

TMT

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Global Equity Research

Neoclouds and AI Infrastructure

Sector Update

It Was the Beta, Not the Capex: Reiterating Overweight on Nebius and IREN, Underweight on SpaceX and CoreWeave

NBIS: Overweight, PT \$207 (unchanged). Nebius is down 15.5% since our 28 October report. Its Nasdaq-100 beta of 3.4 explains all of that: the index fell 4.8%, implying -16.6%. Microsoft's delayed third-party capacity is a timing risk, not a demand problem. Even if Nebius ended 2026 at \$6bn of ARR instead of the \$8bn midpoint, our PT would fall only to \$194. Upside is now +34%, from +14%. 3Q26 results are due 12 November.

IREN: Overweight, PT \$37 (unchanged). IREN is down 17.0% to a 52-week low, 2.6pp worse than beta implies. Upside is +54%. Funding is still the risk, which is why our bear case is zero. Results are due 5 November.

SPCX: Underweight, PT \$90 (unchanged). SpaceX fell least (-7.2%) but is back below its \$135 IPO price. A press report that Anthropic is the unnamed customer behind 34.5% of 3Q revenue sharpens the concentration risk. The remaining 797.6M lock-up shares are released on 8 December.

CRWV: Underweight, PT \$44 (unchanged). CoreWeave is down 14.2% but still trades 25% above our PT, with CDS around 1,100bp. Results are due 10 November.

Key Points

What changed: two capex misses and a near-correction

Microsoft spent \$45.2bn against about \$50.7bn expected and blamed "third-party capacity deliveries" that slipped to the January-June half of its fiscal year. It still said "customer demand continues to exceed available supply". Alphabet's \$51.4bn also missed by about \$4bn. Amazon's \$77.3bn beat by \$19bn a day later. On 30 October the Nasdaq-100 fell 3.5%, at one point 10% below its record.

Capex beats stopped paying in 2026

On 22 hyperscaler sessions with a positive capex signal since January 2025, our neocloud basket beat the Nasdaq-100 by an average +1.3% on day 0 (t 1.0). In 2026 the figure was +0.4%, with 4 of 10 positive. The one clean negative signal, this week, cost 3.7% on day 0 and 9.0% over two days. Amazon's beat the next day still saw the basket fall 5.3%.

The brief's maths at Friday's prices

On a common \$20M per MW, SpaceX trades at 11.3x end-2027 ARR and Nebius at 1.25x. The gap between our two PT upsides has widened to 67pp, from 52pp. The best company is still not the best stock.

The next two weeks decide it

IREN (5 November), CoreWeave (10 November) and Nebius (12 November) report before Anthropic's targeted listing in the week of 16 November. The test is whether Microsoft's delay shows up in 2026 ARR guidance: below \$7bn at Nebius or \$4bn of contracted ARR at IREN would make it more than a timing issue.

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Symbol	PT (Previous)	Rating (Previous)	Price
SPCX	— \$90.00 (\$90.00)	Underweight (Underweight)	\$134.72
NBIS	— \$207.00 (\$207.00)	Overweight (Overweight)	\$154.14
IREN	— \$37.00 (\$37.00)	Overweight (Overweight)	\$23.95
CRWV	— \$44.00 (\$44.00)	Underweight (Underweight)	\$54.87

Source: Yahoo Finance and K2 Capital. Prices at 30-Oct-26 close; Dec-27 PTs.

EV/ARR	EV	ARR 27	28 Oct	Funded
SPCX	\$1,779bn	11.3x	12.2x	13.5x
NBIS	\$47bn	1.25x	1.46x	2.2x
IREN	\$11bn	0.69x	0.81x	1.8x
CRWV	\$76bn	1.27x	1.36x	1.9x

ARR 27: K2, end-2027 capacity at \$20M per MW-year.
Funded: EV plus capex still to fund. See Exhibit 3.

Strategy	Verdict
Long NBIS / short SPXC (beta-hedged)	Use selectively
Own contract torque before the news	Use selectively
Buy neoclouds on capex beats	Avoid
Buy clean contract news at the close	Avoid
Buy the cheapest EV/ARR	Avoid
Short SPXC into lock-up releases	Avoid

See Exhibit 13 for the evidence behind each verdict.

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Since our initiation: beta, not news

All four stocks fell more than the Nasdaq-100's 4.8% since our 28 October close, from 7.2% (SpaceX) to 17.0% (IREN). Each one's beta to the index since SpaceX listed, multiplied by the index move, explains the fall to within 3pp (Exhibit 1). The ranking repeats what we showed at initiation: SpaceX, the dearest name, fell least, and IREN, the cheapest, fell most. Our PTs are unchanged, so the upside to Nebius and IREN has roughly doubled and the downside to SpaceX and CoreWeave has narrowed. Our coverage average upside has moved from -7% to +9%; ratings relative to it are unchanged.

