



Seed & Angels investment
Skolkovo, Moscow

May 2014



Mangrove
Capital Partners
Dare to Dream

Roy Saar



- Israeli, Mangrove partner
- Founder of Sphera tech. (Sold to Parallels)
- Founder of Rfcell Tech.
- Angel investor at: WIX, Polaris Solutions
- VC investor at: PlanetSOHO, POPs, WalkMe, Happify

About Mangrove Capital Partners



Key facts & figures

Founded: 2000

Offices:
Luxembourg

vehicles raised:
3
(2000, 2005 & 2008)

Assets under
management:
~\$500m

Investment
professionals:
10

Nationalities
in the team:
11*

Partners:
8

Average age
in the team:
43

active portfolio
companies:
24

investments
to date:
70+

countries
invested:
16

BPs reviewed
each year:
1000+

* American, Belgian, British, Danish, French, German, Israeli, Luxemburgish, Portuguese, Russian, Spanish

About Mangrove Capital Partners



Mangrove's DNA

Mangrove Capital Partners is a contrarian, bold but patient venture capital firm helping innovative entrepreneurs start and grow global, disruptive companies.

✓ Audacious vision. ✓ Fresh ideas. ✓ Big dreams.

This is what we like.

HOMERUNS are what we look for.

MANGROVE'S CULTURE

open-minded ethical direct
contrarian well-rounded
trustworthy early stage
long-term supportive
persistent global multicultural
imaginative **bold** blunt
unconventional **patient**
experienced collegial
challenging

ENTREPRENEURS WE LIKE

positive intense
patient **brave** agile
determined visionary
driven genuine resilient
perseverant committed
hungry intuitive **smart**
crazy **audacious**

About Mangrove Capital Partners



Our portfolio



24 active portfolio companies



Skype & Wix put Mangrove into an elite club

With two \$1 billion exits, we are one of the exceedingly rare “Unicorn VCs”



In the last 10 years,

- ✓ Around 60 VC-backed companies in the world have hit \$1 billion exits.
- ✓ Mangrove has been the earlier backer of 2 of those.
- ✓ Some 40 Venture Capital firms in the world had more than one \$1 billion exit.
- ✓ Mangrove is one of those.
- ✓ Only an average 20% of the few VC firms which had more than one \$1 billion exits invested into those companies at an early stage (Seed or Series A).
- ✓ Mangrove is one of those.

The statements above are based on CB Insights' report on \$1 billion exits in the US dated November 21st, 2013. We added our own intelligence for Europe, Israel & Russia. Notably, we identified 14 VC-backed \$1 billion exits in “Extended Europe” (vs. 46 in the US): Asos, Betfair, Criteo, Iliad, Mail.ru, MySQL, Ocado, Qliktech, Rightmove, Skype, Waze, Wix, Yandex & Yoox.

