



SKOLKOVO IT CLUSTER THE ROAD-SHOW



Sk
IT

SKOLKOVO IS NOT A GEOGRAPHY, IT'S A PHYLOSOPHY.

ZHOES ALFEROV,
NOBEL PRIZE WINNER

IT CLUSTER IS ONE OF THE FIRST AND MOST ACTIVELY GROWING STRUCTURAL UNITS OF SKOLKOVO FOUNDATION.



ALEXANDER TURKOT
EXECUTIVE DIRECTOR,
IT CLUSTER

Over 60 IT companies engaged in development of various innovative IT projects — from breakthrough data transfer technologies to implementation of innovative software in medicine and education — became IT Cluster's residents during the past year.

One of the major IT Cluster's tasks at the moment is development of IT industry in Russia. The grounds for success are already formed: in addition to a solid educational system able to prepare world-class specialists, Russia has a number of recognized IT-companies with significant experience, ready for a successful international competition.

Another priority of IT Cluster activity is supporting projects that influence the development of Russian health care, educational, environmental and other socially important industries.

Strategic partnership of Skolkovo and the world top IT corporations adds value to IT Cluster's efficiency. Cooperation with Intel, IBM, Cisco, Microsoft, Google, Siemens and other industry leaders ensures great opportunities of innovation projects development for Skolkovo residents.

Road Show is a world-wide popular format of business meetings, which allows entrepreneurs to meet potential investors and agree on future investments. From 3 to October 15, 2011 Silicon Valley hosts Skolkovo Road Show, where 13 projects from Skolkovo IT Cluster will be introduced. These projects have every chance of capturing investors' interest and convincing them to take part in their future development. We'd like to thank our partners for helping us organize Skolkovo Road Show: Orrick, Microsoft, Cisco, Google, Intel, Ernst & Young, iAccelerator. We wish all the participants of the Road Show the best of luck and future success!



ALEXANDER TURKOT EXECUTIVE DIRECTOR, IT CLUSTER

Over twenty years of combined experience in management of investment companies, telecom and IT projects on major international markets.

Alexander Turkot holds an MSc in Computer & Electrical Engineering and a PhD in Economics.

Alexander Turkot began his career as a software engineer in the mid 1980s in the former USSR. In 1990–1998 he worked in various IBM structures as a technical project leader and later as a senior project manager and strategic adviser in many large IT projects for various FORTUNE-500 companies all over the world.

In 1998 Mr. Turkot founded his first start-up specialising in various aspects of IT-consulting for large banking and insurance institutions. During the next 5 years Mr. Turkot founded several hi-tech start-up companies, worked as a Board Member and Director in several IT and Telecomms companies on behalf of his clients.

In 2008 he brought MySpace to Russia (the world's No.1 social network platform at the time) and founded MySpace Russia, a JV in partnership with News Corporation — a leading international media holding. During the next 2 years Mr. Turkot was CEO and a Managing Partner of the company.



KATIA GAIKA DEPUTY DIRECTOR FOR EDUCATION & RESEARCH, IT CLUSTER

Katia Gaika is responsible for “connecting the dots” between Russian and international educational and research institutions as well as for all special activities of the IT Cluster related to media projects and public relations. Prior to Skolkovo she spent a year setting up a new TV channel (“Russian Life”) for Sistema Mass Media, one of the biggest media holdings in Russia. Ms Gaika studied Economics at Columbia University, New York. After graduating from Columbia with honours, she led a number of projects in the media, financial and government sector for Booz&Co (formerly Booz Allen Hamilton), a leading management consulting firm with offices in New York, Dubai, Cairo and Moscow.



NIKOLAI SUETIN DIRECTOR FOR SCIENCE AND RESEARCH

Prior to the Skolkovo Foundation Mr. Suetin worked at Intel Technologies as Director for development of new projects in R&D. During this post, Mr. Suetin took part in more than 30 successful projects. While at Intel Technologies, he has worked closely with leading Russian technical universities, including supervising the student lab created by Intel at the Moscow Physics and Technology Institute.

Mr. Suetin has a scientific background. For over 20 years he has been managing projects and research groups at Moscow State University's Institute of Nuclear Physics. The result of his activity was the creation of new carbon materials with an outstanding field emission and electrochemical characteristics. He was and still is the supervisor of several PhD students and undergraduates. Dr. Suetin is an expert for the Russian Nanotechnology Corporation and the Russian Venture Company. He is a member of the Microelectronic Systems Conference Scientific Committee and of the “Nano Giga Challenge in Electronics, Photonics and Renewable Energy” Symposium.

Dr. Suetin is the author of more than 200 scientific publications and 20 patents. He has unique expertise in Russia, as he continues to be involved in scientific activities, while understanding the laws of business.



SERGEI SHUBIN DIRECTOR FOR BUSINESS DEVELOPMENT, IT CLUSTER

In November 2010 Mr Shubin joined the Skolkovo Foundation as Director for Development of the IT Cluster. His major tasks include project evaluation, procedure and methodology set-up, as well as interaction with Government and business.

Mr Shubin holds a Master's Degree in Radio Engineering and a Doctorate in Business Administration. From the mid-1980s to the early 1990s, Mr Shubin worked as an Engineer and IT specialist in civil aviation and the oil industry. Later he took leading R&D positions in companies in Russia (including Sineftegazpererabotka and Technotron) and Canada (Nortel Networks). His career path from IT Engineer to Project Lead and from Head of Department to Company President is indicative of his wide range of expertise in R&D and Management.

From 2004 to 2009 he served the Russian Government as a Governor's Adviser, and represents the Government as a Board Member in a number of financial and business institutions in different regions of Russia.



ALBERT YEFIMOV **PROJECTS DIRECTOR, IT CLUSTER**

Albert Yefimov has over 13 years of experience in the telecom industry, developing complex change and transformation programmes in business and technology. Mr. Yefimov's distinctive combination of experience in leading fixed (8 years) and mobile operators (5 years) projects is enhanced by his MA in Communication Management from one of the UK's top business schools. At Skolkovo Mr. Yefimov is responsible for everyday work with IT cluster project companies and with delivering solutions for various IT initiatives.



NADEZHDA MATVEEVA **INVESTMENT DIRECTOR, IT CLUSTER**

Nadezhda Matveeva holds a Master's degree in Finance from Moscow's Plekhanov Institute and an MSc in Economics from the Moscow Institute of International Relations. For the last ten years Nadezhda has held a number of management positions in state-run investments funds (RosNano) and commercial structures (Investment Banks, Venture Funds, Management companies, etc). Ms Matveeva has expert knowledge in the field of venture investments and hi-tech startup management with key competencies in business planning, financial modeling and project analysis. Ms Matveeva has published a number of articles in professional and scientific magazines.

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AGENT PLUS

FRAMEWORK FOR CREATION AND DISTRIBUTION OF MOBILE BUSINESS APPLICATIONS

AGENT PLUS LLC

STRATEGIC COMPUTER
TECHNOLOGIES AND SOFTWARE

REQUIRED INVESTMENT: \$1M

MARKET OVERVIEW

- Over 30% of world's skilled workforce are mobile employees that constantly need remote access to corporate information (i.e. sales reps, medical personnel, etc).
- Only 20% of enterprises with mobile personnel have automated their business processes using mobile devices and applications.
- MEAP (Mobile enterprise application platform) market volume is estimated at \$850–900 millions, growing by 10-15% per year.
- Market leaders: Sybase, Rhomobile, Antenna Software, Pyxis, but their current solutions are cost-prohibitive for the majority of firms, which do not need complex software products that are expensive and hard to adopt.
- Agent Plus develops a software package, Agent Plus 2.0 — a mobile enterprise application platform that is cheap and easy to adopt/support.

PRODUCT OVERVIEW

- Agent Plus 2.0 is a software application development toolkit for automated operation of various employee clusters, i.e. sales representatives, merchandisers, waiters, storekeepers, medical personnel, operators of vending equipment etc. Agent Plus facilitates cost-effective development of applications for mobile devices (smart phones and tablet PCs) running Windows Mobile and Android.
- The Company is experienced in development of automation systems for mobile personnel (Russia, CIS). It's been in the market for 7 years, it has a strong development team.
- Over 20 companies use Agent Plus 2.0 platform for application development used by various categories of mobile employees.
- Agent Plus is distributed via a partner network of 1100 companies
- Over 2500 companies are Agent Plus-based applications users
- Company's business model:
 - Selling the framework SDK
 - Selling and servicing in-house developed applications
 - Share of revenue from sales of applications developed by partners and sold via Agent Plus Market

INVESTMENT OPPORTUNITY

- The company is 100% privately owned by its founders
- The company is seeking partner and financing of \$1million to:
 - Develop global partnership and distribution network
 - Further develop Agent Plus: Marketplace, unified distribution channel for apps created in Agent Plus framework

TECHNOLOGY

Agent Plus is a cross-platform application, which presumes a possibility of developing single configuration software that can be launched in various operating systems. It significantly saves time for development of such applications. At the moment solutions for Windows Mobile and Android are supported.

Agent Plus platform based solutions are open. Users can develop their own configurations and alternate them according to clients' needs. Agent Plus 2.0 platform deploys open standards of data exchange, which allows its integration in various information systems.

Data protection during transmission feature is realized in Agent Plus via password protection of .zip archives. Data encoding option is also built in.

Agent Plus platform is designed to store and process large volumes of information and allows off-line operation of the application when no stable communication with the database is available.

