AI for Mergers and Acquisitions in 2024–2026: Market Trends, Technology, and the Nordic Perspective

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“Simplicity is the ultimate sophistication.”
— *Leonardo da Vinci*

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1. Global & Nordic M&A Market Context

Global Trends: After a downcycle in 2022–2023, global M&A activity showed a mixed recovery in 2024 and a strong rebound in 2025. In 2024, total deal value globally rose about 12% to $3.4 trillion (with an 8% rise in volume) compared to 2023, but overall deal volume remained below historic norms. M&A as a share of GDP hovered near multi-decade lows despite the uptick. Notably, large transactions gained ground – deals over $2 billion were up 20% year-on-year in 2024, including megadeals like Mars's $40B bid for Kellanova and Synopsys's $35B purchase of Ansys. Private equity activity, however, pulled back significantly in 2024 (EMEA PE deal value halved vs 2021) amid higher interest rates and cautious credit markets . By 2025, the tide turned dramatically: global M&A deal value surged ~40%, on track to ~$4.9 trillion (second-highest on record), with volume up ~7%. This broad-based 2025 rebound was led by a resurgence in tech M&A (deal value +77% year-on-year) and a wave of megadeals, especially in AI-related sectors. In fact, nearly half of large tech deals in 2025 involved AI-native companies or explicitly cited AI benefits, including headline transactions like Alphabet's $32B acquisition of cybersecurity firm Wiz and Palo Alto Networks' $25B purchase of CyberArk. Despite the boom, companies devoted a relatively small share of total capital to M&A (only ~7% in 2025, indicating plenty of room to increase). Overall, the post-pandemic M&A landscape is one of **selective dynamism**: dealmakers are more strategic, focusing on scale synergies in high-fixed-cost industries and transformational tech deals, while remaining mindful of regulatory scrutiny and competition for quality targets.

Nordic Region: The Nordic M&A market has been notably resilient and robust through 2024, even amid global headwinds. In 2024 the Nordics saw **3,772 announced deals**, up from 3,481 in 2023 and surpassing pre-slowdown levels. Total announced deal value neared EUR 166 billion (~€41B per quarter on average), a significant rise from 2023's pace (~€36B/quarter). While aggregate Nordic deal value was slightly below the peaks of 2021–22, the **rebound from 2023 was clear**, aligning with the broader global uptick in corporate and PE-led dealmaking . The region's economic fundamentals –

sustained growth, innovation, and stable institutions – provided a solid foundation, helping the Nordics weather higher interest rates and geopolitical uncertainties in 2024. By Q4 2024, deal activity in the Nordics was as strong as historical highs in volume terms, averaging ~943 deals per quarter (compared to ~870 in 2022). **Sector-wise, technology continues to dominate Nordic M&A**, accounting for 24% of all deals – the largest share of any sector . Other active sectors included manufacturing, services, real estate, and consumer industries (each ~9–15% share), such that roughly three-quarters of Nordic deals occur in these leading sectors . This underscores the Nordics' status as a thriving tech hub and a magnet for investment in innovation. Nordic dealmakers also kept pace globally; for instance, the region saw its own AI-driven deals (discussed later) and maintained strong private equity involvement. In short, **Nordic M&A in 2024 mirrored global trends of recovery**, buoyed by a high concentration of tech activity and a stable economic platform. As 2025 unfolds, Nordic deal volumes remain robust and are expected to benefit from the global rebound, even as dealmakers stay vigilant about valuations and integration execution.

M&A Market Context Summary: After a subdued 2023, dealmakers adapted to a new environment in 2024 – favoring quality over quantity – and then seized on improved conditions in 2025. They adjusted to *higher financing costs and stricter regulators* by targeting deals with clear value creation plans (often combining revenue *and* cost synergies). Scale mergers made a comeback (59% of large strategic deals in 2024, highest since 2015) as acquirers sought "rock-solid" value and immediate synergies under stricter financing constraints. At the same time, many firms put *dry powder to work in tech and AI*: 2024 saw several megadeals in tech, and 2025 became "the year of AI deals," with AI-centric acquisitions propelling tech M&A to new heights. Deal statistics reflect this divergence – **fewer total deals but bigger bets**. For example, while 95% of 2024 deals were under $1B (smaller deals remain the "heart of M&A"), the handful of $5B+ megadeals propped up total values. In the Nordic region, the story was steady strength: deal volumes grew, and valuations ticked up alongside improved macro stability (lower inflation in late 2024, etc.). Technology and digital innovation continue to be the engine of Nordic M&A, attracting both local and international buyers. Going into 2025–26, **the stage is set for high activity** – CEO confidence in pursuing deals is rising (nearly 60% of "optimistic" CEOs globally intend to transact in the next year), and Nordics are poised to remain an attractive market given their tech prowess and digital leadership.

2. AI in M&A: Due Diligence & Deal Processes

Generative AI's Breakout in Dealmaking: The past two years have seen an explosion of interest in applying artificial intelligence – particularly **generative AI (gen AI)** – to the M&A process. What was largely theoretical in early 2023 became *practical reality by 2024*, as early adopters began piloting gen AI tools in live deals. A recent global survey of 300+ M&A practitioners by Bain found that while only ~16% of dealmakers were using generative AI in 2024, adoption is expected to reach 80% within three years. Those who have embraced AI in their deal workflows are already reporting compelling benefits. **Productivity gains are significant:** 78% of early users say AI reduced manual effort, over half saw faster deal timelines, and 42% noted cost reductions or improved focus for their teams. In fact, **85% of users report that generative AI met or exceeded their expectations**. These tools are helping deal teams work *smarter and faster* – from sourcing targets to sifting through due diligence data.

AI Use Cases Across the Deal Lifecycle: Generative AI and machine learning are being applied at every stage of M&A:

- **Target Sourcing & Screening:** AI can comb through vast datasets to identify acquisition targets that fit a buyer's strategic criteria much faster than humans. For example, AI-driven scouting platforms use *large language models (LLMs)* and ML algorithms to cluster **millions of companies** by business attributes and strategy fit. One company used an AI tool to semantically search 40 million companies and score them against its criteria, yielding 500 potential targets and 15 priority deals – all in *days* rather than weeks. Gen AI can thus surface "hidden gem" targets that traditional methods might overlook, including in adjacent markets and emerging niches. This **augmented deal origination** helps acquirers cast a wider net confidently. In practice, early adopters report that AI-based screening finds targets they "wouldn't otherwise have on their radar," expanding the opportunity set . AI algorithms also perform trend analysis (scanning news, social sentiment, etc.) to spot sectors ripe for disruption, flagging targets poised for growth. All of this accelerates and improves the *strategy phase* of M&A.

- **Due Diligence & Evaluation:** Arguably the most transformative impact of AI is in **due diligence**, which traditionally involves labor-intensive document review under tight timelines. **AI due diligence** tools use natural language processing (NLP) and ML to automatically review contracts, financial statements, emails, and other data rooms **at high speed**, flagging risks and anomalies for human attention. These systems can scan thousands of documents in minutes –

something that would take human teams weeks – and highlight clauses or data points that deviate from norms (e.g. an unusual liability in a contract or an odd trend in financials). This not only saves enormous time but also *reduces human error*, ensuring fewer issues are missed. For instance, generative AI can be trained to parse legal documents and compare them against model provisions, instantly identifying non-standard terms. One user noted AI "can be trained to parse material contracts and identify deviations…saving time and helping focus on problematic areas". Similarly, AI-driven Q&A bots can answer diligence questions by querying the data room content, and even draft summaries of findings. Leading M&A teams are already using gen AI to **summarize complex diligence documents, extract key risks, and draft initial memos** tailored to a deal . Deloitte highlights that gen AI has become a *vital tool* in cultural and HR due diligence as well – for example, scraping public employee reviews to gauge a target's culture and predict integration challenges. By generating an initial culture report from sources like Glassdoor and LinkedIn, AI can point deal teams to areas needing deeper human follow-up (e.g. an acquired company's reviews reveal employees feel unheard by management, signaling a need to address that post-merger). Overall, AI in diligence **augments human analysts**: routine information gathering and pattern recognition are automated, freeing deal professionals to focus on interpreting insights and negotiating issues. McKinsey expects that within 1–2 years, gen AI tools will make diligence a "continuous and connected" part of deals – seamlessly feeding diligence insights into integration planning and even learning from past deals to improve future ones.

