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December 5, 2023

Dear Sir/ Madam,

**Sub: Press release**

Please find enclosed the press release titled “**European Firms Struggle to Generate Value from Generative AI, Yet Will Double Spending in 2024: Infosys Research.**”

This information will also be hosted on the Company’s website, at [www.infosys.com](http://www.infosys.com).

This is for your information and records.

Yours Sincerely,  
For **Infosys Limited**

**A.G.S. Manikantha**  
*Company Secretary*

**INFOSYS LIMITED**

CIN: L85110KA1981PLC013115

44, Infosys Avenue  
Electronics City, Hosur Road  
Bengaluru 560 100, India

T 91 80 2852 0261

F 91 80 2852 0362

investors@infosys.com

[www.infosys.com](http://www.infosys.com)

## **European Firms Struggle to Generate Value from Generative AI, Yet Will Double Spending in 2024: Infosys Research**

*Ethics, Bias and Regulatory concerns slowing European adoption*

**London, UK – December 5, 2023:** Europe is doubling down on generative AI (GenAI) investment but is on a more cautious path than North America, according to new research from the [Infosys Knowledge Institute](#) (IKI), the research arm of [Infosys](#) (NSE, BSE, NYSE: INFY). The research forecasts that European companies will increase GenAI investments by 115% in the next year, to \$2.8 billion.

The pace of investment is slower than in North America where spend is expected to reach close to \$6 billion. This more cautious spend is largely due to concerns around ethics and bias driven by the more regulated European market. However, European companies remain optimistic about generative AI's impact on their business and are much more confident in their ability to train and recruit talent, as well as manage and control generative AI systems.

For the **Generative AI Radar 2023 – Europe** report, IKI surveyed 1,000 respondents from companies across 11 Western European countries (Belgium, Denmark, Finland, France, Germany, Iceland, Luxemburg, Netherlands, Norway, Sweden and United Kingdom). The research, which is also supported by interviews with business leaders and AI practitioners, highlights the following insights.

- **France and Germany lead spending and adoption**

- France and Germany are expected to double spending on GenAI, to nearly \$730 million in France and almost \$610 million in Germany, in the next 12 months.
- In both countries, about 50% of companies have either implemented GenAI or have implemented and have created business value from it – compared with roughly 40% in UK, Benelux, and Nordics.
- UK is expected to move past Benelux into third place in the next 12 months, more than doubling spend to nearly \$510 million.
- Nordic companies are expected to increase spending at the highest rate in the next 12 months – more than 2.5x their current spending, to more than \$470 million.

- **European companies are deploying GenAI, but few have created business value**

- Despite high levels of experimentation and implementation with GenAI, only 6% of European companies generate business value with their GenAI use cases. France, Germany and the UK lead the region, with about 10% of companies reporting value delivered by their GenAI projects.

- **European companies are more focused on ethics and bias, and more confident about managing and controlling GenAI than North American companies**
  - European companies identified ethics and bias as the second biggest challenge, after data privacy and security. North American companies are less concerned with ethics and bias – where it was the fourth biggest challenge behind issues such as data privacy, unusable data and lack of skills.
  - European companies also have more boards of directors involved in GenAI policies, reflecting their concerns around regulations. In Europe, boards of directors set regulations and policies at more than 30% of companies and are primary sponsors nearly 20% of the time.
  - More than 70% of European respondents are confident in GenAI management abilities.

**Balakrishna D. R. (Bali), Executive Vice President, Global Head of AI and Industry Verticals, Infosys,** said “Generative AI is driving phenomenal transformation across industries, and investment is happening at a rapid pace. Against the backdrop of an ever-evolving regulatory landscape, organizations must embed responsible AI techniques to not only improve data quality and management, but effectively manage ethics and bias risks. Our research has shown that for European businesses to derive business value, they must develop and evolve an AI-first operating model that prioritizes business transformation and skills development, and enables them to maximize human potential.”

To read the full report, please visit [here](#).

### **Methodology**

Infosys used an anonymous format to conduct an online survey of more than 1,000 business executives across industries across Belgium, Denmark, Finland France, Germany, Iceland, Luxemburg, Netherlands, Norway, Sweden and United Kingdom. To gain additional, qualitative insights, the researchers interviewed subject matter experts and business leaders.

### **About Infosys**

Infosys is a global leader in next-generation digital services and consulting. Over 300,000 of our people work to amplify human potential and create the next opportunity for people, businesses and communities. We enable clients in more than 56 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, as they navigate their digital transformation powered by cloud and AI. We enable them with an AI-first core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organization where diverse talent thrives in an inclusive workplace.

Visit [www.infosys.com](http://www.infosys.com) to see how Infosys (NSE, BSE, NYSE: INFY) can help your enterprise navigate your next.

### **Safe Harbor**

Certain statements in this release concerning our future growth prospects, or our future financial or operating performance are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those in such forward-looking statements.



The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, our ability to attract and retain personnel, our transition to hybrid work model, economic uncertainties, technological innovations such as Generative AI, the complex and evolving regulatory landscape including immigration regulation changes, our ESG vision, our capital allocation policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, and our corporate actions including acquisitions. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements are discussed in more detail in our US Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2023. These filings are available at [www.sec.gov](http://www.sec.gov). Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

**Media contacts:**

For further information, please contact: [PR\\_Global@infosys.com](mailto:PR_Global@infosys.com)