

UKRAINIAN IT UNIVERSE

“UA-NET” OVERVIEW



October 2013

UKRAINE IT UNIVERSE OVERVIEW



OUTSOURCING	R&D GLOBAL CO	INTERNET	SOFTWARE TECH
<ul style="list-style-type: none"> • \$2B+ in revenue • 50,000+ engineers • 500+ firms • 25-30% CAGR 	<ul style="list-style-type: none"> • \$ billions created • 5,000+ engineers • 100+ centers • 30-40% CAGR 	<ul style="list-style-type: none"> • \$2B local market • Thousands employees • 100+ companies • 40-50% CAGR 	<ul style="list-style-type: none"> • \$1B worth total • Thousands engineers • 1,000+ startups • 50-100% CAGR 

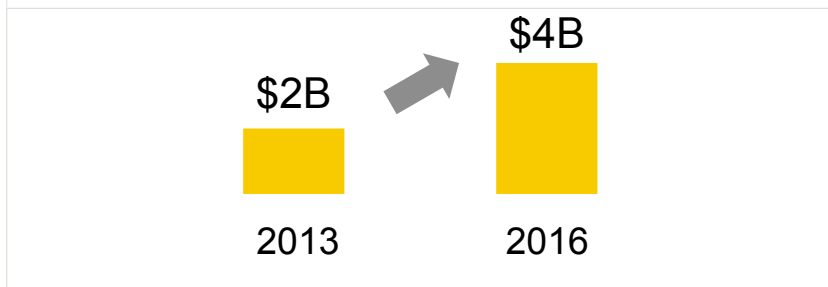


SOFTWARE OUTSOURCING



Premier outsourcing destination		High quality engineering pool	
<p>#1 in CEE by # developers and \$ volume</p>	<p>Top30 outsourcing destination by Gartner</p>	<p>acm 2008 2010 2011 2013</p> <p>Gold Silver</p>	<p>Google 2013 code jam 2nd 4th</p>
<p>20% cheaper development versus Russia and Belarus</p>	<p>Top10 most certified IT professionals in the world</p>	<p>imagine X cup 2012 by Microsoft 2013</p> <p>1st 2nd</p>	<p>facebook HACKER CUP 2011 2012 2013</p> <p>Finalists</p>