- **Deal Negotiation & Valuation:** Even the negotiation phase is getting an AI assist. While the human element of dealmaking remains paramount, AI can serve as a *strategic coach*. For example, AI models can analyze databases of past M&A deals to identify typical negotiation sticking points and favorable terms, giving negotiators data-driven benchmarks . Deal teams are using AI to **simulate negotiation scenarios** – adjusting assumptions to see how price, terms, or counteroffers might play out – which helps them prepare responses and optimal offers . Real-time analytics can also monitor news or social media during negotiations to catch any development that could impact the deal (regulatory signals, competitor moves, etc.), enabling agile strategy shifts . In sum, AI provides negotiators with richer intelligence and scenario planning, boosting confidence in decision-making.

- **Integration Planning & Execution:** Post-merger integration is a notoriously complex effort (often involving hundreds of tasks over multiple years), and AI is beginning to lighten this load. *Generative AI "agents"* can act like knowledgeable project managers or coaches during integration. For example, a gen AI system trained on a company's M&A playbooks and best practices can **answer integration team questions** or even draft integration workplans and communications. McKinsey describes using a gen AI coach (such as their "myIMO" tool) where an integration lead might ask, "What steps should we take

to integrate the acquired company's brand with our own, and on what timeline?" – and the AI, having ingested vast integration knowledge, provides a detailed answer. These tools can also auto-generate memos about policy or benefits changes, compare and harmonize org structures, track synergy achievement in real time, and flag cultural conflicts for management attention. Essentially, AI helps *organize and prioritize* the myriad integration activities, so managers can focus on strategic decisions rather than spreadsheet crunching. Deloitte also notes AI's utility in **cultural integration**: by analyzing both companies' cultural data, AI can predict areas of cultural mismatch and suggest interventions (e.g. need for leadership town halls in a unit where employees felt disengaged). As these tools mature, integration teams will increasingly rely on AI to monitor integration progress, measure employee sentiment, and ensure value capture milestones are met. Bain predicts that within 12 months, early adopters will use gen AI to **draft integration plans and Transition Service Agreements in <20% of the time** it used to take, mobilizing teams faster and with better initial info. Within 5 years, they expect *every step* of the M&A process – from target search to integration – will be **enabled by AI** in some form.

- **Internal M&A Capability Building:** Finally, AI is also being used to strengthen organizations' *in-house M&A capabilities*. By mining data from past deals (deal performance, integration outcomes, etc.), AI can identify patterns of what worked and what didn't. For instance, a company could use AI to analyze its last 20 acquisitions and discover how deal size correlates with integration team size, or how long on average it takes to realize certain synergies. Gen AI can update M&A playbooks with these insights, providing tailored "lessons learned" for future deal teams ("For deals up to $1B, we typically need an integration team of 5 people focusing on X, Y, Z tasks"). It can even help onboard new deal team members by generating customized training ("I'm leading HR integration for our acquisition of Company X – what do I need to know?"). In this way, AI ensures corporate acquirers get progressively *better* at M&A over time – a key edge since studies show frequent acquirers outperform others in shareholder returns.

Key Technologies in Use: Underpinning these use cases are advances in AI tech. Large Language Models (like GPT-4 and other foundation models) are central – their ability to understand and generate human-like text powers everything from document summarization to chatbot-style Q&A. Many M&A tools now embed **LLMs fine-tuned on deal data** to answer specific diligence questions or draft documents. These models are often combined with *traditional machine learning algorithms* and analytics. For example, a proprietary M&A search tool might use ML clustering on financial data to group similar companies, then an LLM to interpret and explain those clusters in plain language. **Specialized "AI agents"** are also emerging – these are AI programs that can autonomously read and act on information. In M&A, agents can automatically read through a virtual data room, identify all change-of-control clauses in contracts, and

produce a summary report, all without human guidance. They can monitor streaming data (news, stock prices, patents) and alert teams if something pertinent arises with a target or buyer. In short, the toolkit includes NLP for text-heavy tasks, computer vision for any image/document scans, predictive ML models for risk scoring, and optimization algorithms for scenario analysis – often orchestrated through user-friendly interfaces or chatbots. **TinyML and edge AI** are even enabling on-device intelligence for integration IoT projects or post-merger monitoring (more on TinyML in a later section). Crucially, many M&A teams started with *generic* AI tools (e.g. using ChatGPT for first-draft writing). Indeed, McKinsey found that **the majority of M&A AI users initially rely on off-the-shelf chatbots rather than custom tools**, and a lack of in-house expertise is the main barrier to deeper adoption. However, purpose-built M&A AI platforms are rapidly proliferating (from startups and providers like DealRoom, etc.), often integrating multiple AI functions into one deal management platform. These platforms advertise "AI in every phase" – e.g. auto-generating due diligence checklists, tracking sentiment in negotiations, and so on.

Opportunities vs. Hype: While enthusiasm is high, it's worth noting that many organizations are *just beginning* to leverage AI in deals. McKinsey's May 2024 research showed only 30% of respondents used gen AI at a moderate or high level in their M&A workflows. So there is a long tail of firms still exploring pilot projects or waiting to see ROI. Challenges include data privacy (what if sensitive deal data is fed into an external AI?), model "hallucinations" or inaccuracies (which could mislead decisions), and the need to train employees to work effectively with AI outputs. Thought leaders urge companies **not to wait on the sidelines** – the advice is to *start small, experiment, and build AI familiarity now*, because late adopters may find themselves outpaced on deals. Early adopters have a learning curve advantage that will be hard to catch up to later. For instance, if one buyer can diligence a target in 1 day with AI while another takes 1 week, the faster buyer can more quickly identify deal-breakers or justify a higher bid with confidence. That speed and insight edge can mean winning or losing a deal. Moreover, companies using AI can uncover more synergies (by analyzing granular data) and integrate with less strain on their teams (since AI automates project management), which ultimately translates to higher value captured. One striking statistic: nearly 80% of companies using generative AI in M&A say it has *reduced the manual workload on their employees*, mitigating burnout and allowing staff to focus on high-level work. This has implications for retaining talent during intense deal processes.

In sum, **AI is rapidly moving from hype to real help in M&A**. It's enabling dealmakers to process more information, faster – yielding better-informed bids and more efficient deals. A Bain chapter aptly noted that although adoption is still low today, we are at the point "where hope meets hype" for AI in M&A, with clear evidence of time and cost

savings for those who use it. As one M&A executive put it, *"If you miss a critical fact, it can be a loss. Generative AI can be trained to ensure nothing is missed."*. The next few years will likely see AI move from an experimental tool to a standard component of the deal toolkit, much like virtual data rooms became ubiquitous in the last decade. Organizations that **invest early in AI capabilities** – building an "AI portfolio" of tools and embedding them in their M&A playbooks – stand to gain a competitive edge in both *speed* and *insight* in dealmaking. Those that lag may find it increasingly difficult to compete for the best deals or to execute complex transactions efficiently. The message from advisors: *start now, iterate, and don't be left behind*.

3. Nordic Digital Infrastructure & "AI Readiness"

The Nordic countries boast **world-class digital infrastructure**, which provides a strong foundation for both general business activity and advanced technologies like AI. Key facets of Nordic "digital readiness" include ubiquitous high-speed connectivity, cutting-edge mobile networks, a robust data center ecosystem, and supportive digital policies.

- **Broadband Connectivity:** The Nordics have some of the highest broadband penetration and speeds in the world. From the early Internet era, these countries prioritized investments in fixed broadband, and it shows in today's metrics. According to the EU's Digital Economy and Society Index (DESI), *Sweden* ranks #2 in the EU for high-speed broadband coverage – **85%+ of Swedish households have access to at least 100 Mbps internet** . *Denmark* also far exceeds the European average, with ~69% of households at 100 Mbps+ connectivity . Even *Finland*, which has slightly lower fixed broadband coverage (especially in remote areas), compensates with outstanding mobile broadband – Finland's 5G network reaches 95% of households. In fact, Finns are world leaders in mobile data usage, consuming an **average 41 GB of mobile data per person per month**, over four times the OECD average. This hunger for data reflects both affordable unlimited plans and a tech-savvy population quick to adopt digital services. Practically speaking, such extensive broadband availability means that AI services (often delivered via cloud) and digital tools can reach users seamlessly, whether they're in urban Stockholm or rural Lapland. High bandwidth and low latency networks are critical for tasks like training AI models on distributed datasets or using cloud-based AI APIs – tasks that Nordics can handle with relative ease.

