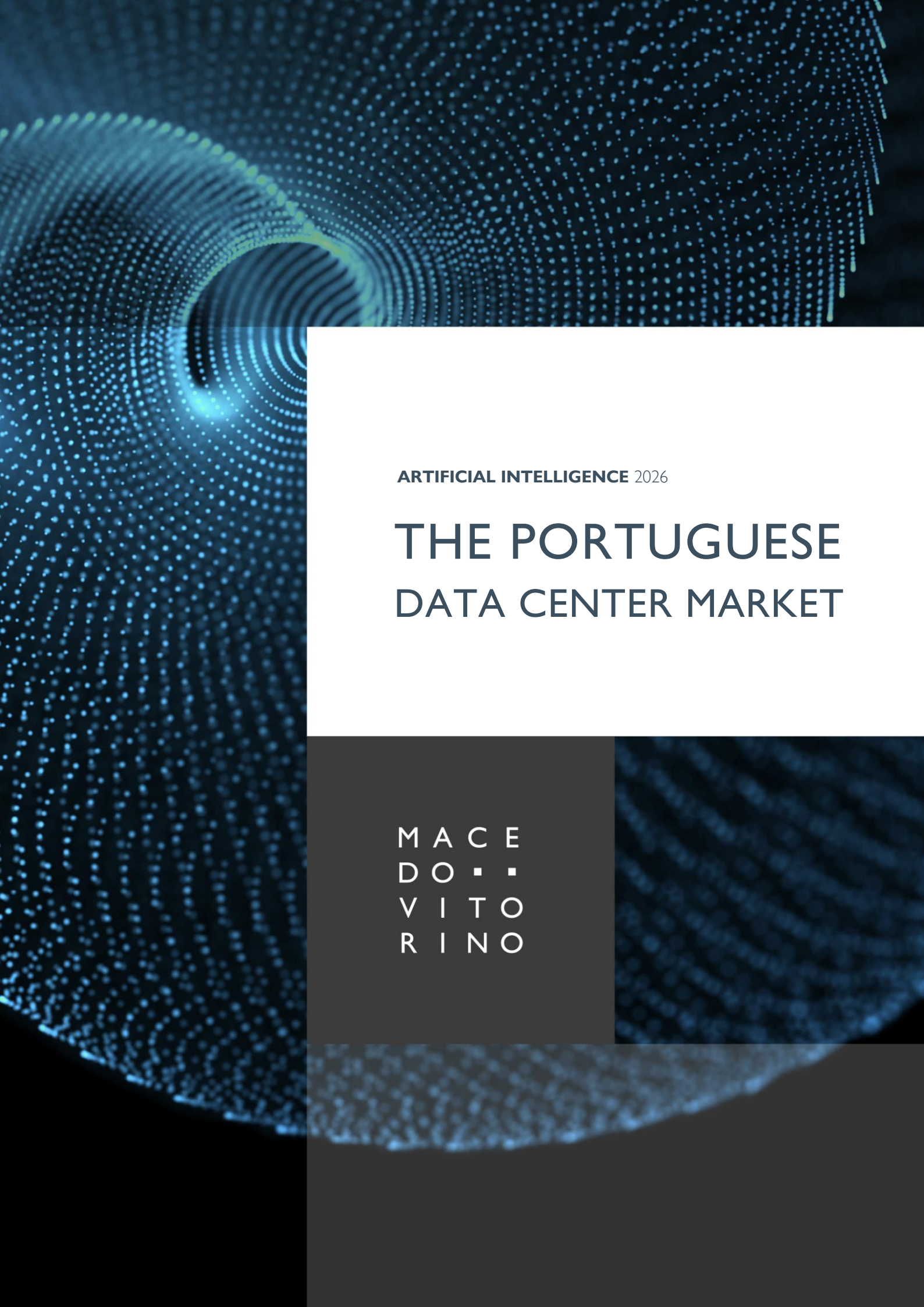




ARTIFICIAL INTELLIGENCE 2026

THE PORTUGUESE DATA CENTER MARKET

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I. INTRODUCTION

As of 2025, we estimate Portugal's total operational data center capacity is approximately 47.5 MW, which marks an inflection point compared to late 2024 and early 2025 (citing 15 MW, 29 MW, or 37 MW). This sudden surge is almost entirely attributable to the recent commissioning and inauguration of the first 31 MW facility (SIN01) at the new Start Campus project in Sines, which more than doubled the country's previous capacity.