Our software also supports peripheral devices, such as bar-code scanners, mobile printers, GPS, cameras.

Agent Plus 2.0 platform is a tool of application development for automated operation of various employees clusters, such as sales representatives, merchandisers, waiters, storekeepers, medical personnel, operators of vending equipment etc. The application allows remote interaction with the central database. If needed, it can operate in offline mode, when there is no connection to the central database. The platform helps to quickly and cost-effectively develop applications for mobile devices (smart phones and tablets) running Windows Mobile and Android.

All applications developed on Agent Plus 2.0 platform are flexible. Preinstalled L9 programming language enables developing mobile applications (configurations) and customizing them for specific end users.

BUSINESS MODEL

- Sales to technical partners for development of their own solutions.
- Sales of final configurations developed by Agent Plus.
- Informational and technical servicing of end customers and fee based clients support.
- Sale of platform configurations (developed by our technical partners) through the Marketplace of Agent Plus company.

Several marketing steps have been taken to promote Agent Plus 2.0 platform.

Major distribution strategies are as follows:

- Development of an affiliate network. At the moment there are 1100 affiliate companies that introduce and sell our products in Russia and CIS countries. Negotiations on development of business relations are held with already existing and perspective partners.
- Active search for large distributors in neighboring and foreign countries. Development of stable partnership relations will allow establishing distribution agreements with our partners.
- Development of Agent Plus: Marketplace, a sales platform for Agent Plus 2.0 based final configurations and solutions.

FINANCIAL HIGHLIGHTS, \$M	2012	2013	2014
Revenue	1,6	3,3	5,0
Operating Costs	1,4	2,1	2,1
R&D	0,4	0,4	0,4
Marketing and Sales	0,7	1,3	1,3
G&A	0,3	0,4	0,4
EBITDA	0,2	1,2	2,9
EBITDA margin	11.1%	37%	57%
Earnings	0,1	1,0	2,4

TEAM



SERGEY GUDYRIN

Agent Plus Company was founded in 2004, it is now a leader in automation of mobile employees in Russia and CIS. The company has a mature affiliate network in Russia and in other countries throughout the world — over 1100 sales partners worldwide. More than 2500 companies are our regular clients.

Our core markets are Russia, Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Moldova, Tajikistan, Uzbekistan, Ukraine and Estonia. At the moment the product is launched at South Africa. Negotiations are also being held in Israel, Turkey, Poland, the USA and Canada.

The company is a Microsoft Gold Certified Partner, and has a status of Authorized Independent Software Vendor of Motorola.

Agent Plus LLC has founded a department of Automated mobile systems at Astrakhan State Technical University (ASTU).

In 2010 Agent Plus LLC received a grant for development of “Development of composite solution for accounting of the main company sources, including automation of the main sources inventory through mobile devices” project. The grant was issued by the Foundation for Assistance to Small Innovative Enterprises. The project is under implementation at the moment.

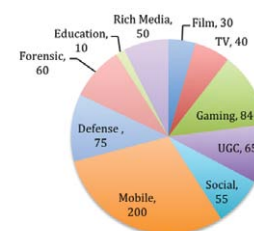
BAZELEVS INNOVATION

FILMLANGUAGE

AGENT PLUS LLC

REQUIRED INVESTMENT: \$7M

MARKET OVERVIEW



Lo-fi Market Expansion, in \$M

- Historically, low fidelity animation is most commonly used in motion picture production as a part of iterative process storyboards -> animatics -> low fidelity animation -> movie.
- Lo-Fi animation also has applications in TV, Gaming, UGC, Social Networks, Defense, Education and Forensic sectors.
- The global market is estimated at \$1.7B
- However, despite being repetitive and technical, lo-fi animation process lacks automation and used to be performed manually.
- Bazelevs Innovations develops FilmLanguage software package — a text-to-animation translation technology that helps to automate the lo-fi animation process.

PRODUCT OVERVIEW

- FilmLanguage software package is a text-to-animation translation technology. It converts textual input of a spoken language (English, Russian) into 3D animation, which can be manually adjusted afterwards.
- Bazelevs intends to develop 3 end-user products based on this technology:
 - Visual instant messaging service (including mobile applications, social networks and on-deck messengers);
 - Movie pre-visualization software kit for film producers;
 - Educational kit;
- Business model:
 - direct revenues from FilmLanguage-enabled end-user products
 - licensing of FilmLanguage text visualization engine to third parties.
- In August 2011 Bazelevs Innovations signed a license agreement with Russia's largest children's franchise Smeshariki (GoGoRiki)
- Bazelevs Innovations is a Bazelevs Group spin-off created in January 2011 to engage in IT and media-related initiatives.
- Bazelevs Group is the most financially successful media production company in Russia founded by a Hollywood director Timur Bekmambetov

INVESTMENT OPPORTUNITY

Looking for \$7M investment to:

- enhance English language support
- develop B2C products

TECHNOLOGY

FilmLanguage is a text-to-animation translation technology. It converts textual input of a natural language (English, Russian) into 3D animation, which can be then manually adjusted.

We intend to develop 3 different end-user products on the basis of this technology. They are:

- Visual instant messaging service (including mobile applications, social networks and on-deck messengers);
- Movie pre-visualization software kit for feature film producers;
- Educational kit.

The technology will be licensed to third parties for specific industrial applications such as forensic animation, defense and news visualization tools for TV broadcasters.

In August 2011 Bazelevs Innovations signed a licensing agreement with Russia's largest children's franchise Smeshariki (GoGoRiki).

FilmLanguage allows to generate PRE-VIS animatin from text



BUSINESS MODEL

Primary revenue streams will come from two main sources: direct revenues from FilmLanguage-enabled end-user products and from licensing of the FilmLanguage text visualization engine to third parties.

While we believe that third party licensing revenues will be our primary revenue source in the long run, successful commercialization of end-user products will allow us to capture the important social networking market and promote FilmLanguage technology.

TEAM



SERGEI KUZMIN
RESPONSIBLE FOR VP BUSINESS
DEVELOPMENT

Bazelevs Innovations is a Bazelevs Group spin-off created in January 2011 to engage in IT and media-related initiatives. Bazelevs Group is the most financially successful media production company in Russia founded by one of Hollywood's most famous directors Timur Bekmambetov (Day Watch, Wanted, Abraham Lincoln: Vampire Hunter).

Bazelevs' activity extends from Moscow to Los Angeles and includes the following directions:

- Film Production
- TV Commercials Production
- Visual Effects and Pre-visualization Studio
- Content Development
- Animation
- Theatrical Distribution

In April 2011 FilmLanguage was presented as a key innovative project to the President of the Russian Federation Dmitry Medvedev during a meeting dedicated to the Commission for Modernization.

Bazelevs' established business relationships with major Hollywood studios allow the company to involve professional advisers and industry consultants on its way to product development and future market entry.

CHOISTER

FACETED SEARCH AND REAL-TIME TRACKING PLATFORM

CHOISTER LLC

ANALYSIS OF INFORMATION FROM
WEB SEARCH QUERIES

REQUIRED INVESTMENT: \$1,5 M

STAGE:
BETA-VERSION DEVELOPMENT

TARGET MARKET GROWTH:
MORE THAN 40% A YEAR

MARKET OVERVIEW

- **Challenge:** while searching for information on the Internet each query may result in a variety of options. To find the best match often means a major problem, since the data obtained on found websites should be processed manually.
- Global search market is represented by over 2000 bn search queries a year
- The global market is growing 40% YoY in terms of number of queries, Russia is the fastest growing market among the top 10 (comScore, 2010) with growth rates over 90%.
- Typically search results are presented in a non-structured way, thus users need to further process the information using browsers and data processing applications.
- This need is partly addressed by data comparison websites, aggregators, etc, however there are no comprehensive solution designed for analysis of unstructured data.
- Choister develops data comparison software which processes information from various sources, i.e. websites, databases and local devices, and present the search results in a customizable structured format.

PRODUCT OVERVIEW

- Choister is a software development company that provides solution for faceted search and real-time data tracking by analyzing information acquired from a variety of sources. The company has just evolved on the market and is looking for investments in order to deploy the commercial version of a product and penetrate the mass market.
- The system analyses data from any open source: websites, search engines, social networks and local devices.
 - Query results can be displayed and edited in the most convenient format (w plug-in applications)
 - The analyzed results are automatically updated
 - System users are connected within the network and enabled to share their data
 - The application uses client device resources without overloading external servers
- The Company has a flexible business model; it provides three channels of monetization, including context advertising, lead generation and value-added services.

INVESTMENT OPPORTUNITY

- Choister is currently 100% owned by its founders.
- The Company is raising \$1,5M in Round A for:
 - Development and testing of a commercial version of the product;
 - entry into the B2C market;
- The company projects further investment rounds to enter the international market.

TECHNOLOGY

Solution: the development of Choister Platform that enables automatic analysis for the data acquired on found websites and the output display in the most convenient format (table, graph, index map etc.).

Choister automates the whole process starting from the moment of generating a query e.g. “Apartment for rent in London, 2 sleeping rooms, close to park, Liverpool station, Elephant & Castle station, internet, less than 1000 pounds a month” till obtaining the comparison table with up-to-date (and constantly being updated) data.

