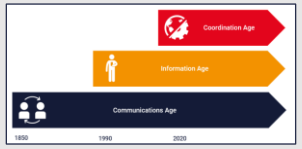


STL delivers digital infrastructure expertise built over 20 years support clients with data-driven market evaluation

Our expertise is built on 20 years of digital infrastructure experience



Platform business models



Coordination age



AI-led growth

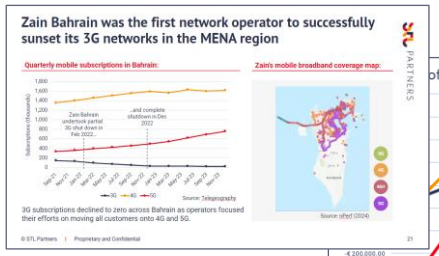
We collaborate with of the world's most innovative technology businesses

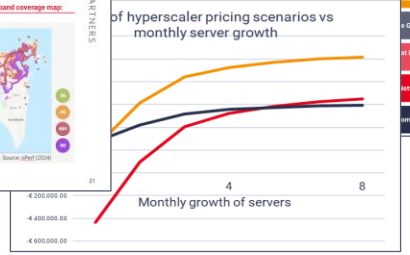
ICEOTOPE COOLING REDEFINED
lightstorm
FORESIGHT PEOPLE BUILD FASTER WITH AI

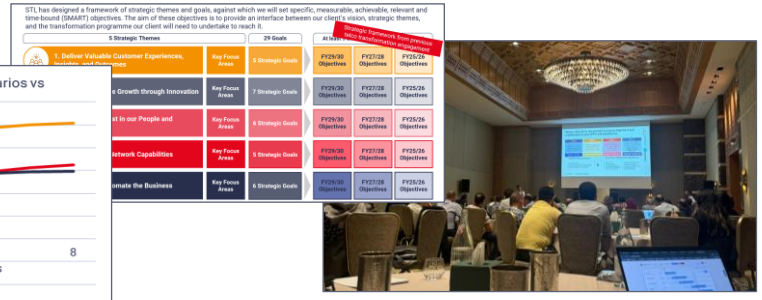
From scale-ups

To blue-chips

Hewlett Packard Enterprise
BROADCOM
Red Hat
VERTIV
verizon
European Commission







"STL helped to build our five-year growth strategy. The deliverables were unique, tangible and pithy and provided essential direction"
CEO, Pulsant – UK Data Centre Operator

Global investment bank

"STL's research provided invaluable perspectives on the market and unique insights on key trends"
Managing Director, Global Investment Bank

"I'm more certain now than ever that we made the right choice with STL Partners. The team produced high-quality output that could be repurposed in a wide variety of ways"
VP Strategic Partnerships, Dell

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What is Sovereign AI?

Centred on the technical capabilities needed to develop complete AI models independently, without full reliance on foreign technologies, expertise, or platforms

Sovereign AI is a nation's independent control over its AI systems, data, and infrastructure

Including core data centre infrastructure and components, as well as the critical supporting layers of connectivity and energy systems

Grounded in strong data sovereignty principles, with strict regulatory controls governing the storage, processing, and cross-border transfer of nationally sensitive data

Forecasted sustained AI adoption has led to investment rapidly accelerating into data centre capacity expansion across the globe

Europe

UAE to invest up to €50 billion in France's largest AI data centre

Privacy watchdog argues move is "draconian"

XTX Markets plots €1bn data centre complex in Finland

Five centres planned to handle data behind $250bn of daily trades

Europe to see 168% increase in data centre investment as European Commission awaits energy reports

SPAIN

Amazon will invest €15.7Bn to expand its data centres in Aragon

After the investment, a positive impact on GDP of 21.6 billion until 2033 is expected, with 12.9 billion landing directly on Aragon.

Iliad to invest €2.5 billion into OpCore data center unit

French telco seeks investment partner for expansion plans

Reeves announces £8bn UK investment by Amazon's cloud computing arm

Chancellor says move will create as many as 14,000 jobs at firm's datacentres and in a range of other industries

MEA

TRANSACTIONS - JANUARY 21, 2025

KKR, Gulf Data Hub form strategic partnership to scale one of the Middle East's largest independent data center platforms

Future Technology

Abu Dhabi's Khazna unveils UAE's largest data centre as it expects 850MW capacity by 2029

The 100MW facility will be followed by two more 30MW data centres in the coming weeks, chief executive Hassan Al Naqbi says

Maktoum bin Mohammed inaugurates second phase of Moro Hub Green Data Centre

AWS plans to launch Saudi Arabian cloud region in 2026, promises $5.3bn investment

Ahead of the conclusion of Saudi Vision 2030

Google's new cloud region to add $109 billion to Saudi Arabia's economy

Located in Dammam, Google's new cloud region is estimated to support the creation of 148,600 jobs in 2030 alone

Qatar's Ooredoo wades into Gulf's AI data centre rivalry

Telecoms company borrows $550mn to build computing warehouses for artificial intelligence applications

APAC

SingTel secures $476 million green loan to develop data centre

By Reuters

February 6, 2025 11:55 PM GMT · Updated 7 days ago

AWS's $8.3 billion investment in Mumbai

Oracle to invest $6.5 billion to set up cloud facilities in Malaysia

By Danial Azhar

October 2, 2024 2:01 AM GMT+1 · Updated 4 months ago

Goodman Group Expands and Advances Its Data Centre Capacity in Asia

January 23, 2024 at 02:00 pm

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New Digital Edge Investments to Expand APAC Data Centres

Nvidia & YTL Power partner for $4.3bn AI data centers in Malaysia

First phase to be operational in mid-2024

Home / Technology / Tech News / Google to come up with 381,000 sq ft data centre in Navi Mumbai by 2025

Google to come up with 381,000 sq ft data centre in Navi Mumbai by 2025

ST Telemedia Global Data Centres Raises S$1.75 Billion From KKR-Led Consortium With Singtel

Americas

Digital Realty launches $7bn hyperscale data center JV with Blackstone

Will lead to 500MW of IT capacity in US and Europe

OpenAI considering 16 states for data center campuses as part of Trump's Stargate project

Duke Energy raises five-year capex plan on increased data center, industrial demand

Microsoft to spend $80bn on AI data centers in 2025

Company says US will have to be smart to win AI race with China

Newmark Arranges $2.3 Billion Construction Financing for 206 MW Build-to-Suit Data Center

