

Nebius Secures \$17.4B Microsoft Deal for AI Infrastructure in NJ

By Andrew Brexton – September 8, 2025

Nebius has signed a landmark \$17.4 billion, five-year agreement to supply Microsoft with GPU-based AI infrastructure capacity from a new **Vineland, New Jersey** data center, starting in late 2025 — a major shift in hyperscaler sourcing.

The agreement guarantees Microsoft a steady pipeline of dedicated, GPU-accelerated computer capacity for generative AI training and inference. The contract runs five years for a guaranteed \$17.4 billion and includes an option to expand to \$19.4 billion if Microsoft scales usage.

Nebius will deliver capacity from its **Vineland, New Jersey** facility, a site optimized to host high-speed GPU clusters tailored for large-scale machine-learning workloads

For Microsoft, contracting Nebius offers speed and flexibility — the ability to scale GPU capacity quickly without the full upfront capital of building every site. The arrangement complements Microsoft's strong quarterly results (reported revenue of \$76.44 billion; \$3.65 EPS; Intelligent Cloud revenue \$29.88 billion) and underscores its aggressive posture in generative AI.

For Nebius, the contract is transformational. Founder and CEO Arkady Volozh called it “the first of several expected large agreements” and said it will “help us to accelerate the growth of our AI cloud business even further in 2026 and beyond.

Investors reacted quickly: Nebius shares surged on expectations of steady revenue and improved financing options, while Microsoft stock also strengthened on the combined effect of

Nebius plans to finance the **Vineland** build-out through a mix of up-front contract payments, debt secured against the Microsoft agreement (leveraging Microsoft's strong credit profile), and other financing avenues to accelerate deployment into 2026.

Key risks include timely construction, supply-chain execution, energy sourcing, operational performance, and counterparty risk — if Nebius fails to deliver, Microsoft must rely on contingency plans. Analysts view the deal as part of a larger trend toward long-term supplier agreements.

Vineland's available land, logistics, and local utilities likely made it attractive for a dedicated GPU cluster site. Nebius says the **Vineland facility** will supply high-speed GPU clusters optimized for large-scale training and inference.