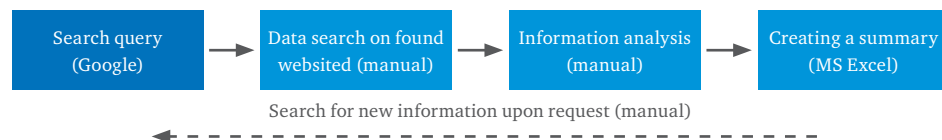
Choister is a Faceted Search and Real-Time Data Tracking Platform which simplifies search results processing and data selection procedure. Choister automatically analyzes content of found websites and transforms it to tables, graphs, index maps etc. — depending on which format fits better. Choister is available as online service and applications for different platforms.

- Choister Platform analyses the data of any open source origin: websites, search engines, social networks and local devices
- Query results can be displayed, combined and edited in the most convenient format (thanks to plug-in applications)
- Query real-time tracking: analysis results are constantly updated
- Users can share their analysis results

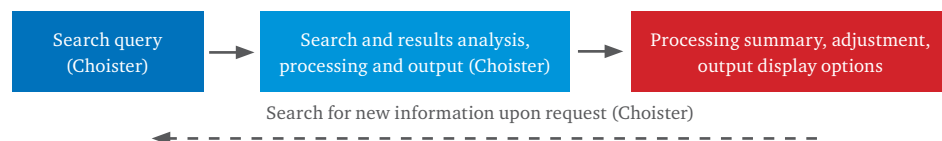
The Platform can be implemented for a wide range of commercial, applied and scientific tasks:

1. One time choice based on user preferences
2. Continual data collection, monitoring and sharing
3. Structuring and publishing information about commercial offers (goods, services)
4. Teamwork in data acquisition for educational or scientific projects
5. Preparation of analytical reports in any field

Common data analysis (Google search):



Data analysis by Choister:



BUSINESS MODEL

The basic monetization model for Choister is an advertisement/lead generation model and added value services. The significant part of information in the data structure will be commercial (not less than 30%, like with search engines). The commercial information contains links that can provide redirection from analysis results to sellers and suppliers. Thus, Choister becomes the system for lead generation — the tool for businesses to attract clients.

Primary monetization channel:

- Lead Generation
- Contextual advertising in analysis results

Extra monetization channels:

- Subscription to the premium version of service (e.g. premium database access)
- Plug-in Store

TEAM



ALEXEI NIZOVSKIKH



KONSTANTIN ZASLAVSKY

- **Konstantin Zaslavskiy** — CEO, product and technology manager
Serial entrepreneur, specialization — Web and IT-projects.
- **Alexey Nizovskikh** — Managing Director, Marketing & HR manager
Serial entrepreneur, specialization — Web and IT-projects.
- **Sergey Demin** — Technical Director, Architect / Developer
Business application architect, Team Lead, expert in Java development.
- Project consultant — **Sergey Burkov**.
IT-market expert, entrepreneur, top manager for the market leading companies (Google, Dulance, VASCO Data Security and others). More than 40 publications in theoretical physics and mathematics.

The team has a broad experience in attracting investments, generating and commercializing innovative products (Apollo social network platform, by Apollo Project Ltd.). The Apollo platform is implemented in the projects for The Walt Disney Company CIS, Beeline, Panasonic, Conde Nast (GQ), General Motors, Independent Media (Cosmopolitan), MuzTV and many others. In July of 2011 the Choister project won the “Startup Battle” contest, organized by the Skolkovo fund and “Dozhd” TV channel.

CLOUDMACH

3D RENDERING USING CLOUD COMPUTING

CLAU DMACH LLC

CLOUD COMPUTING

REQUIRED INVESTMENTS: \$3M

BUSINESS GROWTH:
MORE THAN 100% A YEAR

SKOLKOVO GRANT RECEIVED

MARKET OVERVIEW

- Total gaming software market is expected to increase past \$50bn in 2011, and is forecasted to grow to \$84bn by 2015.
- The trend in the gaming industry is in line with overall trend in IT where packaged software that is either bought on CDs or downloaded and installed on users' machines are getting replaced by remote-access or cloud computing model, examples being Onlive, Gaikai and others.
- Digital distribution is becoming the dominant distribution channel. Xbox Live Arcade, Playstation Network, Wii Ware, Valve's Steam and newly launched EA Origin make up for the majority of sales.
- However, cloud gaming is facing a number of challenges, such as high bandwidth requirement and necessity to download extra software (browser plugins or clients).
- Cloudmach develops its own platform for development and hosting of 3D web applications using HTML5 technology. As opposed to video streaming, the cornerstone technology behind current cloud gaming platforms, CloudMach only requires up to 300kbps of bandwidth and does not require any additional software.

PRODUCT OVERVIEW

- Cloudmach has developed a new technology that lets 3D worlds to be adopted by a browser without supplementary plug-ins and installations. This technology is applied both in the game industry and applications development sector. It's realized through creation of a 3D virtual environment for training and communications.
- Automatic conversion of a PC games and consoles into web games.
- Launch of modern 3D applications even on outdated hardware
- The Company is headed by John Zhdanovsky, ex-Finance Director at the Linden Lab Company and founder of Second Life.

Cloudmach

- Web client that can be integrated into 3D games;
- Games can be played on any platform of a web enabled device;
- No need to wait for content to be loaded;
- Requires HTML4 compatible browser only;

INVESTMENT OPPORTUNITY

The Company is backed by Russian VC firm Foresight Ventures. Cloudmach has also secured grant financing from Skolkovo Foundation.

Cloudmach is raising additional \$3m for:

- acceleration of the entrance to the US market;
- deployment of the required infrastructure.

TECHNOLOGY

Cloudmach has developed a new technology that lets 3D worlds to be adopted by a browser without supplementary plug-ins and installations. This technology is applied both in the game industry and applications development sector. It is realized through creation of a 3D virtual environment for training and communications.

Lots of social networking games are now facing a huge problem of being outdated for modern PCs and consoles. The reason for such a situation is a limited capability of browsers to display modern 3D graphics. There have been several attempts to cover this gap: many plug-ins have been developed to correspond to the required 3D technologies. However, plug-ins need to be first downloaded and installed, which the majority of users may refuse to do. Hundreds of 3D plug-ins were developed. Nevertheless many of them failed. Cloudmach has solved this problem. We render 3D graphics on the server and transfer them to a web browser. There is no need to download plug-ins: HTML and JavaScript are sufficient enough for everything to perfectly work. The 3D world is now one click away from the user.

BUSINESS MODEL

Free-to-play gaming model can be implemented

Cloudmach has three major customers:

- Social network game vendors
- Console and PC game vendors
- Enterprise applications vendors that run in virtual 3D environment

Game vendors for social networks.

The trend in games development for Facebook shows that the quality of graphics grows each year. When in 2007 Facebook just opened a platform, the general opinion was that social games do not need graphics at all. A year passed, and games rich with graphics became the leaders, such as Mafia Wars. It is still static graphics, but of high quality. In 2009: Boom of Cafe World and clones. This is already excellent dynamical graphics. The trend is obvious: games for social networks increase every year both budgets and investments into visual component.

Graphics evolution in games for social networks will repeat the way of games for PC and consoles. And this way leads to full 3D. Cloudmach is the easiest way to make a game with high-quality 3D graphics and to differentiate this game from hundreds of faceless flat games.

Probably, in the nearest future Apple iPad will become the main device for access to Facebook games from the house. Apple iPad does not support Flash and consequently Cloudmach will become the only method of 3D graphics display in Facebook games.

Game vendors for game consoles and PC.

Large game publishing houses EA, Activision Blizzard, Ubisoft turn to social networks. Unlike social games vendors, large game publishing houses already have a lot of high-quality expensive content. But this content will not be involved in any way in a game for a social network as there is no suitable technology. The result is that a Facebook game is related with the parent only by a logo.

Game publishers with Cloudmach technology will have not only popular brands but also all the content collected earlier. Cloudmach will give a chance to users to see the same characters, the same scenes as in the original game or a film. It will considerably increase involving of users. It will open possibility to shake the landscape of games for Facebook.

Enterprise applications vendors in virtual environment.

There is a vast market of enterprise applications using 3D worlds. IBM, Cisco and Nortel not only sell solutions for 3D worlds, but also hold internal events inside them, with participation of tens of thousands people.

Conferences and courses in 3D worlds have a unique feature - they are not boring. Unlike traditional means for web conferences, participants are involved into the event via their avatars. Certainly, 3D cannot completely replicate efficiency of meetings face to face, but involving in training process makes it much more effective.

KEY FINANCIALS, \$M	2012	2013	2014
Revenue	42.00	119.70	286.20
COGS	36.07	92.52	219.75
Gross Profit	5.93	27.18	66.45
SG&A	4.01	10.28	24.42
EBITDA	1.93	16.91	42.03
Amortization	0.42	1.197	2.862
EBIT	1.51	15.71	39.17
Interest and taxes	0.45	4.71	11.75
Earnings	1.05	11.00	27.42

TEAM

John Zhdanovsky, Board member

MBA at Harvard Business School

Ex-finance director at Linden Lab company. Founder of Second Life. Leader in the virtual non-game world. Brought an 8x increase in company profits.

EPYTHIA

SMART PHONE SCHEDULER THAT CONSIDERS
CONTEXT AND USER'S LOCATION. PLATFORM
FOR CONTEXT SHARING.

EPYTHIA INC.

