CONTENTS

1 RVC IN 2015 IN FIGURES
   P. 2

2 OPENING ADDRESS BY THE GENERAL DIRECTOR AND CHAIRMAN OF THE MANAGEMENT BOARD
   P. 4

3 RUSSIAN VENTURE CAPITAL MARKET
   P. 10 MACROECONOMIC CONDITIONS FOR THE VENTURE INDUSTRY IN THE RUSSIAN FEDERATION
   P. 11 MAIN RESULTS AND KEY TRENDS IN DEVELOPMENT OF THE RUSSIAN VENTURE CAPITAL MARKET IN 2015

4 PRIORITIES OF RVC’S ACTIVITY FOR 2015–2016
   P. 14

5 CREATION OF THE NTI PROJECT OFFICE
   P. 20

6 INVESTMENT ACTIVITY
   P. 31 MAIN RESULTS OF RVC INVESTMENT ACTIVITIES
   P. 33 MAIN RESULTS OF RVC-BACKED FUNDS
   P. 36 SUBSIDIARY FUNDS
   P. 40 FUNDS WITH FOREIGN JURISDICTION
   P. 42 FUNDS ESTABLISHED IN THE FORM OF CLOSED-END FUNDS (CEF)
   P. 44 FUNDS ESTABLISHED IN THE FORM OF INVESTMENT PARTNERSHIP AGREEMENT

7 ACTIVITIES FOR THE DEVELOPMENT OF AN INNOVATION ECOSYSTEM
   P. 49 INVESTOR DEVELOPMENT PROGRAM
   P. 55 PROGRAM FOR THE GLOBALIZATION OF THE RUSSIAN INNOVATION INDUSTRY
   P. 59 PROGRAM FOR PROMOTING INNOVATION ACTIVITIES
   P. 65 PROGRAM FOR THE DEVELOPMENT OF THE INNOVATION ECOSYSTEM
   P. 73 INTERNATIONAL PROJECTS FOR DEVELOPING AN INNOVATION ECOSYSTEM

8 EXECUTION OF INSTRUCTIONS OF THE RUSSIAN FEDERATION GOVERNMENT REGARDING THE DEVELOPMENT OF INNOVATION
   P. 82

9 FINANCIAL RESULTS FOR 2015
   P. 86

10 CORPORATE GOVERNANCE
    P. 90

11 SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT
    P. 106

12 APPENDIXES
   P. 112 MAP OF RVC PARTNER INTERACTIONS IN 2015
   P. 114 ANNOTATIONS OF ANALYTICAL MATERIALS
   P. 124 CONTACTS
   P. 126 GLOSSARY
   P. 128 FEEDBACK QUESTIONNAIRE
   P. 130 DISCLAIMER
RVC IS THE GOVERNMENT FUND OF FUNDS AND THE DEVELOPMENT INSTITUTE OF THE RUSSIAN FEDERATION, ONE OF THE KEY TOOLS OF THE STATE IN BUILDING THE NATIONAL INNOVATION SYSTEM.

Since its foundation, the activities of RVC have been focused on solving two main tasks: creation of favorable conditions for attracting private venture capital to develop innovative ventures in Russia and forming the necessary infrastructure. Today RVC provides various forms of support to innovative technology companies that are in the early stages of development, thus compensating the high risks and low activity of private capital in this sphere.

RVC conducts its investment activity through venture capital funds created jointly with private investors. RVC acts as a Limited Partner in all the funds and does not influence investment decisions. The total number of funds created by RVC as of the end of 2015 reached 23 (including two funds in foreign jurisdictions), with a total value of RUB33.7 billion. Through the RVC-backed funds created, a total of 191 portfolio companies was approved for investment for a total sum of over RUB17 billion.

However, ensuring the sufficient inflow of money in the venture capital market within the framework of public-private partnership is a necessary, but not sufficient, condition for sustainable evolution of the innovation ecosystem. Taking into account the aims and objectives of the Strategy for Innovative Development of the Russian Federation for the period until 2020, RVC is also forming non-financial instruments, including: formation of innovation infrastructure, assistance in globalizing the Russian innovation industry, promoting and popularizing technological enterprises, and events enabling an increase in the competencies of players in the Venture Capital market. Thanks to several years of experience in VC investment and unique expertise, RVC also has the role of a competence center. As such it aims to: create the necessary conditions for cooperation between different elements of the innovation ecosystem; accumulate and promote best investment practice; carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

In 2015 RVC was entrusted with the function of Project Office of the National Technology Initiative (NTI), a program aimed at forming new markets and creating conditions for Russia to become a leader in the field of technological innovation by 2035. Within the NTI, RVC provides technical, analytical and methodological expertise to support the activities of working teams, and the operations of the NTI’s Interdepartmental Working Team of the President of the Presidential Council of the Russian Federation on Economic Modernization and Technological Development. RVC was also forming partnerships with other organizations involved in the implementation of the NTI, in order to promote best investment practice, carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

RVC IN 2015 IN FIGURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RVC-BACKED FUNDS operating as of the end of 2015</td>
<td>23</td>
</tr>
<tr>
<td>Rub billion for RVC-backed funds as of the end of 2015</td>
<td>33.7</td>
</tr>
<tr>
<td>NEW FUNDS created with RVC capital in 2015</td>
<td>3</td>
</tr>
<tr>
<td>Rub billion for the total (declared) value of new RVC-backed funds in the form of investment partnership agreement in 2015</td>
<td>1.9</td>
</tr>
</tbody>
</table>

RVC IS THE GOVERNMENT FUND OF FUNDS AND THE DEVELOPMENT INSTITUTE OF THE RUSSIAN FEDERATION, ONE OF THE KEY TOOLS OF THE STATE IN BUILDING THE NATIONAL INNOVATION SYSTEM.