The projected development pipeline totals approximately 1,38 GW (1 383 MW) of new announced capacity, which for now includes only two projects: the 1.2 GW Start Campus in Sines and the 180 MW Edged (MERLIN Properties) "AI Campus" near Lisbon.

This growth reflects two converging factors:

- the increase in global demand for AI requiring large capacity data centers; and
- Portugal's specific advantages, including exceptional intercontinental connectivity, and cost-effective and abundant renewable energy.

Portugal's advantages position it to expand its presence significantly in the European data center market. According to Copenhagen Economics, under an accelerated growth scenario, Portugal's total capacity could reach 2,181 MW (2.18 GW) by 2030, adding €26.2 billion to Portugal's GDP between 2025 and 2030.¹

Although ambitious, these goals reflect present expectations of accelerated growth in Europe's AI infrastructure. According to Research and Markets, the European data

¹ Copenhagen Economics, [CE-Report_Economic-contribution-of-data-centres-in-Portugal_EN.pdf](#)

center construction market is projected to expand from USD 55.20 billion in 2024 to USD 86.60 billion by 2030, at a CAGR of 7.70%. ²

To achieve these objectives, international investors must have confidence in Portugal's ability to provide a stable legal framework, reliable approval procedures within reasonable timeframes, and clear guidelines for successfully building and operating facilities in the country.

A key aspect of the investment decision depends on understanding the legal landscape, including the licensing processes, fiscal incentives, environmental compliance requirements, and other critical conditions that influence project feasibility, risk factors, and long-term project viability.

This briefing provides an overview of Portugal's current data center market and its projected development until 2030. It is the first in a series of papers concerning the main legal aspects for the development of data centers in Portugal, including licensing procedures, environmental compliance, land use and zoning requirements, access to power, connections to telecommunications networks, data protection and cybersecurity regulation, and financing.

² Source: Research and Markets, *Europe Data Center Construction - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2030)*, 2024.

2. MARKET OVERVIEW

Portugal's data center market shows rapid growth, with significant discrepancies in recent reports highlighting its dynamism. As of H1 2025, operational capacity totals approximately 44.5–47.5 MW (minor variance due to unlisted legacy assets like Equinix LSI and Ar Telecom).

Key facilities include:

- Start Campus SIN01 (Sines, Live): 31 MW;
- Asterion Covilhã (Live): 7 MW;
- NOS (Total Live, Matosinhos/Carnaxide): 3.04 MW;
- Equinix LS2 (Lisbon, Live June 2025): 1 MW; and
- Other Legacy (Decsis, Claranet, REN): 2.5 MW.

The legacy market divides into two categories: telecom-owned assets, dominated by MEO and NOS, dispersed across Lisbon, Porto, and Covilhã (e.g., MEO's 7 MW, 12,000 m² site as the largest); and colocation providers like Equinix, Claranet, and Ar Telecom, concentrated in Lisbon. These typically feature traditional air-cooling, lower power density, and smaller scales.

Based on public data, Table I summarizes the ~41 existing data centers in Portugal.

TABLE I – DATA CENTERS IN PORTUGAL H12025

Facility Name	Operator	Location	Capacity (MW)	Area (m2)
SIN01	Start Campus	Sines	31.0	17,500

Data Center Covilhã	Asterion	Covilhã	7.0	12,000
NOS (Total)	NOS	Matosinho, Carnaxide	3.04	3,073
LS2	Equinix	Lisbon	1.0	2,050
Evora Data Center	Decsis	Evora	1.0	700
Porto Data Center	Claranet	Porto	1.0	N/A
REN Ermesinde	REN	Porto	0.5	1,400
LSI	Equinix	Lisbon	N/A	1,475
Various Other	Various	Lisbon, Porto	N/A	N/A
TOTAL (Reconciled)			~44.5 MW (Accounted)	~38,200 m2 (Accounted)

Source: datacentermap.com (accessed in November 2025); analysis: Macedo Vitorino.

