

Nebius reports second quarter financial results and raises ARR guidance for 2025

- Annualized run-rate revenue¹ (ARR) guidance increased to \$900 million to \$1.1 billion for the end of 2025.
- Revenue for Q2 of \$105.1 million, up 625% year-on-year and 106% quarter-on-quarter.
- Core business achieves positive Adjusted EBITDA ahead of plan.
- In the process of securing more than 1 GW of power by the end of 2026.

Amsterdam, August 7, 2025 — Nebius Group N.V. (NASDAQ: NBIS), a leading AI infrastructure company, today announced its unaudited financial results for the second quarter ended June 30, 2025.

“Nebius is continuing to deliver exceptional results,” said founder and CEO Arkady Volozh. “In Q2 we more than doubled revenue from the previous quarter, and our core business achieved positive Adjusted EBITDA ahead of plan. Because of this strong momentum, we are increasing our annualized run-rate revenue (ARR) outlook for the year to \$900 million to \$1.1 billion.

“Demand for AI infrastructure — compute, software and services — is only going to get stronger as use cases multiply. We are aggressively scaling up capacity to capture this substantial opportunity and are in the process of securing more than 1 GW of power by the end of 2026.”

Nebius today also published Arkady Volozh’s quarterly letter to shareholders, which can be found on the Company’s investor relations site at group.nebius.com/investor-hub.

(1) Annualized run-rate revenue (ARR) is calculated by taking revenue from the last month of the quarter multiplied by 12.

Q2 2025 Financial Highlights

Consolidated results^{1,2}

In USD \$ millions	Three months ended June 30			Six months ended June 30		
	2024	2025	Change	2024	2025	Change
Revenues	14.5	105.1	625%	24.2	156.0	545%
Adjusted EBITDA / (loss)	(58.1)	(21.0)	-64%	(116.5)	(74.7)	-36%
Net income / (loss) from continuing operations	(116.9)	502.5	n/m	(185.5)	398.2	n/m
Adjusted net loss	(61.6)	(91.5)	49%	(127.2)	(175.2)	38%

Operating expenses

In USD \$ millions	Three months ended June 30			Six months ended June 30		
	2024	2025	Change	2024	2025	Change
Cost of revenues	7.7	30.1	291%	12.7	54.8	331%
as a percentage of revenues	53%	29%		52%	35%	
Product development	32.0	42.8	34%	51.5	79.3	54%
as a percentage of revenues	221%	41%		213%	51%	
Sales, general and administrative	75.6	68.2	-10%	122.2	129.1	6%
as a percentage of revenues	521%	65%		505%	83%	
Depreciation and amortization	11.4	75.2	n/m	20.3	124.3	n/m
as a percentage of revenues	79%	72%		84%	80%	
Total operating costs and expenses	126.7	216.3	71%	206.7	387.5	87%
as a percentage of revenues	874%	206%		854%	248%	
Total share-based compensation expense	1.9	14.7	n/m	7.1	32.1	352%
as a percentage of operating expenses	1%	7%		3%	8%	

(1) The following measures presented in this release are “non-GAAP financial measures”: Adjusted EBITDA / (loss) and Adjusted net loss. Please see the section “Use of Non-GAAP Financial Measures” below for a discussion of how we define these measures, as well as reconciliations at the end of this release of each of these measures to the most directly comparable U.S. GAAP measures.

(2) Results include consolidated financial results of: Nebius, the core AI infrastructure business; Avride, an autonomous vehicle platform, and TripleTen, an edtech service. In Q2 2025 following the completion of the investment transaction in Toloka, an AI development platform, Nebius ceased to hold majority voting power in Toloka and no longer include Toloka’s results in Nebius’ consolidated financial statements and reports its stake as equity method investment. The Toloka’s results for prior periods were reclassified to discontinued operations.

Selected consolidated cash flow data

In USD \$ millions

	Three months ended June 30			Six months ended June 30		
	2024	2025	Change	2024	2025	Change
Cash used in operating activities – continuing operations	14.5	105.1	625%	24.2	156.0	545%
Purchases of property, plant and equipment	(61.6)	(91.5)	49%	(127.2)	(175.2)	38%

Outstanding Shares; Equity Awards

The total number of shares issued and outstanding as of June 30, 2025 was 238,705,092, including 203,006,418 Class A shares and 35,698,674 Class B shares, and excluding 123,335,852 Class A shares held in treasury.

As of June 30, 2025, there were also outstanding employee share options to purchase up to an additional 7.5 million shares, at a weighted average exercise price of \$87.83 per share; unvested restricted share units (RSUs) covering approximately 6.7 million shares. In addition, the Company has outstanding awards in respect of the Avride business for 6.8 million shares (representing approximately 17.0% of the fully diluted shares in Avride), 2.7 million of which were fully vested.

