

NUAI TCDC v2.1 - contracts, capital and shareholder value

September 23, 2026 cutoff | Private conditional review | USDm unless noted

A 20-year lease can help TCDC create value, but the tenant, construction budget and capital providers still have to accept and deliver the modeled deal. The selected example is Phase 1 only: 207 electrical MW becomes 140.46 usable leased IT MW at 1.40 PUE and a separate 95% reserve.

Three values	Selected case	Meaning
Conditional value today	\$3.03 / existing share	Discounted cash attributable to beginning shareholders
Completion-date cash-flow value	\$3.97 / full ending economic share	Remaining cash flows at December 31, 2029
Mature endpoint	\$7.57 / ending share	12x forward property NOI, less remaining claims

The \$3.59 gap between the last two values is mainly a different valuation method and cash-flow basis. It is not all time or execution risk: the endpoint capitalizes property NOI, while the DCF pays tax, structural reserves, future capital and financing claims over a finite forecast.

The example uses negotiated \$150/kW-month starting rent, \$12m/usable IT MW construction, a 20-year lease, large tenant support and priced 9% long-term debt. These are conditional terms, not a NUAi contract or the \$125 rent / \$15m cost reference.

NUAI supplies \$44.00m of project cash on October 9, 2026. Outside common supplies \$279.86m for 42.37% final ownership and a modeled 15% return. NUAi retains 52.63%; Vistra receives 5%. Contribution credit is zero. This allocation requires negotiated fair common pricing and tenant acceptance.

Public financing adds 19.164m shares, or 17.98% of beginning shares, separately from awards and exercises. Ending economic shares are 139.229m. The first modeled NUAi and shareholder distribution is December 31, 2029. A passing conditional test does not secure the \$1.90bn of external project capital. Without assumed exercise cash, required issuance rises to 20.06% and the strict 20% cap leaves a \$0.26m gap.

1. Evidence, calibration and primary sources

The historical cutoff is September 23, 2026. Peer contracts establish what can be negotiated; they do not supply NUI with a tenant, credit guarantee or lender commitment.

Input	Selected treatment	Interpretation
Starting pure NNN rent	\$125 reference; \$150 negotiation	Starting rent, not average contractual revenue or power reimbursement.
Initial tenant lease	15-year reference; 20-year conditional case	20-year peers exist; no verified numeric NUI tenant term.
Construction scope	\$15m/usable IT MW reference; \$12-12.5m negotiation	Budget must include equivalent landlord assets and risk scope.
Renewal	50% probability; 100% final-rent reset	Probability, price reset, occupancy and downtime are separate.
Physical refresh	7.5% of original construction at age 16	Analyst physical-cost convention; does not move with lease expiry.
Mature valuation	10x / 12x / 15x property NOI	Independent of a 15- or 20-year lease; 12x is an analyst reference.

TeraWulf/Anthropic and Riot support 20-year tenant terms. Hut 8 River Bend and examined Cipher leases begin with 15 years. NUI described intended long-term NNN leasing without a verified numeric tenant term. A 20-year power agreement is not evidence of a 20-year tenant lease.

Peer construction figures cannot be transplanted without a scope bridge. Some reuse infrastructure, omit tenant fitout or transfer overruns to tenants. NUI campus guidance already excludes tenant-financed assets. Do not subtract those assets again or apply PUE to capacity already disclosed as critical IT.

[NUI leasing intent - March prospectus](#)

[Executed peer 20-year lease disclosure - TeraWulf July 6](#)

[Riot 20-year lease and construction presentation - August 10](#)

[NUI - Q2 report: filed cash, capital guidance and tenant-financed exclusions](#)

[NUI - September 21 8-K: executed but conditional PPA and powered-project interest](#)

[Hut 8 - River Bend filed presentation: 15-year lease and project economics](#)

[Cipher - Stingray filed presentation: 15-year lease, cost and overrun terms](#)

[Applied Digital - October 2025 8-K: preferred return, common participation and exit rights](#)

[Digital Realty - June 2026 8-K: 15-year leased assets and projected stabilized cap rate](#)

2. Who supplies the selected \$1.942bn project budget?

All figures below are USDm. The proposed recipient is the Phase 1 project SPV; borrower and investor legal entities are not disclosed. The modeled stack balances, but \$1,898.01m of external project cash remains conditional. The \$44.00m NUI transfer is not counted again as outside money.