3. FUTURE INVESTMENTS

3.1. OVERVIEW

Portugal's data center pipeline totals approximately 1.38 GW (1,383 MW), based on a bottom-up sum of announced projects. Reports citing >310 MW understate the figure, as it falls below the Start Campus project alone. Others at 1,261 MW are nearer but omit key additions, such as the 180 MW Edged/Merlin campus.

Until this date the construction of data centers with a total capacity 1.38 GW (1,383 MW) capacity have been announced, but demand may be higher considering the increase in AI needs and Portugal's specific advantages for deploying new data centers.

The current 1.38 GW pipeline includes the following:

- **Under Construction / Next Phase:** approximately 394 MW, including the 180 MW Edged/Merlin "AI Campus" (construction commenced in October 2024), the 180 MW Start Campus SIN02 (groundbreaking scheduled for 2025), and the 34 MW AtlasEdge LIS001/LIS002 facilities;³
- **Planned (Long-Term):** approximately 989 MW for projected Start Campus developments (SIN03-SIN06).

³ Endeavour - MERLIN Properties and Edged Energy Expand Global Network with Construction of New 180 MW AI Campus in Lisbon (accessed July 2026).

3.2. START CAMPUS (SINES)

The Start Campus project in Sines is currently the single most important data center operator in Portugal:

- **Projected Scale:** A 1.2 GW total campus capacity.
- **Investment:** A total private investment of €8.5 Billion.
- **Phasing:** The campus will be built sequentially through 2030:
 - SIN01: 31 MW (Live/Operational H1 2025).
 - SIN02: 180 MW (Next planned facility, RFS 2026).
 - SIN03-06: Subsequent buildings of up to 240 MW each.

The Sines project was designed to meet the global AI industry's key needs by addressing power, connectivity, and cooling challenges. Its core advantage is a design merging AI-readiness with high sustainability.

Sponsors state that the campus was built for Artificial Intelligence and High-Performance Computing (HPC) workloads, making it the first in Southern Europe to achieve OCP Ready™ v2 certification.⁴

The project uses 100% renewable energy and a seawater cooling system repurposing infrastructure from a decommissioned power station. This achieves a Power Usage Effectiveness (PUE) of 1.1 and a Water Usage Effectiveness (WUE) of zero.

By locating these features at a major renewable power and connectivity hub with Atlantic Ocean access, Sines offers greater sustainability and efficiency than inland facilities.

⁴ [Start Campus Achieves OCP Ready™ v2 Certification](#) (accessed in July 2026).

3.3. LISBON DATA CENTER FACILITIES: EDGED (MERLIN) & ATLASEDGE

A second cluster is being developed in the Lisbon metropolitan area to serve the capital's business and population needs:

- **Edged (Merlin Properties):** 180 MW facility under construction in Vila Franca de Xira, near Lisbon, starting October 2024. Sustainability-focused, it is marketed as "carbon neutral" with "zero water consumption," backed by an on-site solar initiative up to 100 MW.
- **AtlasEdge:** Two facilities totaling 34 MW (LIS001: 10 MW; LIS002: 24 MW) under construction in Carnaxide near Lisbon.