Since its foundation, the activities of RVC have been focused on solving two main tasks: creation of favorable conditions for attracting private venture capital to develop innovative ventures in Russia and forming the necessary infrastructure. Today RVC provides various forms of support to innovative technology companies that are in the early stages of development, thus compensating the high risks and low activity of private capital in this sphere.

RVC conducts its investment activity through venture capital funds created jointly with private investors. RVC acts as a Limited Partner in all the funds and does not influence investment decisions. The total number of funds created by RVC as of the end of 2015 reached 23 (including two funds in foreign jurisdictions), with a total value of RUB33.7 billion. Through the RVC-backed funds created, a total of 191 portfolio companies was approved for investment for a total sum of over RUB17 billion.

However, ensuring the sufficient inflow of money in the venture capital market within the framework of public-private partnership is a necessary, but not sufficient, condition for sustainable evolution of the innovation ecosystem. Taking into account the aims and objectives of the Strategy for Innovative Development of the Russian Federation for the period until 2020, RVC is also forming non-financial instruments, including: formation of innovation infrastructure, assistance in globalizing the Russian innovation industry, promoting and popularizing technological enterprises, and events enabling an increase in the competencies of players in the Venture Capital market. Thanks to several years of experience in VC investment and unique expertise, RVC also has the role of a competence center. As such it aims to: create the necessary conditions for cooperation between different elements of the innovation ecosystem; accumulate and promote best investment practice; carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

In 2015 RVC was entrusted with the function of Project Office of the National Technology Initiative (NTI), a program aimed at forming new markets and creating conditions for Russia to become a leader in the field of technological innovation by 2035. Within the NTI, RVC provides technical, analytical and methodological expertise to support the activities of working teams, and the operations of the NTI’s Interdepartmental Working Team of the President of the Presidential Council of the Russian Federation on Economic Modernization and Technological Development. RVC was also forming partnerships with other organizations involved in the implementation of the NTI, in order to promote best investment practice, carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

RVC IN 2015 IN FIGURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RVC-BACKED FUNDS operating as of the end of 2015</td>
<td>23</td>
</tr>
<tr>
<td>Rub billion for RVC-backed funds as of the end of 2015</td>
<td>33.7</td>
</tr>
<tr>
<td>NEW FUNDS created with RVC capital in 2015</td>
<td>3</td>
</tr>
<tr>
<td>Rub billion for the total (declared) value of new RVC-backed funds in the form of investment partnership agreement in 2015</td>
<td>1.9</td>
</tr>
</tbody>
</table>

RVC IS THE GOVERNMENT FUND OF FUNDS AND THE DEVELOPMENT INSTITUTE OF THE RUSSIAN FEDERATION, ONE OF THE KEY TOOLS OF THE STATE IN BUILDING THE NATIONAL INNOVATION SYSTEM.

Since its foundation, the activities of RVC have been focused on solving two main tasks: creation of favorable conditions for attracting private venture capital to develop innovative ventures in Russia and forming the necessary infrastructure. Today RVC provides various forms of support to innovative technology companies that are in the early stages of development, thus compensating the high risks and low activity of private capital in this sphere.

RVC conducts its investment activity through venture capital funds created jointly with private investors. RVC acts as a Limited Partner in all the funds and does not influence investment decisions. The total number of funds created by RVC as of the end of 2015 reached 23 (including two funds in foreign jurisdictions), with a total value of RUB33.7 billion. Through the RVC-backed funds created, a total of 191 portfolio companies was approved for investment for a total sum of over RUB17 billion.

However, ensuring the sufficient inflow of money in the venture capital market within the framework of public-private partnership is a necessary, but not sufficient, condition for sustainable evolution of the innovation ecosystem. Taking into account the aims and objectives of the Strategy for Innovative Development of the Russian Federation for the period until 2020, RVC is also forming non-financial instruments, including: formation of innovation infrastructure, assistance in globalizing the Russian innovation industry, promoting and popularizing technological enterprises, and events enabling an increase in the competencies of players in the Venture Capital market. Thanks to several years of experience in VC investment and unique expertise, RVC also has the role of a competence center. As such it aims to: create the necessary conditions for cooperation between different elements of the innovation ecosystem; accumulate and promote best investment practice; carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

In 2015 RVC was entrusted with the function of Project Office of the National Technology Initiative (NTI), a program aimed at forming new markets and creating conditions for Russia to become a leader in the field of technological innovation by 2035. Within the NTI, RVC provides technical, analytical and methodological expertise to support the activities of working teams, and the operations of the NTI’s Interdepartmental Working Team of the President of the Presidential Council of the Russian Federation on Economic Modernization and Technological Development. RVC was also forming partnerships with other organizations involved in the implementation of the NTI, in order to promote best investment practice, carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

RVC IN 2015 IN FIGURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RVC-BACKED FUNDS operating as of the end of 2015</td>
<td>23</td>
</tr>
<tr>
<td>Rub billion for RVC-backed funds as of the end of 2015</td>
<td>33.7</td>
</tr>
<tr>
<td>NEW FUNDS created with RVC capital in 2015</td>
<td>3</td>
</tr>
<tr>
<td>Rub billion for the total (declared) value of new RVC-backed funds in the form of investment partnership agreement in 2015</td>
<td>1.9</td>
</tr>
</tbody>
</table>

RVC IS THE GOVERNMENT FUND OF FUNDS AND THE DEVELOPMENT INSTITUTE OF THE RUSSIAN FEDERATION, ONE OF THE KEY TOOLS OF THE STATE IN BUILDING THE NATIONAL INNOVATION SYSTEM.