Provider	Gross	Net / restriction	What the provider receives
Senior project debt	810.79	750.16 after fee/reserve	9% coupon; 20-year amortization; project collateral
Tenant direct infrastructure cash	337.11	266.32 after modeled receipt tax	Nonrefundable only as negotiated; not agreed tenant economics
Tenant prepaid rent	470.25	470.25 before applicable future taxes	15-year rent credits; conditional section 467 tax accrual
Outside common co-sponsor	279.86	279.86	42.37% final ownership; 15% modeled IRR
NUI project common	44.00	44.00 internal transfer	52.63% final ownership; cash due October 9, 2026
Vistra participation	0.00	No construction cash	5% powered-project interest; distribution priority unresolved

Construction is \$1,685.57m. Other uses include \$105.99m of construction interest/tax/security, \$16.22m of bank fees, \$44.41m DSRA, \$49.70m power collateral, \$32.87m build-partner fee and \$7.26m pre-operation LC fees. Direct-contribution receipt tax is \$70.79m, included in uses; it is not free untaxed capital.

The \$470.25m advance does not reduce equity dollar for dollar: it displaces \$267.98m of bank debt. Initial equity relief is \$202.27m, rising to \$249.35m after \$20.04m of lower fees/reserves and \$27.04m of lower construction interest. Required equity falls from \$573.21m to \$323.86m. Future credits already reduce current DCF; the earned-NOI endpoint deducts their finite remaining PV once, on its different basis.

Selected prepayment tax timing assumes a contract-qualified section 467 accrual schedule; book deferred revenue alone does not establish tax deferral. Immediate 21% receipt tax on \$470.247m is \$98.752m. After repricing, required issuance rises to 25.37%; a 20% cap leaves a \$15.56m HoldCo gap. Qualification, allocation and deductions remain contract-specific.

[Treasury section 467 regulations - contractual rent and interest allocation](#)

The tenant pays \$807.36m in total, combining \$337.11m direct infrastructure cash and \$470.25m prepaid rent. Only the latter earns contractual rent credits. The direct payment is a major negotiated concession whose tenant acceptance is not established. It must be justified commercially, not inferred from an investment-grade name.

3. Existing shareholders and early cash obligations

Capital / ownership measure	Selected result
Beginning shares	106.559m
New financing shares	19.164m / 17.98% of beginning
Performance award shares	4.221m
Restricted-stock award provision	5.298m
Option / warrant exercise shares	3.986m
Credit-support equity in selected case	0.000m
Ending economic shares	139.229m

A higher ownership target costs more. In the matched 20-year construction/refinancing family, a 60% Phase 1 target requires \$80.35m sponsor cash and 25.65% financing issuance; 70% requires \$149.65m and 41.50%. Both fail a 20% cap. The selected 40% target, which yields 52.63% under its different priced long-debt package, is not evidence that 70% is funded.

At HoldCo, \$66.91m gross public subscriptions yield \$64.91m after modeled 3% issuance costs. Five dated cohorts are independently priced to an 11% equity return. Their prices and ownership change over time; a single arbitrary share price is not imposed.

The \$44.00m project transfer is due October 9, 2026. The modeled cash reserve is \$48.42m at the cutoff, rolled forward from the filed \$69.821m June 30 balance. These are alternative dates, not additive funds. The additional \$8.36m of modeled exercise proceeds is hypothetical future cash, not current verified liquidity.

This case is not robust to losing exercise cash. Removing both \$8.36m of proceeds and 3.986m exercise shares raises fair issuance from 17.98% to 20.06%. At a strict 20% ceiling, the cash gap is \$0.26m. The approximate remedy is \$259,000 of additional cash or 0.0626 percentage point more issuance capacity; neither is committed.

Outside common pays \$279.86m for 42.37% final ownership, with modeled IRR of 15.00%. NUAI cash is \$44.00m and contribution credit is zero, yet NUAI retains 52.63%. This is a negotiated, return-priced common subscription - not an automatic pro-rata cost-sharing rule or a free grant of equity. Vistra takes the remaining 5%. Its priority over preferred/common distributions is the selected modeling convention; the disclosed interest does not resolve that contractual waterfall.

An imposed \$8 subscription price appears to lower issuance to 7.85%, but new investors fall \$30.62m short of their required present-value return. It fails. The selected fair weighted issue price is \$3.49; lower dilution cannot be created by undercompensating new investors.

The first modeled NUAI project and shareholder distribution is December 31, 2029. It does not remove the initial funding requirement. Development payback, investor return and cash distribution dates are separate measures.