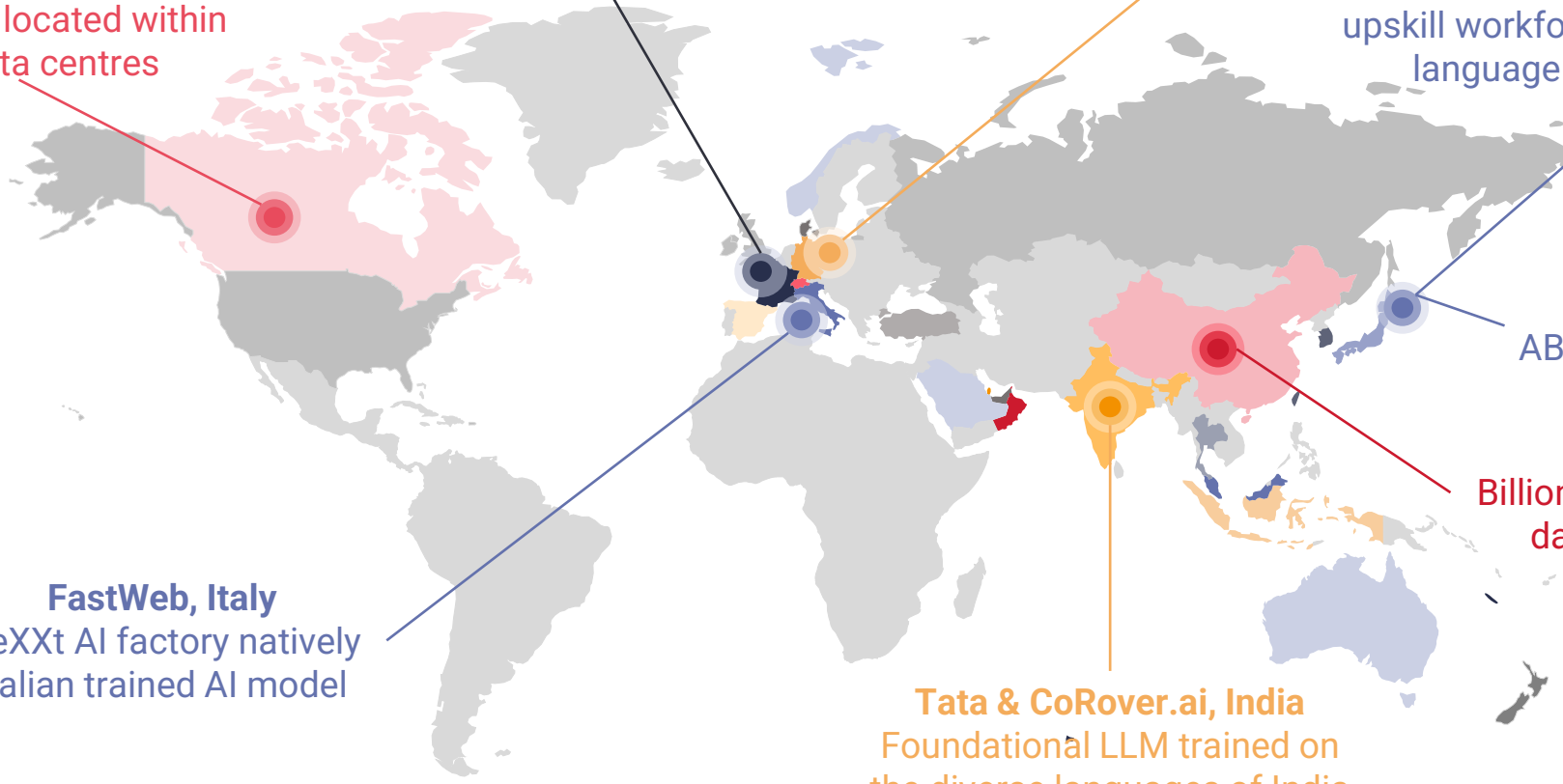
Opening the Stargate: Tech Giants to Invest $500B in AI Data Center Infrastructure

A new joint venture aims to develop up to 20 data center projects to bolster AI infrastructure across the U.S.

Chicago Construction Billionaire Deepens Bet on Data Centers

- New division is fueled by client growth in AI, cloud computing
- Firm is general contractor of $1 billion Illinois quantum park

This private sector investment boom has coupled with increasing public sector scrutiny leading to sovereign AI developments



TELUS, Canada
Launching sovereign AI factories located within their data centres

OpenEuroLLM project, EU
Aim to develop and deploy European open-source AI models

Noxtua, German
Raised $92M for its sovereign AI model

Japanese government
Subsidise AI supercomputers & upskill workforce to support Japanese language model development