Since its foundation, the activities of RVC have been focused on solving two main tasks: creation of favorable conditions for attracting private venture capital to develop innovative ventures in Russia and forming the necessary infrastructure. Today RVC provides various forms of support to innovative technology companies that are in the early stages of development, thus compensating the high risks and low activity of private capital in this sphere.

RVC conducts its investment activity through venture capital funds created jointly with private investors. RVC acts as a Limited Partner in all the funds and does not influence investment decisions. The total number of funds created by RVC as of the end of 2015 reached 23 (including two funds in foreign jurisdictions), with a total value of RUB33.7 billion. Through the RVC-backed funds created, a total of 191 portfolio companies was approved for investment for a total sum of over RUB17 billion.

However, ensuring the sufficient inflow of money in the venture capital market within the framework of public-private partnership is a necessary, but not sufficient, condition for sustainable evolution of the innovation ecosystem. Taking into account the aims and objectives of the Strategy for Innovative Development of the Russian Federation for the period until 2020, RVC is also forming non-financial instruments, including: formation of innovation infrastructure, assistance in globalizing the Russian innovation industry, promoting and popularizing technological enterprises, and events enabling an increase in the competencies of players in the Venture Capital market. Thanks to several years of experience in VC investment and unique expertise, RVC also has the role of a competence center. As such it aims to: create the necessary conditions for cooperation between different elements of the innovation ecosystem; accumulate and promote best investment practice; carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

In 2015 RVC was entrusted with the function of Project Office of the National Technology Initiative (NTI), a program aimed at forming new markets and creating conditions for Russia to become a leader in the field of technological innovation by 2035. Within the NTI, RVC provides technical, analytical and methodological expertise to support the activities of working teams, and the operations of the NTI’s Interdepartmental Working Team of the President of the Presidential Council of the Russian Federation on Economic Modernization and Technological Development. RVC was also forming partnerships with other organizations involved in the implementation of the NTI, in order to promote best investment practice, carry out optimization, integration and scaling up of market mechanisms; and contribute to the emergence of new instruments for supporting innovation activities.

RVC IN 2015 IN FIGURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RVC-BACKED FUNDS operating as of the end of 2015</td>
<td>23</td>
</tr>
<tr>
<td>Rub billion for RVC-backed funds as of the end of 2015</td>
<td>33.7</td>
</tr>
<tr>
<td>NEW FUNDS created with RVC capital in 2015</td>
<td>3</td>
</tr>
<tr>
<td>Rub billion for the total (declared) value of new RVC-backed funds in the form of investment partnership agreement in 2015</td>
<td>1.9</td>
</tr>
</tbody>
</table>
DEAR COLLEAGUES, PARTNERS AND FRIENDS!

The past year was not an easy one for our country. Natural resource markets and the challenging foreign policy situation had a significant impact on the Russian economy, the rate of GDP growth, and the rate of the national currency. As a result, a decrease in economic activity was also observed in the sphere of technological innovation companies. All players of the Russian venture capital market – investors, technological enterprises and, of course, RVC – had to apply substantial efforts in searching for appropriate solutions to the new challenges. However, although 2015 was a difficult year for RVC and our partners, it was also an extremely rich one. We made significant achievements and built the foundation for productive work in the coming years.

The continuation of foreign policy challenges and dampened effects in the economy in 2015 exacerbated a series of negative trends in the Russian venture industry. First, the level of trust in the Russian innovation ecosystem was significantly reduced among foreign and domestic sources of venture capital. Foreign investors adopted a conservative position, significantly cutting or even completely suspending their activity in Russia. There was also a noticeable re-orientation of Russian venture capital to more favorable foreign markets. In particular, there was continued growth in the number of transactions of Russian technology companies structured in foreign jurisdictions, including those in neighboring countries.

Another clear problem was the deepening disproportions in both the industry and stage structure of the Russian venture capital market. Here the large proportion of investments in the sphere of Internet projects continued to increase, particularly in projects with guaranteed share returns on investment in the short term. Technology companies at a more mature stage drew increased interest among investors.

The investment horizon of venture funds was reduced significantly. Whereas investment plans were previously formed in a 5-7 year perspective, today the majority of funds proceed from short-term strategies for a period of not more than 2-3 years. The rate of growth of new funds was severely reduced.

Taking into account the depreciation of the Russian ruble rate, the average transaction volume in the Russian venture capital market in 2015 continued to decline in both relative and absolute terms. The significant contraction of the Russian venture capital industry was particularly noticeable against a backdrop of record rates of growth in the global venture capital market. Results for 2015 show that the total transaction volume exceeded USD128 million, which is 44% higher than 2014. The drivers of the global venture capital industry were the rapidly growing venture capital markets in the USA, Germany, United Kingdom and Israel, with significant growth also observed in Sweden and China.


In 2010-2012, the young Russian venture industry was able to achieve significant growth. Thus in 2012, Russia joined the leaders of the European venture capital market in the sector of high technology innovation, which was one of the most positive (albeit unfortunately still relatively rare) achievements on the road to move the domestic economy towards an innovative development model. During the years since the birth of the venture industry, a number of foundational mechanisms and tools have been established in our country. It should be recognized however that it has not yet been possible to build a completely sustainable system for creation of new capital.