PERSONAL DIGITAL ASSISTANT

REQUIRED INVESTMENTS: \$300 000

WINNER OF SEVERAL RUSSIAN
CONTESTS, FINALIST OF THE
DFJ&CISCO GLOBAL BUSINESS PLAN
COMPETITION

MICROSOFT GRANT RECEIVED

MARKET OVERVIEW

- Smartphone penetration is currently approaching 30% across the DMs and is estimated at around 5% in the EMs. These numbers are expected to reach 55% and 20% over the next few years.
- The mobile app market was \$6.8 billion in 2010 and is expected to grow steadily over the next four years to reach \$25 billion.
- Smartphones are becoming a one-stop solution for an increasing amount of everyday information activities. Planning software services are more and more targeted towards mobile device users
- Currently there are a number of planning software services, such as RememberTheMilk, Toodledo, Google Calendar and applications like MS Outlook, Things, etc. However, these instruments do not provide users with a complete range of fully integrated planning services
- E-pythia is a better offering of planning solutions via implementing a "getting things done" concept that aims at solving more end-user tasks with context and location-based reminders and notifications

We have a two types of competitors

- Direct. Online planning services and mobile applications (Google Calendar & Tasks, Zoho Planner, Remember the Milk, ToDoist, Toodledo, Things, etc).
- Indirect. Services that organize and store information (second brain) and VDA (Virtual Digital Assistant): Evernote, Spring-Pad, Siri.

PRODUCT OVERVIEW

- ePythia is a location-based unique planner for smartphones and cloud web-service.
- The application is designed for smart phones and scheduling web services such as calendars and task lists.
- ePythia expands the functionality of any planning service with location-based reminders, and integrates it well with user's Google Calendar, Facebook & Twitter accounts.
- Dynamic, contextually dependent task reminders.
- Opportunity to share both your coordinates and context with your friends and colleagues (i.e. "At home", "In the office", "Driving" etc.).
- Automated, predictable provision with required information and services from third-party services, i.e. POI, traffic, routes, weather etc.
- Focus on solving user problems, not on application features.
- Focus on efficient planning by letting a user to have the right information at the right place and at the right time to perform his/her activity.
- Really simple, user-friendly and yet very powerful interface.

INVESTMENT OPPORTUNITY

Required investment: \$300 000

We received initial funding from Russian angel (\$50K by convertible notes) and from Microsoft Seed Fund (\$80K, as a grant).

- further development for different platforms (Android, iOS, WP7, web)
- product launch to the market

TECHNOLOGY



ePythia is a location-based planning service for smartphones.

With ePythia, users can plan and execute their individual and group activities that require contextual information such as geo location, date & time, history of previous activities, schedules/calendars of other people/businesses. So, ePythia makes your life easier!

Dynamic, context-aware notifications are the radical difference between ePythia and other applications of the kind.

ePythia improves standard, time-based reminders by adding location-based options.

- If you're in the office and your next meeting is across the hall, ePythia will send a reminder 5 minutes beforehand; but if your meeting is across town, it will alert you an hour before. It automatically checks the current traffic situation to advise you better on when to depart to be there on time.

In addition to the typical planning features found elsewhere, ePythia offers an option of receiving alerts based on location, for example:

- Task "Pick up dry-cleaning" alerts when you are near the specific shop you selected on a map when creating a task.

With information about user context ePythia can connect the most useful information from the web - with the tasks, events and meetings. It will show to the user the nearest shops, deals, offers and other useful information suitable for his/her personal targets. It can help with ticketing, booking, reservations for the tasks you have planned and scheduled. These features are automatic and predictive which greatly saves your time.

- ePythia can help you to find the nearest drugstore if you need to buy aspirin.
- It notifies you, when you are near your ATM, if you set a task to get cash.
- ePythia helps you with table reservation for your lunch and with air tickets to planned conference.



BUSINESS MODEL

Our business model is Freemium

- Estimated percentage of users who purchase a premium account 1–1.5%
- Advertising in the context with user's tasks and location, integration with affiliates (booking/ticketing, deals/offers).
- Cost of premium account — \$4.99 per month or \$49.99 per year.

And we plan to monetize our free users through LBA (Location-Based Advertising)

FINANCIAL AND BUSINESS PLAN FEATURES, \$M	2012	2013	2014	2015
Revenue	2,05	10,52	38,75	133,88
Costs	2,28	4,78	6,44	6,93
EBITDA	-0,23	5,74	32,31	126,95

TEAM

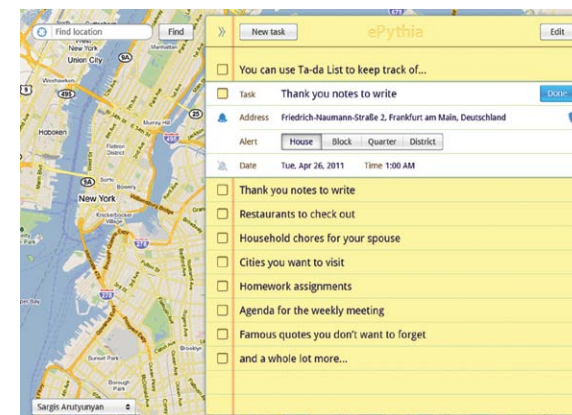
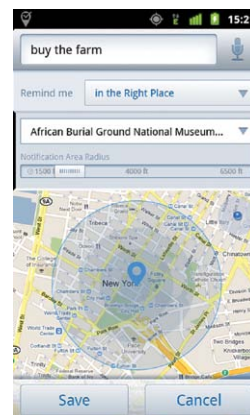


ALEX KOSTYRYA
FOUNDER & CEO OF EPYTHIA
STARTUP

- **Alexey Kostyrya, CEO.** Serial entrepreneur. 2003-2009 founder and CEO of an engineering company that designed and built HVAC systems for commercial buildings.
- **Aleksey Kononov, SVP Product.** 8 years of running startup companies in Russia and US including experience in fund raising, product management, and business strategy development.
- **Sargis Arutyunyan, Interface Architect.** Co-founder of ICA (Integrated Communication Agency).
- **Roman Nikitin, CTO.** At 21 was awarded Microsoft MVP status (Most Valuable Professional).

CURRENT STATE

We are well into the development stage and now we testing the Android application and the cloud-based web service in closed beta mode. We are getting ready to development iPhone and Windows Phone 7 applications.



You can try ePythia at www.epythia.com and download app from Android Market.

To get invite — please, send your email to info@epythia.com.

EVANTI LTD.

NEW METHODS OF COMMUNICATION CHANNEL MANAGEMENT

EVANTI LTD.

REQUIRED INVESTMENTS: \$3-5M

MARKET OVERVIEW

- As the competition between TelcoTV, Cable, Satellite and Terrestrial Broadcasting operators increases, it becomes imperative to have a video monitoring strategy.
- Operators lacking a video quality monitoring solution are essentially using their customers as monitoring probes. At that point, it often is too late since many customers may be disappointed with poor service and may switch to another provider.
- From 2007, the market has been growing at about 130% (CAGR 51.9%) during the last three years. Overall, the total revenues for video monitoring and analyzers reached \$166M in 2009.
- Many operators already understand that there is a cost to poor Quality-of-Experience and that monitoring tools are critical to a successful Pay-TV implementation and started looking for a solution to minimize capital expenses on building or expanding of a data transmission network.
- Evanti develops a toolkit based on new algorithms of communication channel management and brings out to the market a new efficient solution for channel optimization in the collective access systems. This approach will allow to raise the channel utilization factor to 95%, against current 60-65% provided by existing software-hardware solutions

PRODUCT OVERVIEW

- The innovative difference is that Company's approach involves active participation of customers in the load management process. This participation is analyzed, predicted and managed on the basis of the game and behavior economy theories.
- The new approach provides better load/data traffic management and reduces new channel investments. It also acts as a means to significantly increase customers' loyalty and involvement.
- Evanti Ltd. was founded in 2011, based on R&D department of Raduga Internet (multi-service Russian satellite operator). The clients of the company are several Russian satellite internet operators.

INVESTMENT OPPORTUNITY

- At the moment the company is 100% privately owned.
- Evanti is looking for strategic partnership in entering global market for wireless and broadband communications.
- Required investment: \$3-5M

TECHNOLOGY

The key innovative of the project is development of completely new algorithms for channel control. The main difference between our new algorithms and the conventional ones is in evaluation of resource distribution efficiency, which takes into consideration both technical aspects and subscriber satisfaction. Creating of the unified software-hardware solution for telecom operators is based on the developed algorithms.

- The target of the project is to develop intellectual algorithms that are able to manage traffic priorities for each subscriber in real time, based on the analysis of behavior model and the short-term forecast of traffic requirement.
- The mathematical basis of these new algorithms will be the methods of game theory and experimental economy. The interaction of the subscriber's workstation and the system of the traffic control will be realized as a client-server model.
- The client software can be setup on subscriber's computer or integrated into the user's device (a specialized modem).

Main features of the solution:

- Taking into account the parameters of a user's behavior on a real time basis
- Optimization of traffic priorities considering model of behavior and expectations of a subscriber
- Possibility to customize the solution to the unique behavioral models corresponding to operator's clients
- Possibility of integration with any OSS solution presented on telecommunication market
- Technical plan of the project is to create an algorithm of channel management on the basis of a new paradigm of interaction between the service provider and the subscribers, accounting for typical models of users' behavior, and inviting users to participate in distribution of available resource.

Other key features:

- Taking into account the subscribers' behavior in the network, carried out on the basis of the analysis of the statistical data and allocation of patterns of behavior;
- Real-time interaction between users and the provider;
- Inclusion of such an indicator as "satisfaction of the subscriber" as an optimization criterion of the channel distribution algorithm.
- Development of mechanisms capable to realize complicated and at the same time balanced relations will be provided on the basis of the fundamental interdisciplinary approach, including the theory of games and decision-making, behavioral and experimental economy, intellectual data analysis, stochastic processes, and theory of algorithms.