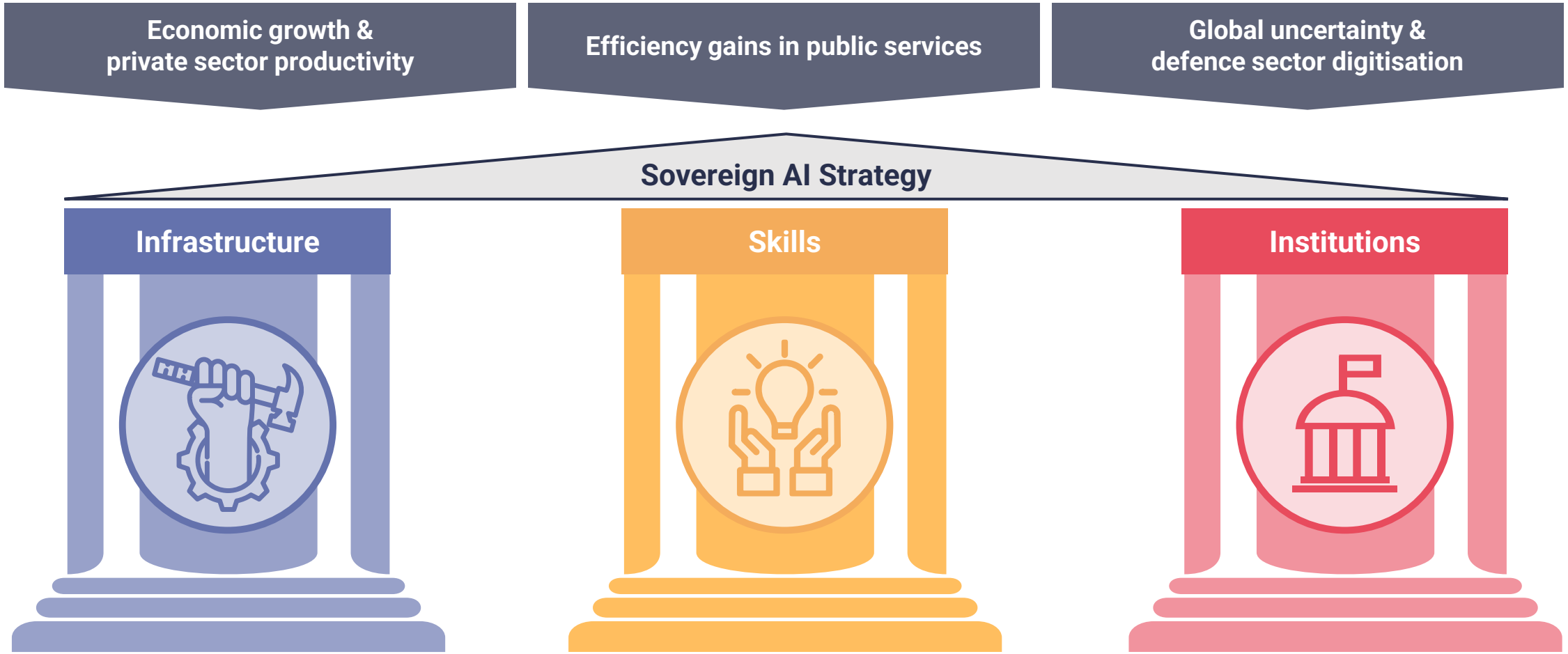
Japan
ABCI 3.0 supercomputer

China
Billions spent on AI data centres

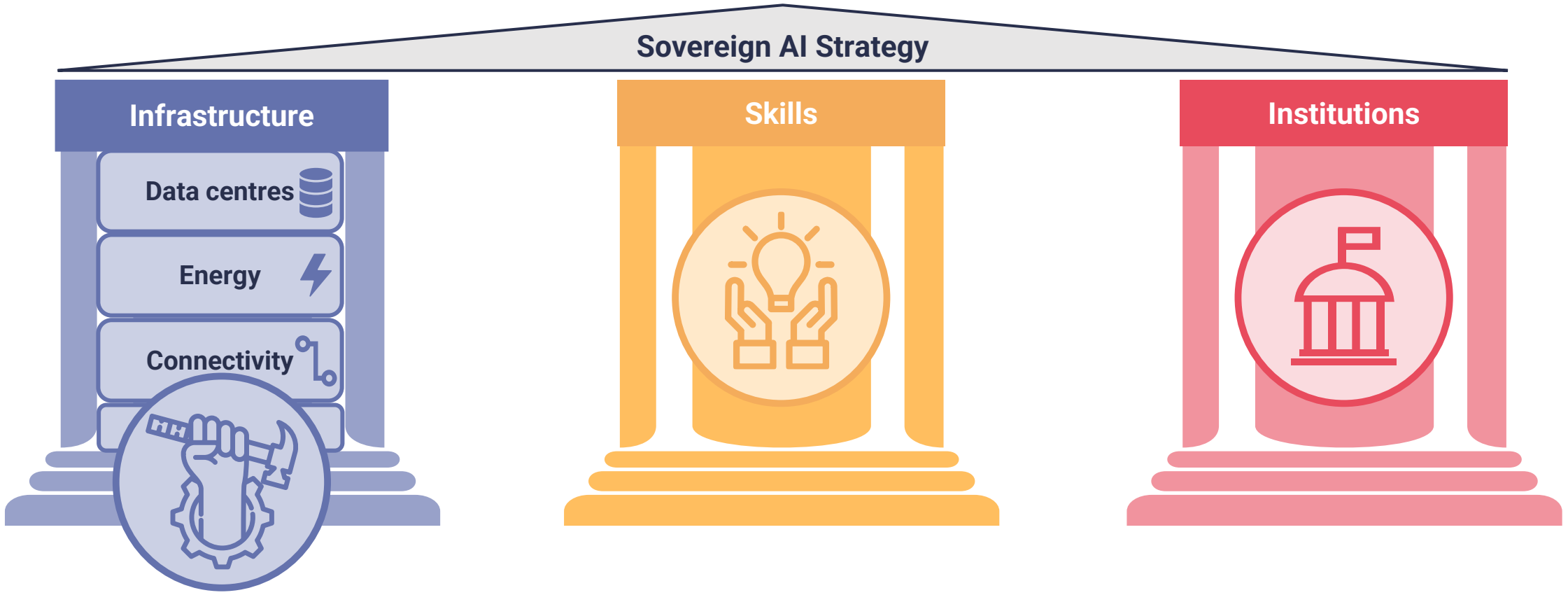
FastWeb, Italy
NeXXt AI factory natively Italian trained AI model

Tata & CoRover.ai, India
Foundational LLM trained on the diverse languages of India

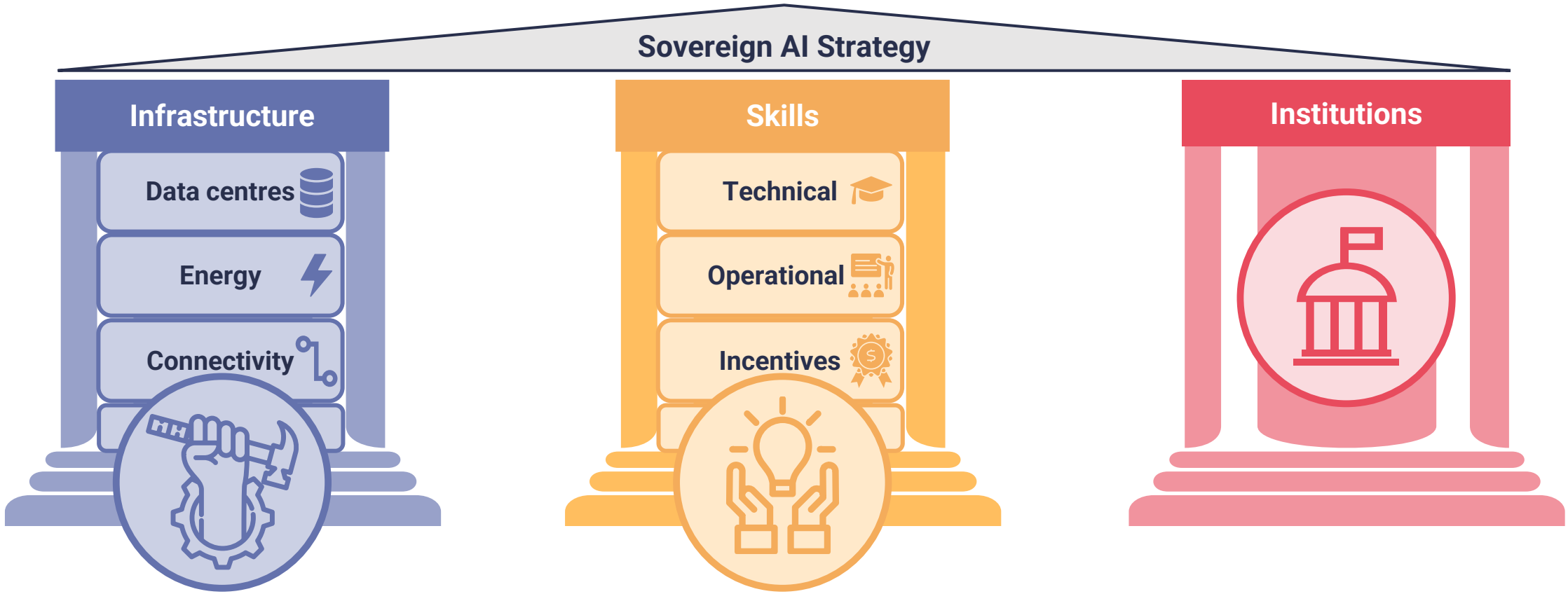
Governments globally are stimulating domestic AI industries due to its promise as an international strategic differentiator