Outsourcing volume over the next 3 years



100+ R&D CENTERS IN UKRAINE



AMERICA

NetCracker®

 750 ppl

ARICENT

600

 **Magento™**

250



EUROPE

SIEMENS

300

 **SimCorp**

150

 **CRYTEK®**

100



CIS



WARGAMING.NET

300

Yandex

250

ABBYY®

200



ASIA

 **SAMSUNG**

1100

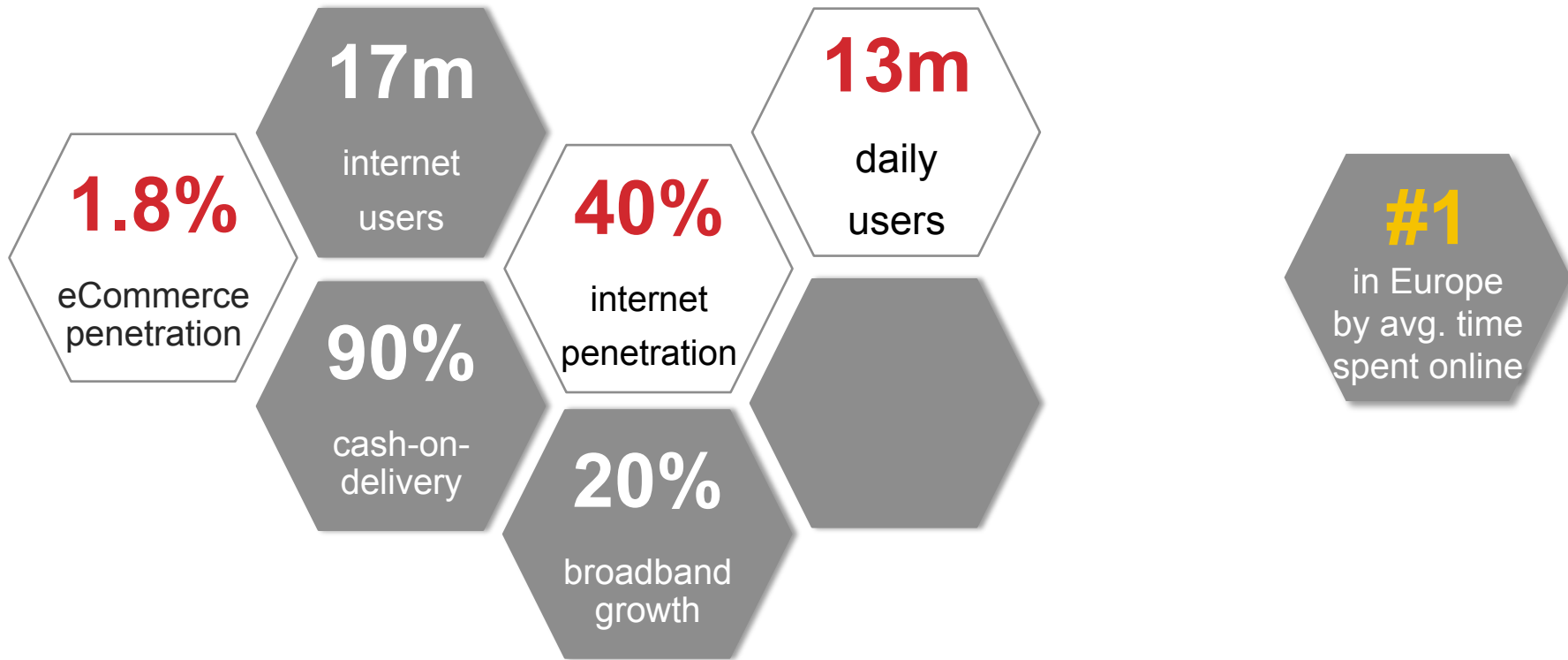
 **HUAWEI**

150

adstream
streamlining advertising

100

UA-NET IN NUMBERS



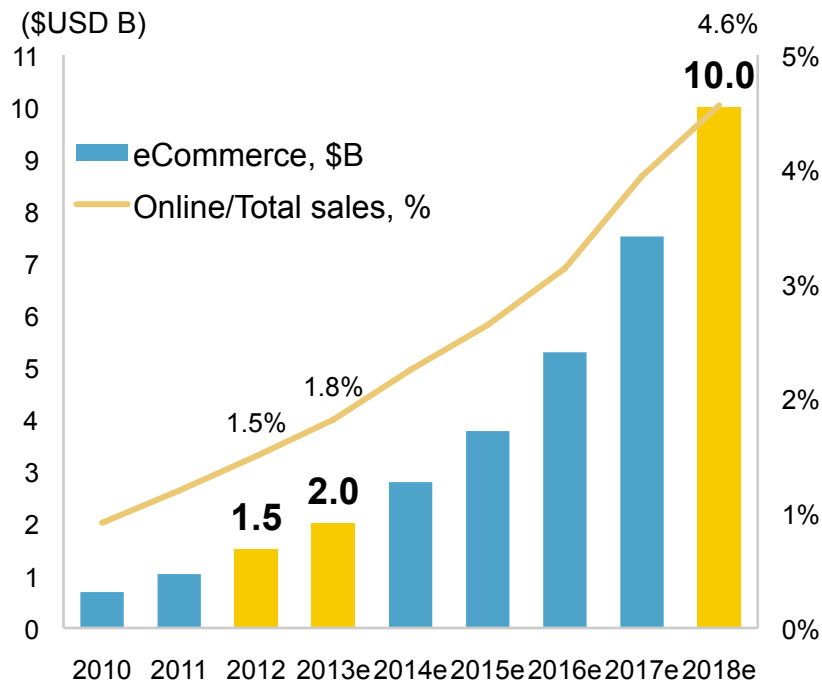
CONSUMER INTERNET



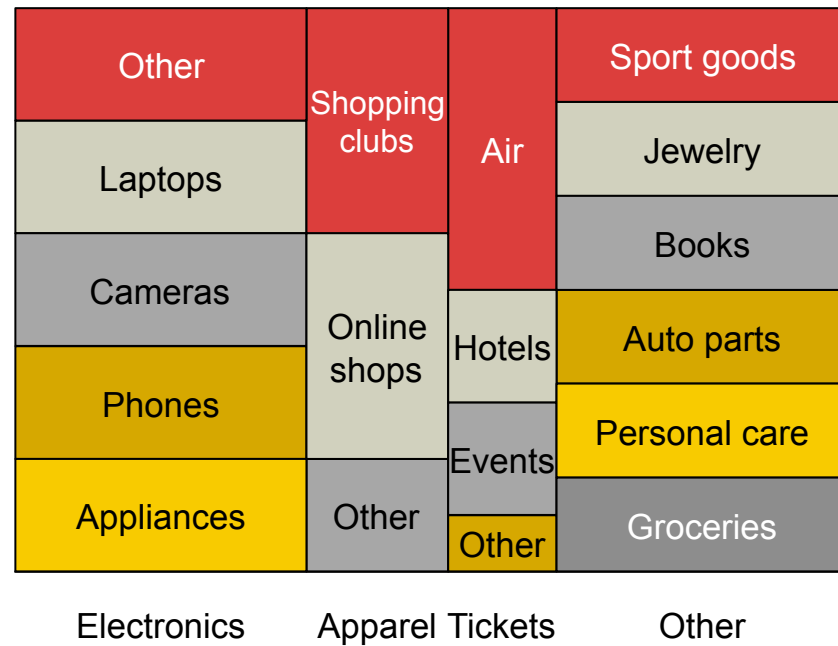
\$2B
market

1.8%
penetration

5x rise over the next 5 years



Electronics, apparel and ticketing are the major categories



UKRAINE IS NOT RUSSIA



Large army of high quality software engineers
























- As in Israel, in Ukraine the local market is way too small, while huge army of engineers is capable, and is witnessed, to create world class global technology leaders
- AVentures team argues that number of \$100M-1B success stories in Ukraine will increase with the development of VC ecosystem

VENTURE ECOSYSTEM IN LATE 2013



TICKET

INVESTORS' GEOGRAPHY

	Pre seed and seed	Round A	Round B	
Local	<p>Few angels with local residence or roots</p> 	       	     	
Global	<p>FFF is still predominant funding method</p>   		<p>Number of global VC funds screening deals, though only Intel closed 2 deals</p>   	