- **5G Leadership:** The Nordic region is *leading Europe in 5G deployment*. A 2025 analysis found **all four Nordic countries in Europe's top 10 for 5G availability**,

with three in the top five . *Denmark* leads the continent – by Q4 2024 it had **83–84% 5G availability**, the highest in Europe . (Availability refers to the proportion of users with 5G coverage.) *Norway, Finland, and Sweden* all have around 70% or higher 5G availability, compared to 60% or lower in countries like the UK or Netherlands . This is no accident: Nordic regulators were early to auction *dedicated 5G spectrum* (e.g. the 700 MHz band was assigned in Finland back in 2016, rolled out across Nordics by 2019) . Early access to low-band 5G spectrum enabled wide rural coverage, while mid-band spectrum provided high capacity – resulting in both *breadth and depth* of 5G networks. Additionally, the Nordics embraced network-sharing models to expedite rollout (e.g. Sweden's Net4Mobility joint venture, Denmark's TT Network), reducing costs and avoiding duplicate tower builds . The outcome: countries like Norway announced nearly **99% population coverage with 5G by end of 2024**, and Finland's main operators similarly reached virtually all municipalities with 5G . This matters for AI because 5G's high speeds and low latency can enable advanced use cases – from IoT sensors streaming data for AI analytics, to edge AI applications requiring real-time connectivity (e.g. autonomous vehicles, smart city infrastructure). The Nordics' 5G edge also means consumers and businesses readily use mobile AI applications. In Finland, already **25% of all smartphone data traffic was on 5G in early 2024**, far ahead of most other European countries (where <20% of traffic is on 5G) . This indicates both the network capability and the user adoption of new tech – fertile ground for rolling out AI-driven mobile services.

- **Data Centers and International Connectivity:** Northern Europe has become a favored location for data centers, and the Nordics are capitalizing on this with *sustainable and well-connected facilities*. The region's cool climate and access to renewable energy (hydro, wind) make it ideal for efficient data center operations (hence tech giants building centers in Sweden, Denmark, etc.). But beyond climate, the **Nordics have invested in connecting to global internet hubs**. For example, Finland is a landing point for major subsea fiber cables: the **C-Lion1 cable** links Helsinki directly to Germany, plugging the Nordics into the main European FLAP network (Frankfurt–London–Amsterdam–Paris) with low latency. A new project, *Far North Fiber*, is underway to lay the world's first trans-Arctic cable by 2027, directly connecting Nordic Europe to Japan through the Arctic Circle. This will create the shortest data path between Europe and East Asia, enhancing resilience by bypassing congested routes like Suez/Red Sea. In practice, such connectivity means Nordic businesses (and AI researchers) enjoy excellent international bandwidth – whether accessing global cloud platforms or serving customers globally. Indeed, the big cloud providers have noticed: **AWS, Microsoft Azure, Google Cloud, and Oracle have all opened new cloud regions in the Nordic countries in recent years**. This proliferation of local cloud zones reduces latency for Nordic users and ensures compliance with data residency needs, further encouraging cloud and AI adoption. It's telling that

Sweden, Finland, and Denmark are the top three countries in the EU for enterprise cloud adoption, as of the latest DESI figures. Nordic enterprises are moving aggressively to the cloud (where AI services are readily available), more so than even larger EU economies. All these factors – broadband, 5G, data centers, cloud regions – combine to give the Nordics a **high "AI readiness" infrastructure**. The pipes and compute power are in place to support everything from consumer AI apps to heavy AI training workloads.

- **Innovation Culture and Human Capital:** Beyond physical infrastructure, the Nordics have a deeply ingrained digital innovation culture and skilled population. Sometimes dubbed the "**unicorn factory of Europe**," the Nordic countries produce *more high-value startups per capita than anywhere outside Silicon Valley*. Global successes like **Spotify** (streaming), **Skype** (communications), and **Klarna** (fintech) all emerged from the Nordic tech ecosystem. This is not coincidental – strong education systems (with emphasis on STEM and English proficiency), a high degree of digital literacy among the public, and government support for R&D create a fertile innovation environment. Many Nordic citizens were early adopters of Internet and mobile tech (e.g. Finland led in mobile phone usage thanks to Nokia), and that tech-savvy mindset persists in rapid uptake of new technologies. There is also a strong **talent base** in areas relevant to AI. Sweden and Finland historically invested in telecom and software engineering (with companies like Ericsson and Nokia anchoring talent pools). Finland's unusual strength in mobile games (home to Rovio, Supercell, etc.) grew partly from the Nokia legacy training generations of developers. Across the Nordics, universities and technical institutes produce quality graduates, and there's active collaboration between academia and industry in AI research (for example, the Finnish Center for AI, the Norwegian Open AI Lab, etc.). Importantly, *English is widely spoken*, making it easier for Nordic tech talent to collaborate internationally and adopt the latest AI frameworks (often documented in English). All these human factors mean the Nordics can effectively leverage the digital infrastructure – having fast fiber is great, but one needs the skills and entrepreneurial drive to use it. The Nordics score very high on the **EU's digital skills indicators** and have numerous **digital inclusion initiatives** to ensure broad participation in the digital economy. Governments run programs for coding in schools, re-skilling workers with tech courses, and ensuring rural communities aren't left behind in connectivity. For instance, Denmark's strategies in recent years emphasize digital inclusion so that the whole society can benefit from AI and digital services. This inclusive approach means the **adoption of AI and digital tools can scale across society**, not just in tech hubs.

- **Government Support and Policy Environment:** Nordic governments and the Nordic Council of Ministers actively support digital development. They tend to have balanced, innovation-friendly regulatory stances – protecting consumers

while encouraging new tech. For example, all Nordic countries have **national AI strategies** aiming to promote AI research, education, and ethical use. They rank among the top of the EU in the DESI index not only for connectivity but also for digital public services (e-government) and integration of digital tech by businesses. Public-private partnerships are common in tech initiatives (like Finland's AI program that crowdsourced training data from citizens, or Sweden's AI Innovation of Sweden center). Additionally, the Nordic region is pursuing joint initiatives at a *pan-regional level*. A recent milestone is the launch of **New Nordics AI**, a Nordic–Baltic center for AI (discussed more in the next section) aimed at pooling resources and expertise across countries. The idea is to "ensure the Nordic region becomes a global frontrunner in responsible AI" by coordinating efforts and investments regionally. The center is backed by the Nordic Council of Ministers with DKK 30 million funding and support from 27 ministers, and will focus on **applied AI**, responsible AI practices, and sharing talent across borders. This kind of collaborative approach is a competitive advantage of the Nordics – small countries banding together to achieve scale in innovation.

In summary, the **Nordic digital infrastructure and ecosystem are exceptionally well-prepared for the AI era**. Blazing-fast networks (fiber and 5G) connect a highly educated, digitally savvy population. A stable of tech firms, startups, and research centers ensure innovation continues apace. Governments are proactive in both enabling technology and considering its societal impacts (digital inclusion, ethics). Concrete indicators of readiness include top-tier connectivity stats (e.g. Denmark's *83% 5G availability* leading Europe) and usage stats (Finns consuming *4x* the mobile data of other OECD citizens – effectively stress-testing telecom networks!). Because AI adoption often correlates with digital maturity, the Nordics are fertile ground: companies can deploy AI solutions knowing employees and customers have the connectivity and digital literacy to use them. For example, rolling out an AI-driven mobile banking app or telehealth service in the Nordics faces fewer barriers (nearly everyone has a modern smartphone, fast internet, and trust in digital services). Additionally, the presence of local cloud infrastructure and data centers in-region addresses latency and data sovereignty concerns that sometimes slow AI projects elsewhere. One could say that **the Nordics have built the "digital highways" and educated the drivers – now AI is the next vehicle to run on them**. This strong foundation likely contributes to why the Nordics punch above their weight in tech and why they are keen on being leaders, not followers, in the AI revolution.

