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Rebranded Yandex Launches AI Venture in Europe After Russia Exit

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Arkady Volozh. **Semyon Katz (CC BY-SA 4.0)**

The Dutch holding company that split from Russian tech giant Yandex after the West introduced sanctions over the war in Ukraine announced Tuesday that it was relaunching as an artificial intelligence venture in Europe.

"Today we are launching Nebius Group, a tech company that aims to become a leading European provider of infrastructure and services to AI builders globally," the company said in a press release.

"Nebius is purpose-built to give AI developers the compute, storage, managed services and tools they need to successfully train, develop and run their models," the statement added.

The announcement comes a day after Amsterdam-based Yandex N.V. finalized a $5.4 billion sale to a Russian consortium after two years of negotiations in what marks the largest corporate exit since Russia's full-scale invasion. That deal required President Vladimir Putin's personal approval.

Related article: Yandex Parent Company Fully Divests from Russia

Yandex N.V. retained internationally focused businesses, including cloud and artificial intelligence technologies, as well as self-driving cars, under the name Nebius Group, and the company is led by Yandex co-founder Arkady Volozh.

“What we bring is a unique and specific combination of expertise to address some of the fundamental bottlenecks in AI today. This is technology for technologists – for those building AI today,” Volozh was quoted as saying in the company’s press release on Monday.

In comments to Reuters, the businessman said he hopes Nebius “will become one of the largest AI infrastructure companies in the world, certainly in Europe.”

Nebius employs 1,300 mostly ex-Yandex staff who left Russia after the war and holds $2.5 billion in cash to invest and buy back untreatable Nasdaq shares, according to The Financial Times.

Nebius also inherited Yandex N.V.’s Nasdaq listing with hopes to resume trading as soon as September and has “commissioned an audit from a Big Four auditor to certify it no longer has any ties to Russia.”

Volozh, who is among a small group of Russian businessmen to condemn the war in Ukraine, told Reuters and The Financial Times that Nebius plans to build hundreds of megawatts of capacity and triple the capacity of its data center in Finland over the next year.

Nebius has maintained a “strong long-term relationship” with major AI chipmaker Nvidia at the Finnish data center, which Nebius says is home to Europe’s most powerful supercomputer.

Additionally, Volozh said Nebius is already working with Europe’s best-known AI start-ups in France and Germany. “It’s good to be free, it’s even better to be free with a couple of billion dollars to build something,” he said.

The EU sanctioned Volozh in 2022 over what it described as Yandex’s complicity in Russia’s war against Ukraine. Brussels did not renew sanctions against him earlier this year.

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