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ADVENTURE, PASSION, PERSERVERANCE

Understanding a Financial Model for Rural Data Centres

CRRBC Rama
June 2025

Introduction to Pardal Ventures

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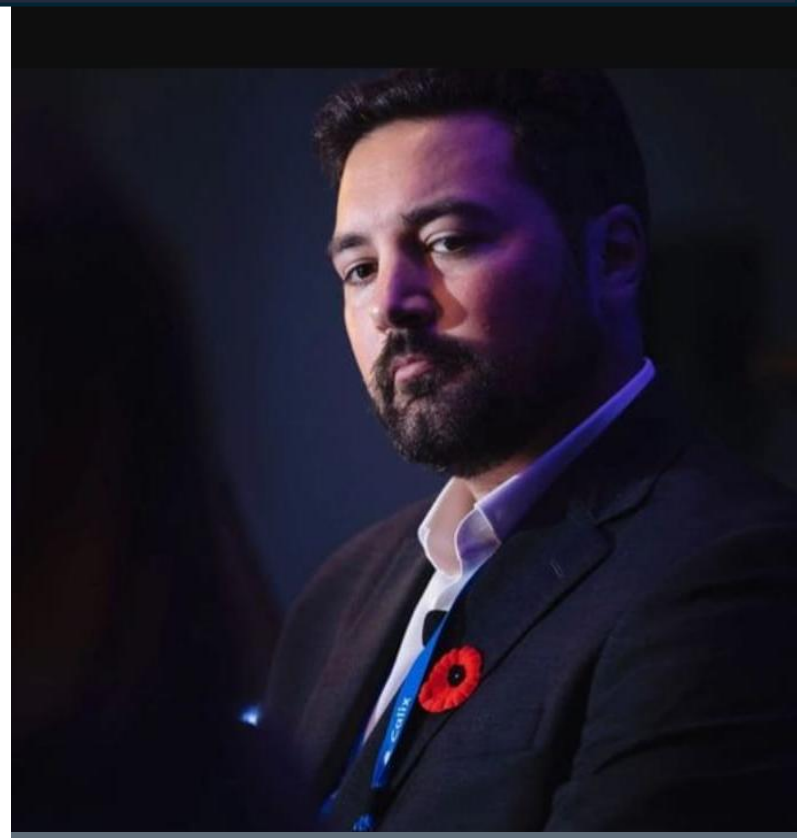
About Pardal Ventures

Pardal Ventures provides corporate development and financial advisory services to mid-market businesses in Canada, the United States and the United Kingdom. We specialize in business strategy, business valuation, corporate and project financial advisory with extensive experience in the telecom and broadband sector.

Our firm Principal, **David Pickett**, is a Chartered Business Valuator (CBV) with deep experience in advising mid-market firms, Indigenous communities and governments on strategic and financial matters, specifically when it pertains to digital infrastructure.



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David Pickett - LinkedIn

www.pardalventures.com

Satisfied Clients

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Sturgeon County
City of Lethbridge
Clearwater County
parkland county
City of Brooks
envi
NT POWER
VCFN
Utilities Kingston
The Corporation of the Township of La Corporation du Canton de Dubreuilville
Durham Region
Digital Ubiquity Capital
CIB BIC Canada Infrastructure Bank
Plenary
Aundeck Omni Kaning
Crown Capital Partners Inc.
YZD Northcrest
ARCADIS
CONNECT

Objective of the Session

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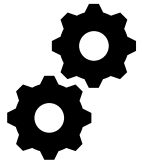
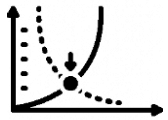
Understand cost and revenue drivers for a data centre project



Explore a working financial model

Assess feasibility using metrics like payback and breakeven analysis



Context Recap

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Data centres operate at the intersection of real estate and digital infrastructure — combining the physical demands of specialized, high-value property with the performance requirements of mission-critical IT services.

Rural data centres(“DC”s) promise decentralization, job creation, and data sovereignty.

High capital expenditures, complex operating models, and uncertain revenue are barriers to successfully building and operating a DC.