[Filed June cash and capital scope - NUAI Q2 2026 report](#)

4. Longer debt costs money and changes refinancing risk

Financing package	Coupon	Amort.	Initial legal maturity	Initial balloon	Current value / issuance
Construction + refinancing	8.00%	15 years	2032-01-01	\$713.85m	\$3.33 16.39% issuance
Selected long legal term	9.00%	20 years	2048-12-31	\$0.00m	\$3.03 17.98% issuance
Stronger protected package	6.75%	15 years	2043-12-31	\$0.00m	\$3.36 16.21% issuance

All three examples use the same \$810.79m initial senior debt and 20-year tenant lease, with no interest-only period. None is executed NUAJ financing. The selected 9% term includes an analyst 100bp premium over 8%; the 6.75% protected alternative requires a stronger negotiated credit and construction package.

The selected amount equals 48.10% of gross construction and 60.13% of eligible landlord construction after the direct tenant contribution; it is 41.75% of all project uses. An 80% permitted-LTC control is not the actual borrowed percentage. The minimum cash-equity constraint binds: \$267.98m of cost-based and \$482.92m of DSCR capacity remain unused.

Required DSCR is 1.35x in the selected package; modeled minimum is 2.10x. Debt is fully amortized by December 31, 2048. The short-legal package has a \$713.85m balloon. Its conditional \$1,078.77m refinancing on December 31, 2031 repays that debt and releases \$319.13m after fees/reserves. Gross proceeds are not all new usable cash.

The protected 15-year package also assumes a later \$131.70m borrowing on December 31, 2043 after the initial loan amortizes, releasing \$102.58m net. The selected 20-year package has no later refinancing. Their values therefore reflect different debt, recycling and risk packages, not coupons alone.

River Bend-style high leverage requires project-specific cost scope, credit backstop, construction protections and amortization. It is not transferable as an unconditional 90-95% NUAJ LTC. Preferred structures also carry coupons, redemption floors, residual equity and exit/control rights; they are preserved in the engine but contribute zero capital in this selected ordinary-common case.

5. What changed from v2.0, at matched scope and cash

Step	Change	\$/existing share	Sequential effect
0	Original v2.0 B	\$2.831	+0.000
1	Selectable compact v2.1 reference	\$2.831	+0.000
2	Independent clocks, 15-year matched case	\$2.789	-0.042
3	Full physical refresh obligation	\$2.741	-0.048
4	Selected renewal and replacement-power rules	\$2.709	-0.033
5	20-year lease, fixed nominal tenant support	\$3.287	+0.578
6	Coherent priced 20-year debt package	\$3.003	-0.283
7	Final v2.1 with dated public repricing	\$3.033	+0.029

The selectable historical case reproduces the archived result exactly. The next steps separate clock corrections, physical-cost assumptions, renewal/power assumptions, lease duration, debt-package economics and dated public repricing. The 7.5% refresh is a changed physical-cost convention, not wholly a formula correction.

The duration-only step holds nominal tenant cash fixed and retains the inherited protected 15-year debt: \$2.709 becomes \$3.287. The priced 20-year debt then reduces value before public repricing. Final \$3.033 is not a pure lease-term or LTC effect.

Presentation changes - labels, dropdowns, evidence badges and value separation - do not add value. Phase 2 generation-duration validation is a separate classification correction: original GenCo duration and a priced replacement-power period must be tested independently, without changing the already modeled cash flows.

Separate stresses: the selected case has little room for adverse changes

Stress applied on its own	Fair issuance if funded	Problem at a 20% cap
Immediate 21% prepayment tax	25.37%	\$15.56m HoldCo gap
Prepayment received 365 days late	No funded solution tested	\$401.90m monthly construction gap; annual PV unchanged
LC cash margin rises from 25% to 100%	75.84%	\$114.03m project + HoldCo gap
Delivery and rent start delayed one year	No funded solution tested	\$49.25m HoldCo gap; project claims also fail
8.42% initial-term rent concession for prepay carry	28.19%	\$21.34m HoldCo gap

All five stresses fail the 20% cap. They are independent, not cumulative changes to the bridge. The rent concession offsets advance carrying cost at an analyst 8% tenant discount rate; direct tenant cash remains fixed and uncompensated by this calculation. A delayed receipt cannot fund construction merely because annual PV is unchanged. Full tables retain repricing and claim-failure details.

6. Why \$3.03 today is not the same as a \$7.57 endpoint

The mature date is December 31, 2029, using January-December 2030 NOI. Property NOI is \$253.91m; after the separate \$7.81m structural reserve, cash NOI is \$246.10m. At 12x property NOI, enterprise value is \$3,046.92m.