Due to the current “disruptions” in the national innovation ecosystem, it has not been possible to fully reveal the potential of the venture industry. The market environment remains excessively overregulated and non-transparent, and Russian jurisdiction is still insufficiently attractive and convenient for foreign investors. There is a lack of substantial money supplied by investment players (including pension funds and insurance companies) and domestic demand for innovation products by the real economy remains insufficient.

Overall, the Russian venture capital market continues to demonstrate the ability to maintain business activities even in conditions of excess pressures from negative external factors. As is clear, overcoming the significant shortcomings of the industry requires targeted, effective and concerted efforts from the government, RVC, other innovation development institutes and market participants.

The opening address by the General Director and Chairman of the Management Board
Last year RVC undertook considerable efforts to maintain the main elements of the venture capital market’s infrastructure, which enables the industry’s fast recovery right from the start of economic improvements and normalization of the foreign policy situation, and a subsequent move to long-term, sustainable growth. RVC’s activities as the government fund of funds were aimed at stimulating the activity of private investors and also compensating the stage and industry disproportions of the Russian venture industry.

Based on 2015 results, the government maintained its active participation in the creation of new funds. In this way, three RVC-backed venture funds were created in 2015 in the form of investment partnership agreements with a total volume of around RUB2 billion.

RVC-backed venture funds in 2015 focused on market segments that are traditionally linked to high risks for private investors, such as medical technologies and pharmaceuticals, energy efficiency, space technologies and telecommunications. For example, investments in the medical and pharmaceutical sector increased by almost 200% compared to 2014. In this way, transactions with participation of RVC-backed funds remained one of the main drivers of the Russian venture capital market also in the sphere of biotechnology.

One of the most important milestones of 2015 was the decision of the Prime Minister of the Russian Federation to designate RVC as the project office of the National Technological Initiative (NTI). The proposal of implementing the initiative was put forward by the Russian President in an address to the Federal Assembly of the Russian Federation in December 2014. NTI is perhaps the first attempt in the history of our country to identify the priorities of development based on market demand rather than on the basis of available technology. NTI’s main task is to ensure a competitive position for our country and for domestic companies in the global technology markets that will be developing in the next 10-20 years. This new prospective objective given to RVC is, at once an acknowledgement of the company’s competence and efforts in the work of creating an innovation ecosystem, and also a very complex challenge that requires mobilization of all our creativity, ingenuity and experience.

Considerable time and effort was spent during the year, including in the discussions with our strategic partners, on deciding how to draw up the outlines of NTI’s support. Indeed, this is the way it should be. The main driving force behind the initiative should not be the customary bureaucratic structures but rather a real, active entrepreneurial community, the support of which also represents the main task of the NTI project office. In 2015, we managed to outline the design for the organization, and methodological and expert support of the NTI’s working teams. To succeed, a range of mechanisms and tools need to be formed in cooperation with the Agency for Strategic Initiatives for Promoting New Projects ANO, federal executive bodies, universities, and representatives of scientific organizations and business.

RVC was able to achieve significant results in 2015 thanks to the scaling up of non-financial instruments that are aimed at development of the venture capital ecosystem and innovative technological enterprise. Above all, this involves targeted RVC activities such as improvement of the competencies of market participants, support for innovation infrastructure in the regions, and popularization of technological enterprises by using a unique partner network.

Let me offer a couple of examples. In 2015 on the basis of the GenerationS startup accelerator, a federal platform was created for developing instruments of corporate acceleration. More than 2,500 teams from 14 countries applied to participate in the acceleration program. The project was the largest startup accelerator in Russia and the CIS, bringing together more than 150 partners from government organizations and commercial companies.

Within the 4th national TechUp rating held by RVC and its partners, a unique set of instruments was created to enable the effective search for perspective high-technology export-oriented companies, identification of significant demand and analysis of existing barriers to their accelerated development. Already there are currently 200 companies successfully exporting their products to foreign markets.

One of the priorities in 2015 was RVC’s participation in implementing measures aimed at improving the innovation ecosystem within execution of the order of the Prime Minister of the Russian Federation from July 25, 2014, based on the results of a meeting of representatives from the expert community on innovation development issues. With the assistance of RVC, proposals were prepared to develop the system of ventures and industry funds with participation of large government companies, and a project was developed on the «Innovation in Russian national report. RVC experts also actively participated in the development of the project for the updated Strategy for Innovative Development of the Russian Federation for the period through 2020. RVC’s cooperation with leading market players in 2015 also included the initiative to prepare and submit for wider expert discussion the Strategy for Development of the Russian Venture Capital Industry.

In 2015 RVC’s activities, like that of other government development institutes, were carefully studied by independent consultants. For all of RVC’s teams, cooperation with external experts was a good opportunity not only to look at ourselves from another angle, but also to establish what needs to change our work. At the same time it is pleasing that external analysts confirm the efficiency of instruments adopted by our company. Thus according to a report by PwC, RVC has demonstrated the highest share of export earnings among the innovation development institutes, and also the best score for attracting co-investors’ funds.

The consistent and coherent work of the RVC team will be necessary in order to take on the company’s broadened mandate, combined with the difficulties of operating in the macroeconomic and foreign policy context that requires significant efforts to maintain and restore the Russian venture capital market. Much remains to be done, but there is one thing I am confident of: just as it is today, the most important strategic resource and reliable pillar of RVC will always remain its partner network representing thousands of organizations, investors, business angels, experts, entrepreneurs, scientists and researchers – our colleagues, friends and associates. Together we can achieve any goal. Thank you for being with us!