BUSINESS MODEL

Profit sharing model:

- Sales of the licenses to use the algorithm of optimization of loading of the channels into the systems of collective access to developers of channel control systems.
- Sales of complex "client software + shaper" to system integrators and major communication service providers having own systems of controlling the channel and trying to solve the problem of expansion of data transmission networks and load optimization.
- Sales of complex of hardware-software methods on providing data transmission services: "client software + shaper + OSS + CRM" to new or existing communications service providers, entering data transmission market (possibly as outsourcing of channel control services).
- Consumers' interest will be driven by the possibility to minimize capital expenses for development of existing networks or building new communication channels by using the solution.
- Investments in expansion/building of data transmission networks directly depend on their data throughput (which depends on utilization of the channel), the provided solution will be attractive to telecom operators as a way of reducing capital investments in data transmission network.

FINANCIAL AND BUSINESS PLAN FEATURES (FORECAST)	2012	2013	2014
Number of customers served (through different operators), th.	180	610	1400
Sales, \$M	1.1	3.5	5.6
EBITDA, \$M	0.47	2.24	3.75

TEAM



ALEXANDER KALMYKOV

Alexander Kalmykov

- General Director of Evanti LLC, project leader
- MBA in Finance and IT

Denis Dianov

- Director for Development
- Author of the know-how, which is in the basis of the technical plan
- Over 15-year of experience in developing hardware-software solutions for data channel optimization

Mikhail Myagkov

- Scientific adviser
- Professor of University of Oregon (USA)
- One of the world authorities in the field of experimental economy and game theory

Alexander Shananin

- Head of scientific division
- Doctor of physical and mathematical sciences, head of the chair "Analysis of systems and decisions" at MPTI
- One of leading Russian experts in the field of applications of mathematical modeling in economic area

Vladimir Managarov

- IT Director
- PhD in Technical Science

GROUP-IB LLC

CYBERCOP

GROUP-IB

REQUIRED INVESTMENTS: \$5M

INDUSTRY GROWTH:
40% A YEAR

MARKET OVERVIEW

- Forester Analytical agency estimates the volume of global eDiscovery and Computer Forensic markets at around \$2,43B and forecasts CAGR of 25% for the upcoming years
- According to various analytic reviews, over 20% of Fortune 500 companies have faced fraudulent situations in remote and online banking sphere
- At the moment there are approximately 1M companies that are infected by malicious software without knowing it
- Offerings by current market leaders such as AccessData and Guidance Software are on-demand products and services, there are no integrated products
- IB Group develops CyberCop, an integrated solution that allows gathering, structuring and processing information related to computer/data security crimes, which assists business and private users to prevent illegal actions in the field of data processing and communications.

PRODUCT OVERVIEW

- CyberCop is based on global monitoring technology: it collects and analyzes data about malicious acts; identifies suspicious patterns and algorithms on the basis of gathered data.
- CyberCop has a modular structure, it is adjustable to reflect customer's needs. The solution can be distributed via SAAS, software licensing and hardware & software bundles.
- Group-IB is the first company in Russia and CIS that investigates computer crimes, information security violations and deals with computer forensics.
- Currently alpha-versions of core CyberCop modules (AntiPhishing and AntiFraud software) are being developed.

INVESTMENT OPPORTUNITY

The Company is seeking \$ 5M in financing. Projected use of funds:

- Salaries: 30%
- Marketing and other events (including international) – 20%
- System deployment 20%
- Hardware development 15%
- Equipment and supplies: 8%
- IP protection: 2%

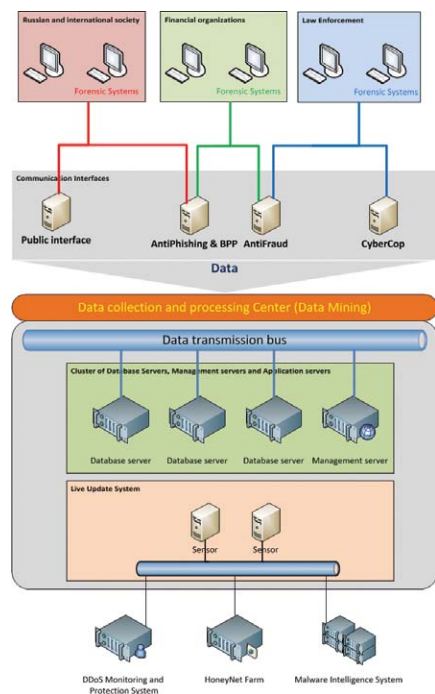
TECHNOLOGY

Group-IB Ltd. releases its project CyberCop, which is aimed at preventing cyberspace crimes. The system is based on global monitoring technology: it collects and analyzes data on malicious acts; identifies all patterns and algorithms on the basis of gathered data. The project is a symbiosis of many systems of intelligence: expert systems, systems with artificial neural networks and fuzzy logic implemented in the newest technology of Data Mining.

The solutions listed below do not adopt traditional methods of analysis only: they analyze intruders' actions over intellectual modeling, which forecasts a certain behavior as malicious and harmful.

- CyberCop is a system based on information-communication technologies (ICT) crimes/incidents logging and correlation.
- "SPIR & AntiPhishing" subsystem is used to monitor and protect guarded intellectual property objects. It is also used to protect against "phishing" and "brand" attacks, including monitoring of "social cloud intruders".
- "AntiFraud" subsystem is used to log, correlate and prevent e-commerce crimes.
- "Forensic Systems" is a set of tools designed for forensic tasks when investigating ICT crimes.

All subsystems are finalized and ready for the market. All the subsystems are fully integrated.



BUSINESS MODEL

Based on software development with private source codes and databases intended for commercial distribution.

Ways of distribution: license granting, access subscription, distribution of samples on machine-readable media etc. Commercialization strategy is being developed.

FINANCIAL HIGHLIGHTS (\$M)	2014	2015
Revenue	14,2	35,6
COGS	2,0	2,6
Gross profit	12,1	33,0
SG&A	1,9	2,2
EBITDA	10,2	30,8
Amortization	0,1	0,1
EBIT	10,2	30,7
Earnings	10,2	30,7

TEAM

Group IB is a part of LETA Group

Group IB was founded in 2003. It is the first Russian and CIS company engaged in a comprehensive investigation of computer crimes, information security violations and computer forensics.

Presently the team consists of 30 employees.

Alexander Chachava – Founder, CEO

Over 10 years of executive experience in IT. Alexander and his colleagues play active role in development of computer forensic in Russia. During last years they created methodology of digital evidence collection and preservation, which is recognized and deployed as best practice in Russia. Alexander is one of the authors of training course in field of computer forensic and cyber-crimes investigation that was specially prepared by Group-IB for police and information security specialists.

Alexander Pisemsky – Founder, Deputy CEO

Over 8 years experience in IT and Information Security area, software development, risk management, information security strategy creation and implementation, business development, operational and strategic management. Alexander created Laboratory of computer forensic and data recovery to analyze evidence related to cyber crimes. Alexander has CISM, CISA, MCP certification, has more than 20 publications. He is the one forensic expert in Russia with a GCFA certificate. Alexander is an active member of professional organizations: ACFE, IISFA, RISSPA, Sphere, ISACA and regularly participates in conferences and workshops as a speaker.

IBUILDAPP

MOBILE APPS FOR BUSINESS IN MINUTES

IBUILDAPP, INC

REQUIRED INVESTMENTS: \$3-5M

GROWTH IN 3 MONTHS: 400%

APP CREATED: 30 000+

MARKET OVERVIEW

- Gartner estimates that in 2011 17.7 billion mobile applications will be downloaded, more than double the 8.2 billion in 2010.
- Gartner forecasts that over 185 billion applications will be downloaded from 2008 by the end of 2014
- Mobile app stores will be a \$58 billion worldwide business by 2014. The figure marks a huge increase on the \$5.2 billion spent on mobile applications in 2010
- As the mobile app market grows, it becomes increasingly important for enterprises to establish presence in mobile apps, which act as a marketing and sales channel.
- iBuildApp is a platform that allows small businesses to create, customize and manage their own iPhone/iPad/Android application via online application engine and deliver it through its cloud hosted solution.

PRODUCT OVERVIEW

Key advantages of the technology are:

- Fully Automated App Building;
- Community of App Makers;
- Real-Time Content Update,
- No Programming required;
- User personalization and Rich Functionality;
- Cross Platform, Plug In architecture;

iBuildApp has a clear monetization model similar to iTunes App Store with added ability to license the platform to partners.

Launched in early 2011, iBuildApp is currently the biggest app building service in the world with market penetration of 2%.

The company is led by Rafael Soultanov, an experienced serial entrepreneur.

INVESTMENT OPPORTUNITY

Founders have invested \$220K and secured a \$80K angel investment to date. The Company expects to raise \$600K in seed financing and to close \$4M A round.

TECHNOLOGY

We are developing a mobile Amazon-like store. Our App Plug-ins Marketplace is a place where developers will be able to sell app extensions for businesses to quickly compile them into applications that require no particular programming.

iBuildApp has developed the mobile app Marketplace for development of mobile applications. The mobile app can be created in a couple of minutes, which allows companies to expand quickly across multiple mobile devices and update app content in real-time.

iBuildApp:

- Allows creation of applications in minutes;
- Developers can sell extensions/modules to their end users;
- App Plug-ins Marketplace: a “one-stop shop” to connect developers with their end users.