Microsoft's delay is about timing, not demand

Microsoft's CFO said "some third-party capacity deliveries we expected in Q1 were delayed" and that "some 3P GPU-as-a-Service contracts" moved to the second half of the fiscal year (January-June 2027). Microsoft cut its calendar-2026 capex to about \$170bn from about \$175bn but guided the December quarter above \$50bn. It named no supplier, and no outlet we found confirmed which neocloud was late. Nebius (Microsoft contract of up to \$19.4bn, Vineland), IREN (\$9.7bn, Childress) and CoreWeave all supply Microsoft. One press report says Vineland is running slower than planned; we could not verify it. Microsoft's chief executive also said a provider that relies on "like 4 customers" is "not a business". He named no one, but all four of our names fit that description to some degree.

A delay moves revenue from 2026 into 2027; it does not cancel it. In our model each \$1bn shortfall in Nebius's end-2026 ARR cuts the base case by about \$13 and the PT by about \$7. For IREN, each \$0.5bn costs about \$2 of PT (Exhibit 2). The risk that would change our view is funding: a delayed customer delays the prepayments that Nebius and IREN use to finance construction.

Capex beats no longer lift the group

We classified 40 capex disclosures from Microsoft, Alphabet, Amazon, Meta and Oracle since January 2025 into 29 trading sessions (Exhibits 6-8). Positive signals lifted our basket by +2.2% on average in 2025 (8 of 12 up) but only +0.4% in 2026 (4 of 10). There has been only one clean negative session, and it hurt. The read-across has become asymmetric: good capex news is priced, bad news is not.

SpaceX: the brief's strengths are real, and priced

SpaceX is the best-capitalised name: BBB+ (affirmed by Fitch on 28 October), \$89.9bn of liquidity against \$38bn of debt, and the \$40bn Apollo GPU lease. Its chief executive says debt markets have "almost entirely shut off" for neoclouds without large non-AI revenue. The turbine-blade claim is his statement on the 3Q call ("we're casting the blades and vanes"); a press report in August found the foundry at the groundwork stage with no permits filed. None of this changes the valuation: at 11.3x end-2027 ARR, SpaceX needs about \$87M per MW a year to reach the brief's 3x.

Exhibit 1 - Since 28 October: It Was the Beta

Since 28-Oct-26 close	SPCX	NBIS	IREN	CRWV
Price, 28 Oct (\$)	145.23	182.34	28.84	63.93
Price, 30 Oct (\$)	134.72	154.14	23.95	54.87
Return	(7.2%)	(15.5%)	(17.0%)	(14.2%)
Beta to Nasdaq-100	1.74	3.43	2.97	2.87
Beta x QQQ move (-4.8%)	(8.4%)	(16.6%)	(14.4%)	(13.9%)
Residual	1.2%	1.1%	(2.6%)	(0.3%)
Upside to PT, 28 Oct	-38%	+14%	+28%	-31%
Upside to PT, now	-33%	+34%	+54%	-20%

Source: Yahoo Finance, K2 Capital. Beta from daily returns since 15 Jun 2026.

Exhibit 2 - What a 2026 Shortfall Costs

End-2026 ARR (\$bn)	Base case	PT	vs PT
NBIS at \$8.0bn (our base)	\$218	\$207	0%
NBIS at \$7.0bn	\$204	\$200	-3%
NBIS at \$6.0bn	\$191	\$194	-7%
IREN at \$4.0bn (our base)	\$27	\$37	0%
IREN at \$3.5bn	\$23	\$35	-6%
IREN at \$3.0bn	\$18	\$33	-11%

Source: K2 Capital estimates. Changes the base case only (2H26 EBITDA scaled with ARR); bull and bear cases unchanged.

Exhibit 3 - Neocloud EV/ARR at Friday's Prices

Like-for-like: same price per MW, capex counted	SPCX	NBIS	CRWV	IREN
Share price, 30-Oct-26 (\$)	\$134.72	\$154.14	\$54.87	\$23.95
Market cap (\$bn)	1,829.6	44.3	30.3	9.1
Net debt incl. leases (\$bn)	(50.9)	3.0	46.1	1.9
Enterprise value (\$bn)	1,778.8	47.3	76.4	11.0
EV / end-2026 ARR guidance	17.8x	5.9x	4.0x	2.8x
End-2027 ARR, K2 base (\$bn)	158.1	38.0	60.0	16.0
EV / end-2027 ARR, now	11.25x	1.25x	1.27x	0.69x
EV / end-2027 ARR, 28 Oct	12.16x	1.46x	1.36x	0.81x
At \$10M / \$30M per MW-year	19.1x / 8.0x	2.5x / 0.8x	2.5x / 0.8x	1.4x / 0.5x
The brief's multiple	~3x	~1x	-	-
Funded EV / end-2027 ARR	13.52x	2.17x	1.94x	1.78x

Note: balance sheets and capacity assumptions as in our 28 Oct 2026 report (SpaceX 30 Sep; Nebius 30 Jun pro forma; CoreWeave and IREN 30 Jun). End-2027 ARR: K2 base at \$20M per MW-year (SpaceX: half of 13 GW sold, plus Starlink and launch). Capex at \$35M per MW added.