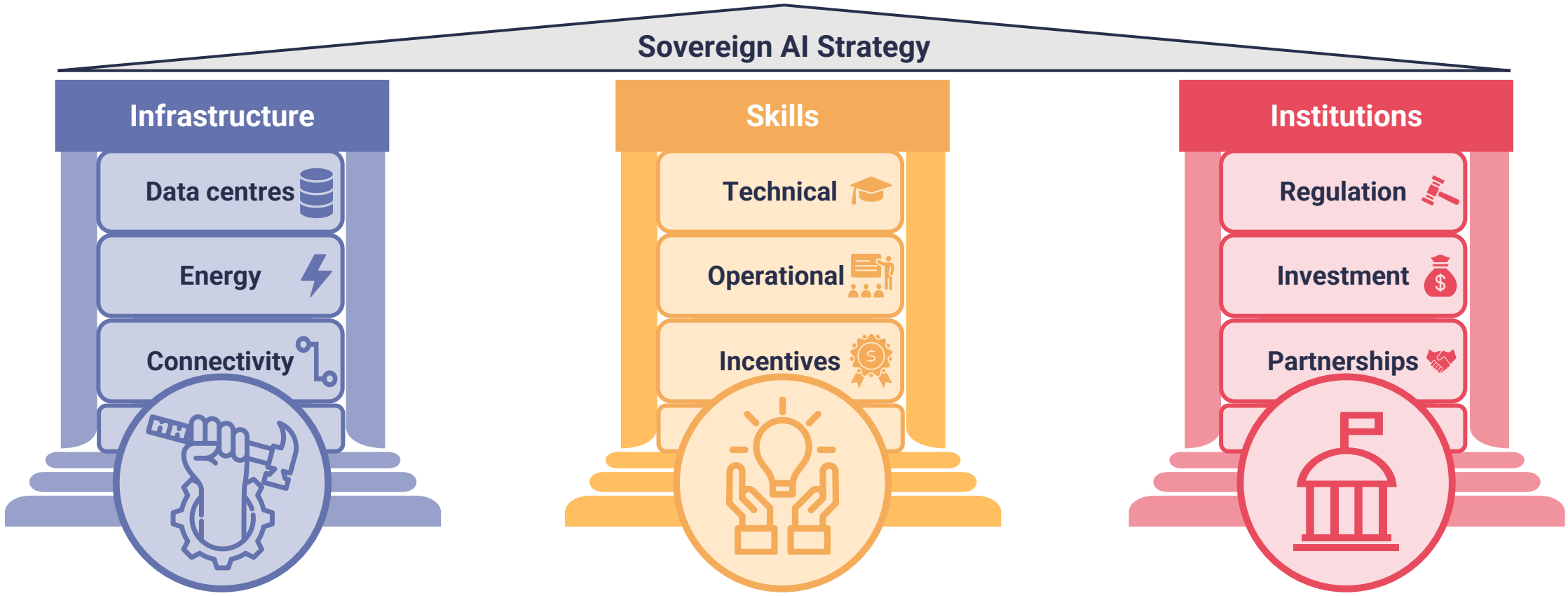
Resilient and reliable energy and metro fibre infrastructure are mandatory alongside data centre facilities



Domestic upskilling is required to both operate sites and stimulate growth in demand for hosting services



Institutions underpin a successful investment climate, a precursor to partnerships and government stimulus



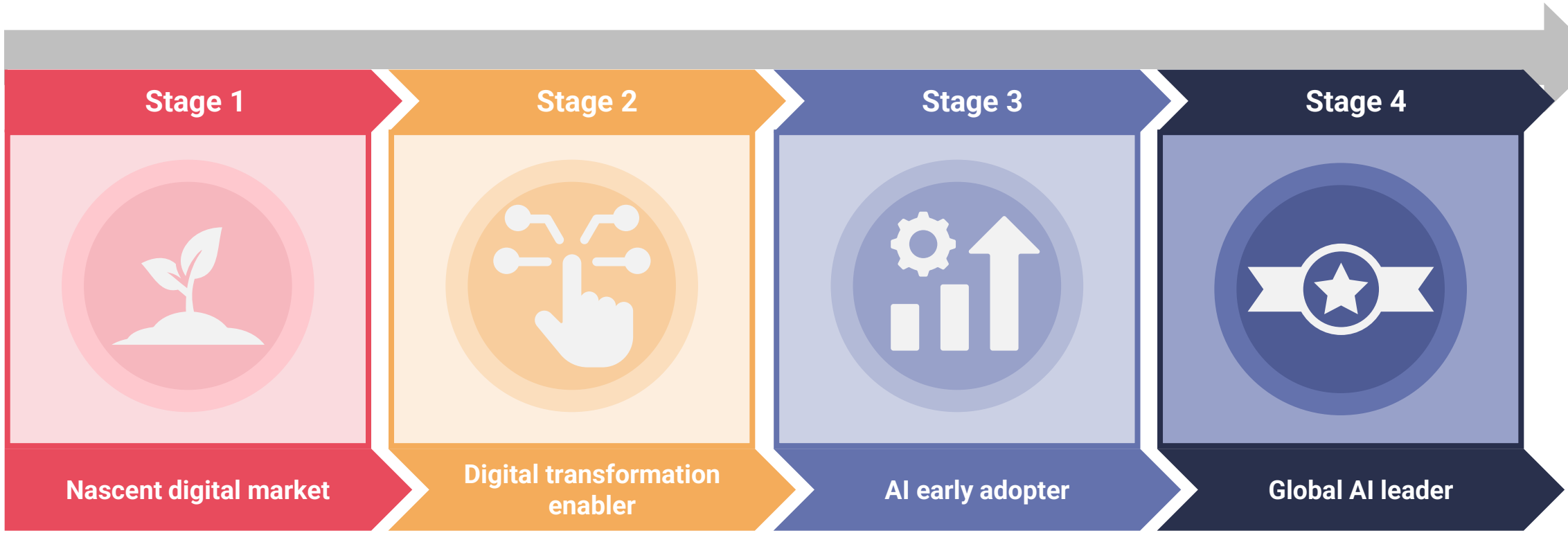
The three pillars of sovereign AI are highly interdependent...



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Aligning strategy and investment with sovereign AI initiatives depends on understanding regional AI maturity...



