

What financing can change

NUIA TCDC v2.6 / Debt capacity, collateral and original-shareholder value

Best augmented static package: \$2.4146 per original share, conditional, versus \$2.4105 for reference D. Actual executable project financing remains unverified.

The analyst's criticism is **partly supported**. Broadening eligible costs and independently testing sponsor borrowing are justified. A universal 85-95% loan assumption is not. The initial LC margin was too optimistic, while withholding uncommitted tenant-backed financing in Current Verified remains appropriate.

Frozen A reproduces \$5.373385/share of conditional payouts and a \$3,310.003m unfunded cash gap. It has no feasible funded value; its saved illustration is preserved rather than reinterpreted as committed capital.

Optimized layer	Project debt	Debt / all funding	Peak cash deficit	Funded value / original share
B	5,256.4	72.2%	89.2	No feasible funded value
C	5,589.2	76.2%	90.0	No feasible funded value
D	5,589.2	75.8%	0.0	\$2.41
E	4,463.4	57.3%	668.1	No feasible funded value
E95	4,463.4	57.3%	668.1	No feasible funded value
D + sale	5,589.2	75.8%	0.0	\$2.4146

Table: primary per-layer frontiers and augmented D. Ownership, provider mix and issue price may differ; this is not pure one-input attribution. E95 is separately gated. A subsequent 120-case equity-sale/treasury-policy grid improves reference D by only \$0.0041/share.

What the value requires

Reference D supplies 5,589.2 of data-center debt and a 99.0 gross parent raise. It retains 15% Phase 1 after the modeled Vistra claim and 20% Phase 2. The augmented case sells 3.75% of Phase 1 at month 31, keeps 11.25% / 20%, retains cash for future needs, and lowers the gross parent raise to 69.2. Original holders retain 64.0% of augmented parent economic shares.

Full construction funding is \$7,375.335m, including \$40.438m junior fees and construction cash coupons; debt/full funding is 75.7823%. Lender-eligible uses are \$7,334.897m and debt/eligible uses is 76.2001%. External Power and parent obligations are separate.

No tenant contribution or prepaid rent is used. No lease, bank commitment, investor commitment or LC replacement approval is inferred from mathematical feasibility. A failed structure displays "No feasible funded value," rather than a zero-dollar price target.

Current liquidity and eligible costs

The October 7 transaction, reported October 8, issued a \$116m LC backed by 102% cash collateral: \$118.32m calculated minimum. A \$60m A2/A3 draw and approximately \$58.3m existing cash funded that pledge. The \$60m did not become free construction cash. The \$1.16m initial fronting fee is already incurred; the annual LC fee is \$2.32m. The 12% reimbursement rate applies only after an LC drawing.

Verified / modeled item	Treatment
Current unrestricted cash / loan payoff	Unknown. Zero free cash and \$80.6m opening loan are disclosed model guards/proxies. \$80m is cumulative funded principal before PIK or repayments.
Remaining Macquarie / ATM capacity	Discretionary loan capacity is zero-access without approval. The \$100m ATM is optional gross selling capacity, not cash or a commitment.
Original Macquarie maturity	April 6, 2029 business-day-adjusted date; modeled April 1 monthly payoff. No extension assumed. Six-month trigger requires lender notice/remedy; amendments and notice status remain unknown.
PPA security and infrastructure	Later security up to \$82.8m is due at first power delivery; cash form and date are not established. Base uses a 25% cash-margin sensitivity at May 2028; earlier September 2027 security is separately stressed. Infrastructure payments are separate.

The 80% / 72% criticism is arithmetically correct

In reconstructed conditional Phase 2 financing, \$4,400m hard cost plus \$352m allowance gives \$4,752m eligible construction. 80% funds \$3,801.6m. Add \$277.2m construction interest, \$76.032m fees and \$176.843m DSRA: \$5,282.075m all-in senior funding. The same debt covers 71.9717% of those uses. The saved Current Verified case instead has zero project debt.

C independently admits eligible financing costs and solves debt/interest/fee/reserve circularity. Debt service then binds, not the 80% cap. Land contribution credit, lender value and cash are kept separate. Tenant-owned GPUs are excluded; the PPA is a power obligation, not rent or a tenant lease.

