

TECHNOLOGY

Mistral AI Value Hits \$14 Billion

Fresh funding gives the French startup firepower in quest to build local AI models

By SAM SCHECHNER

PARIS—Europe’s most prominent artificial-intelligence developer is tapping the continent’s biggest tech giant for cash to keep up in the global AI race.

Dutch chip-equipment giant ASML is pumping \$1.5 billion into France’s Mistral AI for an 11% stake, leading a round valuing the Paris-based startup at nearly \$14 billion—more than double its valuation last year. The ASML funds come as part of a roughly \$2 billion round that Mistral says also includes Yuri Milner’s DST Global and French state-owned investment bank Bpifrance.

The deal gives Mistral, founded in 2023, fresh firepower in its quest to develop



Dutch chip-equipment giant ASML led the funding round.

cutting-edge AI models and data centers independent from its American competitors. But Mistral’s funding and valuation trail those of its biggest Silicon Valley rivals by an order of magnitude. Anthropic last week closed a \$13 billion funding round at a valuation of \$183 billion.

Europe has put more emphasis on homegrown AI as

tensions have grown with the U.S. over trade and tech policy. In February, Vice President JD Vance told a Paris summit that the U.S. was winning the race to build the best AI chips and algorithms, and intended “to keep it that way.”

Mistral Chief Executive Arthur Mensch has said he and his co-founders left Google and Meta Platforms in part to

prove that Europe could challenge Silicon Valley on AI. Their plan is to remain independent by offering companies in Europe, the U.S. and elsewhere a cost-effective alternative to companies like OpenAI or Anthropic, without turning to Chinese options like DeepSeek.

Mensch said in June that growing demand for Mistral’s AI models put the company on pace to earn revenue of more than \$100 million a year.

To be sure, Mistral has ties to the U.S. Its investors include American venture-capital firms like General Catalyst and Andreessen Horowitz and U.S. companies like Nvidia, all of which participated in this round. The company has offices in New York and Palo Alto, Calif.

But Mistral has become a cause célèbre in France’s fight for European AI autonomy. Mensch has shared the stage on multiple occasions with French President Emmanuel Macron. The French president

said he pushed French businesses to back Mistral’s deal to buy 18,000 cutting-edge AI chips from Nvidia for a huge AI data center south of Paris.

“This is our fight for sovereignty, for strategic autonomy,” Macron said at the time.

ASML also is a European champion. Based in Veldhoven, Netherlands, and with a market capitalization of more than \$300 billion, it is the only company in the world that makes the lithography machines that etch the most-advanced AI semiconductors.

The company said Tuesday that as part of its €1.3 billion—equivalent to roughly \$1.5 billion—investment in Mistral, it will partner with the company to use Mistral’s AI models in its research, operations and products. It also will get a seat on Mistral’s strategic committee.

“This investment brings together two technology leaders operating in the same value chain,” Mensch said.

Microsoft Sets Curbs On Staff

Continued from page B1 and safe digital workplace.”

Microsoft is also restricting how employees move around its campus. In a departure from past practice, workers can only access certain buildings, such as those containing top executives’ offices, if the building is designated as their primary office, according to the people familiar with the matter.

On Aug. 29, three days after the sit-in at Smith’s office, organizers for the group behind it, No Azure for Apartheid, staffed a table at a bridge leading onto campus. Workers for Microsoft placed a barricade in front of it, separating passersby from organizers. Several company security personnel stood around the barricade, and a drone flew above organizers, according to a video of the incident.

Microsoft has previously restricted employee discourse about the war in Gaza, using internal content moderators to lock or delete comment threads that it says ran afoul of discussion guidelines. The company said it takes action when content violates company policies.

The sit-in capped months of protests by current and former employees. Organizers have disrupted company conferences by shouting during keynote speeches and hung Palestinian flags and banners around campus. Microsoft has reached out to the Federal Bureau of Investigation on at least one occasion seeking information about planned protest activities, although it isn’t clear if the agency responded to the request.

Separately, Microsoft on Tuesday told employees they would be required to spend three days a week in the office. Previously, employees were able to work remotely up to 50% of the time, or more with manager approval.

Arm Sees Growing Prospects in Southeast Asia

By KIMBERLEY KAO

British chip designer Arm wants to do more in Southeast Asia, its chief commercial officer says.