Endpoint reconciliation - USDm	Amount
12x forward property NOI	3,046.92
Less remaining senior debt	(794.94)
Less prepaid-rent credit value	(267.85)
Less finite power / other adjustment	(1.25)
Project equity before Vistra / common allocation	1,982.88
NUAI share of project equity	1,043.57
Add available HoldCo cash	10.00
Corporate endpoint equity / ending shares	1,053.57 / 139.229m

The corporate endpoint is \$1,053.57m / 139.229m ending economic shares = \$7.57. Remaining prepaid credits, debt and power costs are deducted once. Vistra and the priced outside-common interest are allocated before NUAJ receives its project share. No unowned GenCo value is added.

The completed DCF is \$3.97 per full ending economic share. Its \$3.59 difference from the endpoint reflects a finite, after-tax, after-reserve, after-claim cash-flow model, renewal uncertainty, future capital/closure costs and 11% equity discounting. The endpoint uses an 8.333% capitalization yield on property NOI and a going-concern market convention. This is not simply a time or execution-risk discount.

The current value reconciles to the completion-date DCF using dated continuing ownership and interim distributions: $\$0.21 \text{ of distribution PV} + \$3.97 / 1.40697 = \text{approximately } \$3.03$ (calculated with unrounded inputs). Endpoint multiple changes do not change current or completed DCF. At the same NOI, valuation date and capitalization multiple, 15- and 20-year leases produce the same property EV. Different remaining claims or funded ownership can still change the share value. Digital Realty disclosed 15-year leased assets at a projected stabilized cap above 6.5%, so there is no mechanical 20-year valuation premium.

7. Mature property value across rents and scope

USDm except starting rent in \$/critical kW-month. These are 20-year reference-cost contexts: \$15m/usable IT MW, not the selected \$12m negotiation. Phase 1 is valued at December 31, 2029; combined scope at December 31, 2031. Capacity retains 1.40 PUE and the 95% operating reserve.

Scope / starting rent	NOI	EV 10x	EV 12x	EV 15x	Funded \$/share
207 MW / \$125.00	211.6	2,115.9	2,539.1	3,173.9	Not established
207 MW / \$150.00	253.9	2,539.1	3,046.9	3,808.7	Not established
207 MW / \$166.67	282.1	2,821.2	3,385.5	4,231.8	Not established
207 MW / \$187.50	317.4	3,173.9	3,808.7	4,760.8	Not established
207 MW / \$208.33	352.7	3,526.5	4,231.8	5,289.8	Not established
757 MW / \$125.00	786.7	7,866.8	9,440.1	11,800.2	Not established
757 MW / \$150.00	944.0	9,440.1	11,328.2	14,160.2	Not established
757 MW / \$166.67	1,048.9	10,489.0	12,586.9	15,733.6	Not established
757 MW / \$187.50	1,180.0	11,800.2	14,160.2	17,700.3	Not established
757 MW / \$208.33	1,311.1	13,111.3	15,733.6	19,667.0	Not established

Where Not established appears, the row has no accepted fully priced funding path. Its property EV remains useful, but a funded shareholder price and denominator are not established. This is not a zero-economic-value conclusion. The selected negotiated Phase 1 case has a different capital package and supports the separately shown \$7.57 conditional endpoint.

The externally supplied inputs reproduce \$9.67-\$77.32 only when 107m shares are paired with 207 MW and 125m with 757 MW. Crossing all share counts with both scopes gives \$8.28-\$90.33. The missing source image prevents verification of its original layout. Those are undiscounted shortcuts using \$166.67-\$208.33 starting rent, no reserve haircut, assumed ownership and initial debt - not current fair values.

8. Development spread, power and the unowned expansion

Selected Phase 1 development measure	USDm / multiple
Total initial project uses	1,942.01
Landlord cost after direct tenant infrastructure cash	1,604.89
12x property enterprise value	3,046.92
EV less total initial uses	1,104.91
EV / total initial uses	1.57x
Preferred and ordinary common cash invested	323.86
NUAI portion of contributed cash	44.00

The \$1,104.91m development spread is mature EV less total invested project uses, before timing and investor allocation. It is not cash profit realized today. A high property-value-to-NUAI-cash ratio depends on tenant support, bank debt, priced outside capital and successful delivery; it does not mean the rest of the project is free.