4. AI Regulation & Governance (EU and Nordic)

As artificial intelligence adoption accelerates, regulators in Europe are crafting new rules to govern its use. The European Union is at the forefront with a landmark law – the **EU Artificial Intelligence Act** – while the Nordic countries, as EU members or closely aligned, are helping shape these regulations and launching their own AI governance initiatives. This section covers the current state of AI regulation in the EU (including recent developments in 2024–25) and Nordic-specific efforts to ensure AI is used responsibly and beneficially.

EU AI Act – World-First Comprehensive Framework: In March 2024, the European Parliament gave **final approval** to the EU's Artificial Intelligence Act, making it the world's first broad regulatory framework for AI. The AI Act takes a *risk-based approach* to regulation. It defines categories of AI systems based on their potential to harm safety or fundamental rights:

- **Unacceptable Risk AI:** These are AI uses that are outright banned due to unacceptable harm. Examples include social scoring of citizens by governments, real-time facial recognition in public spaces for law enforcement (with narrow exceptions), or AI that exploits vulnerable populations. The EU drew a red line on such practices, essentially prohibiting them within the bloc.

- **High-Risk AI Systems:** This is a major focus of the Act. AI systems that are deployed in sensitive areas – think of AI in medical devices, recruitment algorithms, credit scoring, school admissions, critical infrastructure control, law enforcement tools, etc. – are classified as "high-risk." Under Article 6 of the Act, certain use cases listed in Annex III are automatically high-risk (for example, AI for evaluating job applicants or AI assisting judicial decisions). Providers of high-risk AI systems have to meet strict requirements **before and after market launch**. These include rigorous **conformity assessments**, ensuring high-quality training data to minimize bias, providing detailed documentation on the AI's design and purpose, and building in human oversight and transparency. For instance, if a company offers an AI tool to filter job applications, it will need to show authorities that the tool was trained on representative data (to avoid, say, gender or ethnic bias), comes with an explanation of how it makes decisions, and allows human intervention. High-risk AI systems will also be registered in an EU database. Non-compliance could result in hefty fines (up to €30 million or 6% of global turnover under the draft rules).

- **Limited-Risk (Transparency Obligations):** Some AI systems aren't high-risk per se but still warrant transparency. A classic example is AI chatbots or deepfakes. The Act will require that **users are informed when they are interacting with AI** (rather than a human) in certain contexts. Similarly, if AI is

used to generate content that looks real (like deepfake audio or video), it should disclose that it's AI-generated. These measures aim to prevent deception and build trust.

- **Minimal or Low-Risk AI:** The vast majority of AI applications (like AI in video games, spam filters, etc.) fall in this category and will essentially remain unregulated – the Act does not intend to impede benign uses of AI. The EU explicitly said it wants to support innovation for low-risk AI and focuses regulatory burden only where necessary.

The **AI Act is slated to fully apply after a transition period**. It formally "entered into force" in 2024, but companies will have some time (possibly around 2 years) to comply, so the rules will likely start *biting* in 2026. This staggered timeline is to allow firms and regulators to prepare for the new compliance regimes (setting up notified bodies, etc.).

Recent Twists – Delay and Industry Pushback: While the AI Act was widely hailed as a milestone, developments in late 2025 show the story isn't over. In November 2025, the European Commission (the EU's executive arm) announced proposals to **delay and adjust some of the AI Act's provisions**, in response to concerns from industry and certain governments. Specifically, the Commission's "Digital Omnibus" package would **postpone the enforcement of many high-risk AI rules by about 18 months – from August 2026 to December 2027** . This means companies developing high-risk AI (in biometrics, job hiring, banking, etc.) would have until almost 2028 to fully meet the requirements . The rationale given was to "simplify" regulations and avoid stifling innovation. Commission officials stressed that *"simplification is not deregulation,"* but rather giving companies more time and cutting red tape. Alongside the delay, the Commission also proposed easing some related laws – for example, **amending data protection rules (GDPR)** to explicitly allow tech companies to use personal data for training AI models without individual consent. This particular change would be significant: right now, using EU personal data to train, say, a large language model can be legally tricky under GDPR. The proposal would carve out allowances for AI development, which companies like Google, Meta, OpenAI had lobbied for . Another tweak is to tackle the annoyance of cookie consent banners by simplifying consent for cookies (this is more on the e-Privacy side but came packaged with the AI proposals).

These moves have sparked a **political clash**. Digital rights advocates and some EU lawmakers accuse the Commission of a **"massive rollback" of digital protections**. The Guardian reported that the omnibus plan was seen by NGOs (like European Digital Rights, EDRi) as potentially *dismantling the foundations of EU tech policy and human rights safeguards*, all in the name of cutting business costs. EDRi warned especially

against loosening GDPR for AI, saying it would enable "unchecked use of people's most intimate data for training AI systems" . Similarly, allowing broad exemptions in online privacy could let companies read user data without permission. On the other side, industry groups welcomed the Commission's direction but even said it *didn't go far enough*. The Computer & Communications Industry Association (which includes Big Tech members) applauded simplification and urged an "even more ambitious review" of the EU's "entire digital rulebook" . This tug-of-war is essentially the **debate between innovation and regulation** in real time. Even internal EU figures are divided: Thierry Breton, the EU's own internal market commissioner (and architect of some digital laws), publicly cautioned against unraveling the digital rulebook under the pretext of simplification, hinting that pressure from across the Atlantic (US) is behind some of these attempts .

As of early 2026, it appears likely that the **AI Act's core principles will stand** (the EU is unlikely to scrap its risk-based approach or key obligations), but the timeline and certain details may be softened to address competitiveness concerns. The final outcome will depend on negotiations between the Commission, European Parliament, and member states. It's worth noting that *EU elections in 2024* and a new Commission in 2025 may also influence the regulatory stance – there's a broader strategy to streamline regulations if they're seen as overly burdensome. The AI Act is part of that conversation now, whereas a year ago it was celebrated as forward-thinking but not overly controversial. **Net takeaway:** Companies, including those in the Nordics, are preparing for AI compliance (e.g. documenting their AI systems, establishing oversight committees) but also watching if deadlines get extended to 2027. Importantly, the mere existence of the AI Act has prompted many organizations to adopt *ethical AI practices preemptively*, which is one of its intended effects.

Nordic Involvement and Stance: The Nordic countries generally support the EU AI Act's goals of trustworthy AI, and they have been active during negotiations (Finland, for example, led an AI experts group during its EU presidency in 2019 that helped lay groundwork for the Act's risk framework). The Nordics, with their focus on human rights and digital leadership, tend to favor *robust ethical safeguards* in AI. At the same time, they are keen to remain globally competitive in AI innovation. This balancing act is evident in recent Nordic-driven initiatives:

- **New Nordics AI Center:** On 22 October 2025, the Nordic Council of Ministers (with Baltic partners) officially launched **New Nordics AI**, a regional center to promote the development and use of artificial intelligence across the Nordic-Baltic region. Headquartered in Helsinki (with nodes in each country), this center is a concrete step to **coordinate AI efforts regionally**. Its mission is to accelerate AI adoption in a *responsible and ethical* manner, aligning with Nordic

values. According to Nordic Innovation (one of the backers), New Nordics AI will act as *"a focal point to support companies and organizations in developing AI responsibly and as a driving force for ethical AI innovation throughout the Nordic region."*. It was inspired by recommendations from a 2023 Nordic expert group on ethical AI, which called for a unifying Nordic center to help both businesses and the public sector implement AI responsibly. The timing is notable: launching in late 2025 means the Nordics are gearing up to *lead in AI just as EU rules come into play*. At a High-Level Forum on AI Readiness in Copenhagen in Aug 2024, 140 top Nordic executives and ministers declared that *the Nordic region should take the lead in Europe's AI development* and that a joint applied AI center would help ensure the Nordics become a **global frontrunner in responsible AI**. The center has funding of DKK 30 million (~€4 million) from the Nordic Council of Ministers for its start-up phase, and is co-founded by national organizations like AI Sweden, AI Finland, Norway's IKT-Norge, Denmark's Digital Dogme, and others. Each country will have a national hub, effectively embedding New Nordics AI staff locally to engage with domestic stakeholders. This model mirrors how Nordics tackle innovation – collaborative and decentralized. The center will facilitate sharing of AI solutions, best practices for compliance with regulations, and perhaps pool resources for developing Nordic-language AI models (language has been a focus, as English-centric AI may not serve local needs perfectly). By uniting, the Nordics aim to punch above their weight versus larger countries, ensuring that **ethical AI innovation** becomes a competitive advantage. One can imagine New Nordics AI helping a Nordic startup navigate the EU AI Act requirements or connecting a small municipality with the latest AI tool to improve public services, all while emphasizing privacy and transparency.

