



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 million 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 1<sup>st</sup> 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



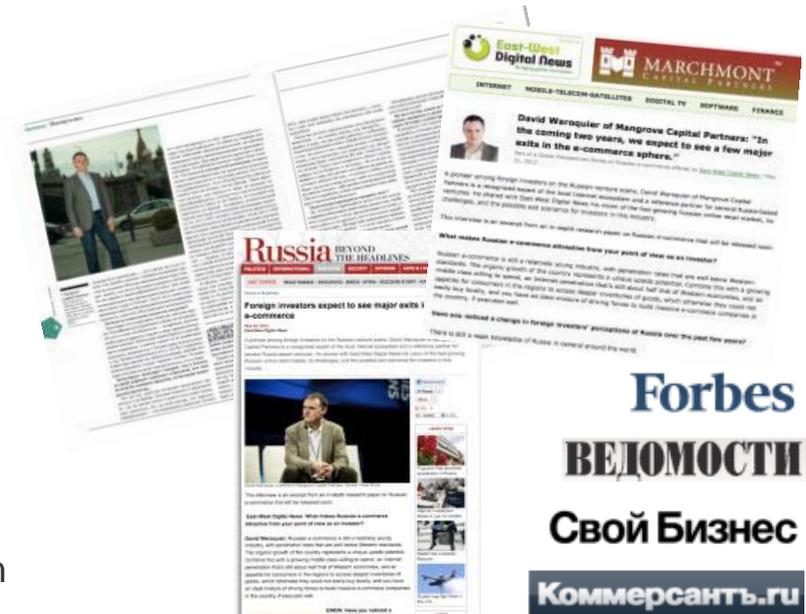
Russia Calling 2011, Moscow



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 barters .....**





## Seed investments – Impact?

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



**Mangrove**

**Capital Partners**



31, Boulevard Joseph II - L1840 Luxembourg

Phone: +352-262-534-1 - Fax: +352-262-534-20

[www.mangrove.vc](http://www.mangrove.vc)