	<p>hundreds deals/year \$15-50k ticket</p>	<p>50 deal/year \$15-100k ticket</p>	<p>10-15 deals/year \$1-3m ticket</p>	<p>Screening market, \$5-10M</p>

\$1B+ WORTH STARTUPS

SECTOR



		Online services	Mobile	eCommerce	Software
MARKET	UA	 		 	
	CIS		 	 	
	Global	 	 		

The largest success stories out of Ukraine are global niche plays. The local market is way too small, and Ukraine is deploying “Israeli” model – building global/US IT companies with R&D locally

MAP: UKRAINIAN IT STARTUPS (1/2)



ONLINE SERVICES

- United Online Ventures**
i.ua, bigmir.net, tochka.net
- Depositphotos**
Photostock
- Jooble**
Job aggregator
- Megogo.net**
Online cinema
- 4shared**
File hosting
- Ukr.net**
Web portal
- Shodennik.ua**
Online education

E-COMMERCE

- All.biz**
B2B marketplace
- Prom.ua**
B2B/B2C marketplace
- Rozetka**
Online retailer
- ModnaKasta**
Shopping club
- Bt.kiev.ua**
Online retailer (home appliances)
- Sokol**
Online retailer (electronics)
- Deshevshe.net**
Online retailer (electronics)
- LeBoutique**
Shopping club
- ExpoPromo Group**
Online services for event management
- Hotline**
Price comparison
- Parter**
Online tickets for events

SOFTWARE

- Invisible CRM**
CRM systems
- StarWind Software**
Cloud
- Terrasoft**
CRM systems
- MacPaw**
MacOS software
- ZeoBIT**
Cloud and security
- Grammarly**
Proofreading