TABLE 2 - MAJOR DATA CENTER PIPELINE PROJECTS
(Announced & Under Construction)

Project Name	Operator	Capacity (MW)	Status
SINES DC (SIN02-06)	Start Campus	1,169	Planned (SIN02 RFS 2026)
AI Campus	Edged (Merlin Properties)	180	Under Construction
LIS001 / LIS002	AtlasEdge	34	Under Construction
TOTAL (RECONCILED)		1,383	

3.4. LONG-TERM MARKET FORECASTS (2030)

Long-term projections of Copenhagen Economics and others⁵, based on 2024 baseline data (37 MW), outline two possible scenarios for the development of data centers in Portugal, depending on the investment climate:

- Stagnation Scenario 2030: 591 MW;
- Expansion Scenario 2030: 2,181 MW (2.18 GW).

According to Copenhagen Economics these two 2030 scenarios reflect deliberate strategic and policy decisions. The stagnation scenario (591 MW) suggests that less than half of the currently announced 1.38 GW pipeline will be completed, due to challenges in policy, grid access, or financing. In contrast, the expansion scenario (2.18 GW) assumes the entire 1.38 GW pipeline is successfully built, with this achievement attracting an additional ~800 MW of new, currently unannounced investment by 2030. In between the two it is also possible that only the recently announced projects would be fully completed reaching the 1.38 GW mark.

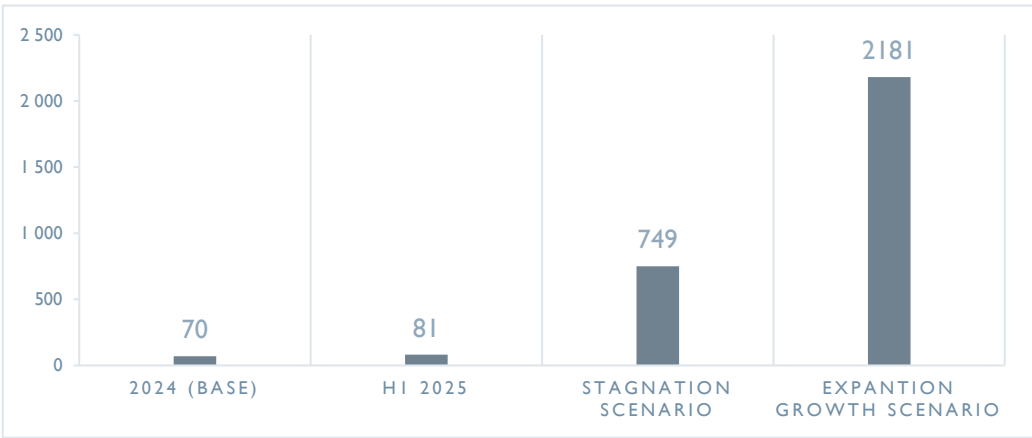


Figure 1 - Current and estimated expansion of datacenter capacity in MW.

⁵ See Copenhagen Economics - *Assessment of socio-economic benefits of the data center sector in Portugal*, Cushman & Wakefield - *EMEA Data Centre Update* and [Colliers - Data Centers Snapshot](#) (accessed July 2026).

3.5. DRIVERS OF THE PORTUGUESE DATA CENTER GROWTH

The key driver behind this new wave of development is the rapid advancement of AI, particularly Generative AI. AI workloads differ fundamentally from traditional cloud hosting, necessitating a new type of data centers with distinct characteristics:

- **Large Scale:** 200 MW is today's standard for AI-ready data centers.
- **More Power Density:** AI workloads and AI training models require more power per rack than older data centers.
- **Clean energy and low environmental impact.** AI energy consumption must meet the green energy requirements imposed by European legislation

One of the key drivers of the development of AI data centers is sustainable power, which resolves the primary limitation of legacy markets. Traditional FLAP-D hubs are "saturated," grappling with severe power shortages, grid constraints, and regulatory moratoriums (e.g., in Dublin and Amsterdam).

Portugal offers a solution to these issues:

- **Availability & Cost:** Portugal provides accessible, low-cost electricity, with industrial rates 22% below the EU average⁶.
- **Sustainability (Renewables):** Portugal's power grid is among Europe's greenest, with 68%⁷ of energy consumption sourced from renewables.

⁶ ERSE - [Boletim Comparação Preços Eletricidade Eurostat](#) (accessed in July 2026).

⁷ REN - [Technical data 2025](#) (accessed in July 2026).

3.6. PORTUGAL AS AN INTERCONTINENTAL GATEWAY

Portugal is a primary landing point for a new generation of intercontinental subsea cables, hosting an estimated 25% of global cables.⁸

Key subsea cables terminating in Portugal include:

- EllaLink: Connects Sines directly to South America (Brazil);
- 2Africa: A massive cable connecting Portugal to the entire African continent and the Middle East;
- Equiano (Google): Connects Portugal to West and South Africa;
- Nuvem (Google): A new cable expected in 2026, creating a crucial new transatlantic link to the US, landing in Sines; and
- Medusa: Connects to key ports in the Mediterranean.

This international connectivity is reinforced by its strong domestic terrestrial fiber network, with 95,4% FTTH/B⁹ coverage, ensuring a high-speed, low-latency backhaul to Madrid and other mainland European countries. Portugal's infrastructure changes the traditional data flow model. Historically, data from Africa and South America landed in Portugal and was routed to FLAP-D markets for processing. Presently, with the development of large data centers, data can be processed directly in Portugal at the landing point, making Portugal a central interconnection hub.¹⁰

⁸ Source: Pedro Marques Tavares *et al*, *Portugal - A Hidden Gem of Connectivity*, Deloitte, 2022.

⁹ Source: ANACOM report [Redes e Serviços de Alta Velocidade em local fixo IT2026](#) (accessed in 20260721)

¹⁰

4. FINAL REMARKS

Portugal is a strategically positioned for large-scale and AI-driven data center development due to its digital infrastructure, abundant renewable energy resources, a robust investment pipeline and its intercontinental submarine cable links.

The successful development of a Portuguese data center requires careful planning, including:

- assessing zoning requirements early in the process to identify possible locations to only those that meet the zoning requirements;
- acquiring of lang rights, a straightforward process aligned with other civil law jurisdictions in Europe, with pre-agreement with landowners via "promissory agreements" being recommended;
- ensuring that the project complies with the required environmental requirements, including an assessment of whether an environmental impact assessment (EIA) is required under law and obtaining the required permits as may be necessary depending on the project's specific characteristics; and
- obtaining a construction permit.

Large projects may benefit from the National Interest Project (PIN) regime, which can streamline approvals and accelerate deployment, provided that investment, employment, viability, and sustainability criteria are met.

Post-completion, operators need to ensure:

- compliance with Portuguese and European energy efficiency obligations, which require the use of renewable energy for facilities with a power demand over 500 kW IT; and
- implementation of cybersecurity and data protection measures set out in national and EU legislation.

These legal matters – including encompassing licensing, environmental compliance, land use, power access, telecommunications, data protection, cybersecurity, and financing – will be discussed in subsequent papers in this series.

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ABOUT PORTUGAL

TERRITORY, POPULATION AND LANGUAGE

Portugal is situated on the southwest coast of Europe, bordering only with Spain. With a territory of 92,152 Km², Portugal has the largest maritime zone in Europe. Its continental platform borders the American platform.

Portuguese is the sixth most spoken language in the world, spoken by 270 million people in Portugal, Brazil, Angola, Cape Verde, Mozambique, Guinea Bissau, São Tomé and Príncipe and Timor.

POLITICAL SYSTEM

Portugal is a parliamentary republic. The legislative power lies with a national parliament (*Assembleia da República*), with 230 seats. The members of parliament are elected by universal vote for four-year terms. The Government, led by a Prime Minister, depends on the parliament's support.

The President of the Republic has limited powers but can influence the Parliament and the Government and dissolve the Parliament in extraordinary circumstances.

