



When to go global - VC perspective

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What startups get VC Funding

- ◆ Clear problem
- ◆ Differentiated solution
- ◆ *Market size (major issue in EE)*
- ◆ Competition
- ◆ Team

Timing of a global expansion

- ◆ **Option 1. Build a leadership role in home market, and slowly expand to neighboring markets. Examples: Yandex, Wargaming, Mail.ru, Qiwi, etc..**
- ◆ **Option 2. Go global from day 1. Examples: Veeam, Parallels, AVG, EPAM, etc..**

When to start looking at the US market (1)?

Global SAAS revenue, 2008-2015

Table 1. Total Software Revenue Forecast for SaaS Delivery Within Enterprise Application Software Markets by Region, 2008-2015 (Millions of U.S. Dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	CAGR (%) 2010- 2015
North America	4,584.2	5,218.5	6,471.6	7,684.2	8,968.0	10,311.0	11,544.9	12,929.0	15
Western Europe	1,394.9	1,675.4	2,159.5	2,662.5	3,190.3	3,775.1	4,290.3	4,813.2	17
Asia/Pacific	321.0	421.1	601.8	768.3	974.8	1,210.9	1,450.8	1,693.9	23
Japan	223.6	268.3	315.3	379.0	434.8	500.8	565.3	629.1	15
Latin America	152.5	193.1	266.0	328.4	415.9	512.5	600.8	694.2	21
Eastern Europe	63.5	78.3	101.2	131.4	161.7	192.4	231.7	270.1	22
MEA	54.8	66.9	86.6	119.5	140.8	179.3	212.4	251.3	24
Total	6,794.4	7,921.4	10,001.9	12,073.2	14,286.3	16,681.9	18,896.2	21,280.7	16.3

MEA = Middle East and Africa

Source: Gartner (August 2011)

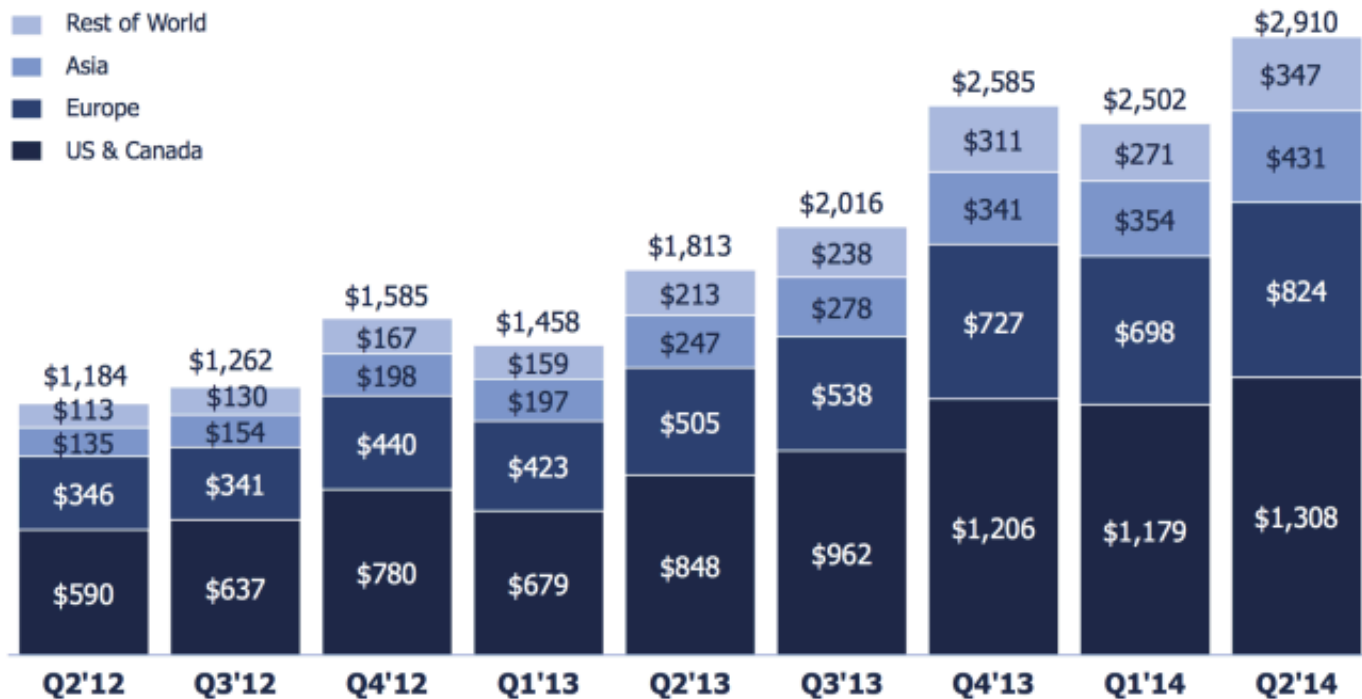
When to start looking at the US market (2)?