Stage 1

Operators should pursue local-international partnerships and target early adopting industries

Example: Egypt

Data centres	Technical	Regulation
Energy	Operational	Investment
Connectivity	Incentives	Partnerships

Limited evidence | Evident progress | Leading capability

Opportunities

- Attain first-mover advantages with partners
- Cement early ecosystem relevance among customers
- Take advantage of relatively cheap construction and operational costs

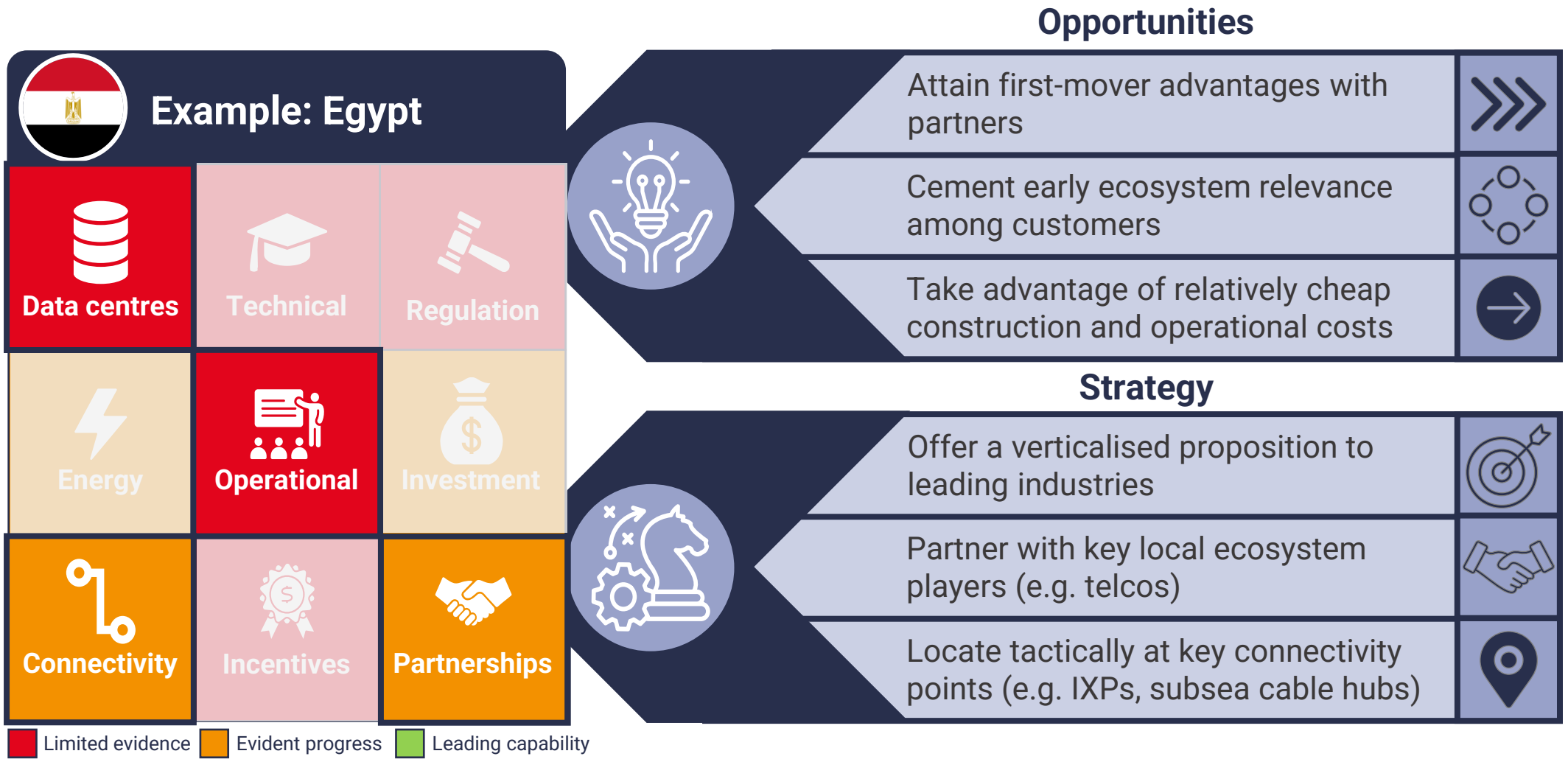
Strategy

- Offer a verticalised proposition to leading industries
- Partner with key local ecosystem players (e.g. telcos)
- Locate tactically at key connectivity points (e.g. IXPs, subsea cable hubs)

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Stage 1

Operators should pursue local-international partnerships and target early adopting industries



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Stage 2

Operators should stimulate domestic off-prem adoption to capture early demand amid digital acceleration

Example: Poland

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Opportunities

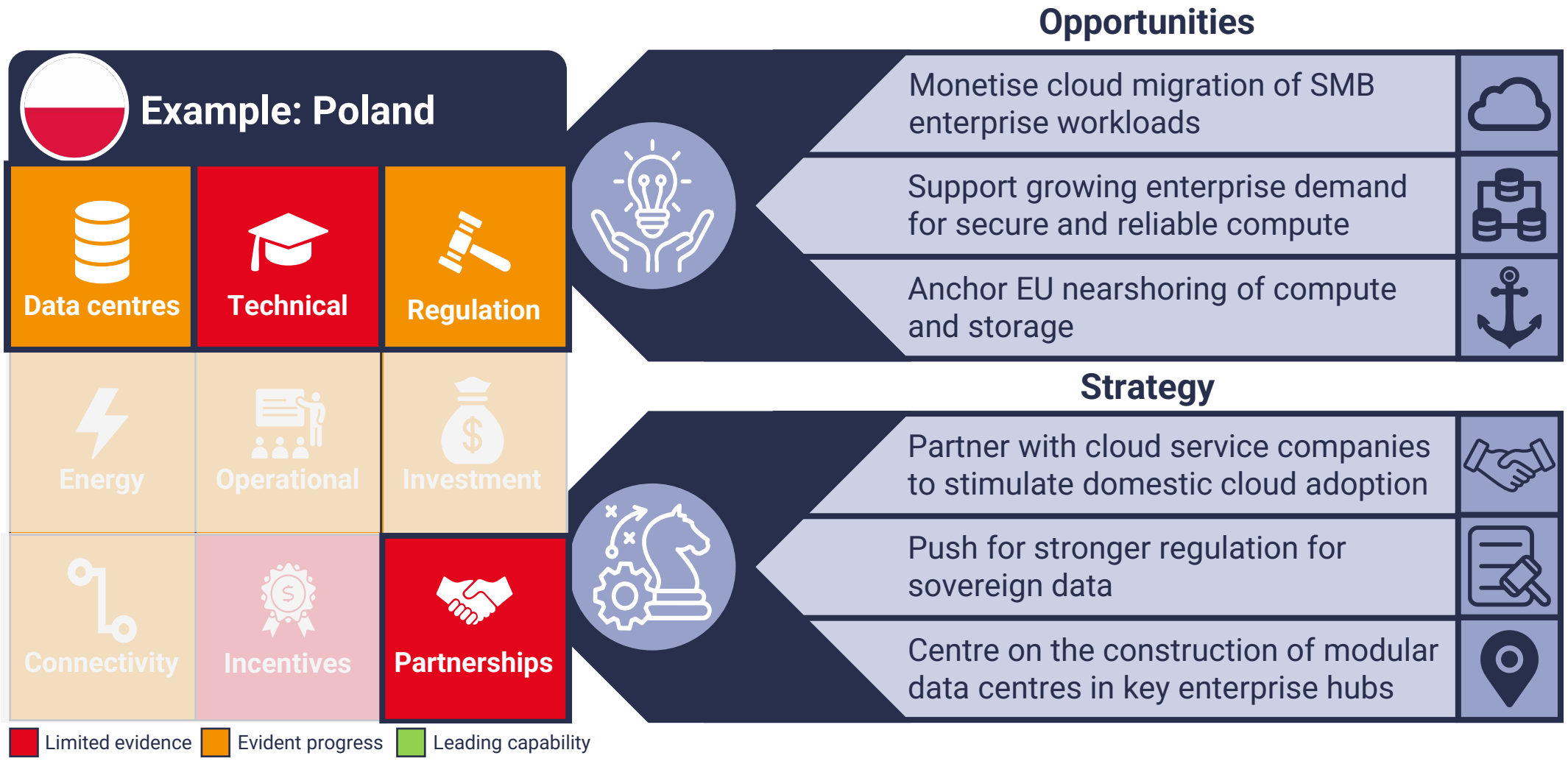
- Monetise cloud migration of SMB enterprise workloads
- Support growing enterprise demand for secure and reliable compute
- Anchor EU nearshoring of compute and storage