Igor Agamirzyan
General Director and Chairman of the Management Board of RVC
MACROECONOMIC CONDITIONS FOR THE VENTURE INDUSTRY IN THE RUSSIAN FEDERATION

THE EXPECTATIONS OF PARTICIPANTS OF THE RUSSIAN VENTURE CAPITAL MARKET IN 2015 WERE PRIMARILY LINKED TO THE FALL IN OIL PRICES BELOW THE FORECAST LEVEL HAVING A NEGATIVE INFLUENCE ON THE RATE OF ECONOMIC DEVELOPMENT IN THE RUSSIAN FEDERATION.

According to assessments by KPMG and CB Insights, the global venture capital market reached record highs in 2015. The volume of global venture capital invested in technology companies in 2015 reached over USD128 billion, which was 44% higher than the total volume of venture investments in 2014. There were a total of 7,872 transactions in 2015, a quarter of which had corporations as investors.

The cautious position maintained by investors throughout the year was also evidenced by the decreasing average size of transactions. The volume of investments by active venture funds decreased significantly. While the earlier investment strategies were based on long-term perspectives, in 2015 the majority of these were aimed at a planning horizon of not more than 2-3 years. Meanwhile the sharp devaluation of the ruble during 2015 significantly impacted on the currency component of venture transactions with Russian assets.

In large part due to the launch of new RVC-backed funds onto the market in 2015, it was possible to reverse the trend of decreasing total capital of new venture funds that had been emerging since 2013. The total volume of new venture funds was markedly higher than in the previous year, which was USD231 million in 2015 compared to USD188 million in 2014. The main contribution towards achieving this was ensured by government-backed funds. According to data from the Russian Venture Capital Association (RVCA), more than a third of new funds formed in 2015 were accomplished with government backing. Their total volume (taking into account private funding) was 74% of the total amount of capital in venture funds formed during the year, which were mainly new RVC-backed funds in the form of investment partnership agreements.

Therefore, a significant market decline was avoided in 2015 thanks to the compensating support of government development institutes – above all RVC – and the activity of several private market participants. Furthermore, according to RVCA assessments, an overall positive trend was observed in 2012 to 2015 in the total number of operating venture funds, with growth of 42% (from 159 funds in 2012 to 226 funds in 2015).

We refer to the不舍化的 from the KPMG and CB Insights report on the global venture capital market for further details on the trends and developments in this field.

A number of disproportions were still noted in the structure of the venture capital industry in Russia. The information technology (IT) sector maintained its leading role in terms of total volume of investments. However, growth in the interest of government-backed venture funds in the real economy was also an important outcome in 2015. The share of new government-backed venture funds that have mixed industry preferences or investment solely in the real economy (i.e. not in the IT, e-commerce and Internet sectors popular with private investors), was 87% compared to 23% in a similar group of private funds.

The growth in the number of transactions in the industrial technology sector was remarkable, as was the growth in the total investment volume, which was 65% in USD. 2015 was also marked by a considerable increase in the number of transactions in the biotechnology sector. The number of new investments in this sector increased seven-fold from six in 2014 to 39 in 2015. At the same time, transactions of RVC-backed portfolio funds remained one of the main drivers of the Russian venture capital market in the biotechnology segment. Thus the industrial and biotechnology segments in 2015 demonstrated steady growth with an overall increase in their share of the total transaction volume to 12%.

The total volume of venture transactions increased in dollar terms reaching USD1.9 billion — 31% higher than the same figure in 2014. The overall figure is usually significantly influenced by transactions of investors exiting onto the market. The largest transaction for market exit in 2015 was that of an investment group from the Avito project with a value of USD1.2 billion. Excluding this transaction, the total volume of venture transactions was USD1.99 billion.

In 2015 the market of venture capital transactions, which is the main venture capital ecosystem, showed a decline of 52% (excluding transactions with a value of more than USD100 million) to USD322.6 million, compared to USD480.9 million in 2014. Furthermore, the number of transactions reached 180 (including 29 transactions with unknown amounts), which is 21% higher than the figures in 2014. The average transaction size in 2015 decreased to USD0.15 million (compared to USD0.3 million in 2014). The largest decrease in average investment size was observed in transactions in early or seed stages (an 80% reduction from USD4.1 million to USD0.8 million for early stage and a 67% reduction from USD0.9 million to USD0.3 million for seed stage transactions). The decline of average investment size at startup and expansion phases were less significant at 65% and 48% respectively. In this way, the total share of investments in projects at the early stages (seed and startup) declined to 7% of the total venture capital market volume (compared to 29% in 2014 and 21% in 2010).

The number of large transactions (volume of more than USD100 million) remained at the same level, with two transactions worth USD200 million completed (in 2014, two transactions were made for an amount of USD350 million). The number of exiting investors in 2015 was reduced from 30 to 26, while the total cost of exits in 2015 more than doubled to reach USD1,573.5 million (compared to USD715.1 million in 2014).

In 2015, 684 grants were awarded, which represented one of the most important sources of financial support for the Russian venture ecosystem. They reached a total value of USD718.2 million, and in rubles terms this sum increased considerably more than the dollar equivalent. A substantial part of the grants was awarded for support of projects in the industrial and biotechnology sectors. Based on 2015 results, the increased grant activity enabled some compensation for the declining availability of funding for early stage projects.

There is a clear negative trend in the market’s development. However, there is every reason to believe that the declining volume of the Russian venture market in rubles in 2015 was much less than 50%.

