

# Nebius Group N.V.

Institutional Equity Research  
March 16, 2026

## New Large-Scale \$27B Meta Contract Announced

Earlier today, Nebius announced they have signed a new long-term contract with Meta, with a total contract value of approximately \$27B, in addition to their previous \$3B contract they'd announced and delivered last year. Given our previous expectation of a larger contract being signed between Nebius and Meta, this new agreement continues to validate Nebius as one of the leading neocloud players, alongside CoreWeave, while we still expect Nebius to sign another large hyperscaler customer over the next year. We reiterate our **BUY** rating and raise our price target from \$150 to \$200.

**This new Meta contract comes in two parts, totaling up to \$27B in total contract value and expanding backlog to roughly \$49B.** The first part of this is a five-year agreement totaling \$12B of compute, where Nebius will be providing Meta with Vera Rubin systems that will begin in the first part of 2027. The second part of this agreement allows Meta to purchase additional compute capacity across various upcoming Nebius compute clusters totaling up to \$15B over a five-year period, primarily linked to Vera Rubin deployments as well. That being said, the company mentioned that they are planning on selling the latter capacity first to third-party customers, with Meta being allowed to purchase the remaining capacity that is available. Given the scale of these contracts and the timing, we expect these to be placed across Nebius' new greenfield data center locations. The company also mentioned that this new agreement will have no impact on their FY2026 guidance.

**Nebius now holds two large scale contracts, but we still expect another hyperscaler contract over the next year.** With backlog now including a Microsoft contract worth up to \$19.4B and a Meta capacity that totals roughly \$30B in total across three agreements, we continue to believe that the company is positioning themselves to sign at least one other large-scale deal over the next 12 months. While we don't expect any new large-scale deal to be announced that will contribute to FY26 revenues, given the ambitions that were recently outlined last week for Nebius to deploy more than 5GW of capacity by the end of 2030, we believe the company is well-setup to bring on at least another customer of similar size to at least the Microsoft contract.

**We reiterate our BUY rating and raise our price target from \$150 to \$200,** valuing shares at 1.1x EV/Backlog, in-line with its counterpart CRWV and a reflection of our confidence in the company's growth trajectory and the prospects for improving margins and unit economics.

**BUY**

NBIS - NASDAQ

**Price Target** **1200.00**

Price (3/13/26) \$112.95

Industry TECHNOLOGY

### Valuation & Performance

Total Debt/Total Capital 0.0%

Cash per share (9/30/25) 10.40

BV Per Share (9/30/25) n.a.

Dividend \$0.00 (0.0%)

Return on Equity (T-T-M) (13.3)%

### Trading Data

Shares Outstanding (M) 251.1

Market Capitalization (\$M) 25

52-week range 17.39 - 141.10

Avg. Volume (3-mth.) (K) 17,658.0

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### Company Description

Amsterdam, Netherlands – Nebius Group is a cloud computing and AI infrastructure company providing scalable, high-performance compute solutions tailored for AI workloads. Spun out from Yandex in 2023 and relisted on NASDAQ in 2024, Nebius operates independently, offering dedicated AI cloud services designed to meet the growing demand for cost-efficient, specialized compute. With a focus on innovation and efficiency, Nebius aims to be a leading neocloud provider, delivering infrastructure optimized for AI training, inference, and enterprise-scale deployment.

### DaVinci Overview

D.A. Davidson's DaVinci initiative focuses our technical-oriented research, data-driven insights, and prescient think pieces under one unified framework. We note that for our DaVinci coverage of deep tech businesses, we employ an early-stage venture approach focusing on technical foundations, disruptive potential, and long-term strategic value, rather than near-term financial and valuation metrics given the unique growth trajectories of pre-inflection markets.

FY (Dec)		2025A	2026E	Previous	Cons.	2027E	Previous	Cons.
<b>EBIT (\$M)</b>	Q1 (Mar)	\$(129.5)	<b>\$(163.0)E</b>	NC	\$(137.2)	<b>\$(56.6)E</b>	NC	\$(140.6)
	Q2 (Jun)	\$(111.2)	<b>\$(181.4)E</b>	NC	\$(150.8)	<b>\$(46.0)E</b>	NC	\$(160.7)
	Q3 (Sep)	\$(130.2)	<b>\$(115.3)E</b>	NC	\$(126.3)	<b>\$(50.9)E</b>	NC	\$(161.9)
	Q4 (Dec)	\$(234.5)	<b>\$(88.1)E</b>	NC	\$(126.1)	<b>\$(27.2)E</b>	NC	\$(149.1)
			\$(605.4)	<b>\$(547.8)E</b>	NC	\$(540.4)	<b>\$(180.7)E</b>	NC
<b>Revenue (\$M)</b>	Q1 (Mar)	\$55.3	<b>\$442.4E</b>	NC	\$495.4	<b>\$1,880E</b>	NC	\$1,842.5
	Q2 (Jun)	\$105.1	<b>\$578.1E</b>	NC	\$678.1	<b>\$2,023E</b>	NC	\$1,975.5
	Q3 (Sep)	\$146.1	<b>\$913.1E</b>	NC	\$1,007.6	<b>\$2,237E</b>	NC	\$2,199.2
	Q4 (Dec)	\$227.7	<b>\$1,309E</b>	NC	\$1,400.7	<b>\$2,619E</b>	NC	\$2,524.6
			\$534.2	<b>\$3,243E</b>	NC	\$3,581.8	<b>\$8,759E</b>	NC

### Price Performance

NASDAQ: NBIS



Please refer to pages 5 - 6 of this report for detailed disclosure and certification information.

D.A. Davidson & Co. Member SIPC



**D.A. Davidson Institutional Research**  
**Nebius Group N.V.**  
 Fiscal Year Ends December 31  
 Source: NBIS filings and D.A. Davidson estimates

**Consolidated Statements of Operations, Adjusted**  
 (in millions)

	1Q25	2Q25	3Q25	4Q25	FY2025	1Q26E	2Q26E	3Q26E	4Q26E	FY2026E	1Q27E	2Q27E	3Q27E	4Q27E	FY2027E
	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25		31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26		31-Mar-27	30-Jun-27	30-Sep-27	31-Dec-27	
Total revenue	\$ 55.3	\$ 105.1	\$ 146.1	\$ 227.7	\$ 534.2	\$ 442.4	\$ 578.1	\$ 913.1	\$ 1,309.3	\$ 3,242.9	\$ 1,880.2	\$ 2,023.2	\$ 2,237.2	\$ 2,618.6	\$ 8,759.1
Y/Y growth %	385.1%	322.1%	237.4%	500.8%	354.6%	700.0%	450.0%	525.0%	475.0%	507.0%	325.0%	250.0%	145.0%	100.0%	170.1%
Total cost of revenue	29.5	30.1	42.9	68.5	171.0	128.3	161.9	255.7	379.7	925.5	545.3	586.7	648.8	759.4	2,540.1
Gross profit	25.8	75.0	103.2	159.2	363.2	314.1	416.2	657.5	929.6	2,317.3	1,334.9	1,436.5	1,588.4	1,859.2	6,218.9
Gross margin %	47%	71%	71%	70%	68%	71%	72%	72%	71%	71%	71%	71%	71%	71%	71%
<b>Operating expenses:</b>															
Product development	40.0	42.8	44.9	53.1	180.8	44.2	57.8	77.6	111.3	290.9	131.6	131.5	134.2	144.0	541.4
% of total revenue	72%	41%	31%	23%	34%	10%	10%	9%	9%	9%	7%	7%	6%	6%	6%
Sales, general and administrative	66.1	68.2	89.5	159.9	383.7	87.4	104.0	127.8	176.8	496.0	206.8	202.3	201.3	209.5	820.0
% of total revenue	120%	65%	61%	70%	72%	20%	18%	14%	14%	15%	11%	10%	9%	8%	9%
Depreciation and amortization	49.2	75.2	99.0	180.7	404.1	345.5	435.7	567.3	729.6	2,078.2	1,053.1	1,148.6	1,303.7	1,532.8	5,038.3
% of total revenue	89%	72%	68%	79%	76%	78%	75%	62%	56%	64%	56%	57%	58%	59%	58%
<b>Income (loss) from operations</b>	<b>(129.5)</b>	<b>(111.2)</b>	<b>(130.2)</b>	<b>(234.5)</b>	<b>(605.4)</b>	<b>(163.0)</b>	<b>(181.4)</b>	<b>(115.3)</b>	<b>(88.1)</b>	<b>(547.8)</b>	<b>(56.6)</b>	<b>(46.0)</b>	<b>(50.9)</b>	<b>(27.2)</b>	<b>(180.7)</b>
Operating margin %	-234%	-106%	-89%	-103%	-113%	-37%	-31%	-13%	-7%	-17%	-3%	-2%	-2%	-1%	-2%
Interest income	8.6	3.6	6.2	13.5	31.9	13.5	13.5	13.5	13.5	54.0	13.5	13.5	13.5	13.5	54.0
Interest expense	-	-	(14.7)	(38.3)	(53.0)	-	-	-	-	-	-	-	-	-	-
Income from equity method investments	0.1	(4.8)	-	-	(4.7)	-	-	-	-	-	-	-	-	-	-
Gain from revaluation of investment in equity securities	-	597.4	-	1.5	598.9	-	-	-	-	-	-	-	-	-	-
Loss from equity method investments	-	(6.3)	(7.5)	(10.6)	(24.4)	-	-	-	-	-	-	-	-	-	-
Other income, net	8.1	24.6	26.3	21.4	80.4	21.4	21.4	21.4	21.4	85.6	21.4	21.4	21.4	21.4	85.6
<b>Income (loss) before income taxes</b>	<b>(112.7)</b>	<b>503.3</b>	<b>(119.9)</b>	<b>(247.0)</b>	<b>23.7</b>	<b>(128.1)</b>	<b>(146.5)</b>	<b>(80.4)</b>	<b>(53.2)</b>	<b>(408.2)</b>	<b>(21.7)</b>	<b>(11.1)</b>	<b>(16.0)</b>	<b>7.7</b>	<b>(41.1)</b>
Pre-tax margin %	-204%	479%	-82%	-108%	4%	-29%	-25%	-9%	-4%	-13%	-1%	-1%	-1%	0%	0%
Income tax expense	0.9	0.8	(0.3)	2.6	4.0	(1.3)	(1.5)	(0.8)	(0.5)	(4.1)	(0.2)	(0.1)	(0.2)	0.1	(0.4)
Effective tax rate	-1%	0%	0%	-1%	17%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
<b>Net income (loss)</b>	<b>(113.6)</b>	<b>584.4</b>	<b>(119.6)</b>	<b>(249.6)</b>	<b>109.6</b>	<b>(126.8)</b>	<b>(145.0)</b>	<b>(79.6)</b>	<b>(52.7)</b>	<b>(412.3)</b>	<b>(21.5)</b>	<b>(10.9)</b>	<b>(15.8)</b>	<b>7.6</b>	<b>(41.5)</b>
Net margin %	-205%	556%	-82%	-110%	21%	-29%	-25%	-9%	-4%	-13%	-1%	-1%	-1%	0%	0%
GAAP diluted EPS	\$ (0.48)	\$ 2.45	\$ (0.47)	\$ (0.99)	\$ 0.45	\$ (0.50)	\$ (0.56)	\$ (0.31)	\$ (0.20)	\$ (1.59)	\$ (0.08)	\$ (0.04)	\$ (0.06)	\$ 0.03	\$ (0.15)
Weighted average shares: diluted	238.1	238.7	251.8	253.0	245.4	255.5	258.1	260.7	263.3	259.4	265.9	268.6	271.3	274.0	269.9



Consolidated Balance Sheets (in millions)	1Q25 31-Mar-25	2Q25 30-Jun-25	3Q25 30-Sep-25	4Q25 31-Dec-25	FY2025	1Q26E 31-Mar-26	2Q26E 30-Jun-26	3Q26E 30-Sep-26	4Q26E 31-Dec-26	FY2026E	1Q27E 31-Mar-27	2Q27E 30-Jun-27	3Q27E 30-Sep-27	4Q27E 31-Dec-27	FY2027E
<b>Assets</b>															
<b>Current assets</b>															
Cash and cash equivalents	\$ 1,447.0	\$ 1,679.3	\$ 4,794.8	\$ 3,678.1	\$ 3,678.1	\$ (2,574.4)	\$ (5,025.5)	\$ (8,558.0)	\$ (13,755.8)	\$ (13,755.8)	\$ (21,065.1)	\$ (25,835.3)	\$ (30,934.2)	\$ (35,656.0)	\$ (35,656.0)
Accounts receivable	24.3	54.7	91.2	720.3	720.3	201.9	286.5	414.5	577.5	577.5	769.4	839.1	1,020.5	1,079.9	1,079.9
Prepaid expenses	22.4	28.3	29.1	34.8	34.8	55.3	83.7	129.7	194.6	194.6	140.4	183.8	223.5	262.8	262.8
Restricted cash	80.6	74.5	107.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VAT reclaimable	84.4	158.3	133.4	131.4	131.4	131.4	131.4	131.4	131.4	131.4	131.4	131.4	131.4	131.4	131.4
Other current assets	24.6	34.5	61.4	146.8	146.8	55.3	69.7	64.8	64.9	64.9	70.2	61.3	74.5	87.6	87.6
<b>Total current assets</b>	<b>1,683.3</b>	<b>2,029.6</b>	<b>5,217.0</b>	<b>4,711.4</b>	<b>4,711.4</b>	<b>(2,130.5)</b>	<b>(4,454.2)</b>	<b>(7,817.6)</b>	<b>(12,787.5)</b>	<b>(12,787.5)</b>	<b>(19,953.6)</b>	<b>(24,619.7)</b>	<b>(29,484.3)</b>	<b>(34,094.3)</b>	<b>(34,094.3)</b>
Property and equipment	1,334.1	1,789.4	3,314.4	5,572.5	5,572.5	7,357.5	9,971.7	13,997.1	19,955.8	19,955.8	27,093.8	32,071.0	37,285.9	42,322.4	42,322.4
Intangible assets	17.4	15.6	18.0	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7
Operating lease right-of-use assets	250.3	277.3	501.0	918.8	918.8	437.6	488.0	540.3	648.6	648.6	468.1	612.6	745.0	875.9	875.9
Equity method investments	6.4	32.3	21.7	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1
Investments in non-marketable equity securities	90.7	835.1	835.1	836.6	836.6	836.6	836.6	836.6	836.6	836.6	836.6	836.6	836.6	836.6	836.6
Deferred tax assets	8.9	8.8	9.0	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8
Other non-current assets	45.4	108.5	186.0	367.9	367.9	367.9	367.9	367.9	367.9	367.9	367.9	367.9	367.9	367.9	367.9
<b>Total assets</b>	<b>3,436.5</b>	<b>5,096.6</b>	<b>10,102.2</b>	<b>12,449.8</b>	<b>12,449.8</b>	<b>6,911.7</b>	<b>7,252.6</b>	<b>7,966.9</b>	<b>9,064.1</b>	<b>9,064.1</b>	<b>8,855.4</b>	<b>9,311.0</b>	<b>9,793.7</b>	<b>10,351.0</b>	<b>10,351.0</b>
<b>Liabilities and Stockholders' Equity</b>															
<b>Current liabilities</b>															
Accounts payable, accrued and other liabilities	61.4	103.6	726.4	1,210.1	1,210.1	739.2	1,100.1	1,683.1	2,535.7	2,535.7	1,839.0	1,936.8	2,071.7	2,261.8	2,261.8
Debt, current portion	6.2	8.0	16.0	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Income and non-income taxes payable	6.9	7.2	36.6	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7
Deferred revenue	19.0	19.3	15.6	275.5	275.5	6.4	1.4	2.2	3.2	3.2	32.8	6.1	7.4	8.8	8.8
Current liabilities from discontinued operations															
<b>Total current liabilities</b>	<b>93.5</b>	<b>138.1</b>	<b>794.6</b>	<b>1,527.8</b>	<b>1,527.8</b>	<b>787.8</b>	<b>1,143.7</b>	<b>1,727.4</b>	<b>2,581.1</b>	<b>2,581.1</b>	<b>1,914.0</b>	<b>1,985.1</b>	<b>2,121.3</b>	<b>2,312.7</b>	<b>2,312.7</b>
Debt, non-current		978.2	4,090.8	4,103.2	4,103.2										
Operating lease liabilities	181.6	204.5	405.4	760.5	760.5	246.9	373.7	579.2	869.1	869.1	1,254.4	1,641.7	1,996.5	2,347.4	2,347.4
Deferred revenue, non-current	0.0	0.0	0.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0	1,302.0
Other accrued liabilities	0.1	0.3	0.6	143.1	143.1	4.6	7.0	10.8	16.2	16.2	23.4	30.6	37.2	43.8	43.8
Non-current liabilities from discontinued operations															
<b>Total liabilities</b>	<b>275.2</b>	<b>1,321.1</b>	<b>5,291.4</b>	<b>7,836.6</b>	<b>7,836.6</b>	<b>2,341.3</b>	<b>2,826.4</b>	<b>3,619.5</b>	<b>4,768.4</b>	<b>4,768.4</b>	<b>4,493.8</b>	<b>4,959.5</b>	<b>5,457.1</b>	<b>6,006.0</b>	<b>6,006.0</b>
<b>Total stockholders' equity</b>	<b>3,161.3</b>	<b>3,775.5</b>	<b>4,810.8</b>	<b>4,613.2</b>	<b>4,613.2</b>	<b>4,570.4</b>	<b>4,426.3</b>	<b>4,347.5</b>	<b>4,295.7</b>	<b>4,295.7</b>	<b>4,361.6</b>	<b>4,351.5</b>	<b>4,336.6</b>	<b>4,345.1</b>	<b>4,345.1</b>
<b>Total liabilities and stockholders' equity</b>	<b>3,436.5</b>	<b>5,096.6</b>	<b>10,102.2</b>	<b>12,449.8</b>	<b>12,449.8</b>	<b>6,911.7</b>	<b>7,252.6</b>	<b>7,966.9</b>	<b>9,064.1</b>	<b>9,064.1</b>	<b>8,855.4</b>	<b>9,311.0</b>	<b>9,793.7</b>	<b>10,351.0</b>	<b>10,351.0</b>



Consolidated Statements of Cash Flows, YTD															
(in millions)															
	1Q25	2Q25	3Q25	4Q25	FY2025	1Q26E	2Q26E	3Q26E	4Q26E	FY2026E	1Q27E	2Q27E	3Q27E	4Q27E	FY2027E
	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25		31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26		31-Mar-27	30-Jun-27	30-Sep-27	31-Dec-27	
<b>Cash flows from operating activities:</b>															
Net income (loss)	\$ (104)	\$ 398	\$ 278.6	\$ 29.0	\$ 29.0	\$ (126.8)	\$ (271.8)	\$ (351.4)	\$ (404.1)	\$ (404.1)	\$ (21.5)	\$ (32.5)	\$ (48.3)	\$ (40.7)	\$ (40.7)
<b>Adjustments to reconcile...:</b>															
Depreciation of property and equipment	49	121	219.4	397.1	397.1	345.5	781.2	1,348.5	2,078.2	2,078.2	1,053.1	2,201.7	3,505.4	5,038.3	5,038.3
Amortization of intangible assets	1	3	3.9	6.9	6.9										
Operating lease right-of-use assets amortization and the l	7	17	29.3	50.6	50.6										
Amortization of debt discount and issuance costs, net of i	-	3	8.8	17.5	17.5										
Share-based compensation expense	17	32	58.3	83.2	83.2	84.0	84.9	85.7	86.6	86.6	87.4	88.3	89.2	90.1	90.1
Deferred income tax benefit	(1)	(0)	(0.6)	(3.4)	(3.4)										
Foreign exchange (gains) / losses	4	(11)	(25.0)	(27.2)	(27.2)										
Gain from revaluation of investment in equity securities	-	(597)	(597.4)	(598.9)	(598.9)										
Loss/(income) from equity method investments	-	6	13.7	24.3	24.3										
Provision for expected credit losses	0	1	1.8	5.5	5.5										
Other	1	1	0.9	53.9	53.9										
<b>Changes in assets and liabilities:</b>															
Accounts receivable	(10)	(45)	(81.8)	(714.6)	(714.6)	518.4	433.8	305.8	142.8	142.8	(191.9)	(261.7)	(443.0)	(502.4)	(502.4)
Prepaid expenses	1	(5)	(12.1)	(17.8)	(17.8)	(20.5)	(48.9)	(94.9)	(159.8)	(159.8)	54.2	10.8	(28.9)	(68.2)	(68.2)
Accounts payable, accrued and other liabilities and no	(57)	(50)	(54.4)	(29.0)	(29.0)	(1,123.0)	(632.9)	159.4	1,307.3	1,307.3	(304.1)	188.2	684.5	1,232.0	1,232.0
Deferred revenue	2	3	5.5	1,565.8	1,565.8	(269.1)	(274.1)	(273.3)	(272.3)	(272.3)	29.5	2.9	4.2	5.5	5.5
Other assets	(19)	(92)	(172.3)	(339.2)	(339.2)	572.7	507.9	460.4	352.2	352.2	175.2	39.6	(106.1)	(250.1)	(250.1)
VAT reclaimable	(76)	(137)	(109.0)	(101.8)	(101.8)	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by operating activities</b>	<b>(198)</b>	<b>(369)</b>	<b>(449.5)</b>	<b>384.8</b>	<b>384.8</b>	<b>(18.8)</b>	<b>580.1</b>	<b>1,640.2</b>	<b>3,130.8</b>	<b>3,130.8</b>	<b>881.8</b>	<b>2,237.4</b>	<b>3,657.0</b>	<b>5,504.6</b>	<b>5,504.6</b>
<b>Cash flows from investing activities:</b>															
Purchases of property and equipment and intangible assets	(544)	(1,055)	(2,010.0)	(4,066.0)	(4,066.0)	(2,130.5)	(5,180.4)	(9,773.1)	(16,461.5)	(16,461.5)	(8,191.1)	(14,316.9)	(20,835.5)	(27,404.8)	(27,404.8)
Proceeds from Divestment, net of cash of discontinued oper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of the remaining equity interest in Div	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in debt securities	-	-	-	(75.0)	(75.0)	-	-	-	-	-	-	-	-	-	-
Proceeds from maturity of debt securities	-	(43)	(42.7)	(42.7)	(42.7)	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property and equipment	-	(50)	(50.0)	(50.0)	(50.0)	-	-	-	-	-	-	-	-	-	-
Other investing activities	-	1	4.5	4.5	4.5	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by investing activities</b>	<b>(544)</b>	<b>(1,146)</b>	<b>(2,098.3)</b>	<b>(4,229.3)</b>	<b>(4,229.3)</b>	<b>(2,130.5)</b>	<b>(5,180.4)</b>	<b>(9,773.1)</b>	<b>(16,461.5)</b>	<b>(16,461.5)</b>	<b>(8,191.1)</b>	<b>(14,316.9)</b>	<b>(20,835.5)</b>	<b>(27,404.8)</b>	<b>(27,404.8)</b>
<b>Cash flows from financing activities:</b>															
Proceeds from issuance of convertible notes	-	1,000	4,162.5	4,162.5	4,162.5	-	-	-	-	-	-	-	-	-	-
Convertible notes issuance costs	-	-	(89.3)	(89.3)	(89.3)	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of equity securities	-	-	1,150.0	1,150.0	1,150.0	-	-	-	-	-	-	-	-	-	-
Treasury shares issuance costs	-	-	(23.8)	(23.8)	(23.8)	-	-	-	-	-	-	-	-	-	-
Withholding tax paid	(182)	(182)	(181.5)	(181.5)	(181.5)	-	-	-	-	-	-	-	-	-	-
Proceeds from exercise of share options	-	-	2.0	(0.8)	(0.8)	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of SAFE instruments	-	-	-	100.0	100.0	-	-	-	-	-	-	-	-	-	-
Repurchase of equity classified awards	-	-	(0.8)	8.4	8.4	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by financing activities</b>	<b>(182)</b>	<b>819</b>	<b>5,019.1</b>	<b>5,125.5</b>	<b>5,125.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash effect of foreign exchange rates	0	0	2.0	(9.7)	(9.7)	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash, equivalents, and restricted	(923)	(697)	2,473.3	1,271.3	1,271.3	(2,149.3)	(4,600.4)	(8,132.9)	(13,330.7)	(13,330.7)	(7,309.3)	(12,079.5)	(17,178.5)	(21,900.2)	(21,900.2)
Balance, beginning of period	2,450	2,450	2,450.3	2,450.3	2,450.3	3,721.6	3,721.6	3,721.6	3,721.6	3,721.6	(13,755.8)	(13,755.8)	(13,755.8)	(13,755.8)	(13,755.8)
Balance, end of period	\$ 1,528	\$ 1,754	4,923.6	3,721.6	3,721.6	(2,574.4)	(5,025.5)	(8,558.0)	(13,755.8)	(13,755.8)	(21,065.1)	(25,835.3)	(30,934.2)	(35,656.0)	(35,656.0)



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### Potential Risks

**Hyperscaler Competitive Pressures:** While Nebius benefits from the AI compute unbundling trend, hyperscalers like AWS, Azure, and GCP have deep resources and could adjust pricing, expand AI-specific offerings, or bundle services in ways that make it harder for Nebius to compete long-term.

**Capital Intensity and Scaling Challenges:** Expanding AI infrastructure requires significant upfront capital for data centers, GPUs, and networking. If Nebius cannot secure sufficient funding or optimize its cost structure, it may struggle to scale profitably.

**Enterprise Adoption Uncertainty:** While AI-native startups are early adopters, Nebius needs enterprise customers for long-term stability. Winning over traditional companies that are deeply embedded with hyperscalers could be challenging.

**Geopolitical & Regulatory Risks:** As a company spun out of Yandex, Nebius may face heightened regulatory scrutiny or geopolitical risks, particularly in regions where ties to its former parent company are viewed as a liability.

### Required Disclosures

Best-of-Breed: Expected to outperform on a risk adjusted basis over a five-year time horizon, but may be fully valued over a 12-18 month time horizon.

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**BUY:** Expected to produce a total return of over 15% on a risk adjusted basis over the next 12-18 months

**NEUTRAL:** Expected to produce a total return of -15% to +15% on a risk adjusted basis over the next 12-18 months

**UNDERPERFORM:** Expected to lose value of over 15% on a risk adjusted basis over the next 12-18 months

Rating Distribution (as of 12/31/25)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
<b>BUY (Buy)</b>	60%	85%	63%	8%	0%	8%
<b>NEUTRAL (Hold)</b>	40%	13%	36%	4%	0%	3%
<b>UNDERPERFORM (Sell)</b>	0%	2%	1%	0%	0%	0%

IR denotes Institutional Research; WMR denotes Wealth Management Research whose rating scale is Buy/Add, Neutral, Sell/Reduce. Investment Banking Distribution denotes companies from whom D.A. Davidson & Co. has received compensation in the last 12 months. Best-of-Breed: Expected to outperform on a risk adjusted basis over a five-year time horizon.

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While the Best-of-Breed designation does not contain a separate rating and/or price target from that of the standard ratings system referenced above, the expectation is that the security, based on the 12 criteria utilized in assessing the “Best-of-Breed” designation, will outperform over a five-year time horizon, not the standard 12-18 month time horizon.

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## Other Companies Mentioned in this Report

Company Name	Ticker	Rating	Price
<b>CoreWeave, Inc.</b>	CRWV	BUY	\$81.11
<b>Meta Platforms, Inc.</b>	META	BUY	\$613.71
<b>Apple Inc.</b>	AAPL	NEUTRAL	\$250.12
<b>Amazon.com, Inc.</b>	AMZN	NEUTRAL	\$207.67
<b>Alphabet Inc.</b>	GOOGL	NEUTRAL	\$302.28
<b>Microsoft Corporation</b>	MSFT	BUY	\$395.55
<b>NVIDIA Corporation</b>	NVDA	BUY	\$180.25
<b>Oracle Corporation</b>	ORCL	BUY	\$155.11
<b>Nebius Group N.V.</b>	NBIS	BUY	\$112.95