Webcast information

Nebius Group's management will hold an earnings webcast on August 7, 2025 at 8:00 AM (EDT) / 5:00 AM (PDT) / 2:00 PM (CET).

To register to participate in the conference call, or to listen to the live audio webcast, please visit Nebius's Investor Relations website at group.nebius.com/investor-hub.

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About Nebius Group

Nebius is a technology company building full-stack infrastructure to service the high-growth global AI industry. Headquartered in Amsterdam and listed on Nasdaq, Nebius has a global footprint with R&D hubs across Europe, North America and Israel.

Nebius's core business is an AI cloud platform built for intensive AI workloads. With proprietary cloud software architecture and hardware designed in-house, Nebius gives AI builders the compute, storage, managed services and tools they need to build, tune and run their models.

Nebius Group also has additional businesses that operate under their own distinctive brands:

- Avride — one of the most experienced teams developing autonomous driving technology for self-driving cars and delivery robots.
- TripleTen — a leading edtech player in the US and certain other markets, re-skilling people for careers in tech.

The Group also holds equity stakes in other businesses including ClickHouse and Toloka.

More information can be found at <https://group.nebius.com>.

Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. All statements contained or implied other than statements of historical facts, including, without limitation, statements regarding our business plans, market opportunities, capital expenditure requirements, financing needs and projected financial performance, are forward-looking statements. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. In addition, these forward-looking statements reflect our current views with respect to future events and are not guarantees of future performance. Actual results may differ materially due to various risks and uncertainties, including, but not limited to, our ability to successfully compete in our sector; implement our business plans; continue to successfully attract and retain customers; continue to successfully secure necessary hardware and supplies; and to obtain additional financing, that may be necessary to achieve our objectives, on acceptable terms. Many of these risks and uncertainties are beyond our control and depend on the actions of third parties. Further information about these and other risks is included in the “Risk Factors” and “Operating and Financial Review and Prospects” sections of our Annual Report on Form 20-F for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission (“SEC”) on April 30, 2025, available on our investor relations website at <https://group.nebius.com> and on the SEC website at www.

sec.gov. All information in this document is as of the date hereof, and the Company undertakes no obligation to update any forward-looking statements, except as required by law.

Statements that “we believe” and similar expressions reflect our beliefs and opinions, based upon information available as of the date of this presentation. Such statements are inherently uncertain, and investors are cautioned not to place undue reliance on them.

Disclaimer

Links to third-party websites are provided for informational purposes only; Nebius is not responsible for the content contained on or accessible through the linked sites.

Use of non-GAAP financial measures

To supplement the financial information prepared and presented in accordance with U.S. GAAP, we present the following non-GAAP financial measures: Adjusted EBITDA/(loss) and Adjusted net income/(loss). The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. For more information on these non-GAAP financial measures, please see the tables captioned “Reconciliations of non-GAAP financial measures to the nearest comparable U.S. GAAP measures”, included following the accompanying financial tables. We define the various non-GAAP financial measures we use as follows:

- Adjusted EBITDA/(loss) means U.S. GAAP net income/(loss) from continuing operations plus (1) depreciation and amortization, (2) certain SBC expense, (3) interest expense, (4) income tax expense/(benefit), (5) one-off restructuring and other expenses, less (1) interest income, (2) other income/(loss), net, (3) income/(loss) from equity method investments and (4) gain from revaluation of investment in equity securities
- Adjusted net income/(loss) means U.S. GAAP net income/(loss) from continuing operations plus (1) certain SBC expense, (2) one-off restructuring and other expenses, (3) amortization of debt discount and issuance costs less (1) foreign exchange gains and (2) gain from revaluation of investment in equity securities. Tax effects related to the listed adjustments are excluded from adjusted net income.

These non-GAAP financial measures are used by management for evaluating financial performance as well as decision-making. Management believes that these metrics reflect the organic, core operating performance of the company, and therefore are useful to analysts and investors in providing supplemental information that helps them understand, model and forecast the evolution of our operating business.

Although our management uses these non-GAAP financial measures for operational decision-making and considers these financial measures to be useful for analysts and investors, we recognize that there are a number of limitations related to such measures. In particular, it should be noted that several of these measures exclude some recurring costs, particularly certain share-based compensation. In addition, the components of the costs that

we exclude in our calculation of the measures described above may differ from the components that our peer companies exclude when they report their results of operations.

Below we describe why we make particular adjustments to certain U.S. GAAP financial measures:

Net income/(loss) from discontinued operations

We present Adjusted EBITDA/(loss) and Adjusted net income / (loss) excluding any effects of our discontinued operations.