BUSINESS MODEL

We plan to share the revenue obtained from the Marketplace with our developers: 20% for iBuildApp and 80% for plug-ins developers.

FINANCIALS (\$K)	2010	2011	2012	2013	2014
GAIN	\$0	\$100K	\$3.0M	\$18M	45M
EXPENSES	\$150K	\$350K	\$1.6M	\$3.3M	17M
NET GAIN	\$-150K	\$-250K	\$1.4M	\$14.7M	28M



TEAM

iBuildApp was established in Jan 2010. It has its branches in Vladimir, Russia and Foster City, Silicon valley. The company has 2 founders: Rafael Soultanov (CEO) and Irina Kuznetsova (VP of Products). Today the team consists of 6 employees.

Rafael Soultanov

Professional experience

- 2010 – present Founder and CEO, iBuildApp, Foster City, CA
- 2001 – present Founder and CEO, Solve IT Labs Consulting, Foster City, CA
- 2000 – 2001 CTO, igMarket, Moscow, Russia
- 1997 – 1999 Founder and President, Contact-Service, LLC, Ufa, Russia
- 1993 – 1998 Founder and CEO, Studio Solovat, Inc, Russia

Education

- 1991 – 1996 BS/MS in Computer Science, Ufa State Technical University
- 2002 – 2005 San Francisco City College

KUZNECH

IMAGE SEARCH AND AUTO-TAGGING

KUZNECH

REQUIRED INVESTMENTS: \$3-5M

KPI #1:
NOV 2011 — PROTOTYPE RELEASE

KPI #2:
SEPT 2012 — PRODUCT RELEASE
INITIAL REVENUES

MARKET OVERVIEW

- Visual search market will reach \$6B by 2014.
- 100B images added online in 2011 (20B in 2010), 99% of them will remain unsearchable due to the absence of text tags.
- Visual search market (image search) is emerging while there is a reduction of storage costs and an increment of online visual content. Current players: Google, Microsoft, TinEye and numerous startups.
- A number of business and consumer search applications as well as e-commerce, visual-driven advertising and visual data analysis are in need of a new technology. While many attempts have been made to develop image search solutions, prior attempts have fallen short due to their limited scope.
- KUZNECH has invented a technology on how to index and compare billions of images online. In a fraction of a second it can find similar images by 160 various parameters, including some unique features as composition and patterns.

PRODUCT OVERVIEW

- Kuznetech has developed image analysis and search technologies, which serve as the basis for a wide range of applications that require content-based image retrieval (CBIR) and database normalization. Kuznetech's technology is based on the analysis of a large number of image properties that provide a normalized image profile.
- The company is founded in 2010, St. Petersburg, Russia by a successful software developer and experienced mathematician. The company focuses on developing a new technology for indexing, comparison and automatic tagging of images.
- The team includes 20 on-site and remote engineers.
- Pre-agreements with large international image hosting and content owners, who show real interest in this technology.
- Kuznech founders have three US patents, related to image search technology and image context driven advertising.

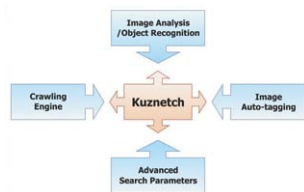
INVESTMENT OPPORTUNITY

- The company is owned by 3 founders and is supported by famous business angels
- Initial capital of \$500K is provided by founders and private business angels. Additional R&D capital of \$700K is ensured by the Skolkovo initiative
- \$3-5M required for A Round (by 2012)
- Round A is required for the product completion, pilot implementations with top customers and establishment of the HQ / sales office in the US

TECHNOLOGY



Currently there is a significant limitation in how people can find information — they need to convert their request into text query, losing most of the visual knowledge. KUZNECH invented a technology to index and compare billions of images online. In a fraction of a second it can find similar images by 150+ various parameters, including some unique features as composition and patterns. Kuznech has developed image analysis and search technologies which serve the basis for a wide range of applications that require content-based image retrieval (CBIR) and database normalization. Kuznech technology is based on the analysis of a large number of image properties that provide a normalized image profile. The analysis results are quantified into descriptive variables (dimensions) and stored in image “hashes” — sets of variables that describe image properties. Kuznech uses over 150 variables with new methods being added. The used set of hashes as well as the exact number of hashes for a specific project is dynamically assigned based on the image qualities of a data set. Comprehensive set of analysis algorithms that put Kuznech at an advantage compared to other solutions that apply a fixed image analysis method. The metric on the hash space is defined by proprietary highly efficient methods to provide specific profiles for vertical applications that reflect image qualities of a given vertical, e.g. X-rays, histology images, cloud formations, surveillance data, e-commerce, etc.



Kuznech content analysis and search platform are based on distributed databases. This assures very high indexing volumes (400 images / second = 1 billion images per month and search results <2 seconds for a database of 100 million+ images). Flexible architecture allows customized deployment of Software as a Service (SaaS) solutions. The variability of the hash generation process during indexing and the adjustable search parameters based on subject area as part of a standardized application programming interfaces (API) make custom development possible in a very short timeframe and at low cost. The Kuznech remote indexing solution makes it possible to separate crawling and initial data normalization on site from Kuznech core indexing and search through the SaaS processes in Kuznech data center.

BUSINESS MODEL

Business strategy is based on implementation of the technology in a number of vertical business applications, focused primarily on e-commerce, social communications and other consumer segments. In numerous cases search using image as a pattern (rather than text) is much more efficient and intuitive: find product “like this one”, get more information about place or object you don’t know, automatically tag image for future reference. Initial revenues will come through licensing technology to online publishers, photo hosting sites, etc — either through fixed license fee or success-based revenue share. Preliminary interest to license technology service was expressed by top international and Russian portals, content owners and technology companies. Going further, the

company will consider building proprietary in-image advertising network, or partnering with existing networks to acquire position on the market and monetize each image-context click. Preliminary agreements with large international image hosting and distribution companies show significant interest for technology to be licensed as online service. Once technology prototype shows stable results on image reference base of 100M+, the company will start offering image-related services to large publishers, photo hosting sites, social networks as well as third-party technology providers who would be willing to license technology for their products.

The ultimate prize is winning meaningful share in online advertising market, offering in-image context-based advertising and automatic tagging services. Involving 10 bln new images (~10% of those added in 2011) in information exchange, making them searchable by keywords or relevance to other images, would result in \$1.5 bln new addressable advertising opportunity.

Company is not generating revenues at the moment. First technology licensing fees are planned for 2012 (\$1.5 mln). Initial in-image advertising technology revenues are planned for 2013 (\$5 mln). The company can reach \$20–30 mln annual revenues in 2014.

FINANCIAL HIGHLIGHTS (\$M)	2010	2011	2012	2013	2014
Revenue		0	1.5	5.0	12.0
CAPEX & OPEX	0.2	0.8	3.5	5.0	7.0
Operating Cash Flow	(0.2)	(0.8)	(2.0)	0	5.0
Free Cash Flow	(0.2)	(1.0)	(3.0)	(3.0)	2.0

TEAM



MIKHAIL POGREBNIK

Technical team includes 20 engineers and mathematicians. The founders of the company have three US patents related to image search technology and image context driven advertising. Founded in 2010 in St. Petersburg, Russia, by successful entrepreneurs in IT and software development, the company focuses solely on developing core technology for image indexing, comparison and automatic tagging.

PIRATE PAY

LEGAL DISTRIBUTION VIA P2P NETWORKS

PIRATE PAY

CLOUD COMPUTING

MICROSOFT GRANT RECIPIENTS

REQUIRED INVESTMENTS: \$1M

MARKET OVERVIEW

- Global digital distribution market is estimated at \$10B and is forecasted to grow 400% by 2015. However, dominant portion of entertainment content is distributed illegally.
- Hence, despite controversies related to its applications, Digital Rights Management (DRM) continues to find favor among content developers as a potential tool to safeguard their valuable content against possible theft and unauthorized distribution. The demand for DRM solutions continues to grow, especially in the Media and Entertainment Industry. Global Digital Rights Management market is projected to exceed \$2.4 billion by 2015.
- Still, neither of existing tools, even p2p network monitoring (such as MediaDefender, Degban, PeerMediaTec), is effective enough in struggle against piracy in file sharing networks.
- Pirate Pay is a system to monitor the behavior of members of file-sharing networks as well as a potential billing system for content distribution through p2p networks

PRODUCT OVERVIEW

- The company offers content protection as a notification, monetization of files distributed via p2p networks, selectivity of application and global content control.
- PiratePay monetization options include freemium-model monitoring, content protection, content distribution. Every product is independent, but it can be included into a higher-tier set of services.
- R&D with regards to monitoring and content protection modules has been successfully completed.

INVESTMENT OPPORTUNITY

- Pirate Pay is 100% owned by its founders.
- To date, the Company has secured Microsoft grant financing.
- At the moment \$1M Round A/seed financing is required to:
- launch and promote the product on the global market,
- complete R&D for "Distribution" product
- improve the main products.

The first stage is R&D and the creation of "Monitoring and Statistics" product.

- Period: 6 months
- Budget: \$100 K.

The second stage.

- Period: 6 months
- Budget - \$770 K.
- Stage is going to be partly financed by the government grant funds ("Start") - \$17K
- Revenue estimates: \$27K.
- Estimated investments: \$730 K.

The third stage.

