GLOBAL TECHNOLOGY

Global Data Center Capacity update: Increased capacity expectations, but continued tightness

We update our global data center capacity forecasts using the latest data from 451 Research's database and now forecast 217GW of global data center supply by 2030 (v. 168GW prior from our last update in February 2026), representing 116GW of additional capacity from 101GW in 2025 (restated higher from 74GW prior). This addition of 116GW would represent $6 tn of capex, assuming a $50B/GW rule-of-thumb while acknowledging that IT infrastructure costs continue to see upward pressure. We see this capex well-covered by current consensus expectations for hyperscale capex (~$1 tn/year on average), which does not include SpaceX AI capex, private company capex, or datacenter platform capex.

We've become more positive on the neocloud segment following several large data center lease announcements in the last 3 months including by TeraWulf (Anthropic), Hut8 (undisclosed IG tenant), and others. We estimate average lease rates were $166/kw/month with base terms in the 15-20 year range.

There were also several GPU-as-a-service deals including SpaceX (Google, Anthropic, Reflection AI) and IREN (Nvidia, Perplexity, Figure). Notably, Nvidia announced a new credit support and revenue share model with Sharon AI and Firmus, providing a revenue backstop and thereby reducing the cost of capital for neoclouds to build out capacity for shorter-term leases and smaller deals. Prices ranged from >$50/MW, which demonstrates the current scarcity of compute at scale, to <$10/MW, which represents the Nvidia floor revenue in the Sharon AI deal.

For the US alone, we forecast 125 GW of IT Power data center supply by the end of 2030, where our Utilities team estimates ~108 GW of data center demand in the US on an annual average basis in 2030. This drives an expectation of a 3.5% power demand CAGR through 2030 with BTM capacity available to serve data center load of ~31 GW and ~22 GW of power delivery by 2030. We highlight select regulated utilities and IPPs as key beneficiaries of the inflection based on their regional exposure, including **FE**/**TLN** in PJM, **SRE**/**VST**/**NRG** in ERCOT, **XEL** in MISO, and **DUK** in the Southeast. Our GS SUSTAIN team continues to highlight the cross-sector investment theme of Reliability, driven by both AI/data center power growth and global investment to mitigate risks of physical/network/supply chain/power/water outages.

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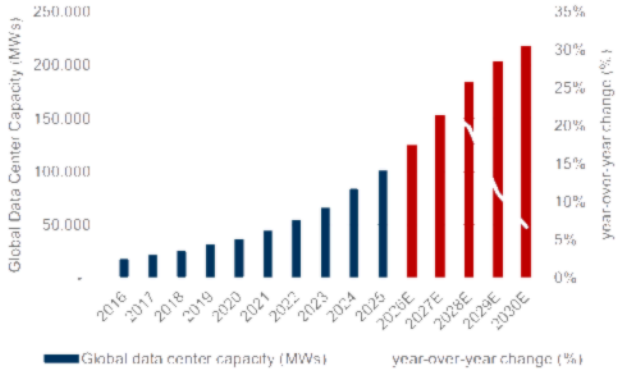
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Increasing global data center capacity to 217GW by 2030E (v. 101GW in 2025)

We update our global data center capacity forecasts for the latest updates to 451 Research's data center tracker (through C1Q26). Per 451 Research data center project tracking, we now expect ~217 GW of live global data center capacity by 2030, implying growth from ~101 GW in 2025 at a 17% 2025-2030 CAGR. This +116GW of capacity net addition over the next 5 years would approximate a cumulative $5.8 bn capex assuming $50 bn per GW, which should be covered by the forecast average ~$1 tn hyperscale capex (per annum, using Visible Alpha Consensus Data), which has historically been revised higher and does not include SpaceX's AI capex, private AI lab capex, or datacenter platform capex.

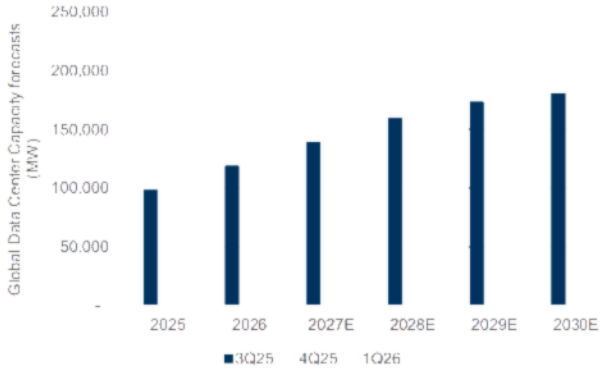
1Q26 451 Research data for 2026-2030 annual global data center capacity was revised upwards by 5% on average v. 4Q25, and by 13% v. 3Q25. Per 451 Research, global data center capacity additions should predominantly be from retail/wholesale providers & hyperscalers (70-90% of total global net capacity additions annually through 2030) and be located in the US (~60-70% of total global net adds through 2030).