The market has huge potential as demand for data centers and artificial intelligence rises, said CCO Will Abbey, who has been at SoftBank-backed Arm since 2004.

Arm is aiming to expand in Southeast Asia after announcing a \$250 million partnership with Malaysia this year—its first ever with a country. Abbey sees opportunity for a similar tie-up with Singapore.

“We see Southeast Asia as a hotbed of activity, and we’d like to do more in this region,” he said in an interview on the back of the Fortune Brain-

storm AI Singapore. “Demand is still growing.”

Arm is one of the many big tech names looking to the region for opportunities.

Southeast Asia is drawing in billions of dollars in data-center and AI investments from tech giants like Microsoft, TikTok owner ByteDance, and Google as demand surges.

Analysts say the region’s neutral geopolitical stance is part of its appeal, particularly during times of heightened tensions.

Part of the demand comes from the need to host data domestically.

There is an “urgency for Southeast Asian players to build AI-ready data centers...to ensure that data and infrastructure remain on shore in a

world of growing geopolitical tensions where data is the new currency,” Deloitte said in a recent report.

Under the partnership with Malaysia, Arm is providing intellectual-property licenses and technology. It will facilitate the development of locally made semiconductor products, and will collect royalties on chips sold.

For Malaysia, the end goal is to sell “Made by Malaysia” AI chips, Prime Minister Anwar Ibrahim said this year.

Shares of Nasdaq-listed Arm have come under pressure this year due to concerns that tariffs will hurt the semiconductor market. The company withheld guidance for the year, adding to worries about how the macroeconomic

environment could hurt demand.

Arm generates revenue from licensing fees for its chip designs, and collects royalties on every chip shipped. About 10% to 20% of the royalty revenue comes from U.S.-bound shipments, and China is one of its largest customers.

Arm has said tariffs will likely have only a limited direct impact on royalty and licensing revenue, but warned it was getting more difficult to predict end-demand.

Clients like Nvidia and Apple face more-direct hits from tariffs, and rising cross-border trade costs could crimp Arm’s revenue stream.

But Abbey sees some silver linings.

Tariff barriers are a sign of

a maturing market, he said, one in which “state actors, countries start to think about how do I take control, how do I build and solve my own problems nationally.”

Ever since the Covid-19 pandemic, semiconductors have “become a real critical national level strategy that you need to think intelligently about,” Abbey said.

Countries’ push for self-sufficiency in tech should boost demand for AI computing, buoying demand for Arm’s technology, he added.

Rather than having hosted services from large-scale cloud-infrastructure providers, countries are thinking: why not build compute capacity for themselves, he said, calling data “the new oil.”

Who’s Who of Distinguished Leaders: 2025 Honoree

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Of 1.6 million listees, only a small percentage are recognized with the *Distinguished Leaders* honor. We laud these individuals for their ambition, professional fortitude, industry contributions, and career accomplishments.

It is our great pleasure to present one of them here: Jewel Montgomery Smay, MD, MBA.



JEWEL MONTGOMERY SMAY, MD, MBA
FOUNDER, CHIEF EXECUTIVE OFFICER
MONTGOMERY ANESTHESIA SERVICE, PC

Equipped with expertise in medicine, pediatric anesthesiology and health care administration, Dr. Jewel Montgomery Smay has accrued over 10 years of industry experience. Since 2013, she has thrived as the founder and chief executive officer of Montgomery Anesthesia Service, PC, in Tulsa, Oklahoma, where she and her team focus on providing cutting-edge monitoring techniques and innovative treatment modalities to ensure optimal patient safety. Leveraging her skills in pediatric and clinical anesthesiology, Dr. Smay is particularly proud to help her patients and guarantee they receive the highest standard of care.

Earlier in her career, Dr. Smay served as the medical director of NorthStar Anesthesia in Muskogee, Oklahoma, between 2020 and 2023. Concurrently, she was the organization’s regional medical director for Oklahoma, Kansas and Missouri from 2022 to 2023. Likewise, Dr. Smay worked as a pediatric anesthesiologist at the Hillcrest Healthcare System in Tulsa from 2019 to 2020 and at the University of Oklahoma Health Sciences

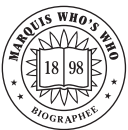
Center in Oklahoma City from 2017 to 2019. She also worked at the St. John Health System in Tulsa from 2014 to 2017 and served as an assistant professor at the University of Oklahoma Health Sciences Center between 2012 and 2014.