Why does a financial model matter?
It turns vision into an investment case, **helping you answer why or why not to proceed.**

Commercial Model & Funding Sources

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Commercial Models

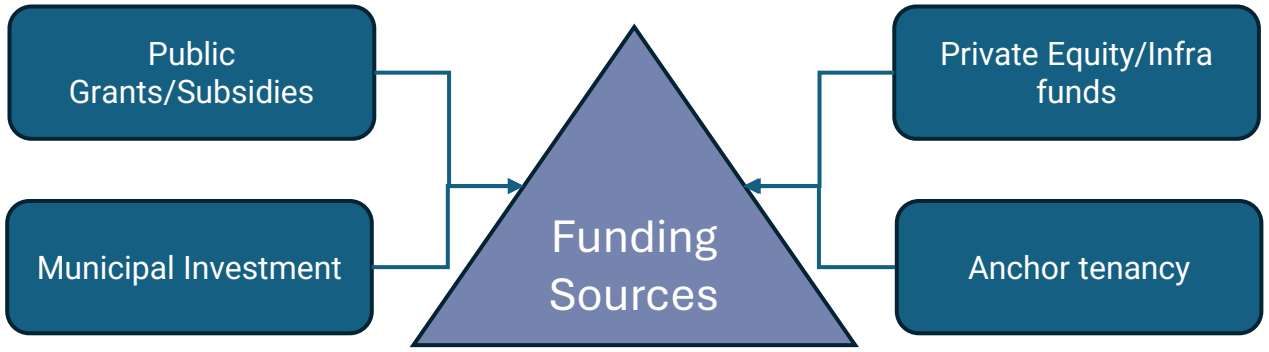
Developer → Owner → Operator → Tenant(s)

Vertical integration

Public-private hybrids

Community-led or co-op models

We will focus on simple model where a Private Owner Operator evaluates building a Tier 1 Data Centre with a simple financing structure.



Financial Model Structure Overview

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The financial model consists of an **Input** tab with the following key data entered in the **graphic below** along with a **Model or Outputs** tab that includes all key calculations to generate the information you see on the **graphic on the right**.

General Assumptions

(all $ expressed in CAD)

		Notes
Model Start Date	*2025-06-10*	
Fiscal Year End	*2025-12-31*	
Inflation	2.25%	*Based on Canadian CPI*
Months per period (full year)	*12*	

Cost Assumptions

Revenue Assumptions

Capital Asset Assumptions

Cost of Capital & Financing Assumptions

Working Capital Assumptions

Revenue Schedule

Capital & Depreciation Schedule

Costs of Service Schedule

OPEX Schedule

Income Statement

Cash Flow Statement

Balance Sheet

Financial Statement Extracts

Debt Schedule

Working Capital Schedule

Taxes Schedule

Breakeven Schedule

Unlevered Free Cashflow (UFCF)

Project Capital Budgetting Metrics

Terminal Value using an EBITDA Multiple

Valuation - Discounting Unlevered Free CashFlows (UFCF) and Terminal Values

Data Table

Key Assumptions

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Operations

All-in Power cost per KW – $0.15*
*arguably the most important variable

PUE (Power Usage Effectiveness) – 1.4

Price per Rack - $2,000 per month per 42U rack

Ramp-up of racks/tenants – Initially 50% occupancy up to 90% over time

Staffing and maintenance – 2 FTE with some contracted security $200K per year

Capital & Depreciation Schedule

Project timing	2 years
Start Date	2025-06-10
Operations Start	2027-06-10
Project Cost	
Building	625,000
Land	22,500
Modular containers	2,000,000
Electrical Infrastructure	800,000
Mechanical infrastructure	437,500
Racks	300,000
Subtotal	4,185,000

Walkthrough

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Let’s dive in…

Interpretation of Results

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What matters most?

Power costs

Speed of occupancy (revenue ramp-up)

Anchor tenancy and Price per Rack

Let’s take a look at the Dashboard

Lessons Learned

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Not all rural data centres are financially viable – modelling helps stress test the vision

Community benefit should be balanced with the need for sustainable returns

Financial Models help align stakeholders (investors, utilities, and local government)

Parting ways

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What assumption would you most be concerned with in your region?

Would you like to test a version of the model yourself?

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THANK YOU