The absence of large numbers of interested strategic investors will significantly restrict future growth in the number of exits and positive outcomes. Overall however, the levels and trends in investment activity permit a cautiously optimistic forecast, provided there are no serious external shocks occurring.

According to RVCA data, the situation in the venture capital segment is relatively favorable. Overall there are signs of some stabilization, and at least a halt in the decline of the venture capital market that was observed in 2013-2014, mainly in investment activity.

Meanwhile, it is clear that the government’s role in the near future will remain highly perceptible in the investment segment for companies at both mature and seed stages. Ultimately, this ensures relative stability of the market situation and creation of the conditions to achieve the strategic development goals of the venture capital industry in the Russian Federation. In order for this to happen, RVC is reviewing the provision of sustainable productive capital aimed at developing the national system of innovative technological enterprises.

### Main indicators of the Russian venture capital market

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total volume of transactions in venture ecosystem, USD billion</td>
<td>2.89</td>
<td>1.49</td>
<td>2.19</td>
</tr>
<tr>
<td>Total capitalization of venture funds operating in Russian market, USD million</td>
<td>4,968</td>
<td>4,682</td>
<td>4,325</td>
</tr>
<tr>
<td>Number of venture capital funds operating in the Russian market</td>
<td>201</td>
<td>214</td>
<td>224</td>
</tr>
<tr>
<td>Volume of venture transactions per year, USD million</td>
<td>650</td>
<td>482</td>
<td>230</td>
</tr>
<tr>
<td>Number of venture transactions in Russian market per year</td>
<td>222</td>
<td>149</td>
<td>180</td>
</tr>
<tr>
<td>Average volume of investment in Russian venture capital market, USD million</td>
<td>3.1</td>
<td>3.3</td>
<td>1.5</td>
</tr>
</tbody>
</table>

3. Data on total capitalization of venture capital investment funds, operating in the Russian market, differs from the data published in 2013 and 2014 RVC Annual Reports due to recalculation of fundraising in rubles, taking into account the average weighted ruble exchange rate in the respective reporting periods.

### Sum and number of transactions by sector in 2013–2015

<table>
<thead>
<tr>
<th>Sector</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotechnology</td>
<td>13</td>
<td>35.1</td>
<td>18.1</td>
</tr>
<tr>
<td>Information technology</td>
<td>12</td>
<td>4</td>
<td>3.9</td>
</tr>
<tr>
<td>Industrial technology</td>
<td>161</td>
<td>460.6</td>
<td>205.8</td>
</tr>
<tr>
<td>Number of transactions</td>
<td>193</td>
<td>133</td>
<td>97</td>
</tr>
<tr>
<td>Total amount, USD million</td>
<td>291</td>
<td>5.2</td>
<td>8.6</td>
</tr>
</tbody>
</table>

1. About 71% of the total amount is due to withdrawal of Accel Partners, Kinnevik and Northzone from Avito.
2. Figures are preliminary.
The main objectives of RVC in accordance with the Strategy were:

- Creation of financial and non-financial instruments for supporting technological enterprises in early (pre-seed and seed) stages;
- Creation of financial and non-financial instruments for supporting technological enterprises in industries considered priorities for modernisation of the Russian economy;
- Engagement of Russian and international private venture capital and intellectual resources in developing technological enterprise in industries considered priorities for the modernisation of the Russian economy;
- Support for public-private partnerships, involving creation of investment and infrastructural instruments for development of the venture capital market and technological enterprise;
- Facilitating the launch of Russian innovation and service businesses into the global market and their integration into international value chains, as well as transfer of breakthrough foreign technology into the Russian Federation.

The long-term development program of RVC OJSC is an internal document that outlines specific instruments adopted to reach the main goals and objectives formulated in the Company’s Development Strategy.

The main goals, objectives and directions of the company’s activities in the short-term perspective are determined by the annual business plans of RVC OJSC.

In accordance with the decision of the Prime Minister of the Russian Federation, RVC was in 2015 designated as the project office of the National Technology Initiative (NTI), a long-term public-private partnership program that is aimed at forming new prospective markets on the basis of high-technology solutions that will determine the development of the global economy during the next 15-20 years.

In 2015 RVC operated with the following priorities:

1. Organising activities aimed at developing and implementing the NTI;
2. Enhancing the maturity of the Russian venture capital market by creating and adopting the financial and non-financial instruments that are necessary to form a balanced stage and industry structure, as well as sustainable infrastructure development, in the venture capital market;
3. Ensuring effective participation of RVC in the integrated Innovation 2.0 initiative, which is being implemented in cooperation with federal executive bodies, development institutes, organizations and market participants. This was specified in order of the Prime Minister of the Russian Federation based on the results of the meeting with representatives of the expert community on the issues of innovation development on July 25, 2014 (resolution from August 9, 2014 N o.DM-IP36-6057).

In conjunction with the specification and widening of RVC’s mandate in 2015, the company started to develop an updated Development Strategy of RVC OJSC for the period until 2020. This document is based on the understanding that NTI is crucial to the integration of the two main directions of RVC’s activities: as the government fund of funds and an institute of innovation development.

In 2016-2020 RVC’s activity will be aimed at forming an effective set of financial and non-financial instruments based on the principles of public-private partnership. This will ensure access for Russian high-technology companies to sources of venture capital, as well as access to the competencies and services necessary to compete for leading positions in prospective global markets.