- Period: 24 months
- Budget: \$12M.
- The government grant funds ("Start"): \$67K
- Revenue estimates \$7.67M.
- Estimated investments: \$4.26M

TECHNOLOGY



Pirate Pay is an extensive network of controlled BitTorrent users (hereinafter - peers). When a user willing to download protected content attempts to do it, Pirate Pay allows downloading just a placeholder of the content. In addition, it cuts all other peer connections for the protected contact. For non-protected content there are no limits by the system.

Pirate Pay is a cloud service using client-server architecture. Clients are software “agents” implemented for blocking other peers’ activities that will be installed on user’s computers and in data centers around the world. Server side manages nodes located at the sites of major hosting providers (Amazon, Microsoft, Google). The solution features unlimited scalability by the number of agents and nodes. The architecture is also realized as a multiplication of nodes and agents for tracking and blocking the same content.

Pirate Pay will create a system to manage peers’ behavior, a billing system for torrents - a new way of using selective block of file sharing.

BUSINESS MODEL

Three products based on a single technological basis. Each product can either be sold independently as part of higher level service. Global BitTorrent monitoring public service.

Pirate Pay extracts necessary information from BitTorrent network and provides it to customers after statistical processing. The offered service will be based on the freemium model, providing free basic service and advanced features to premium subscribers.

Protecting content against unauthorized distribution through Bittorrent.

Pirate Pay will help prevent downloading pirated content that is illegally seeded in BitTorrent.

Right holders will purchase protection services for the content that they own. For high demanded content (e.g. new movies), average cost of protection is \$11K per week per a movie.

Average cost of protection services for content with a low but constant demand (e.g.: DVD, TV series, etc.) will be \$1K per month for a movie/item.

FINANCIAL AND BUSINESS PLAN FEATURES (MIL USD.)	2012	2013	2014	2015
Revenue	0,5	4,6	22,2	67,2
Costs	1,9	5,4	13,1	23,2
EBITDA	-1,5	-0,8	9,0	44,0
EBITDA margin	-	-	0,4	0,7
Taxes	0,6	1,8	6,8	20,9
Earnings	-2,0	-2,5	2,2	23,1

TEAM



ANDREI KLIMENKO

Andrey A. Klimenko / CEO

Experience:

- Business director of the Synterra-Ural Perm branch.
- Over 8 years in telecommunications industry.
- Achievements: participation in Perm’s largest WiMax data network creation (Urals-Sinterra in 2008); Perm’s first commercially successful hot spots network development (“Radio City” in 2007).

Dmitry A. Shuvaev / CMO

Experience:

- CEO at a large ISP.
- 6 years in various areas (retail, advertising and PR, telecommunications).
- Achievements: Organization and participation in M&A transactions; Sale of WiFi City network service provider “Uralsvyazinform” in 2008; creation of the largest free public WiFi network in Perm in 2009.

Aleksey K. Klimenko / CTO

Experience:

- Deputy commercial director of JSC “National Multiservice Network.”
- Experienced in business management and marketing activities of 8 subsidiaries for 2 years. Developed and implemented a unified channel of Internet access, VOIP and digital television under a single technical policy. Triple Play launch.

ROCK FLOW DYNAMICS

SOFTWARE FOR DYNAMIC MODELING OF OIL AND GAS DEPOSITS

ROCK FLOW DYNAMICS

SUPERCOMPUTER MODELING

\$2M RECEIVED FROM INTEL
CAPITAL. COMPANY IS PROFITABLE
FROM 2007.

REQUIRED: M&A INVESTMENTS

MARKET OVERVIEW

In the framework of rising energy prices, Oil & Gas Field service companies are struggling to optimize their mining activities. Hydrodynamic modeling software for mining sites is one of the tools which allow such optimization.

World market for such software is estimated at \$1.5B, growing by 10 – 15% per year

The growth is associated with the need of development of hardly extractable deposits, heavy oil, extractions from sea and permafrost sites.

Russian market: about \$200M.

Russian service market: \$30M

Worldwide: about \$2B.

Global service market: \$400M

PRODUCT OVERVIEW

RockFlow Dynamics develops tNavigator, a system for dynamic modeling of natural deposits.

As opposed to current market leaders such as Schlumberger, Computer Modeling Group, Landmark, Roxar, which develop their solutions based on continuous improvements of the technology which dates back over 15 years, RFD is building its system from scratch and is able to incorporate all the recent technology improvements.

tNavigator is currently installed at over 300 workplaces in major Russian mining companies – Rusneft, Gazprom, Lukoil, TNK-BP and others.

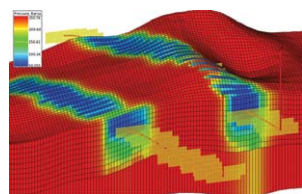
RFD Company was established in 2005 and has been profitable since 2007. RFD generates cashflow from 3 main sources: selling software licenses, support of installed software (approx. 20% of license sales) and consulting services.

INVESTMENT OPPORTUNITY

- RFD was backed by Intel Capital in 2011
- The company is profitable and able to finance its organic growth
- The company is raising financing to capture available M&A opportunities
- Project's annual revenue is about \$3M, with operating profit margin of 30%.

TECHNOLOGY

Sample of shale gas modeling



The project is aimed at development and industrial application of software, which was specially created for dynamic modeling of mining processes within oil and gas deposits. While the existing competitors' products are based on technologies developed 15 years ago, our solution deploys latest innovation technologies. The idea is to develop a revolutionary tool for oil deposit simulations that can be adopted worldwide by operators and service companies in the industry, a platform that can be used for oil and gas deposit simulation in all regions with different specific fields.

We have ideas and know-how that enable us to achieve excellent computing simulation results for hydrodynamic model creating. Our software is fast and efficient on any platform, be that multicore clusters with shared memory or desktop workstations.

In addition to adopting the latest computing technologies, Rock Flow Dynamics developed a user-friendly interface for interactive computing management – a feature that will be demanded in the field of implementation of digital deposit technologies.

These and many other features build up the quality 3D natural deposit modeling software and enhance its effectiveness.

BUSINESS MODEL

The company competitors are global petroleum service majors (such as Schlumberger, Halliburton), which have mature well established software products for reservoir engineering, however based on a 15 year old technology. RFD's fundamentally new approach to simulation should bring the company to a global level within the next 5 years.

Main sales generator - licensing of the software product, software sales, services (software support, specific modules development, training etc.). Major clients are the largest Russian oil and gas companies: TNK-BP, GAZPROM, LUKOIL, ROSNEFT etc. Clients support will also be provided; cost of support is estimated at 20% of the product's annual licensing. Consulting services on modeling are available upon request; it is also considered an important revenue source. Total company revenue is estimated at \$3M in 2011, which is +40% YoY. Global expansion is expected to ensure 20% annual growth in next 5 years. RFD is one of the most promising deposit software modeling development companies in the region.

FINANCIAL HIGHLIGHTS, \$K	2011	2012	2013
Revenue	\$3 000	\$3 600	\$4 300
COGS	\$1 016	\$1 200	\$1 400
Gross Profit	\$1 994	\$2 400	\$2 900
SG&A	\$801	\$950	\$1 050
EBITDA	\$1 193	\$1 450	\$1 850
Amortization	\$78	\$220	\$320
EBIT	\$1 115	\$1 230	\$1 530
Interests and taxes	\$62	0	0
Earnings	\$1 053	\$1 230	\$1 530

TEAM



VASILY SHELKOV

Rock Flow Dynamics LLC was founded in 2005 in Moscow. The main company's activity is development and implementation of software for hydrodynamic modeling of oil and gas deposits.

Our software is deployed by Russia's top oil and gas companies: Rosneft, GAZPROM, LUKOIL, TNK-BP, GazpromNeft. There are over 300 installations at the moment. Over 30 experienced mathematicians, physicists, software engineers based in Moscow, Russia, form our R&D center. There is a sales office in Houston, USA, and sales representatives in a number of Asian countries.

In 2010 an investment and marketing agreement was signed with Intel. It brought our activity to the international level. In 2011 a new partnership company was established in Huston, USA. Its main activity is promotion of our technology on the US market.

In July 2011 Rock Flow Dynamics LLC became a member of Skolkovo innovation center.

Vasily Shelkov

- 2011 – present: CEO of “Rock Flow Dynamics” Inc., Houston, Texas, USA
- 2005 – present: co-founder, CEO of “Rock Flow Dynamics” LLC, Moscow, Russia
- 2004 – 2005: Department Head, Corporate Production Monitoring System, Yukos
- 2003 – 2004: Associate Physicist, Brookhaven National Lab, Upton, NY.
- 2000 – 2003: Senior Postdoctoral Fellow, Lawrence Berkeley Lab, Berkeley, CA.
- 1997 – 2000: Postdoctoral Fellow, Lawrence Berkeley National Lab, Berkeley, CA
- 1995 – 1997: TA/RA, Southern Methodist University, Dallas, TX.
- 1991 – 1992: RA, Joint Institute for Nuclear Research, Dubna, Russia.
- 1986 – 1987: Technical Assistant, Joint Institute For Nuclear Research, Dubna, Russia.

Education:

- 1992 – 1997: PhD Physics, Southern Methodist University, Dallas, TX.
- 1987 – 1993: M. Sc. Physics, Moscow Institute of Physics and Technology, Moscow, Russia.