Information on our discontinued operations is disclosed in our Annual Report on Form 20-F for the year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission ("SEC") on April 30, 2025. In Q2 2025 following the completion of the investment transaction in Toloka, an AI development platform, Nebius ceased to hold majority voting power in Toloka and no longer include Toloka's results in Nebius' consolidated financial statements and reports its stake as equity method investment. The Toloka's results for prior periods were reclassified to discontinued operations.

Certain SBC expense

SBC (Stock-Based Compensation) is a significant expense item and an important part of our compensation and incentive programs. As it is highly dependent on our share price at the time of equity award grants, we believe that it is useful for investors and analysts to see certain financial measures excluding the impact of these charges in order to obtain a clearer picture of our operating performance. However, because we settled some RSU equity awards of our employees granted before 2022 in cash during 2024, a portion of stock-based compensation expense for 2024 was included in Adjusted EBITDA/(loss).

Foreign exchange gains/(losses)

The functional currency of Nebius Group N.V. is the United States Dollar, which is also the Group's current reporting currency. Foreign exchange gain/(loss) dynamics reflect changes in the U.S. dollar value of monetary assets and liabilities that are denominated in other currencies, as well as changes in the functional currencies of foreign subsidiaries' monetary assets and liabilities that are denominated in currencies different from their respective local currencies. Because foreign exchange fluctuations are outside of our operational control, we believe that it is useful to present Adjusted EBITDA/(loss), adjusted net income/(loss) and related margin measures excluding these effects, in order to provide greater clarity regarding our operating performance. in other currencies, as well as changes in the functional currencies of foreign subsidiaries' monetary assets and liabilities that are denominated in currencies different from their respective local currencies. Because foreign exchange fluctuations are outside of our operational control, we believe that it is useful to present Adjusted EBITDA/(loss), adjusted net income/(loss) and related margin measures excluding these effects, in order to provide greater clarity regarding our operating performance.

One-off restructuring and other expenses

We believe that it is useful to present Adjusted net income/(loss), Adjusted EBITDA/(loss) and related margin measures excluding impacts not related to our operating activities. Adjusted net income/(loss) and Adjusted EBITDA/(loss) exclude certain expenses related to the restructuring and other similar one-off expenses.

Amortization of debt discount and issuance costs

We also adjust net income/(loss) for interest expense representing amortization of the debt discount and issuance costs related to our convertible senior notes due 2029 and 2031 issued in Q2 2025. Debt discount represents the accretion of the nominal amount of notes payable at maturity, unless the relevant notes have been earlier repurchased, redeemed or converted in accordance with their terms. We adjust net income/(loss) for the interest expense recognized from amortization of the debt discount and issuance costs due to the significantly different timing of payment in relation to the operating results.

The tables at the end of this release provide detailed reconciliations of each non-GAAP financial measure we use from the most directly comparable U.S. GAAP financial measure.

Unaudited condensed consolidated balance sheets

In USD \$ millions

As of

Assets	December 31, 2024 ⁽¹⁾	June 3, 2025
Cash and cash equivalents	2,434.7	1,679.3
Accounts receivable	11.2	54.7
Prepaid expenses	22.2	28.3
Restricted cash	0.6	74.5
VAT reclaimable	6.2	158.3
Other current assets	37.0	34.5
Current assets of discontinued operations	21.4	—
Total current assets	2,533.3	2,029.6
Property and equipment	846.7	1,789.4
Intangible assets	4.9	15.6
Operating lease right-of-use assets	44.8	277.3
Equity method investments	6.4	32.3
Investments in non-marketable equity securities	90.7	835.1
Deferred tax assets	7.7	8.8
Other non-current assets	13.4	108.5
Non-current assets of discontinued operations	0.7	—
Total non-current assets	1,015.3	3,067.0
Accounts payable, accrued and other liabilities	228.0	103.6
Debt, current	6.1	8.0
Income and non-income taxes payable	5.5	7.2
Deferred revenue	16.3	19.3
Current liabilities of discontinued operations	8.1	—
Total current liabilities	264.0	138.1
Operating lease liabilities	30.3	204.5
Debt, non-current	—	978.2
Other accrued liabilities	0.6	0.3
Total non-current liabilities	30.9	1,183.0
Total liabilities	294.9	1,321.1
Commitments and contingencies shareholders' equity		
Ordinary shares	9.2	9.2
Treasury shares at cost	(1,968.1)	(1,922.1)
Additional paid-in capital	2,016.7	2,001.4
Accumulated other comprehensive loss	(22.1)	(1.9)
Retained earnings	3,218.0	3,688.9
Total shareholders' equity	3,253.7	3,775.5
Total liabilities and shareholders' equity	3,548.6	5,096.6

(1) Derived from audited consolidated financial statements and adjusted for the presentation of discontinued operations for Toloka.