1 RVC Business Plan (updated version). Approved by RVC Board of Directors (Minutes 9 as of August 06, 2015)
MAIN DIRECTIONS OF RVC PROGRAM ACTIVITIES IN 2015

<table>
<thead>
<tr>
<th>Creation and launch of the NTI project office</th>
<th>Administrative, organizational and expert analytical support for NTI working teams</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Methodological support for the NTI</td>
</tr>
<tr>
<td></td>
<td>Informational and instrumental support for the activities of the NTI project office</td>
</tr>
<tr>
<td></td>
<td>Promotion of the NTI</td>
</tr>
<tr>
<td>Program for creating investment tools</td>
<td>Creating funds aimed at raising capital in the Russian venture capital market and supporting technological projects</td>
</tr>
<tr>
<td></td>
<td>Support for corporate venture capital tools, including in cooperation with government-backed large corporations and companies</td>
</tr>
<tr>
<td></td>
<td>Sharing practices of forming investment tools within or with the application of Russian jurisdiction</td>
</tr>
<tr>
<td></td>
<td>Identification of forms and development of opportunities for attracting international capital to the Russian venture capital market in the prevailing economic conditions</td>
</tr>
<tr>
<td>Program of innovation ecosystem development</td>
<td>Removing barriers in order to form a unifiedinstrumental environment for development of all subjects and facilities of the national innovation ecosystem, and creating conditions for their productive cooperation and coordination</td>
</tr>
<tr>
<td></td>
<td>Development of competencies and cooperation of participants of the innovation ecosystem, and elimination of system deficiencies in the area of social and human capital</td>
</tr>
<tr>
<td>Investor development program</td>
<td>Increasing the qualifications and competency development of venture investors and business angels</td>
</tr>
<tr>
<td></td>
<td>Cooperation to create and develop corporate instruments for open innovation and venture investment</td>
</tr>
<tr>
<td>Russian innovation industry globalization program</td>
<td>Support to Russian innovation and associated enterprises in their vet on the global market and integration into international value chains. This is done by promoting companies from RVC’s fund portfolio and using other partner pools (export support, searching for technological and strategic partners, and late stage investors)</td>
</tr>
<tr>
<td></td>
<td>Integrated representation of the interests of the Russian innovation ecosystem in current markets (search and accompaniment of partnerships, exchange of best practices)</td>
</tr>
<tr>
<td></td>
<td>Cooperation in transferring &quot;breakthrough&quot; foreign technologies and advanced international business competencies into the Russian Federation; commercialization and incorporation of innovative Russian technologies into the global market</td>
</tr>
<tr>
<td>Program for promoting innovation initiatives</td>
<td>Engagement of successful inventors, science and education representatives into international business circles</td>
</tr>
<tr>
<td></td>
<td>Populization of new professions and careers in the area of science and technology</td>
</tr>
<tr>
<td></td>
<td>Creating an image of technological enterprise in society as a “hero of our time” (IP of technological enterprises)</td>
</tr>
<tr>
<td></td>
<td>Populization among young people of engineering and IT education, scientific and technical activity</td>
</tr>
<tr>
<td></td>
<td>Development of information infrastructure for new technology markets</td>
</tr>
</tbody>
</table>

IN 2016-2020 RVC PLANS TO FOCUS ITS EFFORTS ON ACHIEVING THE FOLLOWING OBJECTIVES:

NTI project office activity:
- Forming and implementing an effective, large-scale system of project management, technical and expert analytical support for organizations, informational and financial development, and implementation of NTI road maps;
- Facilitating attraction of co-financing in projects that are implemented within the frames of the NTI road maps, and claiming subsidies from the federal budget;
- Providing support for the activities of the Interdepartmental Working Team on development and implementation of the NTI, and the President's Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia, within the frames of implementation of the NTI.

RVC's activity as the government fund of funds:
- Assisting the move of the Russian Federation's venture capital industry towards sustainably expanding its reproductive capital by lowering risks for investors and providing market capital through mechanisms of public private partnership;
- Creation of new specialized investment instruments (funds) aimed at supporting technological enterprise, executed in the priority stage, industry market segments and also in new prospective markets of the NTI;
- Effective management of portfolio investments, including ensuring financially attractive conditions for RVC exits from portfolio funds.

RVC's activity as an innovation development institute:
- Creation and provision of integrated selection of non-financial and financial instruments in the market that facilitate increased, rapid development of Russian companies that are potential leaders in prospective global and regional technology markets;
- Expanding the supply of high quality innovation projects, by offering assistance during the process of market launches of technology companies that are of interest to strategic and venture investors and clients;
- Facilitating increased demand in advanced domestic technologies, products and solutions (innovation), as well as innovative companies (teams)
- Forming and implementing an effective, large-scale system of project management, technical and expert analytical support for organizations, informational and financial development, and implementation of NTI road maps;
- Facilitating attraction of co-financing in projects that are implemented within the frames of the NTI road maps, and claiming subsidies from the federal budget;
- Providing support for the activities of the Interdepartmental Working Team on development and implementation of the NTI, and the President's Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia, within the frames of implementation of the NTI.

RVC's activity as an innovation development institute:
- Creation and provision of integrated selection of non-financial and financial instruments in the market that facilitate increased, rapid development of Russian companies that are potential leaders in prospective global and regional technology markets;
- Expanding the supply of high quality innovation projects, by offering assistance during the process of market launches of technology companies that are of interest to strategic and venture investors and clients;
- Facilitating increased demand in advanced domestic technologies, products and solutions (innovation), as well as innovative companies (teams)
- Forming and implementing an effective, large-scale system of project management, technical and expert analytical support for organizations, informational and financial development, and implementation of NTI road maps;
- Facilitating attraction of co-financing in projects that are implemented within the frames of the NTI road maps, and claiming subsidies from the federal budget;
- Providing support for the activities of the Interdepartmental Working Team on development and implementation of the NTI, and the President's Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia, within the frames of implementation of the NTI.