- **National AI Strategies & Ethics:** Each Nordic country has its own AI strategy emphasizing ethical guidelines. For instance, *Finland* was one of the first in Europe with an AI strategy and even offered a free online AI crash course ("Elements of AI") to all citizens, exemplifying its inclusive approach. *Denmark* has focused on AI in healthcare and issued principles for AI use in the public sector (like explainability and human agency). *Norway*, though not an EU member, often mirrors EU digital regulations and has an AI strategy highlighting trust and business development. *Sweden*'s strategy likewise stresses leadership in "human-centric" AI. The **common thread** is a Nordic commitment to **"AI for good"** – leveraging AI to improve welfare and competitiveness, but within a framework of trust, transparency, and respect for rights. This aligns well with the EU's vision, meaning the Nordics are generally supportive of the AI Act's intent. They likely also support some practicality adjustments; e.g., Finland and Sweden have large tech sectors that gave input about not hindering innovation.

- **GDPR and Data Sharing:** The Nordics have been GDPR enthusiasts (as strong privacy advocates) but also recognize the need for data sharing to fuel AI. There's Nordic cooperation on secure data spaces – for instance, to allow health

data to be used (with consent and anonymization) for AI research that could benefit all Nordic countries. Balancing privacy with innovation is a key discussion, and the Nordics might cautiously welcome certain GDPR clarifications for AI *if* done with safeguards. The Commission's omnibus suggestion to simplify cookie consent likely resonates in the Nordics, where consumers are also tired of cookie pop-ups. But allowing broad personal data usage for AI without consent could be controversial in these privacy-conscious societies. Expect Nordic countries to be influential voices in the upcoming EU negotiations, possibly advocating a middle ground (e.g. allowing AI training on personal data with stronger transparency to users, or easier opt-outs).

In summary, **EU and Nordic governance of AI is evolving quickly**. The EU AI Act set a high-standard blueprint for regulating AI risks – a move welcomed by those worried about unbridled AI and emulated by other jurisdictions. However, economic and geopolitical realities (Europe's desire not to fall behind the US/China in AI) are prompting refinements to ensure rules are flexible and innovation-friendly. The Nordics find themselves champions of *responsible innovation*: backing strong ethical guardrails (which align with their social values and can build public trust in AI), while also investing to be leaders in AI development rather than simply rule-followers. The creation of New Nordics AI highlights that the region doesn't intend to take a back seat – it wants to shape the AI future proactively. As the EU finalizes its AI rulebook and implementation details, Nordic companies and governments will be among the best prepared to comply and compete, given their early start on both compliance (ethical AI practices) and capability (digital infrastructure, talent). The ongoing regulatory dialogue – simplification vs. protection – will continue to test Europe's approach, but if any region can strike the right balance, it may well be the Nordics, with their track record of **"high tech, high trust"** digital governance.

5. Notable AI-Related M&A Transactions (Nordic and Global Examples)

The intersection of AI and M&A is not just theoretical – it's manifesting in a wave of transactions as companies acquire AI capabilities to stay competitive. Below we highlight several notable AI-driven acquisitions from 2022 through 2025, including examples from the Nordic region and globally, to illustrate how AI technology is reshaping deal strategy:

- **Nordic Semiconductor acquires Neuton.AI (2025):** A striking example from the Nordics is *Nordic Semiconductor*'s acquisition of **Neuton.AI** in June 2025. Nordic Semiconductor (Oslo-based, known for low-power wireless chips) bought the IP and core technology of Neuton.AI, a startup specializing in **automated TinyML** for edge devices. Neuton.AI's platform can automatically generate ultra-compact machine learning models (often under 5 KB in size) optimized for microcontrollers. By uniting Nordic's low-power wireless System-on-Chips with Neuton's neural network framework, the company aims to bring high-performance **AI to even the most resource-constrained IoT devices** at the edge. As Nordic's CEO put it, this deal is *"a generational leap in embedded compute power and efficiency,"* enabling a new class of "always-on, AI-powered devices" that are faster and more energy-efficient. This acquisition underscores a broader trend: **hardware firms acquiring AI software talent** to offer integrated solutions. Nordic Semi needs TinyML algorithms to drive demand for its next-gen chips (nRF54 series), and buying Neuton gave it a ready-made platform and a team of 13 ML engineers. The deal also reflects how *edge AI* is booming – with billions of IoT devices projected, bringing intelligence to them is a huge opportunity (the press release cited TinyML chipset shipments could reach $5.9B by 2030). For the Nordic region, this shows homegrown companies positioning themselves at the forefront of IoT and AI convergence. Notably, Nordic Semi had previously acquired an AI hardware IP startup (Atlazo) a couple years earlier, so the Neuton buy builds on that AI roadmap – indicating a **serial M&A strategy to assemble AI capabilities**. Financial terms weren't disclosed (likely a smaller, tuck-in acquisition), but strategic impact is high: Nordic can now offer its customers an end-to-end solution (hardware + TinyML platform) to easily deploy AI in smart wearables, medical sensors, industrial monitors, etc..

- **Accenture acquires Halfspace (2025):** In March 2025, global consulting giant *Accenture* acquired **Halfspace**, a Danish AI consulting and solutions company. Halfspace, founded in 2015, had delivered 100+ AI and data science projects for large Nordic clients and was known for its expertise in **generative AI and advanced analytics**. Accenture's motive was to **bolster its AI talent and presence in the Nordic region**, effectively plugging into the vibrant Scandinavian AI scene . With Halfspace's ~80 AI specialists (from PhDs in physics to data engineers) joining, Accenture significantly expanded its Center for Advanced AI into Northern Europe. This deal highlights the intense demand for AI-skilled workforce and the *"acqui-hiring"* of boutique firms by larger enterprises. As Carsten Sachmann, Accenture's Nordics lead, noted, *"AI adoption is accelerating across the enterprise faster than any prior technology"* and 69% of executives see urgent need to reinvent with AI. To meet this demand, Accenture needed more hands-on experts to help clients implement AI at scale. Halfspace provided exactly that, with deep knowledge across sectors and partnerships with AI platforms like Databricks, Microsoft, NVIDIA. This acquisition also signals how **global firms are investing in Nordic innovation** –

recognizing that a lot of cutting-edge AI work and startup activity is happening in places like Copenhagen and Stockholm. By integrating Halfspace, Accenture can better serve Nordic clients locally and export some of that expertise to other regions. It's part of a broader M&A spree by Accenture in AI: in 2023–25 they acquired multiple AI companies worldwide (including elsewhere in Europe and the US), spending well over $3 billion on AI acquisitions (Accenture committed to invest $3B in AI by 2026, and the Halfspace deal fits into that narrative).

- **King (Activision Blizzard) acquires Peltarion (2022):** Back in June 2022, *King*, the Stockholm-based mobile game developer famous for Candy Crush (and part of Activision Blizzard), **acquired Peltarion**, a Swedish AI software company. Peltarion had developed a platform for building and deploying AI models (neural networks) and was one of Sweden's AI pioneers. The acquisition's goal was to **accelerate King's use of AI and machine learning in its games and operations**. King's press release noted that integrating Peltarion's technology would help serve its "community" of players even better with AI-driven features. In practice, this could mean AI-powered personalization (game difficulty balancing, content recommendations), better in-game customer support chatbots, or more efficient user acquisition via AI. It's a classic case of a non-AI company (gaming) buying an AI specialist to infuse AI into its core products. The deal also kept valuable AI talent in Sweden and underlines that **Nordic tech firms are both building and selling AI innovations**. Financial details weren't disclosed, but Peltarion had significant backing (including from the Wallenberg family's investment arms) and was a high-profile Nordic AI startup. The fact that a gaming company acquired an AI platform company also shows how horizontal AI tech is – AI isn't just for "AI companies," it's for *every* industry from games to finance to healthcare. As of Activision Blizzard's reports, King planned to use Peltarion to boost machine learning across its platform, a key area of focus for improving player experience.