Source: Company filings, Yahoo Finance, K2 Capital estimates.

Exhibit 4 - What Happened This Week

Date	Who	What	Our read
28 Oct	IREN	\$363M equipment financing (Wingspire, six lenders), secured on GPUs in service	Funding, small
28 Oct	SPCX	Fitch affirms BBB+; \$89.9bn liquidity vs \$38bn debt	Supports quality
28 Oct	Microsoft	Capex \$45.2bn vs ~\$50.7bn; 3P capacity delayed to Jan-Jun 2027	Timing risk
28 Oct	Alphabet	Capex \$51.4bn vs ~\$55.1bn; 2026 guide held; 2027 up significantly	Neutral
29 Oct	SPCX	Press: Anthropic is 'Customer B' (34.5% of 3Q revenue)	Concentration
29 Oct	Amazon	Capex \$77.3bn vs ~\$58.7bn; 2027 'meaningfully more'	Positive, ignored
30 Oct	Nasdaq-100	-3.5%; intraday 10% below record; Intel -29%	Beta
30 Oct	IREN	Broker cuts target to \$64 (Buy kept); 52-week low	Sentiment
30 Oct	NBIS	3Q26 results set for 12 Nov, before the open	Catalyst
30 Oct	Anthropic	Press: listing targeted for week of 16 Nov; high-junk rating expected	Catalyst

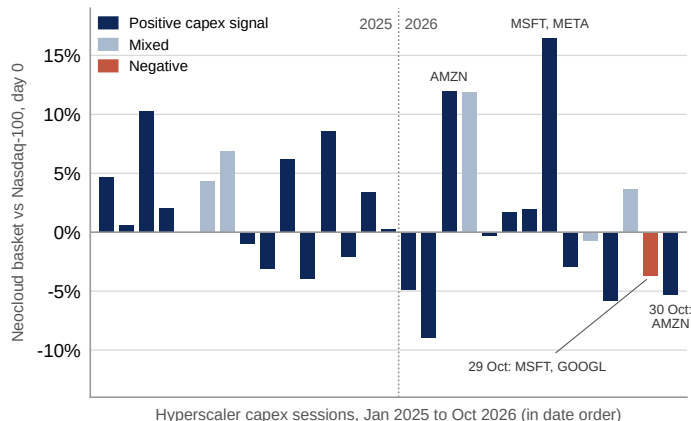
Source: Company releases and call transcripts (Microsoft, Alphabet, Amazon, IREN, Nebius), Fitch as reported, Bloomberg and Financial Times as reported by TNW and TechCrunch, MarketBeat, 24/7 Wall St., K2 Capital.

Exhibit 5 - Price Target Scenarios (Dec-27, Unchanged)

Company	Base (50%)	Bull (20%)	Bear (30%)	Dec-27 PT	Price	Upside	vs coverage	Rating
SpaceX (SPCX)	\$81	\$211	\$27	\$90	\$134.72	-33%	-42pp	Underweight
Nebius (NBIS)	\$218	\$470	\$13	\$207	\$154.14	+34%	+25pp	Overweight
IREN (IREN)	\$27	\$118	\$0	\$37	\$23.95	+54%	+46pp	Overweight
CoreWeave (CRWV)	\$41	\$106	\$8	\$44	\$54.87	-20%	-29pp	Underweight

Source: K2 Capital estimates from our 28 Oct 2026 report; CoreWeave from our 23 Oct 2026 initiation. Weights: base 50%, bull 20%, bear 30%. Ratings relative to the coverage average upside (+9%).

Exhibit 6 - Neocloud Moves on Capex Sessions



Source: Company releases and press reports as dated, Yahoo Finance, K2 Capital.

Exhibit 7 - Capex Read-Across Statistics

Basket vs QQQ	Positive	2025	2026	Mixed	Negative
Day 0: mean	1.3%	2.2%	0.4%	4.3%	(3.7%)
median	0.4%	1.3%	(1.6%)	4.0%	(3.7%)
positive	12 of 22	8 of 12	4 of 10	4 of 6	0 of 1
t-statistic	1.0	1.6	0.1	2.3	-
Days 0 to +1: mean	2.5%	-	-	3.5%	(9.0%)
Typical non-event day, move 3.7% (event sessions: 4.8%)					
By name, day 0	CRVV	NBIS	IREN	SPCX	
Positive sessions: mean	0.6%	1.7%	1.8%	(2.5%)	
number	18	22	22	5	
29 Oct (Microsoft, Alphabet)	(3.6%)	(4.3%)	(7.6%)	0.5%	
30 Oct (Amazon beat)	(6.2%)	(6.9%)	(5.3%)	(2.9%)	

Basket: equal weight of CRVV, NBIS, IREN and (from Jul-26) SPCX, minus QQQ. Same-session reports combined; positive and negative together count as mixed.