PV bridge at original 11% hurdle	USDm
Unlevered project economics	-181.613
Financing benefit, after junior origination fees	+891.697
Outside common / preferred / Vistra net allocation	-224.987
NUI project value before secondary sale	485.097
Buyer net claim and seller charges	-10.093
Effective NUI project and sale value	475.004
Net HoldCo obligations, public/award claims and carried cash	-217.702
Original-holder PV / frozen 106.559339m shares	257.302 / \$2.414639

Who supplies the money and receives the value

Reference D provider	Construction or event cash	Lifecycle / claim requirement
Phase 1 / Phase 2 senior	1,528.4 / 4,060.8	Each project SPV: assets and tenant payments; 7% coupon, 20-year amortization, 10-year post-rent maturity; dated investor calls fund balloon
Outside project common	1,423.1	4,863.3 total dated calls; 80% common ownership; 12% return hurdle and 1.5x minimum MOIC
Project preferred	363.0	1,074.7 total subscriptions; 10% cash coupon, 2% fee; lender qualification and payment consent assumed
NUAI sponsor project cash / sponsor debt	0.0 / 0.0	Zero access in selected package; land or project interests are not counted as cash
Parent public issuance	99.0	49.5m new shares at assumed \$2; 3.5% commission; each issue cohort tested
Power SPV, separately funded	423.6 debt / 336.2 equity	759.9 all-in uses; NUA1 ownership 0%; provider economic tests pass; commitment evidence fails

Construction cash and full-lifecycle calls are different. Later common/preferred calls fund contractual balloons or redemption; they are additional priced capital, not assumed refinancing. Full project all-in uses include construction-period junior fees and cash coupons, and exclude independent Power SPV uses and parent obligations.

Both senior facilities bind on a 1.30x applicable coverage test after an assumed three-month covenant grace. Raw ramp coverage falls to 0.432x. Cash calls fund that ramp; lender grace and preferred qualifying-equity treatment remain unverified conditions.

Augmented D nominal cash financing cost is 4,073.835: senior 3,847.291, junior 118.576, parent 107.967, including the sale fee. Sale tax 8.153 is additional. Equity profit allocations are priced claims.

Conditional LC replacement event	Cash, USDm
Old cash collateral	118.320
New 10% margin on \$116m face	(11.600)
Gross collateral released	106.720
Conservative Macquarie payoff proxy	(100.254)
Replacement LC fronting fee	(1.160)
Net available to NUA1	5.306

The replacement requires bank and Vistra acceptance, lender release/consent and a real payoff statement. It leaves \$104.4m contingent bank exposure needing unspecified acceptable credit support; no unsecured LC approval or credit-loss underwriting is established. The \$100.254m payoff is a conservative proxy, not an actual quote. A tenant signature never releases collateral automatically.

The same project assets and cash flows cannot support two first liens. Equipment financing reduces the senior asset/cash-flow base; operating refinancing pays old debt, fees and reserves before any sponsor cash-out. Direct ownership replaces partner funding and services alongside partner claims.

Attribution, timing and failure tests

Fixed-claim layer	Debt	Debt / all funding	Peak cash deficit	Result
B	5,256.4	72.2%	1,581.4	No feasible funded value
C	5,589.2	76.2%	1,669.0	No feasible funded value
D	5,589.2	76.2%	1,560.3	No feasible funded value
E	4,463.4	57.9%	1,670.4	No feasible funded value
E95	4,463.4	57.9%	1,670.4	No feasible funded value

Fixed-claim comparison keeps source sponsor/common allocations, public price and cap, and junior terms fixed; C changes eligible uses, D adds the specified conditional route, E changes the coherent debt package. It isolates capacity from the optimized ownership/provider frontier on page 1.

Phase 1 alone has no passing package in the principal \$100m public-ceiling grid. Separately, a 35 sponsor loan sizes only at month 175: assumed \$100m residual-equity value, 35% LTV, 11% rate, 1.5x DSCR and 48-month maturity. It cannot fill the early gap or pledge the interest sold in augmented D.

Augmented D supports an LC cash margin up to 35.63% of face: gross collateral release at least 76.985. Net after payoff/fee is -24.429: the parent must fund that negative event. Reference D needs 0.603 positive net release. These are scenario back-solves, not lender offers.

Without the LC route, the scoped C cash threshold is 104.082 net. This is a funding requirement, not an unpriced tenant gift or assumed asset sale. A bounded 0-100% extra operating-cash search found no pass and a best remaining \$12.6375m timing gap; it is not a global impossibility or an exact minimum-rent answer.

Augmented D sells 25% of NUA1's 15% Phase 1 interest in May 2029: 39.614 gross - 0.792 fee - 8.153 tax = 30.669 net. Debt takeout/reserve are zero only with assumed residual-equity transfer consent. Buyer return is 12% / 3.87x MOIC; no buyer commitment exists.