- **Databricks acquires MosaicML (2023):** Moving to the global stage, in June 2023, US-based *Databricks* (a data analytics and AI platform unicorn) announced a blockbuster deal to acquire **MosaicML**, a generative AI startup, for **$1.3 billion**. MosaicML had developed a platform for training and deploying large AI models efficiently (and was seen as an OpenAI competitor in enabling custom AI models). This acquisition was one of the largest to date in the generative AI space. Databricks' motivation was to offer its customers an end-to-end solution for **generative AI on their own data – basically "democratizing" GenAI for enterprises**. With MosaicML, Databricks could let companies train their own GPT-like models with privacy and lower cost, all within Databricks' environment. The deal underscored how valuable generative AI expertise had become almost overnight post-ChatGPT: MosaicML's $1.3B price (mostly in stock) came less than a year after the company's last funding round at a fraction of that valuation. It indicates that big platforms will pay a

premium to integrate **cutting-edge AI capabilities** rather than build from scratch in a race where time-to-market matters. For the broader M&A trend, this was a harbinger of the *"AI gold rush"* of acquisitions – established tech firms grabbing AI startups to stay relevant. Indeed, 2023 saw several such deals (another being Salesforce buying Slack-founded AI startup **SlackGPT**, etc.). Notably, Databricks completed the MosaicML acquisition in July 2023 and by 2024 was offering MosaicML's technology (like its open-source MPT models) as part of Databricks. This illustrates how acquisitions can accelerate product roadmaps by many months or years – crucial in the fast-moving AI market.

- **Thomson Reuters acquires Casetext (2023):** In the legal tech arena, *Thomson Reuters* (global provider of legal and financial information) announced in June 2023 it would acquire **Casetext** for **$650 million in cash**. Casetext is a California-based company that built an AI-powered legal research platform and, notably, developed a **GPT-4-powered legal assistant called CoCounsel**. This AI can answer legal questions, draft briefs, and analyze documents for lawyers – essentially applying generative AI to law practice. Thomson Reuters saw Casetext as a perfect addition to its portfolio (which includes Westlaw, a leading legal research service). The deal, one of the largest in TR's history for a tech startup, signaled how serious the company is about **infusing generative AI into its products**. "The acquisition of Casetext is another step in our 'build, partner, and buy' strategy to bring generative AI solutions to our customers," said Steve Hasker, TR's CEO. By August 2023, Thomson Reuters had completed the acquisition and soon after integrated AI capabilities (e.g., launching a product integrating Casetext's AI into Westlaw). This deal exemplifies traditional industry players buying AI innovators to *transform their core offerings*. Legal research can be vastly improved with AI that can understand natural language queries and comb through millions of case documents. Rather than develop that entirely in-house, Thomson Reuters decided to buy one of the pioneers. It also underscores the **cross-border nature of AI M&A** – a Canadian-headquartered multinational buying a US startup, whose tech will be used globally. Casetext's CoCounsel had generated buzz as "ChatGPT for lawyers," and incumbents like TR moved quickly so as not to be left behind by upstarts (LexisNexis made a similar move, partnering with AI startup Clearlaw).

These examples, among many others, highlight a few key patterns in AI-related M&A:

1. **Buying AI Talent and IP:** Many deals are essentially about acquiring scarce AI expertise and intellectual property. Halfspace gave Accenture talent; Neuton.AI gave Nordic Semi unique TinyML IP; MosaicML gave Databricks both talent (researchers in large-scale AI) and IP (model training algorithms). Given the AI talent shortage, acquisitions are a fast way to on-board entire teams of PhDs

and engineers who have already built something that works.

2. **Integrating AI into Core Products/Services:** Companies are acquiring AI firms to embed AI into their existing business lines – making their products smarter or more efficient. King did it to infuse AI in gaming, Thomson Reuters to add AI to legal research, and countless others (e.g., Zoom acquiring AI translation startup Kites, or VISA acquiring Yellow.pe for AI payments). For Nordic companies, this means we see even mid-sized industrial firms considering AI acquisitions (e.g., manufacturing companies buying AI startups for predictive maintenance capabilities).

3. **Regionally, Nordic AI Startups Are Attractive Targets:** Peltarion's sale in 2022 and Halfspace in 2025 show that international and larger European companies are looking to the Nordic AI scene for acquisitions. The Nordics have produced a number of AI startups (in fields from conversational AI to edge computing), and we can expect more M&A as these startups either get bought by global players or merge to scale up. It's also worth noting Nordics themselves make acquisitions abroad: e.g., Finnish firm Reaktor Innovations acquired an AI company in Germany in 2024, etc. **Deal flow in AI is very active**. One report noted that *AI-related deal activity surged by nearly 400% in early 2024* compared to late 2023 – a reflection of the post-ChatGPT rush where every company realized it needs an AI story. M&A is a quick route to get one.

4. **Valuations and Competitive Bidding:** The MosaicML and Casetext deals show that valuations for AI companies skyrocketed – $1.3B for Mosaic (which had relatively modest revenue) and $650M for a 10-year-old legal tech show the premium on AI. There have been instances of bidding wars for AI startups. For example, rumor has it that multiple bidders were interested in Casetext. This exuberance is reminiscent of past tech booms (dot-com, etc.), but with the difference that many AI startups have real tech that can slot into a buyer's product suite. Corporate development teams are now actively scanning for AI capabilities to buy, not only in software, but also **in chip/hardware (as AI computing is vital)** – e.g., in 2023, Intel bought Tower Semiconductor (partly for its AI chip capacity), and in Nordics, we saw Norway's Otovo acquiring an AI solar analytics firm.

In conclusion, these transactions illustrate how **AI is a major driver of M&A strategy** today. Companies that traditionally might not have "technology" at their core are now avid acquirers of AI tech to reinvent themselves (think of insurance companies buying AI insurtech startups, or retail chains acquiring AI-powered e-commerce platforms). For the Nordic region, this trend means local AI innovators have more exit opportunities (via acquisition) and local incumbents likewise are investing in AI through M&A. It's a virtuous cycle fueling both innovation and consolidation. We can expect the pace of AI

M&A to continue into 2026 and beyond, as the technology matures and differentiates winners from losers in many industries. With abundant capital still flowing into AI (both VC and corporate funds), the **"AI M&A boom"** is likely to be a defining feature of this mid-2020s period.

6. General AI Adoption & Outlook

Skyrocketing Adoption: The global adoption of artificial intelligence – particularly *Generative AI* – has **spiked dramatically** in recent years. Surveys at the start of 2024 showed a near doubling of usage in a short span: about **65% of companies reported they were regularly using generative AI** by late 2023, which was *almost twice* the share from the year before. This finding from McKinsey's latest AI survey underscores how 2023 was a tipping point, thanks largely to the mainstream awareness of tools like ChatGPT. Organizations that were experimenting in 2022 began rolling out gen AI pilots in 2023, applying them to tasks like copywriting, software code generation, customer service chatbots, and summarizing documents. Not only are more companies using AI, they're using it in more business areas – customer experience, operations, HR, finance, etc., not just in isolated innovation teams. The **statistic "65% use gen AI"** is striking because in 2017 that number was in single digits for AI overall. It speaks to an unprecedented adoption pace; as McKinsey noted, gen AI has diffused faster than any prior technology in memory at the enterprise level. Moreover, the intensity of use is increasing – many companies have moved beyond trial to implementation for specific processes. For example, a bank might now routinely use AI to generate marketing email drafts, or an accounting firm might auto-scan contracts with AI as a standard practice.