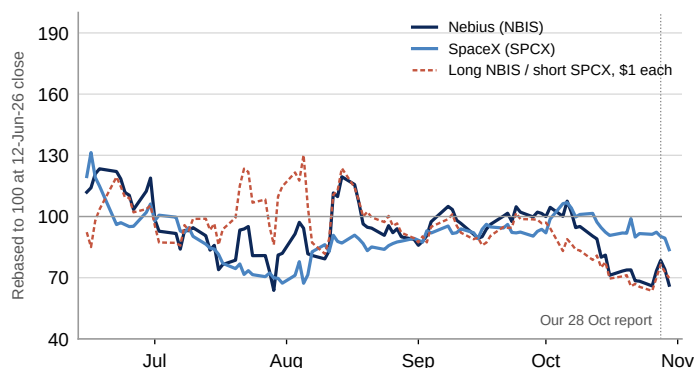
Exhibit 8 - Hyperscaler Capex Sessions, January 2025 to October 2026

Session	Reporting	Capex signal (summary)	Signal	Basket day 0	Days 0 to +1
30-Jan-25	MSFT/META	MSFT: Beat; slower FY26 language; META: 2025 guide \$60-65bn	Positive	4.7%	5.8%
05-Feb-25	GOOGL	GOOGL: 2025 guide ~\$75bn vs ~\$58bn expected	Positive	0.5%	3.3%
07-Feb-25	AMZN	AMZN: 2025 ~\$100bn+	Positive	10.2%	14.3%
11-Mar-25	ORCL	ORCL: FY25 more than double	Positive	2.0%	6.6%
25-Apr-25	GOOGL	GOOGL: In line; \$75bn kept	Mixed	0.0%	(0.9%)
01-May-25	MSFT/META	MSFT: Miss; slower FY26; META: Raised to \$64-72bn	Mixed	4.3%	11.2%
02-May-25	AMZN	AMZN: No change	Mixed	6.9%	3.3%
12-Jun-25	ORCL	ORCL: FY26 >\$25bn	Positive	(1.0%)	(3.4%)
24-Jul-25	GOOGL	GOOGL: Raised to ~\$85bn	Positive	(3.1%)	(5.9%)
31-Jul-25	MSFT/META	MSFT: FQ1 >\$30bn; META: Floor raised	Positive	6.2%	2.2%
01-Aug-25	AMZN	AMZN: 2H at Q2 run-rate	Positive	(3.9%)	(1.4%)
10-Sep-25	ORCL	ORCL: FY26 ~\$35bn; backlog surge	Positive	8.6%	4.5%
30-Oct-25	MSFT/GOOGL/META	MSFT: FY26 growth above FY25; GOOGL: Raised to \$91-93bn; ...	Positive	(2.0%)	1.4%
31-Oct-25	AMZN	AMZN: 2025 ~\$125bn	Positive	3.4%	2.3%
11-Dec-25	ORCL	ORCL: FY26 ~\$50bn	Positive	0.3%	(6.4%)
29-Jan-26	MSFT/META	MSFT: Big beat; META: 2026 \$115-135bn	Positive	(4.9%)	(12.6%)
05-Feb-26	GOOGL	GOOGL: 2026 \$175-185bn	Positive	(9.0%)	3.0%
06-Feb-26	AMZN	AMZN: 2026 ~\$200bn	Positive	11.9%	19.8%
11-Mar-26	ORCL	ORCL: FY26 kept	Mixed	11.9%	11.1%
30-Apr-26	MSFT/GOOGL/AMZN/META	MSFT: CY26 ~\$190bn; GOOGL: Raised to \$180-190bn; AMZN: ~\$200bn kept; ...	Positive	(0.3%)	5.0%
11-Jun-26	ORCL	ORCL: FY27 up to ~\$95bn	Positive	1.7%	6.1%
23-Jul-26	GOOGL	GOOGL: Raised to \$195-205bn	Positive	2.0%	(6.3%)
30-Jul-26	MSFT/META	MSFT: Slight miss; optical cut; META: Floor raised	Positive	16.4%	13.5%
31-Jul-26	AMZN	AMZN: Raised to ~\$220bn	Positive	(2.9%)	6.5%
11-Sep-26	ORCL	ORCL: FY27 kept	Mixed	(0.7%)	(3.8%)
22-Oct-26	META	META: Floor raised to \$135-145bn	Positive	(5.8%)	(6.6%)
28-Oct-26	ORCL	ORCL: Investor day: capex peak flagged	Mixed	3.7%	0.0%
29-Oct-26	MSFT/GOOGL	MSFT: Miss; CY26 cut to ~\$170bn; 3P delays; GOOGL: Miss; guide unchanged	Negative	(3.7%)	(9.0%)
30-Oct-26	AMZN	AMZN: Big beat; 2027 'meaningfully more'	Positive	(5.3%)	-

Signal: positive if capex beat consensus or guidance rose; negative if it missed or guidance fell; mixed otherwise. Reports after the close are dated to the next session. Microsoft capex includes finance leases; Amazon is gross purchases of property and equipment.