INTERNATIONAL RELATIONS

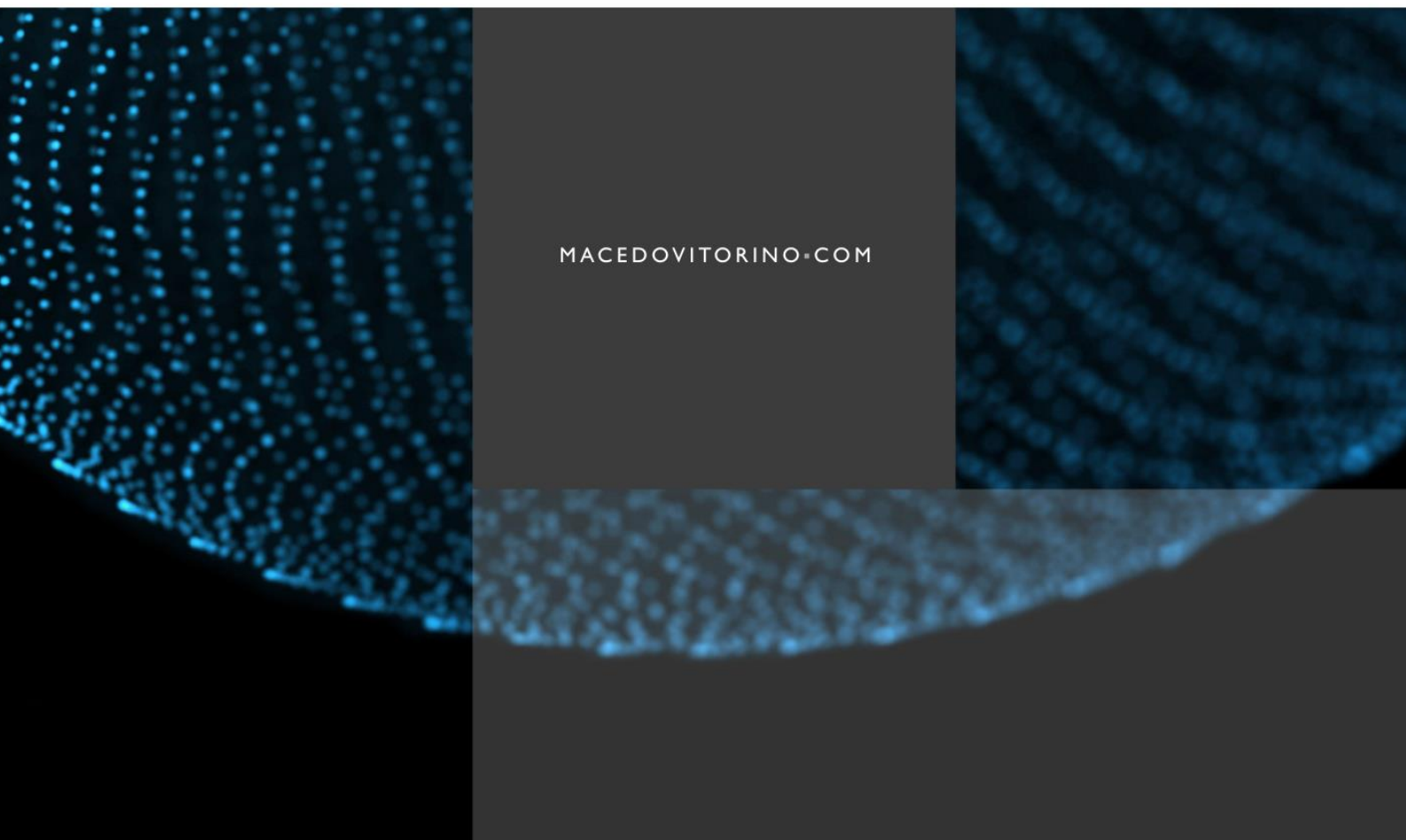
Portugal has been a member of the EU since 1986, a founding member of the Euro and the Portuguese-speaking Countries Community (*Comunidade dos Países de Língua Portuguesa*, "CPLP"). Portugal is a member of the United Nations, NATO and the OECD.

CURRENCY AND BANKING SYSTEM

Portugal is one of the founding members of the «Euro», the currency of 20 European countries.



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