Exhibit 1: Global Data Center Capacity should scale to ~217 MW by 2030 (+116 GW v. 2025)
Gloabl Data Center Capacity (MWs) & year-over-year change (%)



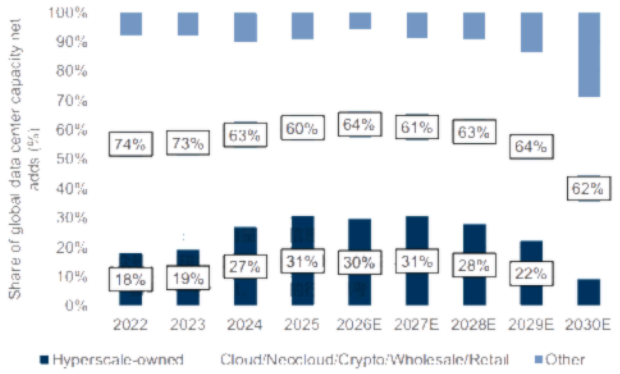
Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

Exhibit 2: Global Data Center Capacity forecasts for 2026-2030 have been revised upwards over time (+5% v. 4Q25 forecasts, +13% v. 3Q25 forecasts)
Global Data Center Capacity forecast estimates over time (MW)



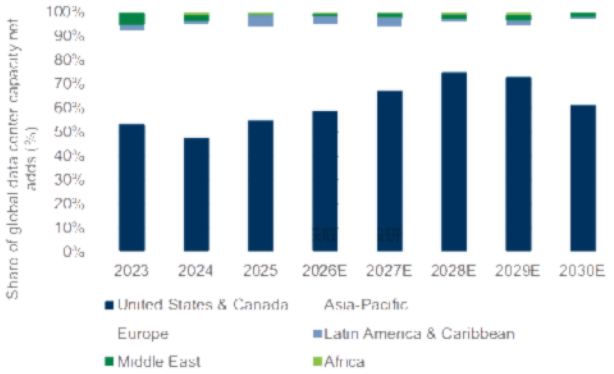
Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: Global data center capacity net adds should predominantly be cloud/crypto/wholesale/retail capacity
Share of global data center capacity net adds by vertical (%)



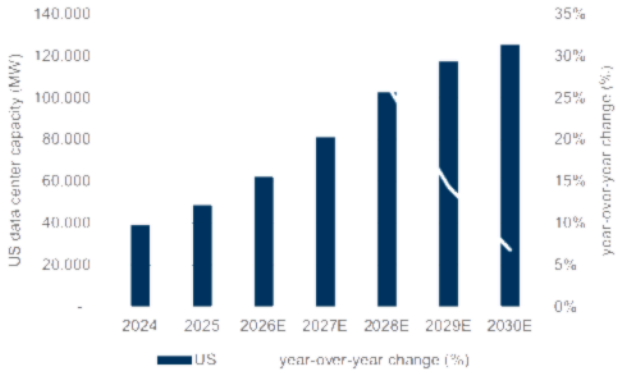
Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

Exhibit 4: Global data center capacity net adds should predominantly be in North America
Share of global data center capacity net adds by region (%)



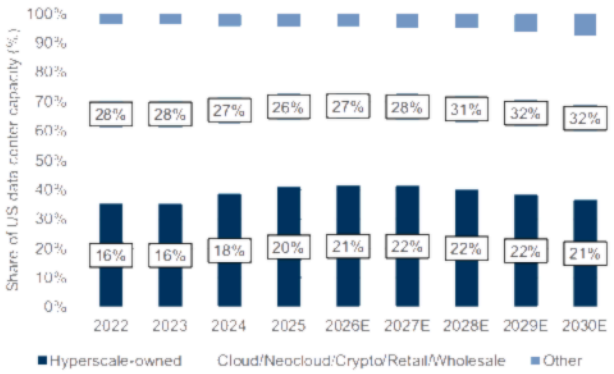
Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

Exhibit 5: US data center capacity should grow to ~125 GW by 2030 (+76 GW from 2025)
US data center capacity (MW) & year-over-year change (%); end of period capacity



Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

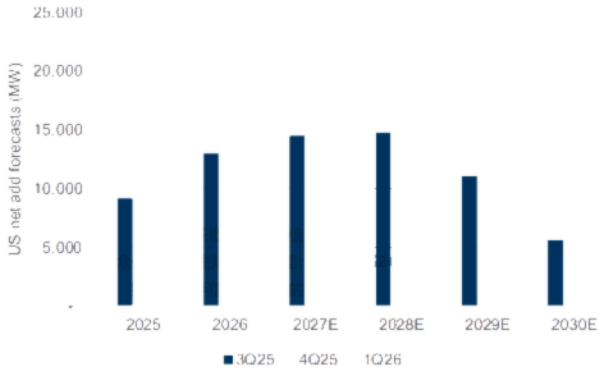
Exhibit 6: US data center capacity should be led by Cloud/Wholesale/Retail providers & hyperscale-owned facilities
Share of US data center capacity (MW) by vertical (%)



Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

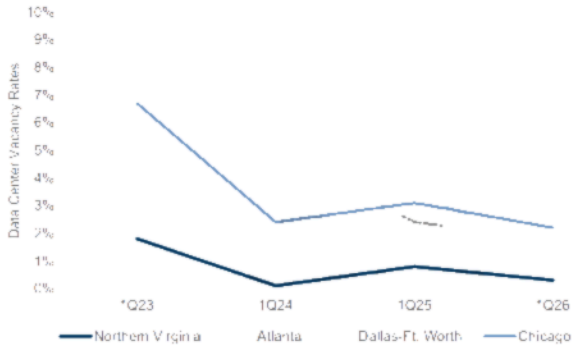
Increased data center capacity estimates may prove conservative given increasing expectations for data center equipment capex, which 650 Group estimates should now reach ~$2.3 trillion by 2030 (+320% vs. $555 bn in 2025). We continue to view data center supply & demand conditions as extremely tight given continued compression of data center vacancy rates (per CBRE), which should continue to support pricing power for data center operators in releasing existing capacity or leasing newly added capacity, which is in-line with commentary from Flexential during our June 2026 Denver bus tour, where the company stated it expects to see pricing per kilowatt approach $250 later this year (v. ~$70 in 2021).

Exhibit 7: US capacity add forecasts have also been revised upwards over time (+6% v. 4Q25; +12% v. 1Q26)
US net add forecasts (MW)



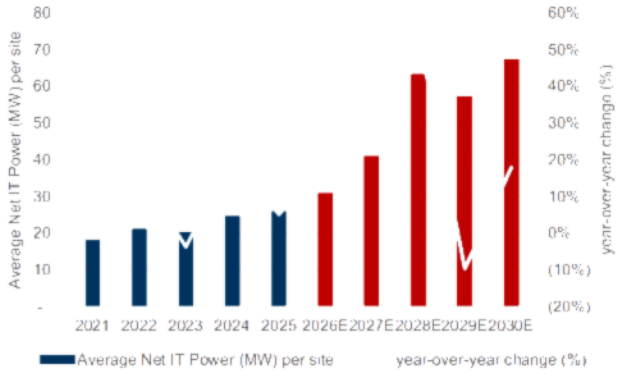
Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

Exhibit 8: Data center vacancy rates have compressed signficantly over time
Data Center Vacancy rates across select US markets



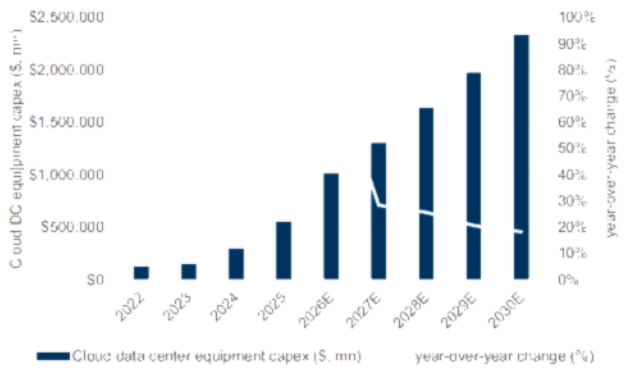
Source: CBRE

Exhibit 9: Average Net IT Power (MW) per site should grow over time towards ~67 MW by 2030 (v. ~26 MW in 2025)
Average Net IT Power (MW) per site & year-over-year change (%)



Source: 451 Research, Data compiled by Goldman Sachs Global Investment Research

Exhibit 10: Data Center equipment spend should more than triple by 2030 to $2.3 trillion (v. $444 bn in 2025)
Cloud Data Center Equipment spend ($, mn) & year-over-year change (%)



Source: 650 Group, Data compiled by Goldman Sachs Global Investment Research

Exhibit 11: AI/Cloud player spend should grow to ~$1.2 trillion by 2030 at a 22% 2025-2030 CAGR
Consensus capex estimates on select AI players/Cloud players ($, mn)

Select US cloud	2024	2025	2026E	2027E	2028E	2029E	2030E
AAPL	10,264	12,262	11,394	13,161	14,250	15,114	15,849
AMZN	82,999	131,819	203,623	238,651	258,537	262,932	271,362
META	37,256	69,691	136,723	174,523	189,094	204,024	215,239
GOOGL	52,535	91,447	187,786	265,836	292,538	305,685	320,552
MSFT	54,514	91,008	153,736	200,931	228,709	253,712	261,779
ORCL	14,041	38,439	74,066	98,594	98,727	89,046	74,028
CRWV	8,702	10,309	33,987	39,769	36,829	41,233	55,367
Total capex ($, mn)	**260,311**	**444,975**	**801,314**	**1,031,465**	**1,118,683**	**1,171,747**	**1,214,176**
Year-over-year growth	*53%*	*71%*	*80%*	*29%*	*8%*	*5%*	*4%*

Source: Visible Alpha Consensus Data

Neocloud cost of capital to decline following NVIDIA credit support. Earlier this month, Nvidia announced a new revenue sharing and credit-support model with AI

clouds. In this new business model, the neoclouds receive a minimum revenue guarantee on GPU capacity (e.g., revenue per GPU per hour), which reduces the risk for the neocloud as well as its cost of financing to purchase the GPUs. Neoclouds can then provide access to enterprise, startup, and AI native customers that otherwise may have a more difficult time securing short-term capacity, with revenue generated beyond the minimum revenue guarantee being split with Nvidia. This new model was first announced with Firmus (Private) and Sharon AI (SHAZ, Not Covered), which has a 6-year deal with Nvidia for 40,000 GB300 GPUs.