Source: Microsoft, Alphabet, Amazon, Meta and Oracle releases and calls; consensus from Visible Alpha, StreetAccount, FactSet and LSEG as reported; Yahoo Finance; K2 Capital.

Exhibit 9 - Nebius vs SpaceX Since the Listing



Source: Yahoo Finance, K2 Capital.

Exhibit 10 - Pair Statistics and Hedge Ratios

Since 12-Jun-26 (97 sessions)	NBIS	SPCX
Return	(33.7%)	(16.3%)
Annualised volatility	124%	82%
Beta to Nasdaq-100	3.43	1.74
Correlation (daily)	0.35 (20-day range 0.12-0.65)	
PT upside, 28 Oct / now	+14% / +34%	-38% / -33%

Pair, long \$1 NBIS vs short	Return	Vol / MDD
\$1.00 SPCX (dollar neutral)	(30.1%)	122% / (51%)
\$0.53 SPCX (beta to SPCX)	(29.6%)	116% / (46%)
\$1.51 SPCX (equal volatility)	(35.2%)	141% / (61%)
\$1.97 SPCX (Nasdaq beta neutral)	(43.2%)	166% / (70%)

Daily returns, 15 Jun to 30 Oct 2026; pairs rebalanced daily. MDD: maximum drawdown.

Exhibit 11 - Contract-Event Study (Unchanged)

Contract events vs QQQ	Clean	With financing	All
Day 0: mean	21.6%	(5.1%)	10.4%
positive	10 of 11	1 of 4	17 of 25
Days +1 to +5: mean	1.0%	11.9%	4.0%
positive	5 of 11	4 of 4	12 of 24
Days +1 to +20: mean	5.4%	9.5%	7.1%
positive	6 of 11	2 of 4	12 of 24
Day-0 t-statistic	3.47	-1.16	2.80
Size effect (clean): R ²	0.53, n = 10		

25 events, May 2025 to Oct 2026; no new contract announcements by the four this week. SpaceX since the 26 Oct S-1: -6.9% vs QQQ through 30 Oct.

Exhibit 12 - SpaceX Lock-Up Releases

Release	Tranche	-5 to -1	Day 0	+1 to +5
6-Aug-26	20% after 2Q results	(10.4%)	6.5%	20.0%
20-Aug-26	7%	(3.3%)	(3.3%)	3.6%
9-Sep-26	7%	6.6%	(3.6%)	4.1%
24-Sep-26	7%	(6.8%)	(0.2%)	0.0%
9-Oct-26	7%	8.0%	0.8%	(4.9%)
22-Oct-26	28% after 3Q results	5.4%	(6.3%)	(2.1%)
26-Oct-26	7%	2.5%	(1.5%)	(5.4%)*
Average		0.3%	(1.1%)	2.2%
8-Dec-26	Remaining 797.6M shares			

SpaceX minus QQQ. *Four sessions available. Schedule from SpaceX's 424B4 prospectus.

Exhibit 13 - Strategy Scorecard

Strategy	Evidence (updated to 30 Oct)	Verdict
Long NBIS / short SPCX (beta-hedged)	PT spread 67pp (28 Oct: 52pp), but correlation 0.35; beta-hedged pair 29.6% down since June	Use selectively
Own contract torque before the news	Clean day-0 pop +21.6% (t 3.5); scales with deal size vs market cap (R ² 0.53); no new contracts this week	Use selectively
Buy neoclouds on capex beats	2026 positive sessions +0.4%, 4 of 10 up; Amazon's \$19bn beat on 30 Oct: basket -5.3%	Avoid
Buy clean contract news at the close	Days +1 to +5: mean +1.0%, 5 of 11 positive (t 0.3)	Avoid
Buy the cheapest EV/ARR	Cheapest fell most again this week; rank correlation of EV/ARR with return since June still +1.0 (4 names)	Avoid
Short SPCX into lock-up releases	Day 0 mean -1.1%, next five days +2.2% across 7 releases	Avoid

Verdicts: Implement (we expect the strategy to add value after costs), Use selectively (in defined circumstances only), Avoid. Small samples throughout.