The \$30m equipment carve-out yields \$2.4084/share. Tested direct ownership with replacement services and operating refinancing fail. Historical-cost reimbursement is zero-access. Stress rows below apply to augmented D; cash deficits exclude the extra cash-policy reserve gap.

Stress on selected package	Funded value / share	Peak deficit	Reason / limit
Replacement issued; old collateral release fails	No feasible funded value	98.2	dated unfunded cash, public cohort return
Preferred rejected as qualifying lender equity	No feasible funded value	0.0	provider qualifying equity
10% physical cost overrun	No feasible funded value	0.0	outside common return
Phase 2 and Power delayed 6 months	\$2.29	0.0	Provider tests pass; refinancing remains conditional
Later security requires 102% cash	No feasible funded value	24.0	dated unfunded cash
9.5% balloon takeout rate and 20% value haircut	\$2.10	0.0	Provider tests pass; refinancing remains conditional

F separately advances Phase 2 from April 2029 to Nov 2026 (month 1), with simultaneous funding and shifted independent Power assumed. Value rises to \$3.07, a \$0.655 benefit versus augmented static D. Physical readiness is unverified; no actual financeable start date is established.

Validation, uncertainty and the analyst verdict

The analyst's criticism is **partly supported**. Broadening eligible costs and independently testing sponsor borrowing are justified. A universal 85-95% loan assumption is not. The initial LC margin was too optimistic, while withholding uncommitted tenant-backed financing in Current Verified remains appropriate.

The strongest counterargument

Hut 8 demonstrates that very high broader-cost leverage can be executed for a protected project. Cipher shows substantial construction financing and approved reimbursements; Applied Digital illustrates tenant-credit-dependent capital structures. These justify testing broader access. They do not establish that NUA1 can combine the cheapest coupon, longest term, highest advance, lowest reserve and strongest guarantees from unrelated transactions.

River Bend's roughly 16.5-year legal tenor runs from closing and includes construction; first/final principal dates are May 2028/November 2042. Do not compare that tenor directly with a 15-year operating lease. The selected E sensitivity preserves a two-year tail with 13-year fully amortizing debt and an 18-month DSRA. Its debt-service cap reduces capacity despite its cheaper 6.192% coupon. Hut's 1.1x covenant threshold is not verified initial loan-sizing DSCR.

What was checked, and what remains conditional

The original authenticated source preserves its 94 sheets and saved live results. Physical cash streams independently reconstruct the saved -\$181.043029m NPV within \$0.000001m. Moving valuation to October 8 changes NPV by -\$0.570294m, separately; physical/operating arrays stay fixed across B-E. Combined static search: 7,766 records / 85 passes, including 7,644 primary candidates, 120 sale/policy cases and two no-sale controls. No global optimum or capital availability is proved.

The actual source already separates cash coupons from PIK and independently audits the unclassified HoldCo balance. The memo was used as a checklist. The new module prices negative cash, tests each public issuance cohort, carries required future treasury cash and independently gates provider returns, contractual maturities, qualifying equity, collateral and execution evidence.

Vistra's 5% non-voting claim belongs at the entity with direct/indirect interests in the PPA-powered project portion after first delivery. The Phase 1 mapping is a scope-consistent model proxy; actual entity ownership and waterfall remain unresolved. It is not a universal 5% claim on NUA1.

Power capacity and fuel cash run for 15 operating years in the source, not 20. Removing all \$567.809m Power terminal proceeds still gives a 13.35% equity IRR versus its 12% hurdle and fully repays debt. Firm capacity offtake, fuel pass-through, equity funding and delivery remain unverified.

Calculation uses the portable JavaScript finance/source-replay engine and @oai/artifact-tool 2.8.89 live formulas. The final 111-tab file is reopened and preserves 94 archival tabs with only archive title/color exceptions. Its active formulas pass 81,227 cache checks, 33,932 schedule/aggregate checks, 11 selectors and 15 PV identities. Native Excel/LibreOffice was unavailable. Legacy replay has 45 sentinel and 29 blank-display differences outside targeted live results.

Before relying on an executable funded value: obtain current cash/ATM/share and Macquarie payoff/amendment records, signed tenant payment support, budgets and eligible-cost approvals, completion/intercreditor/borrowed-equity consent, Power funding and delivery contracts, investor commitments and actual LC replacement/release approvals. The source/change/QA register contains full primary URLs, dates, old/new cells and uncertainty.