Agentic workloads to support continued demand tightness as growing end-user demand more than offsetting new capacity and improved compute efficiency. Our channel checks, including an Expert Network Series call with a former Director of AI Transformation at Microsoft, helped us better understand the vision of end-user demand, which should be supported by multi-agent systems: a network of AI agents that can work autonomously but still need a cloud-based AI agent to help orchestrate workloads. Enterprises continue to be in the early stages of the deployment of agents, with many still experimenting, which should be a positive sign for future demand once experimentation transitions into full production.

Implications for global data center power demand growth

This section authored by Brian Singer, GS SUSTAIN

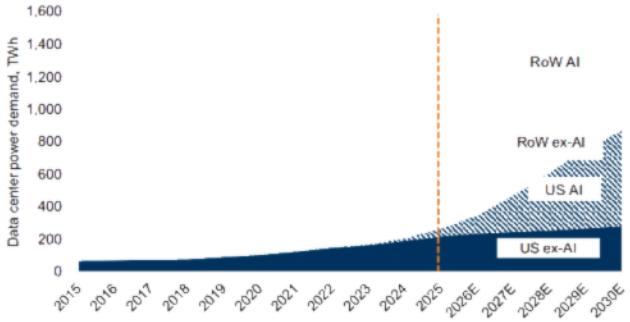
On the back of greater data center capacity, recent increases from our TMT team to their AI server shipments forecasts and our US power team's regional outlook on data center power demand, we raise our global forecasts for data center power demand through 2030. We see 170% global data center power demand growth in 2030 vs. 2025 levels (117% previously), which also incorporates estimated historical data center power demand following recent reports by the DOE and IEA.

We now see 7 Ps driving data center power demand growth/constraints:

- **Pervasiveness of AI.** Greater industry AI capex has contributed to increased server shipments and data center capacity. Ultimate returns-enhancing AI outcomes will be critical to longevity.
- **Productivity of chips/servers/models.** We continue to assume energy intensity reductions for AI (compute per unit of power) at a faster pace than for non-AI. However, pent-up demand for tokens/compute is likely to continue until there is more corporate/government confidence that reducing budgets will not sacrifice competitive positioning or until demand for tokens/compute has been sufficiently defined. At that point, we believe AI will shift from the Appraisal/Hopes & Dreams Phase to the Execution/Efficiency phase, characterized by downward revisions to budgets in response to productivity gains.
- **Price of power.** This remains a key community concern (in addition to reliability of power/water), though we believe hyperscalers continue to have financial flexibility via strong balance sheets. We do not believe the US Green Reliability Premium will limit hyperscaler willingness to take an all-of-the-above approach to power sourcing.

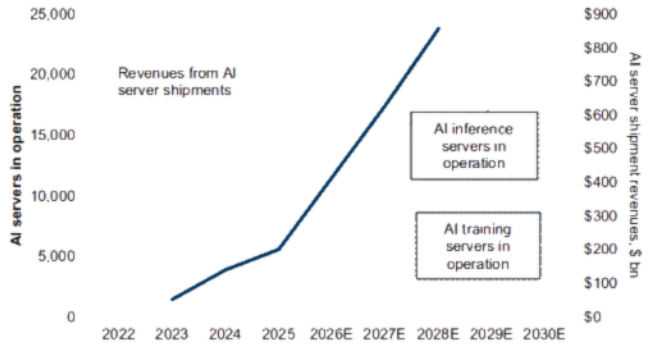
- **Policy.** Permitting and execution risk continue to be sources of industry frustration, even as there appears to be bipartisan support for speeding up processes. Increased attention to risks of delays driven by US community pushback to data center development is driving greater connectivity between corporates, investors and communities on potential solutions. The key areas of pushback from communities/broader consumers are: risk of power reliability issues, risk of rising power prices, risk of depletion of water supply, noise and warming impact from rejected heat. Broadly, there are solutions (take-or-pay contracting, interruptibility, closed-loop cooling/chillers, waste heat capture) that can mitigate these risks. However, perception and broader NIMBY concerns could supersede innovation/solutions.
- **Parts availability.** Constraints in the timing/availability of power generation equipment continue to drive how data center power will be sourced as part of an overall all-in strategy — renewables/battery storage/simple cycle natural gas in the shorter term, natural gas combined cycle in the medium term, nuclear in the longer term. Natural gas combined cycle generator manufacturer GE Vernova highlighted on its 2Q26 earnings call on July 22 that it expects to have more than 50% of its capacity contracted for 2031 by the end of 2026.
- **People availability.** We continue to expect >500K new jobs to meet overall US power demand growth. Of this, we believe more than 200K are needed to meet transmission and distribution needs. We continue to see risks that skilled labor availability constraints — particularly for electricians — represents a key risk to execution. This is also, in our view, helping to drive greater consideration for behind-the-meter power solutions that require less electricity transmission. Time-to-market priorities and long lead times for grid connectivity are driving behind-the-meter solutions — largely natural gas — that our US Utilities team expects will drive ~30% of the data center growth through 2030.
- **Physical environment.** Ambient conditions — heat, humidity and drought — where data centers are being built are increasingly a driver of both stock performance and innovation. Higher heat, humidity and drought risks limit cooling technology selection optionality for data centers and require greater power demand in affected regions where minimizing direct water demand is a priority. Our analysis suggests that 56%/55% of new global/US data centers are set to be built in areas with elevated physical risk to heat, humidity and/or drought. Based on our analysis of data center location and type, we expect that 43% of new data center capacity will deploy white space direct-to-chip or immersion cooling inside the data center. Separately, we expect 56% of new data center capacity will deploy gray space chillers, adiabatic systems or mechanical cooling back-up to transfer heat to the outside. We see this as at least a partial offset to efficiency gains, all else equal putting upward pressure on power usage effectiveness (PUE) and power demand.