Ratings, Price Targets and Key Risks

Nebius Group N.V. (NBIS)

What changed

Nothing company-specific. The stock fell 15.5% on the Microsoft and Alphabet capex prints and Friday's Nasdaq sell-off, close to what its 3.4 beta implied. Nebius set 3Q26 results for 12 November before the open. Its chief executive said on 26 October that some capital sources had "temporarily dried up", but that customer advances and other instruments should fund "at least" 1 GW. The \$3.5bn Citi bridge loan (17 October, SOFR + 2.75% stepping up to 3.50%) adds liquidity to 2027.

Base Case/PT (unchanged)

End-2026 ARR of \$8bn plus 1.0 GW a year in 2027 and 2028 at \$15M per MW-year, a 55% FY28E margin and 6.0x FY28E EBITDA of \$16.8bn, less year-end 2027 net debt of \$35.4bn: \$218. Bull \$470, bear \$13; weighted PT \$207, +34%.

Risks

Downside: (1) delays on Microsoft's capacity (Vineland) push 2026 ARR below guidance; (2) capital markets stay shut and prepayments slow; (3) three customers were 59% of 2Q26 revenue; (4) dilution from the at-the-market programme.

IREN Limited (IREN)

What changed

IREN fell 17.0% to a 52-week low, 2.6pp more than beta implied. On 28 October it closed a \$363M equipment financing with six lenders, secured on GPU servers already in service, and a broker cut its target to \$64 from \$91 (Buy kept). Q1 FY27 results are due 5 November after the close. With FY27 capex guided at \$25-30bn against a market cap of \$9.1bn, funding remains the swing factor.

Base Case/PT (unchanged)

0.5 GW added in 2027 and 0.4 GW in 2028 at \$16M per MW-year, 5.0x FY28E EBITDA of \$9.1bn, 60M new shares: \$27. Bull \$118, bear \$0; weighted PT \$37, +54%.

Risks

Downside: (1) funding the 2027 build; (2) Microsoft delays at Childress; (3) operational reliability; (4) falling bitcoin-mining revenue.

Space Exploration Technologies Corp. (SPCX)

What changed

SpaceX fell 7.2%, the least of the four, closing at \$134.72, just below its \$135 IPO price. A press report on 29 October identified Anthropic as "Customer B", 34.5% of 3Q26 revenue; neither company has confirmed it. Anthropic's listing, targeted for the week of 16 November, will put a market price on SpaceX's largest customer, whose contract can be cancelled on 90 days' notice once its non-cancellable periods end in January and March 2027. A broker flagged China antitrust approval as the main hurdle to a Tesla merger.

Base Case/PT (unchanged)

Starlink at 22x 2027E EBITDA of \$17.5bn, Space at \$150bn, SI at 5x end-2027 ARR of \$125bn, less \$60bn of net debt: \$81. Bull \$211, bear \$27; weighted PT \$90, -33%. The market still implies about \$1.24tn for SI, 41x its 3Q26 revenue annualised.

Risks

Upside: (1) funded capacity toward 13 GW; (2) Anthropic stays past early 2027; (3) a Tesla merger; (4) S&P 500 inclusion.

CoreWeave, Inc. (CRWV)

We reiterate Underweight and our \$44 PT. The stock fell 14.2%, in line with its 2.9 beta, and still trades 25% above our PT. Five-year CDS was around 1,100bp in late October and its 9.75% 2031 notes yielded close to 16%. A shareholder lawsuit notice was filed on 29 October. Our thesis rests on negative carry: interest expense above adjusted operating income. 3Q26 results are due 10 November after the close. Upside risks: lower funding costs, faster backlog conversion, NVIDIA support.

What Would Make Us Wrong?

We would revisit our ratings if any of the following occur:

- 1. Microsoft's delay hits 2026.** If Nebius reports end-2026 ARR guidance below \$7bn on 12 November, or IREN cuts its December-quarter contracted ARR below \$4bn on 5 November, the delay is bigger than a quarter and we would revisit both PTs.
- 2. Funding closes.** If Nebius or IREN raises equity at a discount of more than 15% to the prior close, or either fails to close announced project financing by end-1Q27, our Overweight ratings are wrong.
- 3. Capex beats start paying again.** If the basket beats the Nasdaq-100 on each of the next three positive hyperscaler capex sessions by more than 3%, the read-across has normalised and we would upgrade the capex-beat strategy from Avoid.
- 4. SpaceX funds the gigawatts.** If SpaceX announces committed financing above \$250bn for 2027 compute, or more than 6 GW of nameplate capacity by mid-2027, our SpaceX capacity cap is wrong.
- 5. Anthropic stays.** If Anthropic does not give notice at the January and March 2027 windows, and SpaceX's 1Q27 revenue lands within its \$33-37bn guide, the SI segment is more durable than our bear case allows.

