

Financing Early Stage Technology Companies in Russia

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It's 1998, and Venture Investors are in Short Supply!

Perceptions of Risk

- Political
- Economic
- Intellectual Property
- Management Expertise

Tech Entrepreneurs in late 1990's Russia

- Lack business development experience
- Limited understanding of financing options
- Little "Friends and Family" money
- Little or no business planning
- Few options for expansion into new markets

Vision: Provide an Efficient Way for Investors to Meet Entrepreneurs

- Many companies in one location
- Entry requirements to screen potential deals
- Training for entrepreneurs to prepare them adequately
- Forum for exchanging ideas and for networking.

Solution: Russian Venture Fair

- Opportunity for early stage Russian companies to experience fund raising
- Demonstrable success of the concept
- Concept is easy to replicate
- Establishes a process for commercialization
- Project of Russian Venture Capital Association (established in 1997)



The Venture Fair: A First for Russian Entrepreneurs

- December of 2000 – First RVF at Moscow State University Incubator
- 28 companies
- 17 Received further engagement of potential investors
- 2 Received investment financing

Success!

- RVCA recruited sponsors such as NATO, international financing organizations, (e.g., World Bank and EBRD) UNDP, Battelle, Baker & McKenzie etc.
- Gained support of Russian economic development organizations such as FASIE
- 60+ companies regularly exhibiting
- Over \$66 Million in financing raised for deserving Russian companies from 2000 – 2004 venture fairs.

Innovation Council on High Tech

- Bilateral, US – Russia
- Public and private sectors represented
- Meets twice per year in Russia and US
- Promote bilateral private and public sector cooperation to stimulate commercial science and technology innovation and entrepreneurship.

ICHT Focused Working Groups

- Investments
- Small Business
- Intellectual Property
- Universities and Research Organizations

Focused Working Group on Investment

- Increase volume of capital flow and the number of investment grade companies
- Assist in formation of the professional investment community
- Create infrastructure to promote investment, and disseminate information

A nighttime photograph of a waterfront in Saint-Petersburg, Russia. In the foreground on the left, a large, ornate, glowing street lamp stands prominently. The water in the middle ground reflects the lights from the buildings and the bridge. In the background, a long, white, classical-style building with many windows is illuminated. To the right, a large, dark, triangular bridge structure is visible, also lit up. The sky is a deep blue with some light clouds.

**The Seventh
Russian Venture Fair
and Forum
... October 10-11, 2006
SAINT-PETERSBURG**