

German AI startup, hope of Europe, cites 'existential danger'

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Europe's hope to rival OpenAI, Aleph Alpha, may have just raised close to 500 million euros (\$534 million) from investors this week, but its cofounder said Friday the start-up was in a battle to even survive.



An alliance of investors, including the Lidl owner Schwarz group, Bosch, SAP and Hewlett Packard Enterprises, pumped 467 million euros into the German-based artificial intelligence company this week.

Prior to the cash injection, the company of 60 employees founded in 2019 only had capital of 28 million euros.

But Jonas Andrulis, the company's co-founder, told business daily Handelsblatt of the scale of the challenge facing them.

"The moment I discovered that OpenAI received another 13 billion, I knew that we were in existential danger," Andrulis said in the interview published on Friday.

But since the launch of ChatGPT by Microsoft-backed OpenAI about a year ago, a heated race has been on between big tech's largest players like Google and Meta for a slice of the market.

"Microsoft recognized that there is nothing more important than the technology and they decided to go for a <u>dominant position</u>," said Andrulis, adding that OpenAI essentially "threatens our existence".

Given the US domination, "let's not kid ourselves—the mission of European technological sovereignty is against the odds," said the former Apple engineer.

Aleph Alpha specializes in generative AI, the software that can produce text, images or other media that look like those created by humans.

A big part of what it is also pushing for is data sovereignty or protection of data—an issue that has gained sensitivity as instances of state-backed cyberespionage or hacking grow.



The company is also getting a boost from a partnership with an AI innovation center in Heilbronn, which is backed by the foundation of Lidl's founder Dieter Schwarz.

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