Strategy

- Partner with cloud service companies to stimulate domestic cloud adoption
- Push for stronger regulation for sovereign data
- Centre on the construction of modular data centres in key enterprise hubs

Stage 2

Operators should stimulate domestic off-prem adoption to capture early demand amid digital acceleration



Stage 3

Operators should align with national strategy to position themselves as foundational ecosystem anchors

Example: Saudi Arabia

Data centres	Technical	Regulation
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Limited evidence | Evident progress | Leading capability

Opportunities

- Monetise region's emergence as a digital traffic crossroads
- Capture hyperscale and AI demand with power-dense, scalable capacity
- Secure sovereign workloads through trusted, compliant infrastructure

Strategy

- Align proposition with government strategic framework
- Capitalise on the unique benefits of the specific market
- Train local personnel to operate data centres to enhance regional skill base

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Stage 4

Operators should maximise a differentiated proposition to escape commoditisation in a saturated market

Example: United States

Data centres	Technical	Regulation
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Connectivity	Incentives	Partnerships

Limited evidence | Evident progress | Leading capability

Opportunities

- Address capacity constraints in tier 1 national markets
- Partner with extensive AI ecosystem to provide futureproofed capacity
- Provide capacity to service providers with their own global customer base

Strategy

- Maximise differentiated propositions (e.g. sustainability, site density)
- Innovate in infrastructure (e.g. SMRs, DSIM, heat reuse)
- Ensure effective facility pipeline management

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Stage 4

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Countries may pool national strengths to enhance collective AI sovereignty, unlocking new opportunities for operators

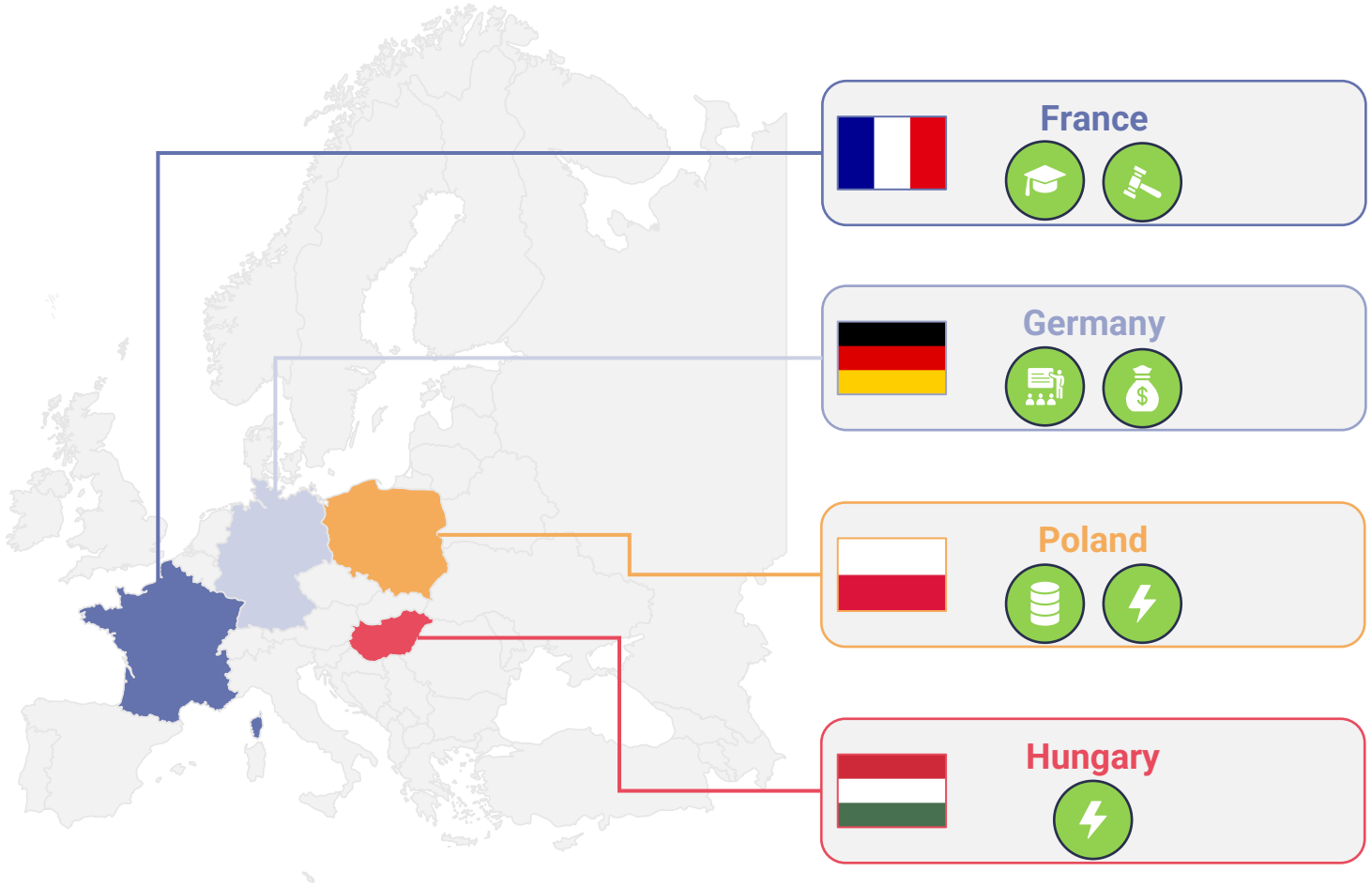
Cross-border collaboration towards sovereign AI allows countries to:

- Combine natural competitive advantages for mutual benefit
- Share knowledge and skills to promote intellectual dialogue
- Stimulate and enhance regional digital economies

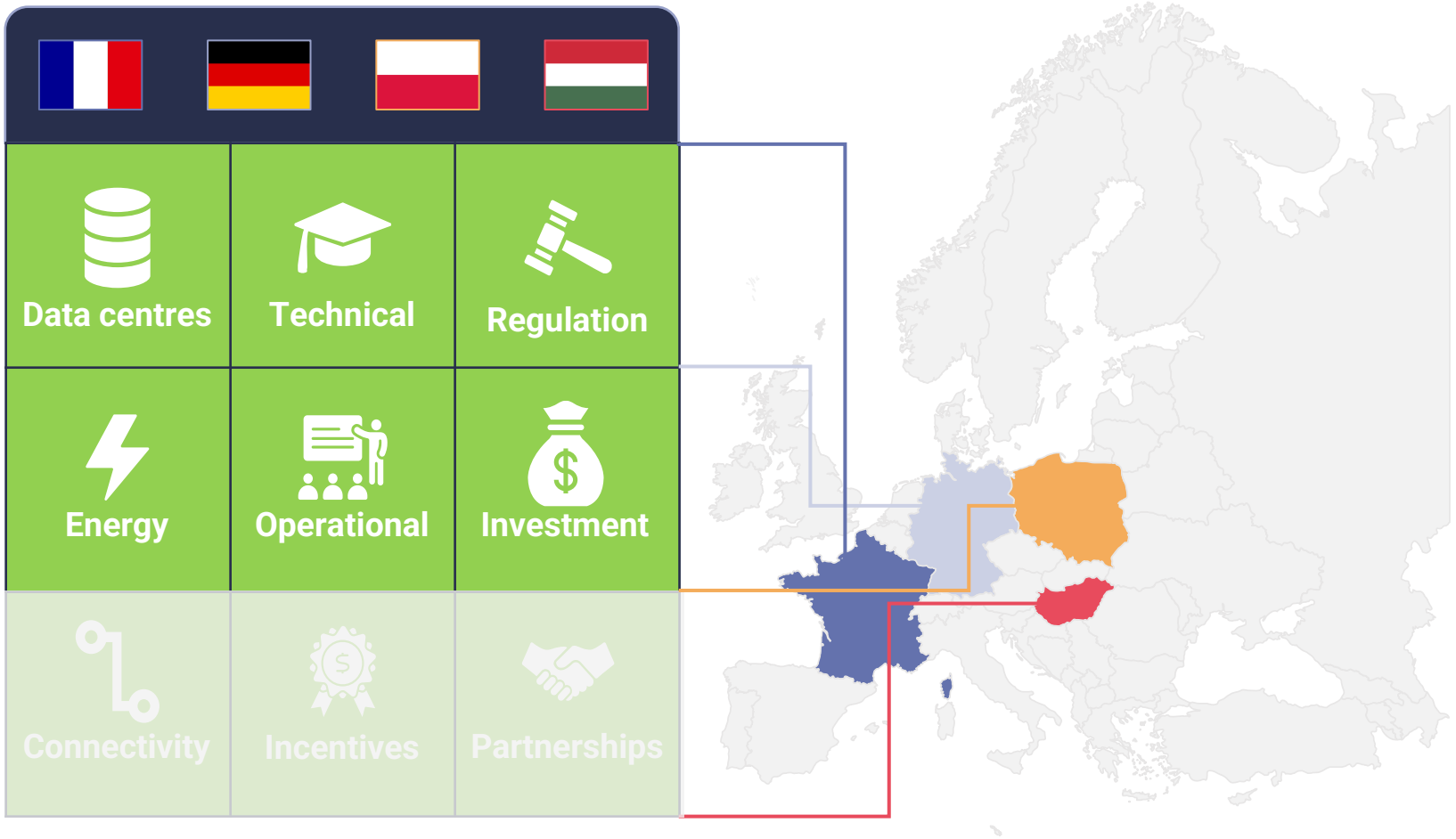
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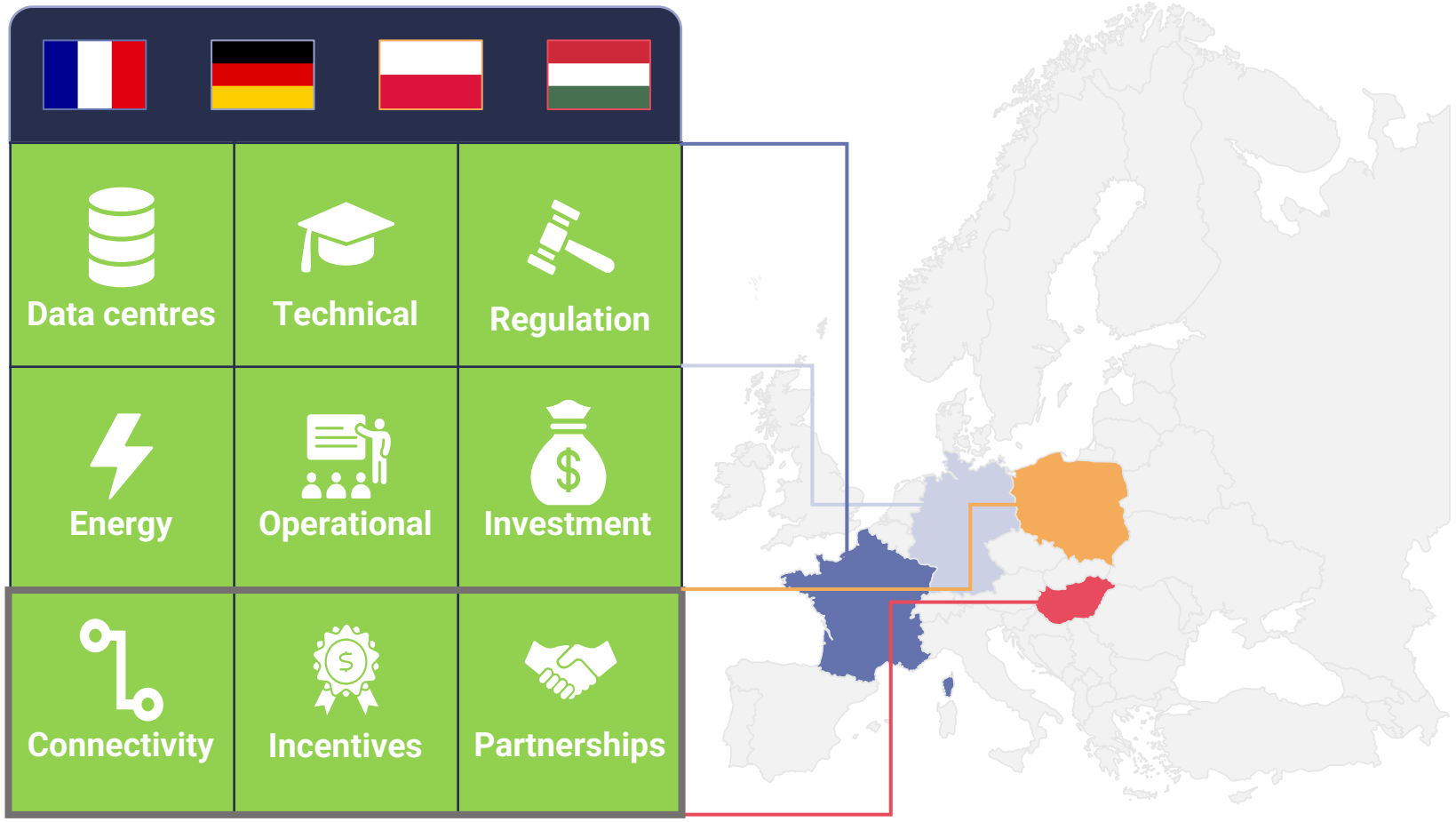
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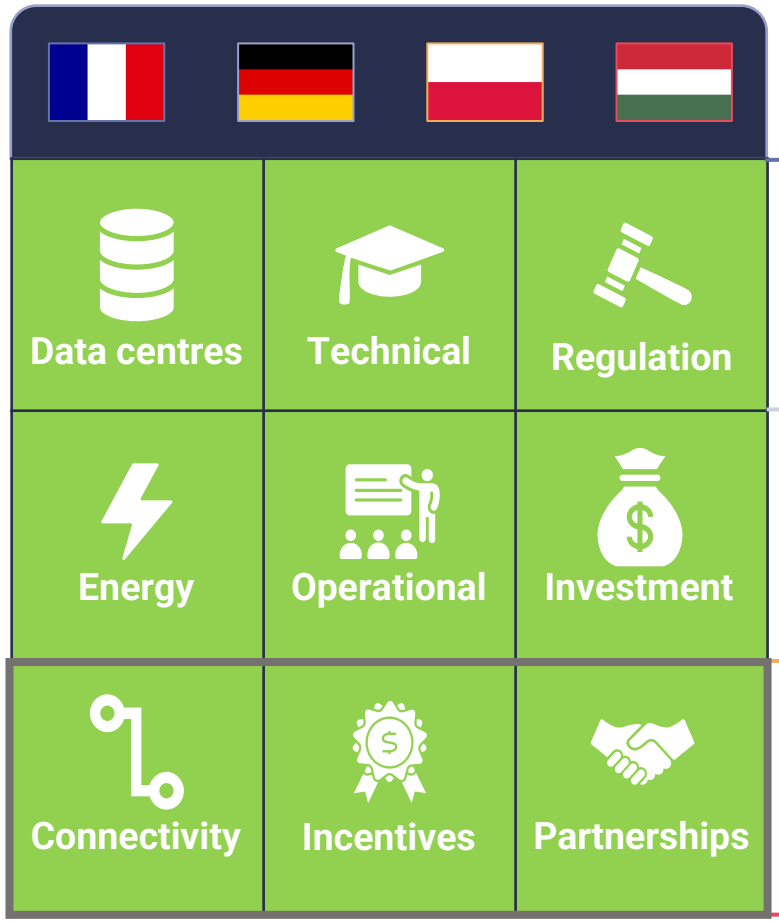