Dr. Smay first earned a Bachelor of Science in psychology from Duke University in 1995 and a Doctor of Medicine from the University of Illinois College of Medicine in 2007. Following the completion of her degrees, she participated in a residency in anesthesiology at the University of Illinois College of Medicine between 2007 and 2011 before completing a fellowship in pediatric anesthesiology in 2012. Seeking new heights in medical administration, she also received a Master of Business Administration in health sector management from the Duke University Fuqua School of Business in 2023 and completed the Black Corporate Board Readiness Program at the Santa Clara University Leavey School of Business in 2024.

To remain aware of industry trends and developments, Dr. Smay maintains active affiliation with organizations such as the American Board of Anesthesiologists, the American Society of Anesthesiologists and the Society for Pediatric Anesthesiology. Furthermore, she has served on the board of advisors of Transdermal Solutions LLC since 2021 and the Diabetes Reversal Group since 2025.

In accounting for her success, Dr. Smay credits her intrinsic sense of curiosity and ambition, her desire to enact meaningful change in the world and her lifelong commitment to learning. She also attributes much of her career success to her tenure at NorthStar Anesthesia, where she initially developed her business acumen. To this end, Dr. Smay emphasizes that her firsthand experiences with leadership formed the foundation of her current success at Montgomery Anesthesia Service. In 2023, she received the One Team Award from NorthStar Anesthesia.

Looking ahead, Dr. Smay aspires to join the board of a prestigious Fortune 500 corporation and aims to transition to a new leadership position in the health care sector. Moreover, she intends to remain fully dedicated to raising her children. Emphasizing that medicine remains a deeply rewarding profession, she hopes to continue excelling in the coming years.



MARQUIS Who'sWho®



The carmaker currently uses more than 1,200 AI applications throughout the group.

Volkswagen Sets a \$1.2 Billion Bet on Artificial Intelligence

By DOMINIC CHOPPING

Volkswagen will invest up to €1 billion, or \$1.18 billion, to expand its artificial-intelligence capabilities by 2030 as it bets on the technology to speed up the rollout of vehicles and innovation while increasing efficiency.

The German auto group said the investment will focus on AI-supported vehicle development, industrial applications, and the expansion of high-performance information-technology infrastructure.

“AI is our key to greater speed, quality, and competitiveness—across the entire value chain, from vehicle development to production,” said Hauke Stars, member of the board of management for IT at Volkswagen Group. “Our ambition: No process without AI.”

Volkswagen said that by integrating AI across its entire auto business, it could save up to €4 billion by 2035 through efficiency gains and cost-avoidance opportunities.

The carmaker currently uses more than 1,200 AI applications throughout the group,

with several hundred more in development or nearing implementation.

With its partner Dassault Systemes, Volkswagen is building an AI-powered engineering application that will be available globally for all group brands, offering engineers a platform for virtual testing and component simulations. Together with other initiatives,

this collaboration aims to help speed up vehicle development to 36 months or less, making it at least 25%—around 12 months—faster than today.

It also is advancing AI integration in manufacturing to optimize vehicle assembly, energy and materials, while AI-powered applications are strengthening cybersecurity, employee training and knowledge sharing.

The company’s group-wide cloud infrastructure will be significantly expanded to enable more processing of sensitive information, which it

hopes will strengthen its digital resilience against external risks, and it is exploring the potential of an industrial AI model to boost efficiency in logistics and industrial processes.

It said the model would use real manufacturing, design and process data from partners and could be based on Catena-X, the automotive open platform founded by Volkswagen, BMW, BASF, Mercedes-Benz, SAP, Siemens, ZF and T-Systems that enables secure data exchange between the companies.

On a Europe-wide basis, Volkswagen said political support will be key to the global AI race. This includes innovation-friendly regulation and targeted incentives such as funding programs that strengthen spinoffs from universities and research institutions and accelerate the transfer of scientific knowledge into market-ready applications.

‘AI is our key to greater speed, quality, and competitiveness,’ an executive said.