The original Phase 1 power term ends September 29, 2047 under the selected first-energy assumption. The tenant lease ends December 31, 2048, requiring roughly 15 months of replacement power. The model prices that coverage; it is not a signed successor commitment.

The headline transaction deliberately funds only 207 MW. The additional 550 MW is a separate investment choice: compare a fully priced expansion and its failure costs against retaining Phase 1 cash. Generation has its own capital and return requirements. Third-party GenCo value belongs to its owners, and an unsupported expansion must not be used to price current subscriptions.

The physical workbook stops at 30 years. A separate fixed-capital continuation follows the 20+15-year renewal through February 6, 2064, paying an age-32 refresh, tax and closure. Existing power coverage leaves a \$407.30m project/HoldCo tail funding gap. Priced power makes renewal-success cash workable, but the no-renewal branch still has an \$18.48m historical HoldCo gap with original subscriptions frozen. No funded continuation price is claimed.

[Executed Phase 1 PPA summary and security requirements - September 21 8-K](#)

9. Expansion needs a second commercial package

This is a separate, matched construction/refinancing family, not the selected no-later-refinancing headline case. Both scopes use \$150 rent, \$12m/usable IT MW construction and 20-year leases. Phase 1 retains its conditional refinancing; Phase 2 has its own financing and generation requirements.

Scope	Current \$/existing share	Completed DCF	12x endpoint	Financing issuance	Ending shares m
207 MW	\$3.33	\$4.40	\$8.02	16.39%	137.527
757 MW	\$13.61	\$20.02	\$33.71	4.01%	124.334

The 757 MW case adds \$895.71m of direct Phase 2 tenant cash and \$1,249.45m of prepaid rent - another \$2.15bn of tenant support beyond the \$807.36m Phase 1 package. It requires total outside common of \$1,003.57m. Modeled NUAL ownership is 54.76% in Phase 1 and 59.17% in Phase 2. These terms and sources are not secured.

Beginning-holder PV rises by \$1,095.92m in this particular fully supported comparison. The combined endpoint is December 31, 2031, rather than the Phase 1 endpoint in 2029. Neither the larger value nor the lower issuance is obtainable merely by adding 550 MW to a slide: it comes with another tenant package, outside capital, conditional refinancing and power delivery.

Keep the right to decline expansion. Without a separate Phase 2 tenant-support package, the tested option plan recommends deferral. With that independently negotiated package, exercise is conditionally supported. The option analysis retains the inherited analyst 65% success assumption and a \$15m pursuit cost in each mutually exclusive state, charged once - not a measured market probability or factual current fair value.

The post-pursuit deferral case is not the untouched Phase 1 benchmark: pursuit has already cost cash and can itself exceed a 20% issuance limit. Compare paths using their own dated subscriptions and claims. The original GenCo-period gate was corrected to allow a separately priced power replacement period; this classification correction does not add operating cash or remove the generator return and funding tests.

10. What the tests establish, and what still must be secured

Validation checks source units and dates, lease escalation and credits, construction sources/uses, debt balances and maturity dates, restricted cash, preferred and common claims, dated share subscriptions, corporate cash, and beginning-holder value. Investor-return feasibility is tested separately from spreadsheet arithmetic.

The historical v2.0 selection reproduces its archived economics. The bridge preserves matched nominal tenant support. Mature-only controls are tested not to change current DCF, and mature claims are deducted once. The continuation tests actual renewal dates, refresh, state-conditioned cash, reserve retention, power pass-through and remaining claims. A changed pre-core preferred sale path is excluded from continuation valuation.

Before treating the case as a transaction	Required evidence / agreement
Tenant	Signed pure NNN lease, obligor/guarantor, 20-year term and remedies; acceptance of direct cash and rent-credit economics.
Construction	Scoped EPC/fitout budget, contingency and completion/overrun responsibility; \$12m is not a binding quote.
Lenders and LC issuer	Usable proceeds, covenants, collateral, draw schedule, long legal maturity and funded \$116m / up to \$82.8m security package.
Outside common and public investors	Accepted negotiated subscription, 15% co-sponsor economics and dated public issue prices; no free shareholder capital.
Power and lifecycle	Initial conditions, rent/power date alignment, priced tail, refresh/closure funding and a supported no-renewal plan.

Workbook and browser rendering/recalculation, exact formula counts, file size, calculation times, Drive readback, PR and preview status are reported in the separate delivery verification record. This memo does not infer browser usability from successful storage. Generated scenario tables carry input and graph hashes; they are not live Excel formulas.