Brookfield

The Next Era of AI Investment: Strategic Sovereign Partnerships

Both private companies and governments are investing billions in the race to develop the next generation of AI—including the robust and expansive infrastructure required to scale it. While investor sentiment around AI initially soared after ChatGPT's release, newer models—like DeepSeek's lower-cost model—have sparked concerns that AI could advance with less compute infrastructure, such as data centers.

However, Brookfield's outlook for data center demand remains positive. In the near term, we expect the rise of "compound AI models" (e.g., agentic AI) will increase overall compute use, as more efficient models are deployed at greater scale to tackle complex tasks. Ongoing research and development (R&D) will also require more AI compute for training and experimentation.

AI: A Sovereign Priority and a Strategic Investment Opportunity

Among governments, AI has become a strategic sovereign priority driven by commerce and national security concerns. Governments are beginning to sponsor AI gigafactories, protect critical chip supply chains and revise permit or grid interconnection policies to attract AI investments.

Public-private partnerships are also emerging, where governments are engaging with highly strategic investors and operators to build large-scale sovereign AI infrastructure. The French government and Brookfield have announced a partnership to invest €20 billion in French AI, and Sweden and Brookfield have announced a $10 billion partnership to support the country's national AI strategy. Similar programs are emerging in North America, Europe, the Middle East and Asia, spurring robust sovereign demand for infrastructure.

AI systems stand to reshape defense, elections and politics. As a result, governments will be at the forefront, regulating and directly investing in AI infrastructure. In recent years, we have seen tighter export controls restricting access to cutting-edge chip technology to protect sovereign interests. Given the global shift toward deglobalization, we expect regional AI investment to accelerate.

In this environment, choosing the right partners is crucial: Companies aligned with government objectives could receive major funding and regulatory benefits, while those on the outside could face more hurdles.

Sikander Rashid (L), Global Head of AI Infrastructure at Brookfield, with Emmanuel Macron (R), President of France, in February 2025.

> "The AI industry needs a government that is on their side, one that won't sit back and let opportunities slip through its fingers. And in a world of fierce competition, we cannot stand by. We must move fast and take action to win the global."
>
> — U.K. PRIME MINISTER KEIR STARMER (JANUARY 2025)

Dive Deeper: Brookfield's Strategic Partnerships

Building the AI foundation will require an unprecedented amount of resources and redefine infrastructure investing as we know it. As the selected partner for countries like France and Sweden, Brookfield has committed to building out the critical infrastructure needed to scale AI, align with national priorities and develop technological sovereignty.

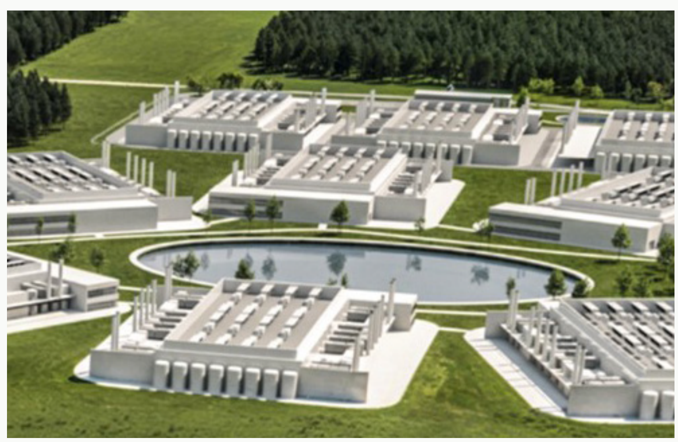
France: €20 Billion Partnership

- Brookfield confirmed the development of the **first AI hubs under its strategic partnership** with the French government.
- The partnership was first announced at the AI Action Summit in February 2025.
- In May 2025, President Macron announced the development of the first planned AI hubs, saying the Brookfield investment **"will allow France to remain in the race alongside major AI players."**
- The anchor site, E-Valley in Northern France, will launch first, with construction starting in 2026. It will host at least 300 megawatts (MW) in the short term with a target to host up to 1 gigawatt (GW) of capacity, **representing more than €10 billion of investment and 4,000 direct and indirect jobs on this site alone.**
- Along with two other sites identified in the region, this will form **Europe's largest AI infrastructure cluster**, with over 2 GW of capacity.

Digital rendering of Northern France AI hub. For illustrative purposes only.

Sweden: $10 Billion Partnership

- This investment represents one of **Brookfield's largest AI investments in Europe** and extends the partnership with the Swedish government, its public authorities, academia and businesses in the region.
- The investment will be centered on a **new large AI center in Strängnäs**, creating a strategic infrastructure asset to support the country's national AI strategy.
- The new site will **create over 1,000 new permanent jobs and add another 2,000 jobs to support the 10-year construction process.** The facility will be the first of its kind in Sweden and one of the first in Europe.



Digital rendering of Strängnäs AI center. For illustrative purposes only.

Why Brookfield is the Partner of Choice

Expertise in developing and operating critical AI infrastructure is essential to managing the risks involved in building the backbone of AI. This is a once-in-a-generation opportunity where only strong operators with solid market understanding and access to the right operational assets will ultimately succeed in this complex, highly specialized asset class.

We believe Brookfield's global platform approach and long-term experience owning both digital and renewable assets position us well to lead the buildout of the physical infrastructure needed to secure AI competitiveness.

Just as we have helped to develop the railways, power grids and communication networks of past industrial revolutions, we are now building the critical infrastructure systems that will power the AI age.

Our scale, risk awareness and operational expertise enable us to provide integrated solutions and support long-term strategic partnerships with governments, hyperscalers and AI developers—offering the potential to convert the AI value chain into durable risk-adjusted returns.

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