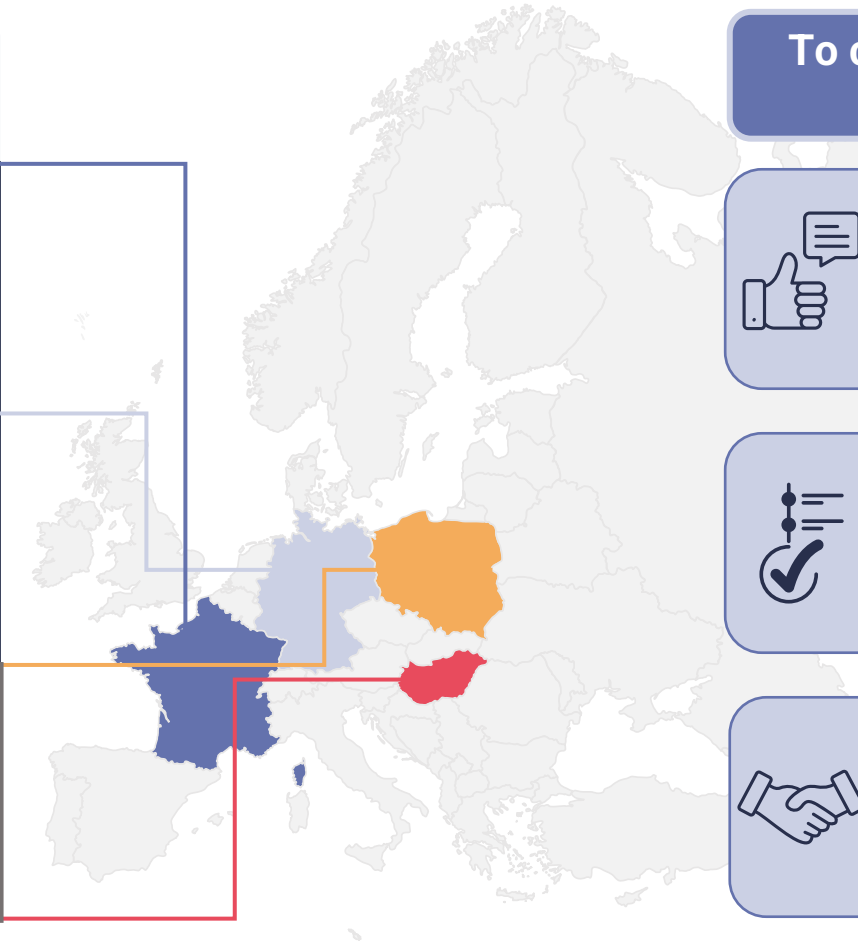
Countries may pool national strengths to enhance collective AI sovereignty, unlocking new opportunities for operators



▲ Inherent in collaboration ▲

Countries may pool national strengths to enhance collective AI sovereignty, unlocking new opportunities for operators





To capitalise on this opportunity, operators should:

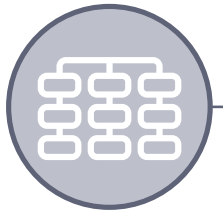
- Understand and leverage national competitive advantages
- Ensure strong adherence to common cross-national legislation
- Secure local partnerships to enable cross-border presence

Inherent in collaboration

Summary: How can data centre operators capture demand from the sovereign AI wave?



1. Understand market context – both at a national and international level – to position proposition and design infrastructure effectively



2. Create strong partnerships tailored to market conditions across both the private and public sector



3. Ensure strong alignment with governmental strategy and regulatory conditions

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