Exhibit 12: We now see 170% global data center power demand growth in 2030 vs. 2025 levels, more than 60% of which comes from the US
Data center (AI + non-AI) power demand in US and rest of world, TWh



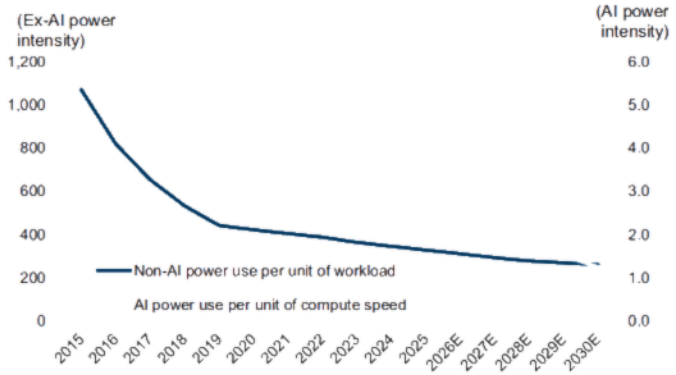
Source: Masanet et al. (2020), EIA, EMBER, IEA, Cisco, Goldman Sachs Global Investment Research

Exhibit 13: Weighting of higher power vs. lower power AI servers, mix within high power AI servers of latest generation (more expensive, higher energy consumption, greater energy efficiency per server) vs. older generations and ultimate pace of AI server spending will be key to AI data center power demand
AI servers in operation implied by our global TMT team forecasts (LHS); implied annual AI server revenues (RHS)



Source: Goldman Sachs Global Investment Research

Exhibit 14: We see a swifter pace of energy efficiency per unit of demand for AI, as we did for non-AI
Power demand per unit of workload for non-AI and per unit of compute speed for AI

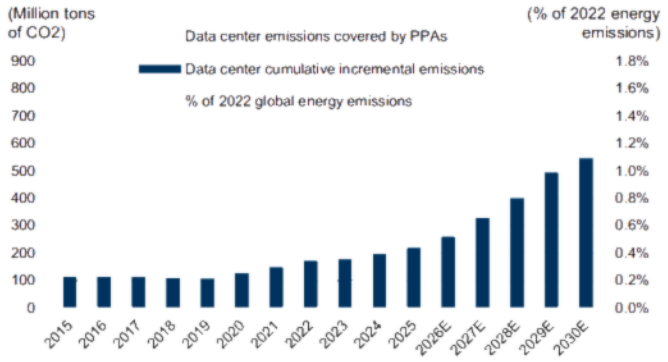


Source: Masanet et al. (2020), IEA, Cisco, NVIDIA, Goldman Sachs Global Investment Research

The increase in data center power outlook drives upward revisions to our outlook for data center emissions, even as power purchase agreements from technology companies for low-carbon power have remained strong. As mentioned above, we continue to expect an all-of-the-above approach to power sourcing based on relative economics, parts availability, time-to-market considerations and long-term decarbonization objectives. We assume thermal power (largely natural gas) sources a majority of the data center power growth through 2030. However, power purchase agreements (PPAs) for renewable + nuclear power signed by technology companies has remained strong, rising 17% in 2025 yoy. Our updated forecasts imply carbon dioxide emissions increase by ~370 mn tons (+210%) in 2030 vs. 2023 levels, the equivalent of 1.0% of global energy emissions. The present value social cost of cumulative annual

emissions increases in 2024-30 is $140-$170 bn consistent with our prior framework that applies a $190/ton social cost of carbon and a discount rate range of 7%-10%.

Exhibit 15: We see data center emissions increasing ~210% by 2030 vs. 2023 levels (+1.0% increase in global energy emissions), net of impact of power purchase agreements (PPAs) from technology companies
Carbon dioxide emissions in millions of tons (LHS); percent of 2022 energy emissions (RHS)