Social Networking (Facebook)

Revenue by User Geography

In Millions

- Rest of World
- Asia
- Europe
- US & Canada



<http://techcrunch.com/2014/07/23/facebook-q2-2014-earnings/>

When to start looking at the US market (3)?

Other New Markets:

- ◆ Virtualization – in 2011, 2012 US was 48% of VMWare revenue
- ◆ Software Defined Networking – US dominates
- ◆ Car Sharing (Uber) – US dominates
- ◆ Flat Sharing (AirBnB) – same story, North America is the leading market

Conclusion:

Your best chance to build a global leader is to start selling in the largest market from day 1. Most often the largest market is the USA.

WHY ALMAZ?

Almaz Capital 'Bridge' Model

- ◆ We have created a fund model that facilitates our mission of connecting promising technology startups to the largest IT market:
 - We operate as **one firm** present in the heart of Silicon Valley and in Moscow
 - We are extending to one other Eastern European location to enable **better access** for regional entrepreneurs
 - **Every** investment is **supported** by **1** partner in the US and **1** partner in Europe
 - We utilize our **global network** of technology and managerial talent, world leading IT vendors and investment partners to help portfolio companies **scale globally**

Our differentiated model positions us as the regional leader and a partner to teams with global aspirations

Our Model Works

How it works

Almaz has become the **fund of choice** for technology entrepreneurs with global aspirations in the region

We have **unique access to engineering talent** – Eastern Europe punches above its weight in IT

We built relationships to **attract top quality managerial skills**– biggest problem in Eastern Europe

We developed the **broadest deal sourcing** network that spans multiple countries

Our team can **support** companies on both sides of the “bridge”

Demonstrable Results

Excellent investor returns across two funds

Fund I (2008): 31.3% IRR

Fund II (2013): 17% IRR

Impactful successful companies that operate globally



Top-quality co-investors



We developed and perfected a unique and successful “bridge” model

We Built a Team That Supports 'Bridge' Model

Moscow



Silicon Valley



Together we have decades of complementary experience spanning technology, international entrepreneurship and finance

Almaz Capital Investment Themes

Big data requires a **new generation of business intelligence** and analytics

Cloud will displace many large legacy players

Traditional industries like construction, manufacturing and financial services will be **transformed** with the Web

SaaS adoption will grow in **vertical markets**

Growing data complexity requires new approaches to **database tools and storage**

IOT **sensors** will be placed everywhere

Data science, machine learning and behavioral analysis will deliver **new approaches to IT security** beyond end point protection

Thank you!

www.almazcapital.com

Our Advisors Deliver Technology Expertise



Geoff Arnold

Geoff is a distinguished engineer and architect with 20 years of experience at Sun Microsystems, Amazon, Huawei Technologies, Yahoo!, Brocade, Cisco. His work has involved programming languages, network protocol design, and distributed computing, especially scaling of cloud services.



Bailey Whitfield "Whit" Diffie

Whit is an American cryptographer and a pioneer of public-key cryptography, having invented Diffie–Hellman key exchange. He brings extensive experience in the design, development and implementation of security methods for networks. In 2015, Whit received the prestigious Turing Award, a Nobel prize equivalent in computer science.



James Arthur Gosling

James is a Canadian computer scientist, and created the original design of Java computing language in 1994 while at Sun. He is a Foreign Associate member of the United States National Academy of Engineering, and has also made major contributions to several other software systems, such as NeWS and Gosling Emacs.

Advisory Board (cont'd)



Dr. Ed Lu

Ed served as Program Manager for Advanced Projects at Google Inc, where he was responsible for projects ranging from Google Street View imaging, book scanning technology, imaging for Google Maps/Earth, and energy projects including Google PowerMeter, an online tool for monitoring home energy usage. Prior to Google, Ed served as a NASA Astronaut for 12 years. He flew the Space Shuttle twice, the Russian Soyuz, and served a 6 month tour on the International Space Station.



Jon Feiber

Jon has been investing in early-stage technology companies for more than 20 years starting with Mohr Davidow Ventures (MDV). His venture capital and board experience includes Brocade, Epigram, Ipsilon Networks, ONI Systems and Zip2, Marble, Neon, Panasas, Proofpoint, and Sensity Systems.

Advisory Board (cont'd)



Yoav Samet

Yoav Samet joined Cisco Corporate Development in 2002. While at Cisco, he and his team executed over a dozen company acquisitions, over 20 direct venture capital investments, and led the Cisco-backed formation of several pioneering venture capital funds worldwide. Prior to joining Cisco, Yoav was Principal at Pitango Venture Capital, a leading Israeli venture firm, where he helped establish Pitango's Silicon Valley presence.



Kevin Compton

Kevin Compton is Co-Founder of Radar Partners and a Partner Emeritus of Kleiner Perkins Caufield & Byers (KPCB). Focused on enterprise software and the telecommunications industry, he led investments for the partnership including: Citrix, Verisign, Audible, Inc., Cable Services Group, Global Village, Mobile Telecommunications Corporation (SkyTel), ONI Systems, Volterra, and Active Software. Kevin is a board member at Sensity and Hover, Almaz portfolio companies.