Unaudited condensed consolidated statements of operations

In USD \$ millions	Three months ended June 30		Six months ended June 30	
	2024 ¹	2025	2024 ¹	2025
Revenues	14.5	105.1	24.2	156.0
Operating costs and expenses				
Cost of revenues ²	7.7	30.1	12.7	54.8
Product development ²	32.0	42.8	51.5	79.3
Sales, general and administrative ²	75.6	68.2	122.2	129.1
Depreciation and amortization	11.4	75.2	20.3	124.3
Total operating costs and expenses	126.7	216.3	206.7	387.5
Loss from operations	(112.2)	(111.2)	(182.5)	(231.5)
Interest income	12.7	3.6	13.1	12.1
Interest expense	—	(4.8)	—	(4.8)
Gain from revaluation of investment in equity securities	—	597.4	—	597.4
Loss from equity method investments	—	(6.3)	—	(6.2)
Other income/(loss), net	(14.8)	24.6	(16.0)	32.9
Net income / (loss) before income taxes	(114.3)	503.3	(185.4)	399.9
Income tax expense	2.6	0.8	0.1	1.7
Net income / (loss) from continuing operations	(116.9)	502.5	(185.5)	398.2
Net income / (loss) from discontinued operations	19.4	81.9	(228.5)	72.7
Net income / (loss)	(97.5)	584.4	(414.0)	470.9

(1) Derived from audited consolidated financial statements and adjusted for the presentation of discontinued operations for Toloka.

(2) These balances exclude depreciation and amortization expenses, which are presented separately, and include share-based compensation in the amount of:

Cost of revenues	—	0.2	—	0.3
Product development	1.5	6.3	4.8	9.6
Sales, general and administrative	0.4	10.9	2.3	22.2

Reconciliations of non-GAAP financial measures to the nearest comparable U.S. GAAP measures

In USD \$ millions	Three months ended June 30			Six months ended June 30		
	2024	2025	Change	2024	2025	Change
Net income / (loss)	(97.5)	584.4	n/m	(414.0)	470.9	-214%
Less: net (income) / loss from discontinued operations	(19.4)	(81.9)	322%	228.5	(72.7)	-132%
Net income / (loss) from continuing operations	(116.9)	502.5	n/m	(185.5)	398.2	-315%
Add: depreciation and amortization	11.4	75.2	n/m	20.3	124.3	n/m
Add: certain SBC expense	(0.8)	14.7	n/m	2.1	32.1	n/m
Add: one-off restructuring and other expenses	43.5	0.3	-99%	43.6	0.4	-99%
Less: interest income	(12.7)	(3.6)	-72%	(13.1)	(12.1)	-8%
Add: interest expense	—	4.8	n/m	—	4.8	n/m
Less: (income) / loss from equity method investments	—	6.3	n/m	—	6.2	n/m
Less: gain from revaluation of investment in equity securities	—	(597.4)	n/m	—	(597.4)	n/m
Less: other income, net	14.8	(24.6)	-266%	16.0	(32.9)	-306%
Add: income tax expense	2.6	0.8	-69%	0.1	1.7	n/m
Adjusted EBITDA/ (loss)	(58.1)	(21.0)	-64%	(116.5)	(74.7)	-36%

Reconciliation of adjusted net income / (loss) to U.S. GAAP net income / (loss)

In USD \$ millions	Three months ended June 30			Six months ended June 30		
	2024	2025	Change	2024	2025	Change
Net income / (loss)	(97.5)	584.4	<i>n/m</i>	(414.0)	470.9	-214%
Less: net (income) / loss from discontinued operations	(19.4)	(81.9)	322%	228.5	(72.7)	-132%
Net income / (loss) from continuing operations	(116.9)	502.5	<i>n/m</i>	(185.5)	398.2	-315%
Add: certain SBC expense	(0.8)	14.7	<i>n/m</i>	2.1	32.1	<i>n/m</i>
Less: foreign exchange (gains) / losses	13.9	(14.2)	-202%	13.9	(10.8)	-178%
Add: one-off restructuring and other expenses	43.5	0.3	-99%	43.6	0.4	-99%
Add: amortization of debt discount and issuance costs	—	3.0	<i>n/m</i>	—	3.0	<i>n/m</i>
Less: gain from revaluation of investment in equity securities	—	(597.4)	<i>n/m</i>	—	(597.4)	<i>n/m</i>
Tax effect of adjustments	(1.3)	(0.5)	-64%	(1.3)	(0.7)	-46%
Adjusted net loss	(61.6)	(91.5)	49%	(127.2)	(175.2)	38%