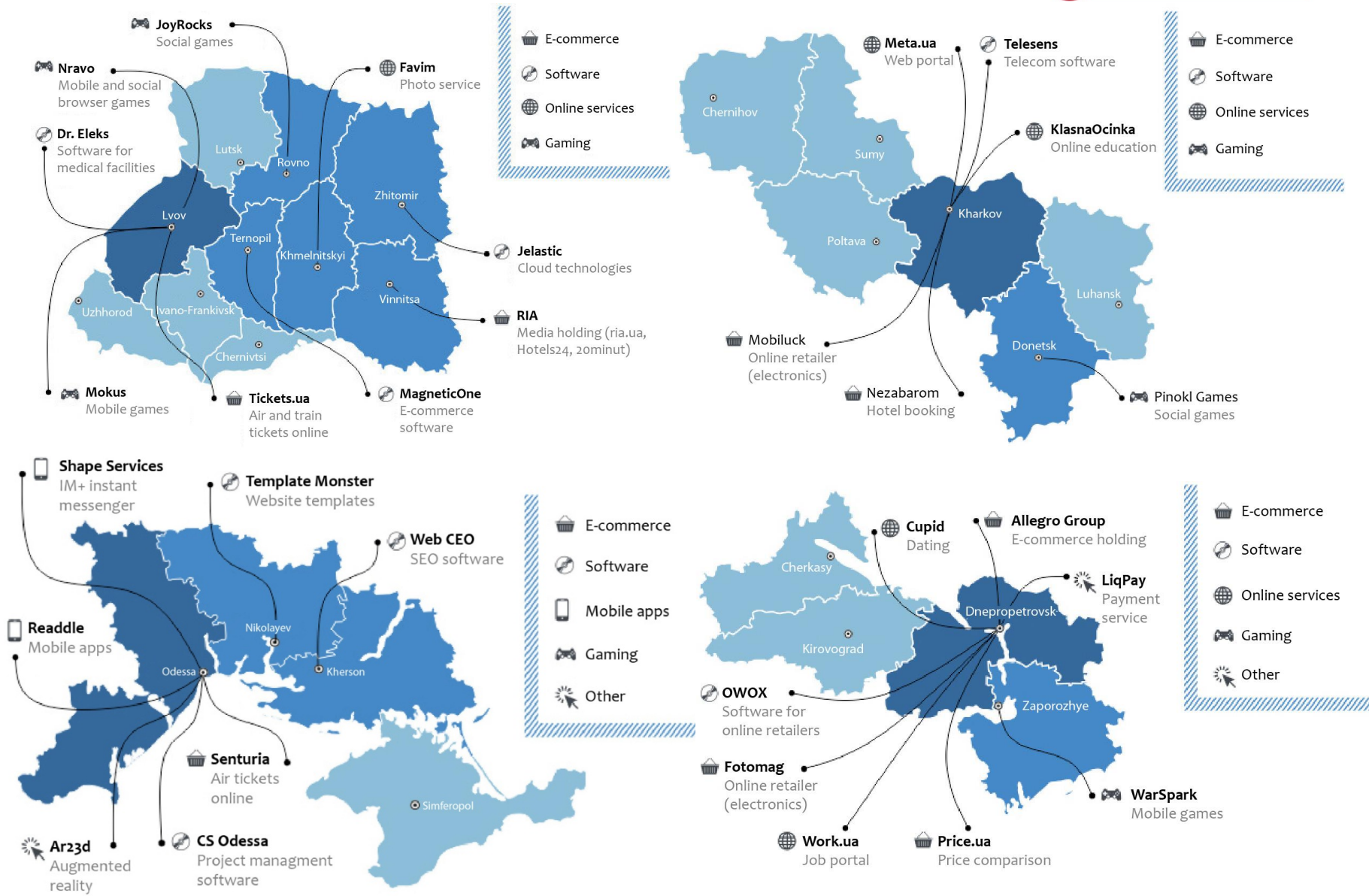
GAMING

- Tatem** Mobile games
- Room8** Mobile games
- 4A Games** Video games

OTHER

- Marketgid** Banner ad network
- Portmone** Payment service
- MoneyXy** Payment service
- Coopertino** Entertainment apps

MAP: UKRAINIAN IT STARTUPS (2/2)



GoalEurope (eng) <http://goaleurope.com/2013/06/04/ukrainian-it-startups-everything-you-need-to-know/>

Forbes.ua (rus) <http://forbes.ua/business/1348494-ukrainskie-it-startapy-samyje-privlekatelnye-obekty-dlya-investicij>

LIQUIDITY EVENTS



Image recognition

\$45mm by Google

M&A



Dating

\$250mm MCap*

IPO



Outsourcing

\$0.4B MCap

M&A



Outsourcing

\$0.9B MCap

IPO



Outsourcing

\$1.6B MCap

IPO



– “Ukrainian angle”