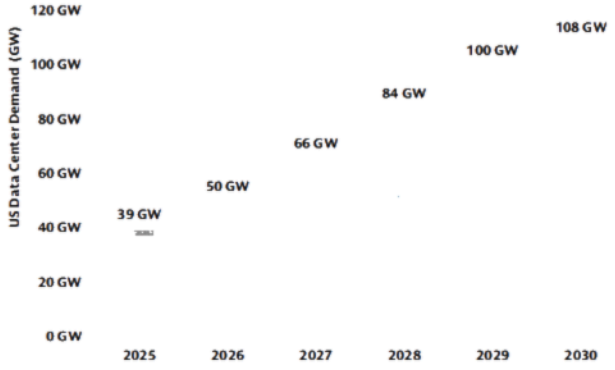


Source: IEA, Goldman Sachs Global Investment Research

US Data Center Power Demand Outlook

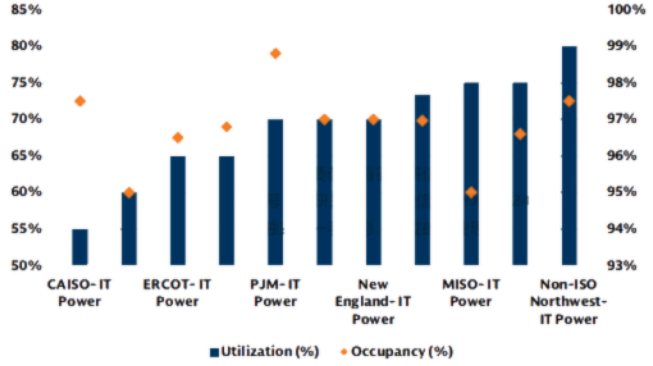
We explore the data center demand outlook across regions in the US in our latest power demand update report and now forecast **108 GW/947 TWh** of data center demand by 2030. This is based on **121 GW** of IT Power, an implied PUE of ~**1.3**, and weighted average utilization and occupancy rates of **70%/97%,** respectively. We take a bottom-up approach to measure demand across key regional power markets, where we find PJM will remain the market with the highest concentration data center demand by 2030 followed by MISO and then ERCOT. Overall, our forecasts imply a **23%** data center demand CAGR from 2025-2030, though we recognize risks exist, which we discuss further below. Among covered Buy-rated stocks in Power/Utilities, we highlight **FE**, **XEL, DUK,** and **SRE** as key regulated beneficiaries of the data center demand inflection in the US, and **TLN**, **VST**, and **NRG** as independent power producers that are well positioned to benefit from rising power prices and incremental data center PPAs.

Exhibit 16: We forecast ~108 GW of data center demand in 2030
Total US data center demand on an annual average basis



Source: S&P Global Market Intelligence, Goldman Sachs Global Investment Research

Exhibit 17: We assume a 70% utilization rate and 97% occupancy rate on a weighted average basis in our forecast
GSe for utilization and occupancy rates (%) regionally for 2025-2030

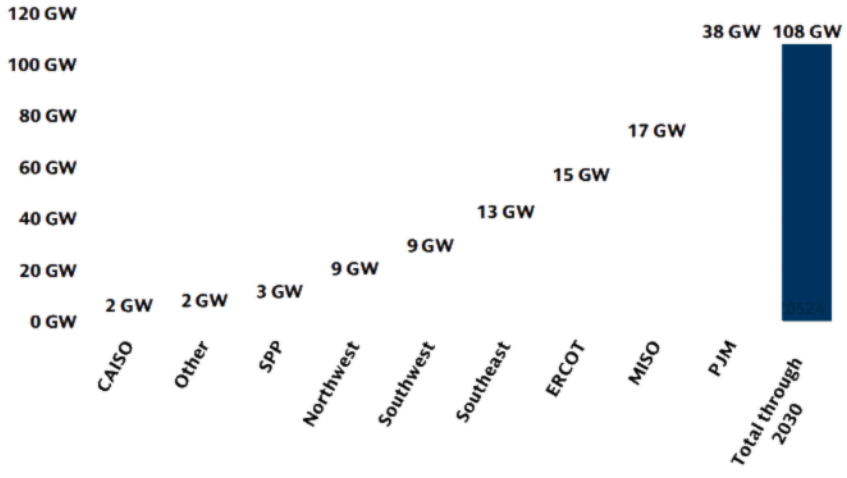


Source: Goldman Sachs Global Investment Research

Regional Overview

Our latest supply forecasts from the 451 database, consistent with the global TMT team, and our regional demand assumptions point to (1) PJM continuing to host the largest amount of data center demand (**38 GW)** by 2030, (2) MISO overtaking ERCOT as the second largest data center demand market with **17 GW** by 2030, and (3) ERCOT following as third largest data center demand market in the US, with **15 GW** of demand in 2030. Our utilization and occupancy rate assumptions vary by region and may be impacted by workload (i.e. inference vs. training) and construction/development strategy.

Exhibit 18: We expect to see 108 GW of data center demand in the US in 2030
US data center demand by the end of 2030 by region



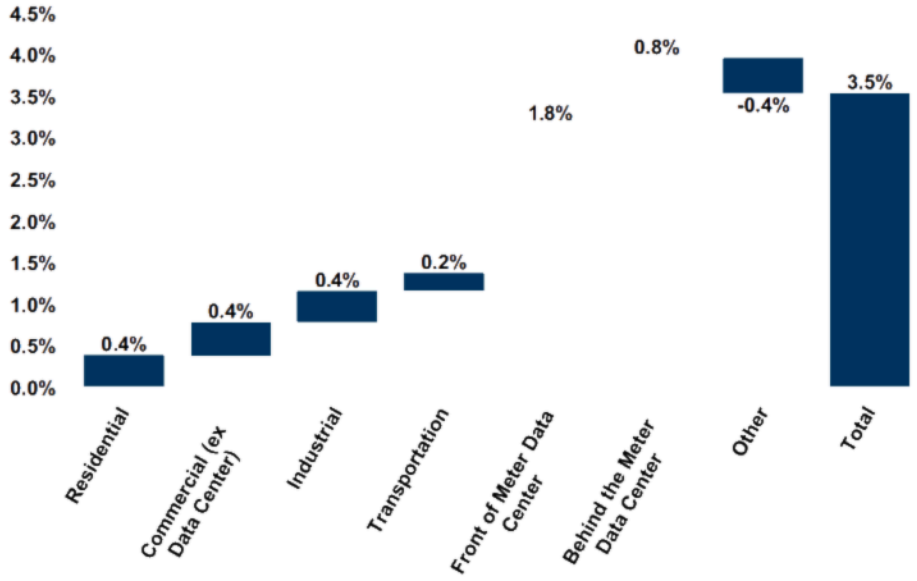
Source: S&P Global Market Intelligence, Goldman Sachs Global Investment Research

Overall Power Demand

As a result of this update, our overall power demand CAGR comes up from **3.2%** to

3.5% and our BTM capacity available to serve data center load increases to ~**31 GW** of capacity and ~**22 GW** of power delivery by 2030 (from 20 GW capacity/14 GW power delivery before). We expect BTM data center demand to make up **20%** of overall data center demand by 2030, where we continue to view BTM opportunities as a bridge solution in the near-term to address speed to market, and we expect grid connected power solutions to be the preference over the long-term for large scale data centers.

Exhibit 19: Our total power demand CAGR increases to 3.5% through 2030, driven by both BTM and FTM data center demand
Overall power demand CAGR by driver



Numbers do not sum to total due to rounding

Source: Goldman Sachs Global Investment Research

Key Risks

We see affordability concerns and local level pushback (due to water usage, noise, concerns over AI, etc) as key risks to monitor regarding data center expansion. While we acknowledge this pushback is valid, we believe that through regulation, proper cost allocation, and responsible corporate citizenship, these risks can be mitigated and the expansion can provide benefits to communities.

Stock views

We highlight Buy-rated stocks within our coverage that we believe will be key beneficiaries of the data center demand inflection in the US attributed to regional differences. We see **FE** as a regulated beneficiary given its exposure to PJM and upside from generation/transmission opportunities in West Virginia. For exposure to the growing MISO market, which we expect to have a 16% share of total US demand in 2030, we are constructive on **XEL**. **DUK** also stands to benefit through its ~15.4 GW high-confidence large load pipeline, and benefits from a favorable regulatory environment in the Southeast, which is the largest non-ISO data center market. We also view **SRE** as well positioned to capture opportunities in Texas via T&D capital investment, where we expect ERCOT's data center market to grow at a 20% CAGR

through 2030. Lastly, we view the IPPs, including **TLN, VST**, and **NRG,** as among the best positioned to benefit from rising power prices and incremental data center PPAs across both PJM and ERCOT.

Valuation and Key Risks

FE. We are Buy rated on FE with a 12-month target price of $54, which is based on an 18x P/E multiple on our Q5-Q8 estimates, reflecting a 1x premium over our baseline. Key downside risks relate to 1) an unfavorable outcome from its Ohio rate case; 2) pension expense and/or interest expense that could come in higher than expected; and 3) mild weather that could weigh on earnings.

XEL. We are Buy rated on XEL. Our 12-month price target is $93. We apply a 20.0x multiple to our Q5-Q8 earnings, representing a 3x premium to our baseline multiple to account for attractive leverage to renewables and transmission, as well as above-average growth versus peers and a strong track record of execution. Key downside risks include 1) negative rate case outcomes, 2) litigation, 3) failure to close the gap between earned vs authorized ROE, and 4) cost management.

DUK. We are Buy rated on DUK and see a 19% total return to our 12-month, $145 price target, which is based on a P/E multiple of 19.5x on our Q5-Q8 estimates to capture the upside opportunities around generation capex and improved regulatory position. Key downside risks include: DUK's balance sheet not improving; regulatory uncertainty from recently filed rate case; and any decline in the strong load growth forecast impacting expected earnings growth.

SRE. We are Buy rated on Sempra with a 12-month SOTP based PT of $109. Key downside risks for SRE include (1) management execution and communication challenges, (2) balance sheet strength weakens, and (3) constructive regulatory outcomes.

TLN. We value Buy rated TLN with a blended EV/EBITDA and FCF yield based valuation; our 12-month price target of $499 reflects a target EV/EBITDA multiple of 10.0x and FCF yield of 7.0% (on our Q5-Q8 estimates). Key downside risks for TLN include 1) regulatory and interconnection risk, 2) lower than anticipated power prices, 3) slowdown in data center demand.

VST. We are Buy rated on VST with a blended EV/EBITDA and FCF yield based valuation; our 12-month price target of $209 is based on a 10.5x EV/EBITDA multiple and a 7.0% FCF yield (on our Q5-Q8 estimates). Key downside risks for VST include: (1) PJM capacity auction uncertainty; (2) lower than anticipated power prices; and (3) future of the power demand theme.

NRG. We are Buy rated on NRG with a blended EV/EBITDA and FCF yield based valuation; our 12-month price target of $197 is based on a 9x EV/EBITDA multiple and an 8.0% FCF yield (on our Q5-Q8 estimates). Key downside risks for NRG include: (1) increased headline risk tied to AI and data center theme; (2) lower-than-anticipated power prices; and (3) PJM capacity auction price uncertainty.

Digital Realty Trust Inc (DLR, Buy)
Our estimates are unchanged.

Valuation. We are **Buy rated** on DLR with a 12-month target price of $215 (unchanged) based on a 26X (unchanged) NTM+1Y P/AFFO.

Digital Realty Trust Inc. (DLR, Buy) is a leading global wholesale provider of data center, colocation, and interconnect solutions for hyperscalers and large enterprises, operating as a Real Estate Investment Trust (REIT) that owns and manages over 300 facilities across over 50 metros globally for nearly 6,000 customers. DLR is strategically positioned to benefit from secular tailwinds from cloud computing, AI investments, and digital transformation that should support structural data center supply & demand tightness, which supports substantial pricing power that can translate to future growth as leases expire and are renewed at current market rates. Additionally, DLR's extensive backlog and use of joint ventures with institutional partners provide visibility into multi-year revenue and profit growth while managing capital requirements and customer concentration risks.

Key downside risks include: (-) data center supply exceeding demand, which could lead to pricing pressure and margin compression; (-) demand erosion from hyperscalers; (-) elevation of financing rates, which can negatively impact the company's growth capacity; (-) technology obsolescence if customer requirements shift towards infrastructure configurations that existing facilities cannot support without substantial retrofitting investments.

Equinix Inc (EQIX, Neutral)
Our estimates are unchanged.

Valuation. We are Neutral rated on EQIX with a 12-month target price to $1,015 (unchanged), which reflects 21.0X (unchanged) NTM+1Y P/AFFO.

Equinix is a global leading provider of data center, colocation, and interconnection solutions within the retail colocation market to 10K+ customers across nearly 80 metros. While the company should continue to be a beneficiary of structural tightness in data center supply and demand, its position in serving medium to large enterprises is unlikely to make it a primary beneficiary of the current wave of AI infrastructure spending, which is largely focused on large-scale model training favoring wholesale operators. That said, Equinix should benefit from the eventual shift towards AI inference workloads due to its distributed metro footprint and position in interconnection. Additionally, capital investments needed to support AI workload capacity should constrain near-term AFFO per share growth through higher expenses.

Key risks include: (+) further data center supply tightness driving upside to pricing; (+) greater demand for EQIX's metro-focused footprint to optimize low-latency infrastrucutre; (+) chip and power innovation diminishing the need for facility modernization investments; (+) interest rate reductions allowing EQIX to raise incremental debt & refinance existing debt amidst continued growth investments; (-) data center oversupply could drive pricing weakness and margin compression; (-) customer demand from medium to large enterprises may weaken; (-) es
density requirements could render some of EQIX's footprint inadequate
applications, requirining greater capex for maintenance and retrofits; (-
financing rates could negatively impact EQIX's ability to invest in growth

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IREN Ltd (IREN, Neutral)
Our estimates are unchanged.

Valuation. We are Neutral rated on IREN with a 12-month target price of $50 (unchanged) based on a blended valuation methodology using an 85% fundamental value weight at a 7.0X (unchanged) NTM+1Y EV/EBITDA and a 15% M&A value weight at 21X (unchanged) EBITDA.

IREN is a Bitcoin miner in the process of converting to an AI cloud operator. Upon this transition, the company should be well positioned to benefit from the growing demand for AI-optimized compute infrastructure and the scarcity of grid-connected power capacity suitable for GPU deployments. IREN's access to secured grid-connected power capacity positions the company to potentially capture additional hyperscaler demand in an environment where power availability is the primary constraint limiting new data center development in primary markets. Execution risk and re-leasing uncertainty are key factors that could impact the durability of this opportunity. The capital intensity of IREN's business model, negative free cash flow expected through at least F2028, and elevated customer concentration remain key considerations for investors evaluating the risk/reward profile.

Key risks include: (+) greater-than-expected demand for AI infrastructure could result in stronger pricing power and accelerated contract signings; (+) greater GPU supply constraints could drive premium pricing for IREN's capacity; (+) greater-than-expected Bitcoin pricing appreciation could provide more cash flow to fund AI cloud capex; (+) GPU useful life could extend beyond the initial five-year contract term and potentially improve long-term project IRRs; (+) funding solutions could prove more favorable than expected, including project-level financing at attractive rates and strategic equity investments from hyperscalers; (-) construction delays could prevent the company from delivering data center infrastructure and impact revenue ramp assumptions; (-) GPUs could have a shorter useful life than expected, limiting the company's ability to monetize them in follow-on AI cloud services deals; (-) competitive pressure or technological advancement driving non-renewals or renewals with lower pricing; (-) Bitcoin price volatility could create funding uncertainty; (-) elevated customer concentration from its announced Microsoft deal could create revenue volatility and negotiating leverage concerns.