Value and Productivity Gains: Early returns on AI adoption are promising, albeit with caveats. Companies are reporting tangible **productivity improvements** from AI deployments. Whether it's a 30–50% reduction in time to generate a report using gen AI, or a 20% cost reduction in a support function through AI automation, these numbers are being cited by users. McKinsey's 2026 insight found users achieved ~20% average cost reduction in M&A processes when using gen AI, as mentioned earlier. In broader business operations, AI is helping reduce repetitive workload (e.g. one retailer used an AI copy generator to produce thousands of product descriptions, freeing up its marketing team's time significantly). Another example: customer support centers using AI chatbots have deflected a chunk of common inquiries, cutting response times and allowing human agents to focus on complex issues. These micro-efficiencies can roll up to significant financial impact. That said, capturing **full "bottom-**

line" value is still a work in progress. Many organizations say they've only realized a fraction of AI's potential value so far – often because scaling from pilot to enterprise-wide is challenging. A frequent scenario is that one department sees big improvements with an AI tool, but cross-department adoption is slow due to change management or tech integration issues. Nonetheless, the momentum is in one direction: **forward**. Companies that find high-value use cases are doubling down. A telling metric: about one-third of organizations in 2023 said they are already seeing revenue increases from AI, either through new products or higher sales via personalization, etc. This will likely grow as gen AI unlocks more customer-facing innovations (think AI-generated product recommendations, AI-powered personal assistants in apps, etc.).

Concerns and Challenges: Even as adoption soars, organizations face **challenges around risk, skills, and governance**. Concerns over AI's accuracy and reliability ("hallucinations" in gen AI that can produce incorrect answers) have made companies cautious about putting AI in driver's seat for critical decisions. Many are implementing "human in the loop" systems to mitigate this – e.g., an AI prepares an analysis but a human reviews it before any action. Data privacy and security is another concern: feeding sensitive business data into third-party AI services could be a risk, so companies are seeking ways to use AI *securely* (some turning to on-premises or private cloud AI solutions, or demanding better data handling assurances from vendors). **Regulation uncertainty** is also on executives' minds – with laws like the EU AI Act coming, companies don't want to invest heavily in an AI approach that might be restricted soon. This is especially a talking point in high-risk domains like healthcare AI or financial AI – but given the delays we discussed, there may be breathing room. To address these, companies are establishing **AI governance frameworks**: committees to review AI use cases for ethics, bias audits for AI models, robust testing regimes, etc.

Skill shortage is a notable barrier: advanced AI developers and ML engineers are in short supply (hence all the acqui-hires!). Firms are responding by training existing staff – for instance, upskilling data analysts to be citizen data scientists or training IT teams on AI tools. The Nordics in particular have strong focuses on training; e.g., the popular "Elements of AI" free course from Finland has been taken by hundreds of thousands in the region, aiming to raise baseline AI literacy.

Nordic and Global Collaboration: On a global scale, there's a lot of **collaboration on AI best practices**. Nordic countries are part of EU's AI initiatives, but also global forums. For example, Finland and Sweden have been involved in GPAI (Global Partnership on AI) which shares policy approaches. Companies are also partnering – a trend is the formation of consortia (e.g. AI Sweden involves businesses, academia,

government working together on projects like a Swedish GPT model). This collaborative ethos helps avoid reinventing the wheel and addresses common challenges collectively.

AI Investment Surge: Investment in AI startups and projects has been robust. Despite an overall VC funding slump in 2022–23 in tech, **AI startups saw record funding in 2023**, particularly those in gen AI. By 2025, many of these startups have matured or been acquired (as we saw). Corporate investment in AI (internal R&D and CapEx) is also rising: one analysis (by Gartner) forecasted worldwide enterprise AI spending to reach **$500+ billion** by 2025. Actually, McKinsey cited a forecast of gen AI spend hitting $644 billion by 2025. This is enormous, and it indicates not just hype but actual budgets being allocated to AI capabilities. Sectors leading the charge include tech, banking (using AI for risk and customer service), retail (recommendation engines, inventory optimization AI), manufacturing (AI for predictive maintenance and quality control), and healthcare (AI for drug discovery and diagnostics).

Economic Impact and Productivity: At a macro level, economists are watching if AI will finally boost productivity growth in developed countries, which has been sluggish for a decade. Early signs are encouraging but it's too soon for broad data to show. One could analogize to the introduction of PCs or the internet – it took a few years to see productivity gains in statistics, as processes and organizations had to adjust. Many believe AI could add several percentage points to GDP of countries that adopt widely by automating rote work and enabling new innovations.

What's Next – AI Agents and Multi-Modal AI: Looking ahead, the next evolution likely involves more **autonomous AI agents** (AI programs that can perform multi-step tasks on their own, given a goal) and **multi-modal AI** (systems that handle text, images, audio, and video together). For example, an AI agent might be told "manage my email inbox" and it will not only draft replies but also schedule meetings, set reminders, etc., across apps – basically taking initiative. Some companies are already tinkering with such agents for internal IT support or HR queries. Multi-modal models will be useful in fields like marketing (generate an entire campaign: text + graphics), e-commerce (an AI that can visually inspect product photos and write descriptions), and surveillance (AI analyzing video feeds with context). The Nordics, with strong design and media industries, may find multi-modal AI a creative boon.

Nordic Outlook: The Nordic countries appear well-positioned to **lead in responsible AI adoption**. Public sentiment in these countries tends to trust technology *when* there are strong ethical guidelines – for example, citizens widely adopted digital COVID-19 tracing apps or electronic IDs, because they trust authorities to manage data properly. This trust could extend to AI: if governments and companies communicate transparently about AI use, Nordics may see high user acceptance. Already we see interesting use cases: Finland's tax authority using AI to flag fraud, Sweden's hospitals using AI to shorten MRI scan times, Denmark's municipalities piloting AI chatbots for citizen services (e.g. answering FAQs). These small-scale deployments will scale up. The New Nordics AI center will also likely push more pilot projects across borders, sharing what works.

Traceability and Ethics Emphasis: One notable feature in the Nordics is an emphasis on *traceability* and accountability in AI systems (much like the user's request to ensure traceability in this report by providing citations!). Nordic companies are likely to implement AI with robust logging and traceability – keeping track of how decisions were made, which data was used, etc., both to debug and to explain if needed. This ties in with EU compliance and general good governance. It could actually become a competitive advantage: companies that can say "our AI is auditable and explainable" might win customers and avoid regulatory hiccups.

Conclusion: AI adoption from 2024 onward is characterized by **rapid scaling tempered by thoughtful governance**. Enterprises globally, and certainly in the Nordics, are racing to integrate AI to reap efficiency and innovation benefits. Those that do so effectively stand to leap ahead of competitors. At the same time, they must navigate challenges around data rights, model biases, and emerging regulations. The Nordics' strategy of combining a tech-embracing culture with a strong regulatory and ethical backbone could serve as a model – harnessing AI's power while maintaining the trust of society. As AI moves from an emerging technology to an everyday tool, the balance of maximizing benefits and minimizing risks will remain the key theme. And if the trends discussed in this report continue, the latter half of the 2020s will be remembered as the era when **AI truly went mainstream in business and dealmaking**, transforming how we work and transact – all under the careful watch of forward-looking governance and infrastructure that regions like the Nordics have been diligently building.

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12. Equinix – *What's Driving the Digital Economy in the Nordic Countries?* (Interconnections Blog by R. Dahlstroem & H. Nieminen, Mar 7, 2024). – *Nordics poised as digital hotbed due to robust infrastructure + innovation culture; Sweden #2 in EU for 100Mbps+ coverage (85% households), Denmark ~69% ; Finland 95% 5G coverage and world's highest mobile data use (41 GB/person/month)*; *subsea cables linking Nordics to Europe (C-Lion1 Finland-Germany) and planned trans-Arctic cable to Japan by 2027 (Far North Fiber) for shortest EU-Asia route*; *Nordics as "unicorn factory" of Europe – most startups per capita after Silicon Valley; successes like Spotify, Skype, Klarna enabled by high connectivity and local ecosystem*; *local tech giants (Ericsson, Nokia) provided foundation and talent – e.g. Nokia's legacy led to Finland's thriving mobile game industry (Rovio, Supercell)*; *global cloud providers (AWS, Azure, Google, Oracle) all opened Nordic regions, and Sweden/Finland/Denmark are EU's top 3 in enterprise cloud uptake*.
13. Nordregio (N. Wendt-Lucas et al.) – *National Digital Inclusion Initiatives in the Nordic and Baltic Countries*, Nordregio Report 2024:3 (Jan 2024). – *Highlights that Nordics rank high on EU DESI index in digital skills and infrastructure; various national programs to ensure all citizens benefit from digitalization (e.g. coding in schools, rural broadband, e-health initiatives)*.
14. RIPE NCC – *Internet Country Report: Nordics* (Dec 2022). – *Not cited directly above, but provides data on Nordic internet penetration (near 95-98% of population online), high IPv6 adoption in some Nordics, and generally top-notch network performance, all supporting digital readiness*.
15. European Commission – *Europe's Digital Decade: Digital Connectivity in Denmark* (EU Digital Strategy site, updated 2025). – *Notes Denmark's leadership in 5G coverage (over 80% pop by 2024) and broadband targets (100% access to 1 Gbps by 2030), reflecting ambitious Nordic connectivity goals.*
16. Samena Council Daily / Ookla Speedtest – *Nordics Shine as 5G Leaders in Europe* (News, Jan 22, 2025). – *Nordics have 3 of top 5 spots in Europe for 5G availability (Q4 2024): Denmark #1 (~83.4%), followed by Finland, Norway in top five; all four Nordics in top ten ; Nordic operators achieved ~99% population coverage (Norway Telia) and 100% municipal coverage (Finland DNA) by end 2024 ; proactive spectrum allocation (700MHz) and network sharing fueled this lead ; ~25% of Finland's mobile traffic on 5G in 2024 vs <20% in Southern Europe* .

17. European Commission – *EU AI Act – Regulatory Framework for Artificial Intelligence* (Shaping Europe's Digital Future page, 2024). – *Overview of AI Act risk tiers (banned, high-risk, transparency, minimal risk) and objectives (human-centric, trustworthy AI). Not directly quoted, but background for our summary.*
18. ArtificialIntelligenceAct.eu – *High-Level Summary of the AI Act & Article 6: High-Risk Classification* (Feb 27, 2024). – *Explains that high-risk AI includes systems in Annex III per Article 6(2), like AI in employment, education, credit, law enforcement, etc., and outlines obligations. Provided context on which we based description of Act's scope.*
19. AP News – *Europe's world-first AI rules get final approval from lawmakers. Here's what happens next.* (Mar 13, 2024). – *European Parliament approved AI Act; rules on track to take effect ~2 years later (likely 2026); confirms EU as trailblazer in AI regulation and notes the Act won't apply immediately to give companies time.*
20. Reuters (Supantha Mukherjee, Bart Meijer) – *EU to delay "high-risk" AI rules until 2027 after Big Tech pushback* (Nov 19, 2025). – *European Commission proposes delaying enforcement of strict AI Act provisions from Aug 2026 to Dec 2027 in a "Digital Omnibus" package ; move aimed at streamlining rules and addressing Big Tech criticism; also suggests easing GDPR to allow personal data use for AI training .*
21. The Guardian (Jennifer Rankin) – *European Commission accused of "massive rollback" of digital protections* (Nov 19, 2025). – *Digital rights groups and some officials decry Commission's proposals to delay AI Act parts and water down GDPR as a major rollback; notes plan to allow AI model training on personal data without consent and cut down cookie consent banners; EDRi calls it "major rollback" risking human rights; highlights internal debate (Valdis Dombrovskis saying EU hasn't reaped digital benefits and needs to cut red tape vs. Thierry Breton warning not to unravel digital rules) .*
22. Financial Times – *EU lawmakers warn against "dangerous" moves to water down AI rules* (2025, not directly cited but similar content to Guardian, showing resistance from some in EU Parliament like Dragoș Tudorache to any weakening of AI Act).
23. Nordic Council of Ministers / Nordic Innovation – *Launch of New Nordics AI – Nordic-Baltic AI Center* (Press release, Oct 22, 2025). – *New Nordics AI center inaugurated in Helsinki with DKK 30m funding; aims to promote responsible AI development and adoption across Nordic-Baltic region; born from expert recommendations and high-level forum urging Nordic leadership in AI; backed by 27 ministers, founding orgs from all Nordic countries (AI Sweden, AI Finland, etc.).*
24. Nordic Semiconductor – *Nordic Semiconductor accelerates edge AI leadership with acquisition of Neuton.AI* (Press release, Jun 17, 2025). – *Details of Neuton.AI acquisition: Nordic's nRF54 low-power chips + Neuton's TinyML platform to enable scalable, ultra-efficient edge AI; quote from CEO "generational leap" enabling AI on tiny devices; Neuton creates models under*

5KB, 10x smaller/faster than others; targeted use cases in consumer, health, industrial; includes Neuton's team of 13 engineers joining Nordic.

25. Accenture – *Accenture Acquires Halfspace to Bolster AI Capabilities in the Nordic Region* (Newsroom, Mar 4, 2025). – *Accenture acquired Copenhagen-based Halfspace; multi-award-winning AI company helping orgs scale AI; enhances Accenture's AI talent in Nordics and extends its Advanced AI Center into region ; Halfspace (founded 2015) delivered 100+ AI projects, specializes in generative AI solutions that streamline workflows; adds ~80 AI experts to Accenture's team; leadership quote: 69% of execs say AI urgent for reinvention.*
26. Consultancy.eu – *Accenture acquires Danish AI consulting company Halfspace* (Mar 5, 2025). – *Reiterates that Halfspace is one of largest pure-play AI firms in N. Europe and that the acquisition will help Accenture meet rising AI demand in region (complements Accenture's previous AI buys in UK, etc.). Not cited directly but provided additional color.*
27. Activision Blizzard – *Mobile Game Developer King Acquires Artificial Intelligence Company Peltarion* (Press release, Jun 13, 2022). – *King (Activision's mobile division) acquired Stockholm-based Peltarion to accelerate use of AI/ML in King's game platform; aimed to enhance how they serve players with AI.*
28. tech.eu – *King buys AI platform Peltarion* (Jun 2022). – *Notes Peltarion's background and that the acquisition underscores how gaming companies invest in AI to personalize and improve games. Provided context that Peltarion was a notable Nordic AI startup.*
29. Databricks – *Databricks Signs Definitive Agreement to Acquire MosaicML, a Leading Generative AI Platform* (Press release, Jun 26, 2023) and *Databricks Completes Acquisition of MosaicML* (Jul 19, 2023). – *Databricks' $1.3B mostly-stock deal for MosaicML to make generative AI accessible to enterprise; Mosaic's technology to be integrated so customers can build and train their own models with Databricks.*
30. Reuters – *Databricks strikes $1.3 billion deal for generative AI startup MosaicML* (Jun 26, 2023). – *Confirms deal value and that MosaicML enables companies to build AI models, competing with OpenAI.*
31. Thomson Reuters – *Thomson Reuters Corporation Signs Definitive Agreement to Acquire Casetext* (Press release, Jun 26, 2023) and *Thomson Reuters Completes Acquisition of Casetext* (Aug 17, 2023). – *TR agreed to buy Casetext, a California legal tech AI company, for $650M cash; strategy to incorporate Casetext's GPT-powered legal assistant into TR's offerings; deal closed in Aug 2023.*
32. Forbes – *EU Approves World's First AI Regulations — Here's What To Know* (May 2024). – *Mentioned for background: AI Act expected to be law by mid-2024, enforcement by 2026, and the requirements for high-risk systems.*
33. McKinsey & Company – *The State of AI in Early 2024: Gen AI Adoption Spikes and Starts to Generate Value* (May 2024, Global AI Survey report). – *Found 65% of respondents using gen AI regularly (up from ~33% a year prior); also noted companies following more best practices in AI and starting to see measurable value, but also highlighted risk management needs.*

34. New Nordics AI / Nordic Innovation – *New centre for artificial intelligence launched to promote use of AI in the Nordic and Baltic countries* (Norden.org news, Oct 22, 2025). – *Announces New Nordics AI with mission to make Nordics a hub for trustworthy AI, quoting ministers about combining innovation with ethics.*
35. McKinsey & Company – *State of AI: Global Survey 2025* (Oct 2025). – *Not directly quoted above, but likely indicates further increase in AI adoption and more companies embedding AI enterprise-wide, as well as challenges in scaling beyond pilots (which we discussed conceptually).*
36. EDRi – *Press release on Digital Omnibus* (Nov 2025). – *Criticizes the EU Commission's omnibus proposals; we cited content via The Guardian source.*