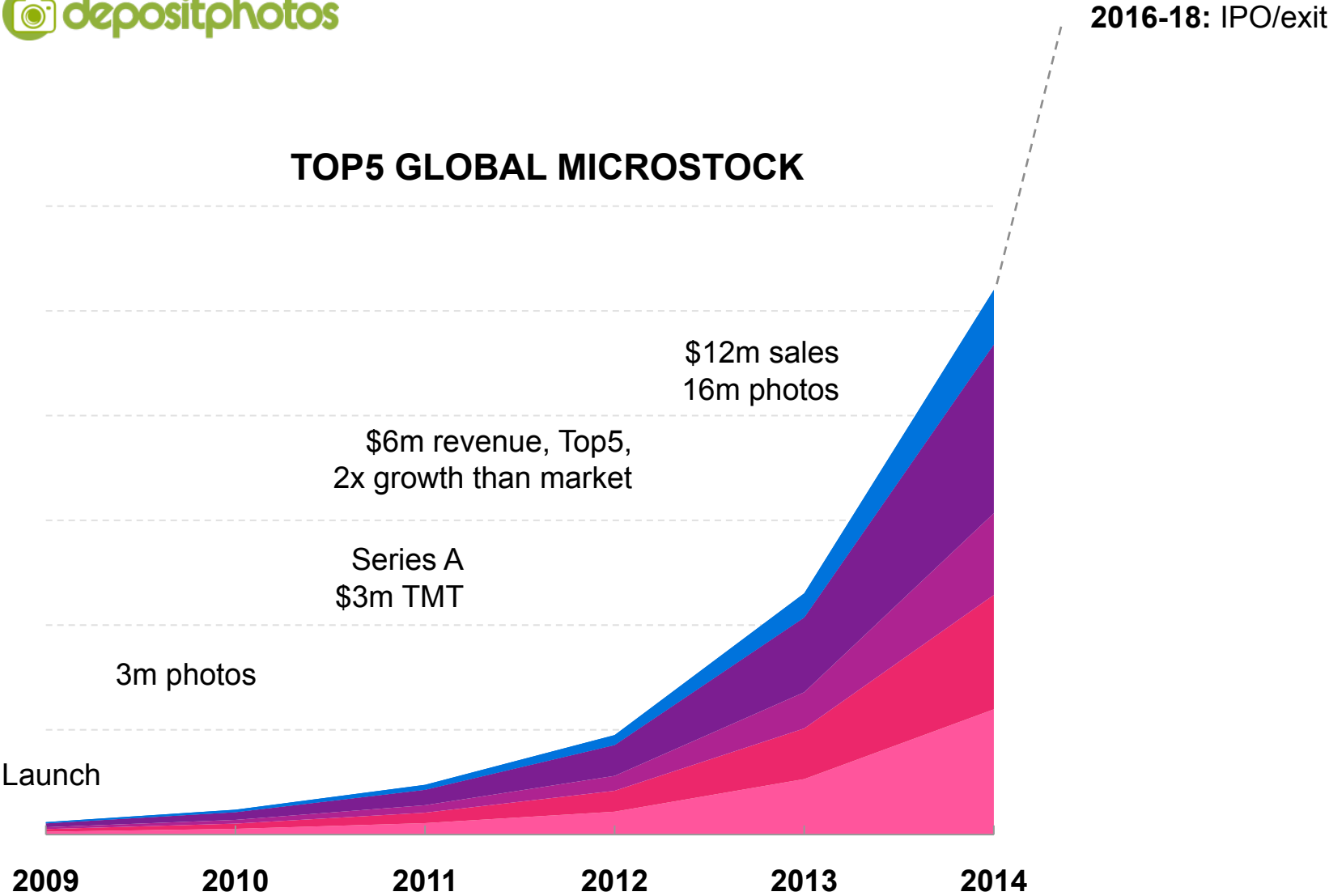
– “CIS (Russia, Belarus etc) and Ukrainian angle”

2-3 companies to go for IPO over the next 5 years



* – late 2012

DEPOSITPHOTOS: CEE SUCCESS STORY



KEY TAKEAWAY & CONTACT DETAILS



1. Multibillion IT industry in Ukraine exists today
2. Ukraine already plays important role in global ecosystem
3. #1 in CEE and #4 in the world by number of technical specialists
4. Ecommerce market to grow from \$2B to \$10B in 5-6 years
5. Software technology companies with R&D in Ukraine can become global leading companies in their niches
6. Venture capital ecosystem is extremely underdeveloped, yet this is changing fast
7. Lot of interesting startups
8. At least 2-3 IT company to go IPO/exit for “hundreds of million US dollars” during next 4-5 years

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