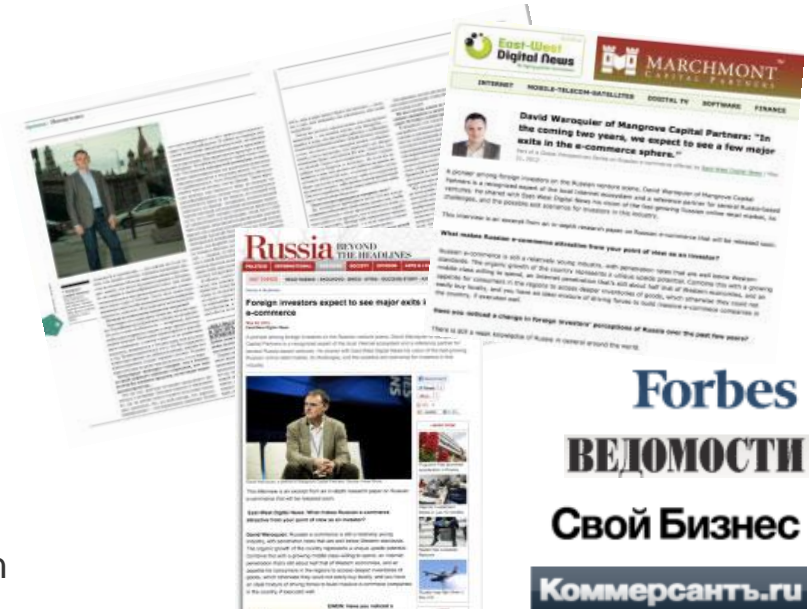
Mangrove in Russia



Mangrove's brand and expertise in Russia

The most active & respected Western VC in Russia

- The 1st Western VC which believed in the potential of Russia for early-stage technology investment (in 2005)
- 6 investments realized so far and 300+ opportunities reviewed every year
- The founding investor of KupiVIP, one of the top E-commerce success stories in Russia
- A unique knowledge & understanding of the local scene
- One of the “Top 10 Venture Capital Companies Investing in Russia” according to the Moscow Times (August 2012)
- Member of the Skolkovo Advisory Board



An active contributor to the Russian High Tech ecosystem



The Russia Forum 2010, Moscow



Russia Calling 2011, Moscow



IDCEE 2013, Kiev



Lecture at Kazan IT Park, 2011

- Lectures at Moscow Higher School of Economics and State University, Kazan IT Park, etc.
- Mentor at RIS Ventures (incubator)
- Keynote speaker and panelist at major events such as St-Petersburg Economic Forum, Troika Forum, Russia Calling, 42 Conference, etc...

Why Russia?



Leveraging 8 years of experience in Russia

- **Reputation:** we take advantage of the Mangrove brand, which is among the strongest ones in Venture Capital in Russia.
- **Deal flow:** we have a unique knowledge and understanding of the local Russian scene and a strong network granting us access to all the best investment opportunities in Russia.
- **Local talent:** we enjoy backing the typically bold and hungry Russian entrepreneurs and have strong experience working with local entrepreneurs whose mentality we understand perfectly.
- **Partners:** we have invested with the best Russian VCs and co-invested with all the Western VCs interested in Russia.

Characteristics of our Investment Philosophy



INVESTMENT PHILOSOPHY

1. Back audacious, ambitious entrepreneurs who come up with transformational ideas.
2. Be a fair, entrepreneur-friendly partner who truly empowers founders.
3. Put emphasis on true innovation.
4. Be a key, impactful, “hands-on” shareholder: board seat, presence on the ground, meaningful amounts invested (at the seed stage) and a significant share of our portfolio companies’ capital.
5. Leverage the knowledge and global network of Mangrove’s international team.

Israel Tech industry

- 8 Million citizens (15% ex- USSR)
- 300K Tech employees (30% ex-USSR)
- 2013 data:
 - \$2.3Bil raised
 - \$6.6Bil exits



Seed & Angels – main market drivers



Russia 2013 – Seed & Early stage

- **Seed deals: 229 (261 in 2013), \$59M (87), Avg. \$0.25 (0.33)**
- **Start up deals: 72 (74), \$110M (197), Avg. \$1.5 (2.7)**

(RMG 2014)

Israel for comparison:

- **Seed: 167 deals, \$117M – Avg. \$0.7M**
- **Early Stage: 205, \$681M – Avg. \$3.3M**

Seed Players

- **Angels / Super Angels**
- **Incubators / Accelerators**
- **Micro Funds**



Emergence of Angel Investors

- **A nascent community in Russia**
- **Need to professionalize itself**
- **Where do they come from?**
 - **Tech expertise**
 - **Other businesses**
- **Many successful tech entrepreneurs create their own fund**
 - **The Russian answer to angel investing?**

Seed investments – takes longer

- **Longer time between Seed & Early stage**



Seed investments – needs more fuel

- **More money to get to a meaningful milestone**



Seed Investor

- **Build relationships with the bigger investors**
- **Find out which segments they look at**
- **Identify Seed companies with achievable milestone**
- **Keep money aside**



Seed Founder

- **Do more with less....**
- **Understand is the key milestone which will get you the next round**
- **Focus on achieving that milestone, and that milestone alone !**
- **Get as many shortcuts as you can – technology, business, marketing**
- **Cash is King ! – do barter**



Seed investments – Impact?

- **Impactful seed investments vs smaller tickets?**
 - **Angels vs investors**
 - **Deal terms**



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