Signposts

5 Nov: IREN Q1 FY27 (after the close). 10 Nov: CoreWeave 3Q26 (after the close). 12 Nov: Nebius 3Q26 (before the open). Week of 16 Nov: Anthropic's targeted listing. 8 Dec: SpaceX's remaining 180-day lock-up (797.6M shares). December: Anthropic's SpaceX capacity fully delivered. January and March 2027: Anthropic's non-cancellable periods end. January to June 2027: Microsoft's delayed third-party contracts due. Late January 2027: hyperscaler 4Q results and 2027 capex guides.

Exhibit 14 - The Brief's Claims, Rechecked at Friday's Prices

Claim	Verdict	Evidence at 30 Oct
SpaceX's CEO will earn \$120bn from Anthropic	Overstated	"Up to" \$120.5bn to SpaceX's AI subsidiary, not to him; cancellable on 90 days' notice after Jan and Mar 2027 windows.
SpaceX is the highest-quality neocloud	Fair	BBB+, \$89.9bn liquidity, \$40bn Apollo lease. Quality is not the question; price is.
SpaceX is better capitalised, easier to finance	Confirmed	Its chief executive says debt markets have "almost entirely shut off" for neoclouds without non-AI revenue.
SpaceX casts its own turbine blades, saving 12-18 months	Unverified	Management statement on the 3Q call; no filing; foundry at groundwork stage in August with no permits found.
13-20 GW of compute by end-2027	Overstated	13 GW is a floor the chief executive would be "surprised" to miss; 1.7 GW at 30 Sep; we see about 6 GW fundable.
SpaceX trades at ~3x end-2027 ARR	Understated	11.3x at \$20M per MW; 3x needs about \$87M per MW.
Nebius trades at ~1x end-2027 ARR	Close	1.25x at \$20M per MW (1x needs about \$25M per MW); 2.17x with capex counted.
The best company is not always the best stock	Agree	PT upside: Nebius +34%, SpaceX -33%.

Source: Anthropic S-1, SpaceX 3Q26 call and filings, Fitch as reported, TechCrunch (Aug 2026), Yahoo Finance, K2 Capital.

Important Disclosures

Analyst Certification

The research analysts of K2 Capital Limited responsible for this report certify that (1) the views expressed in this report accurately reflect their personal views about the subject companies and their securities, and (2) no part of their compensation was, is or will be directly or indirectly related to the specific ratings or views expressed in this report.

Rating Definitions

Overweight: over the duration of the price target, we expect the stock to outperform the total return of the relevant benchmark, which in this report is the unweighted average expected total return of our neocloud coverage (SpaceX, Nebius, IREN and CoreWeave). **Neutral:** we expect the stock to perform in line with it. **Underweight:** we expect the stock to underperform it. Price targets are set for the period stated and are based on the methodology and risks described in this report and in our report of 28 October 2026. CoreWeave was initiated on 23 October 2026 against the S&P 500; it is Underweight on either basis. Strategy verdicts: Implement (we expect the strategy to add value after costs), Use selectively (beneficial in defined circumstances only), Avoid (we do not expect it to add value after costs).

Rating Distribution

(As of October 31)	% of coverage	Companies
Overweight	50.00%	2
Neutral	0.00%	0
Underweight	50.00%	2

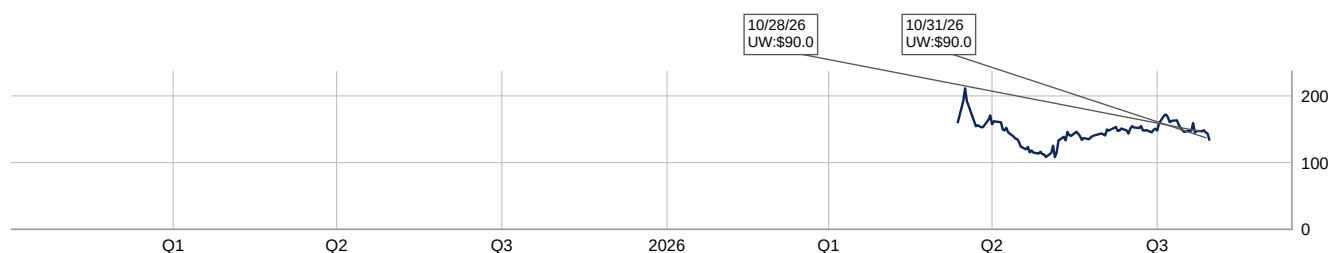
Rating History

Date	Company	Rating	Price (\$)	Price Target (\$)
23-Oct-26	CoreWeave (CRWV)	Underweight (initiation)	55.60	44.00
28-Oct-26	CoreWeave (CRWV)	Underweight	63.93	44.00
28-Oct-26	IREN (IREN)	Overweight (initiation)	28.84	37.00
28-Oct-26	Nebius (NBIS)	Overweight (initiation)	182.34	207.00
28-Oct-26	SpaceX (SPCX)	Underweight (initiation)	145.23	90.00
31-Oct-26	CoreWeave (CRWV)	Underweight	54.87	44.00
31-Oct-26	IREN (IREN)	Overweight	23.95	37.00
31-Oct-26	Nebius (NBIS)	Overweight	154.14	207.00
31-Oct-26	SpaceX (SPCX)	Underweight	134.72	90.00