SPEAKTOIT LLC

AGENT PLUS LLC

URL: WWW.SPEAKTOIT.COM

INDUSTRY: MOBILE

FOUNDED: 2010

MANAGEMENT:

ILYA GELFENBEYN, CEO

ARTEM GONCHARUK, CTO

PAVEL SIROTIN, KNOWLEDGE
DIRECTOR

MARKET OVERVIEW

- The total number of devices running mobile operating systems in 2010 was around 268 million; Gartner forecasts a growth to 875 million by 2014. We target the fast growing mobile search (est. \$5bn in 2015) and mobile apps (est. \$35bn in 2014) markets.
- Advances in voice recognition and voice synthesis technologies also stimulate the development of intellectual interfaces.
- As the smartphone market is growing, users seek friendlier interfaces to communicate with devices and external services. The Speaktoit Assistant is a virtual buddy on your smartphone, who answers questions in natural language, performs tasks, and notifies you about important events.
- The Assistant saves you time and makes communication with gadgets and web services easier and less stressful.

PRODUCT OVERVIEW

- The Assistant talks to users in natural language and fulfills user requests by using external web services. User input is sent from the mobile client to the Speaktoit cloud server. The server processes the question, selects a relevant service (such as a social network, search engine, weather forecast provider, etc.) and then generates and forwards a formal request. After getting a response from an external service, it is converted to natural language and sent back to the user.
- The start-up won the first prize at the "Return on Innovations" contest by Cisco. It was shortlisted for Startup Pitch Battle at TechCrunch Moscow and named among top 100 innovative companies in Europe by Red Herring. We also won Stanford SSE Labs Demo Day Competition.

INVESTMENT OPPORTUNITY

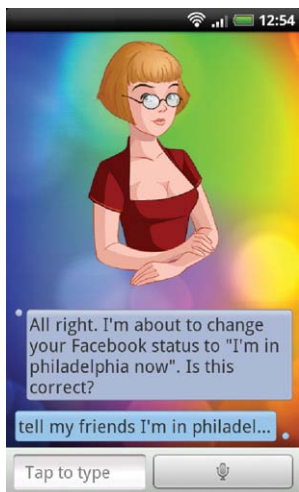
- We are currently raising US\$1-2M (Round A) to invest product launch and further product development.
- For any inquiries please contact Ilya Gelfenbeyn: +1 (202) 4369784 or ilya@speaktoit.com

TECHNOLOGY

Active smartphone users are overloaded these days. There are too many apps and web services out there. People tweet something all the time, update social networks, check in, search for information, maps and local businesses, send emails and texts on the go. It is becoming really stressful to use services as separate apps.

Working with apps and services using voice commands could solve this problem. But with the improvement of voice recognition technologies new challenges arise – to understand what is said by a user, ask additional questions and fulfill the user's requests.

Speaktoit works on a natural language processing platform that connects users with external web-services by means of conversations in natural language. Our flagship product is a talking personal assistant for mobile devices.



The Speaktoit Assistant is a virtual buddy on your smartphone, who answers questions in natural language, performs tasks, and notifies you about important events. The Assistant saves you time and makes communication with gadgets and web services easier and less stressful.

The Assistant is based on chat technology. It supports dialogue with a user, whether it be to ask questions, clarify requests, or just discuss everyday life. A visual avatar gives the Assistant a friendly human appearance, encouraging the user to engage it in casual conversation.

The Assistant fulfills user requests using external web services. User input is sent from the mobile client to the Speaktoit cloud server. The server processes the question, chooses the relevant service (such as a social network, search engine, weather forecast provider, etc.) and then generates and forwards a formal request to it. After getting a response from an external service, it is converted to natural language and sent back to the user.

BUSINESS MODEL

We plan to use a combination of the following revenue generation models:

1. Ads in app. Advertisements can be customized using chat context and user profiles in order to improve conversion rates.
2. Subscriptions. Users pay a small monthly subscription fee for additional features.
3. Lead generation – getting royalties from sales generated through the Assistant. These can be flights and hotels bookings, for example.

FINANCIAL HIGHLIGHTS, \$K	2012	2013	2014
Revenue	676	4,134	8,788
Costs	2,367	3,273	4,127
EBITDA	-1,690	862	4,660

TEAM

Ilya Gelfenbein – CEO

Ilya has considerable experience in creating Internet services and software as well as knowledge of intellectual technologies and computational linguistics.

He managed the creation of iii.ru project (more than 500,000 users and 1 million chatbots), development of VzoChat social network and the creation of a number of shareware products. He also worked on algorithms translating the Princeton WordNet semantic network into Russian (wordnet.ru).

Ilya graduated from Novosibirsk State University and holds an MBA degree from the University of Brighton (UK). He has published several research papers in computational linguistics.

Artem Goncharuk – CTO

Artem is an expert in developing complex software solutions as well as mobile applications. He has considerable experience in managing custom software development, including system integration solutions for the Government of the District of Columbia and Advisory Board Company (NASDAQ: ABCO), as well as mobile SMS and iOS applications (such as Newsweek iPad App, Washington Post iPad App, StyleCaster iPhone App, Slate Magazine iPad App).

Artem graduated from Novosibirsk State University and has Project Management Professional (PMP) and Certified Scrum Master (SCM) certificates.

Pavel Sirotin – Product Director and Head Linguist

Pavel is responsible for the linguistic components of the projects. He has experience in creating talking virtual characters in English. He localized the iii.ru project for the English-speaking market (Inf.net project).

He graduated from Philological Department of Saratov State University. Pavel also holds a Master's degree in International Management from University of Brighton (UK) and SAA (Turin, Italy).

STC-INNOVATIONS

STC-INNOVATIONS LLC

BIOMETRIC IDENTIFICATION

SKOLKOVO GRANT OBTAINED

REQUIRED INVESTMENT: \$10,5 MIL.

BUSINESS GROWTH:
MORE THAN 30% A YEAR

MARKET OVERVIEW

With the rise of identity theft it has become more difficult to prevent unauthorized access to information resources and installations. Methods of positively verifying and authenticating people may mitigate the current identity theft crisis. Biometric technologies-applications that use the physiological and behavioral attributes of a living person for the purpose of positively verifying the identity may be the answer.

Because of recent advances in computer science, biometric technology products (BTPs) have become more reliable and less expensive to own. However, most current biometric solutions are focused on fingerprints and retinal prints, which require extra costly equipment.

An emerging market — voice biometrics — is free of this drawback and is forecasted to grow from \$70–100M to \$500–750M in just 4 years. Leaders in speech recognition, such as Safrane-Morpho, NEC, Nuance begin to offer own voice biometrics solutions.

PRODUCT OVERVIEW

STC Innovations is a Spin-off of the Speech Technologies Centre, an acknowledged leader in the voice biometric market.

The Company develops multimodal biometric solutions based on person-identifying technologies via his voice, face and other non-contact biometric features.

The company aims to sell nation-wide biometric systems, as well as systems/services to control access to facilities, virtual services and internet resources.

At the current stage the Company is already a recognized scientific leader (NIST), possesses experience in installing comprehensive biometric systems and has developed functional prototypes.

INVESTMENT OPPORTUNITY

The company is currently 100% owned by the Speech Technologies Centre.

Required additional investments - \$10,5 M. Projected use of funds:

- Development of new products for mass market;
- Entry into the B2B/B2C markets of biometric products;
- International promotion of the product.

TECHNOLOGY

STC Innovations is an off-spring of STC, a leader in cutting-edge voice-based solutions in speech recording, processing and analysis.

STC provides competitive solutions across a range of fast-growing technology sectors, including multi-channel and hand-held digital recording, noise cancellation, speech enhancement and biometric authentication and identification. STC is also a leading developer of speech recognition and synthesis engines for the Russian language.

Among STC key clients are governmental institutions and law enforcement agencies, which rely on Speech Technology Center expert solutions for use in forensics. With this comes the STC guarantee of top-level audio and video surveillance capabilities and confidential data security. STC large-scale corporate clients use company solutions for business process optimization, control and security.

In 2010, STC implemented the world's first nationwide voice-based identification system for the government of Mexico. As the largest voice biometric identification project to date, STC has laid the foundation for a new segment in the voice biometric market, one with tremendous potential and enormous value.

Headquartered in St. Petersburg, Russia, STC has subsidiaries in the US, Germany, and Mexico. It has a global distribution network of more than 200 resellers and partners, and its products are deployed in over 74 countries.

FINANCIAL HIGHLIGHTS, \$M	2012	2013	2014	2015	2016
Revenue	5,68	28,58	51,44	101,14	153,38
Costs	10,77	19,28	32,13	53,24	71,75
EBITDA	-5,09	9,30	19,31	47,90	81,62
EBITDA margin		33%	38%	47%	53%
Earnings	-4,82	8,42	17,11	41,96	71,50

TEAM

The innovative startup inherited the capacity and expertise of the founding company, Speech Technology Center, which has over 20 years of experience in speech technology development. Its world-class R&D team is comprised of over 150 specialists including 28 PhDs.

Core experts:

Mikhail Khitrov

General Director of Speech Technologies Centre, member of IEEE, ISCA, Head of the Speech Information Centre at Saint-Petersburg National Research University, Vice-President of the Russian Speech Technologies Consortium.

Yuri Matveev

Professor, Head of the Biometric department at Speech Technologies Centre.

Alexei Khitrov

MBA, Director for Strategic Development of Speech Technologies Centre.

Anatoly Shalyto

Professor, Head of Programming Technologies Department at Saint-Petersburg National Research University. Russian Federation prize winner in the field of education, Scientific advisor of the prize winners in international programming contests.

ROAD-SHOW PARTNERS:

