AMD agrees to buy Taalas for about $2.9 billion and World Labs for about $8.2 billion

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Advanced Micro Devices Inc. AMD-Q said Wednesday that it will pay about US$2.9-billion for Toronto-based semiconductor startup Taalas Inc., making it one of the largest takeovers of a Canadian technology company. Santa Clara, Calif.-based AMD announced the deal in August, and in a securities filing Wednesday it disclosed the price of the cash-and-stock acquisition. It said US$1.4-billion of the purchase amount is dependent on unspecified conditions. The deal has yet to close and is subject to regulatory approval and other conditions.

AMD’s acquisition of Taalas is the largest known transaction involving a Canadian technology company since Ecolab Inc. of St. Paul, Minn., agreed to acquire Calgary-based CoolIT Systems, which makes data-centre cooling equipment, for US$4.75-billion in March. AMD’s Taalas takeover also tops the US$2.75-billion that Nasdaq Inc. paid in November 2020 for Verafin Inc., a St. John’s-based cybersecurity startup – then a landmark exit of a venture-backed, private Canadian technology company. Former long-time AMD executives Ljubisa Bajic and Lejla Bajic and Drago Ignjatovic co-founded Taalas in August 2023. The startup set out to meet the growing demand for chips to run large language models (LLMs) and the generative tools they power. Rather than building general-purpose processors, Taalas bet that it could develop faster and more energy-efficient semiconductors by designing its hardware for specific AI systems. Its first chip was tailored to Meta Platforms Inc.’s Llama family of LLMs, which have been widely used and modified because they are freely available. Taalas had raised over US$225-million in venture financing, including a US$169-million funding round in February that included Fidelity Management & Research Co. and San Francisco-based Quiet Capital. At the time, CEO Ljubisa Bajic said the startup had 24 employees and had spent just US$30-million of its cash. The deal represents a big markup in the company’s valuation, based on an analysis of corporate filings. Taalas issued new equity as part of its Series B funding round in November 2025 at a price of US$94.51 per share. That would have given the company an implied valuation of over US$750-million, based on the number of shares it was authorized to issue at the time.

AMD said in August that it would integrate Taalas’s technology into future chips designed for so-called inference – the process of running AI models to produce outputs like text, images or the actions of AI agents. At the time, AMD chief software officer Andrej Zdravkovic, who is based in Toronto, said in a social media post that the Taalas team would be joining AMD’s Canadian workforce. The U.S. semiconductor company has made a series of acquisitions recently as it tries to catch up to Nvidia Corp. NVDA-Q , which dominates the market for the chips used to train and run AI models. In September, AMD announced it was buying World Labs, a San Francisco-based AI company, for US$8.2-billion. AI pioneer Fei-Fei Li co-founded the startup, which developed world models, a new type of system that more accurately reflects the real world. World Labs was backed by Radical Ventures, a Toronto-headquartered tech investor where Ms. Li is a scientific partner. And in June 2025, AMD agreed a deal to hire the engineering employees of Toronto-based Untether, a chip startup that subsequently shut down.

AMD has over 3,800 employees in Canada, including many engineering and other technical staff. The firm has maintained a major office in Markham, Ont., since acquiring ATI Technologies – at the time Canada’s second-largest technology company – in October 2006. The market for AI inference chips is heating up as cloud services and businesses seek cheaper alternatives to Nvidia’s processors to run generative tools and AI agents. Last month, Tenstorrent Holdings Inc. raised US$1.5-billion in a financing that valued the company at US$6.2-billion.

Backers included Fidelity, Morgan Stanley, Sandisk Corp. and T. Rowe Price. Taalas CEO Mr. Bajic founded Tenstorrent in Toronto in March 2016 after leaving AMD. But he gave up the CEO role to early investor Jim Keller, a prominent chip designer, in October 2022 and left the firm a few months later. Tenstorrent relocated to the United States in November 2023.

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