Positions and Conflicts

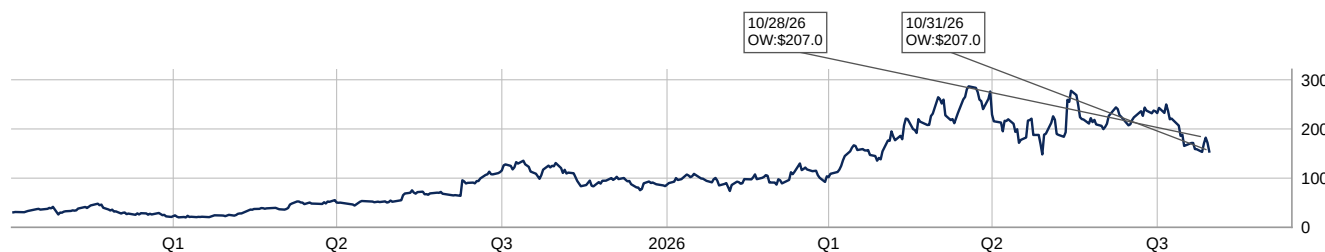
K2 Capital Limited, its principals and employees may hold positions in, and may trade, the securities of the companies discussed in this report or related instruments, including positions inconsistent with its ratings.

Rating and Price Target History for: Space Exploration Technologies Corp. (SPCX) as of 10-31-2026



Created by: K2 Capital

Rating and Price Target History for: Nebius Group N.V. (NBIS) as of 10-31-2026



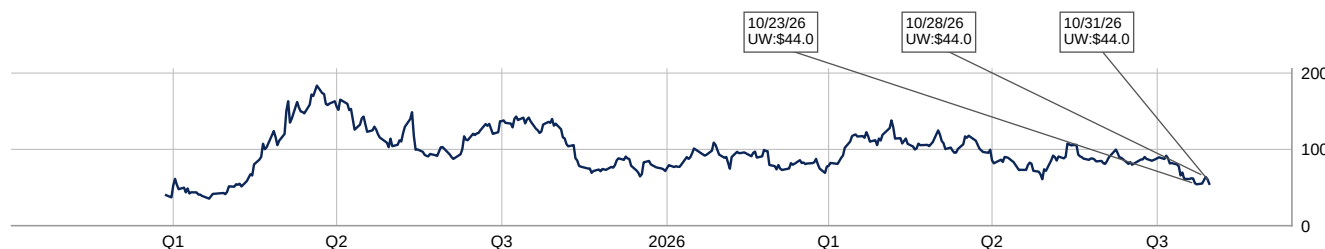
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Rating and Price Target History for: IREN Limited (IREN) as of 10-31-2026



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Rating and Price Target History for: CoreWeave, Inc. (CRWV) as of 10-31-2026



Created by: K2 Capital

Sources and Methodology

Prices are as of the close on 30 October 2026 unless stated. Daily prices for SpaceX, Nebius, CoreWeave, IREN, Applied Digital, TeraWulf, Cipher Mining, Microsoft, Alphabet, Amazon, Meta, Oracle and the Nasdaq-100 (QQQ) are from Yahoo Finance. Company information is from SEC filings, releases and call transcripts: Microsoft's FY27 first-quarter call (28 October 2026); Alphabet's 3Q26 release and Form 10-Q; Amazon's 3Q26 release and call; Meta's and Oracle's results releases and Oracle's investor day (28 October 2026); Anthropic's Form S-1 (26 October 2026); SpaceX's 424B4 prospectus, 3Q26 Form 10-Q and call, and 26 October 2026 lease release; Nebius's 6-K of 22 October 2026 and its results-date release; IREN's financing and results-date releases; and CoreWeave's results-date release. Balance sheets, capacity assumptions and scenario inputs are as set out in our report of 28 October 2026. Hyperscaler capex consensus figures are from Visible Alpha, StreetAccount, FactSet and LSEG as reported by Reuters, CNBC and others. Other sources include Fitch as reported, Bloomberg and the Financial Times as reported by TNW and TechCrunch, MarketBeat, TipRanks and 24/7 Wall St. Abnormal returns are stock returns less Nasdaq-100 (QQQ) returns, close to close; day 0 is the first session able to react. Betas use daily returns from 15 June 2026. Estimates are K2 Capital's and are subject to change without notice.

General

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Completed 31 Oct 2026

Disseminated 31 Oct 2026