RVC's activity as an innovation development institute:
- Creation and provision of integrated selection of non-financial and financial instruments in the market that facilitate increased, rapid development of Russian companies that are potential leaders in prospective global and regional technology markets;
- Expanding the supply of high quality innovation projects, by offering assistance during the process of market launches of technology companies that are of interest to strategic and venture investors and clients;
- Facilitating increased demand in advanced domestic technologies, products and solutions (innovation), as well as innovative companies (teams)
- Forming and implementing an effective, large-scale system of project management, technical and expert analytical support for organizations, informational and financial development, and implementation of NTI road maps;
- Facilitating attraction of co-financing in projects that are implemented within the frames of the NTI road maps, and claiming subsidies from the federal budget;
- Providing support for the activities of the Interdepartmental Working Team on development and implementation of the NTI, and the President's Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia, within the frames of implementation of the NTI.

RVC's activity as an innovation development institute:
- Creation and provision of integrated selection of non-financial and financial instruments in the market that facilitate increased, rapid development of Russian companies that are potential leaders in prospective global and regional technology markets;
- Expanding the supply of high quality innovation projects, by offering assistance during the process of market launches of technology companies that are of interest to strategic and venture investors and clients;
- Facilitating increased demand in advanced domestic technologies, products and solutions (innovation), as well as innovative companies (teams)
- Forming and implementing an effective, large-scale system of project management, technical and expert analytical support for organizations, informational and financial development, and implementation of NTI road maps;
- Facilitating attraction of co-financing in projects that are implemented within the frames of the NTI road maps, and claiming subsidies from the federal budget;
- Providing support for the activities of the Interdepartmental Working Team on development and implementation of the NTI, and the President's Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia, within the frames of implementation of the NTI.
The National Technological Initiative, unveiled by the President of the Russian Federation on December 4, 2014 in an Address to the Federal Assembly of the Russian Federation, is a long-term public-private partnership program. It is aimed at forming new prospective markets based on high-technology solutions that will determine the development of the world economy over the next 15-20 years. The intended result of the NTI is the emergence of leading Russian companies onto global markets of the future in 2030-2035.
The project office was created with the aim of methodologically organizing accompaniment of all internal processes of the NTI, including coordination of working groups, cooperation with bodies of government authorities, launching specific projects through the development institute, coordination of the scientific-technical policy of the Ministry of Education and Science of Russia, and support for interaction with the regions and international cooperation. During the first stage, the project office should build a system of accompaniment and establish cooperation with all participants of the NTI. I am certain that the project office team will manage this task, as many of the employees have experience in managing difficult organizational processes, including preparation and implementation of the Winter Olympic Games in Sochi.

Dmitry Peskov
Director of the Management Board of Young Professionals and Agency for Strategic Initiatives for Promoting New Projects ANO

In 2015, the road map for development of the AutoNet market was developed and approved by the Presidium of the Council of the President of the Russian Federation for Modernization of the Economy and Innovative Development of Russia. The main value of the prepared document, which is the product of the collective work of experts within the Foresight Fleet 2015, is the comprehensiveness of the activities elaborated to develop the market. Priority directions were allocated in accordance with the requirements of the NTI project office, which propose projects that are as concrete as possible, last up to three years, and aimed at achieving real, significant results for Russian companies in the near future.

Sergey Kogogin
General Director of Kamaz PJSC

CREATION OF THE NTI PROJECT OFFICE

THE NTI ENCOMPASSES A SET OF PROJECTS AND PROGRAMS AIMED AT FORMING THE CONDITIONS FOR GLOBAL TECHNOLOGICAL LEADERSHIP OF RUSSIAN COMPANIES IN THE NEW MARKETS THAT WILL DETERMINE THE DEVELOPMENT OF THE WORLD AND RUSSIAN ECONOMIES OVER THE NEXT 15-20 YEARS.

Compared to other government initiatives, the NTI was from the very start designed as a wide coalition movement consisting of project groups with representatives from government bodies, development institutes, scientists and Russian companies. At the same time, NTI adds to and strengthens existing support programs for scientific and technological development by ensuring that enquiries from potential leaders of the new markets are transferred to the system of state management.

New prospective markets were identified by the NTI in 2015. The main instrument for the development of these markets are road maps, which include projects and activities for developing technologies, innovation products, and leading companies. The road maps also envisage improvements in the normative-legal basis and standards system, infrastructural development, ways to ensure the future human resource demands of new markets, and popularization and development of professional communities.

In accordance with the decision of the Prime Minister of the Russian Federation D.A. Medvedev, RVC fulfills the function of the NTI project office. In 2015 RVC prepared methodological recommendations for the development of road maps, and also implemented technical, expert analytical and informational support for the activities of the working teams that are developing the NTI road maps.

RESULTS OF THE NTI IN 2015:

- Methodological road maps developed for the NTI;
- Four road maps – AeroNet, AutoNet, ManNet and NeuroNet – approved by the Presidium Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia;
- Two road map concepts – HealthNet, EnergyNet – were approved by the Interdepartmental Working Group;
- Cooperation agreement signed with Skolkovo Institute of Science and Technology for providing expert and scientific and technological support for NTI working teams;
- Cooperation agreement signed with the Russian Technological Agency, which outlines support for creating project consortia within the implementation of NTI road maps.

1 Interdepartmental Working Group for development and implementation of NTI science, technology and innovation) under the Presidium Council of the President of the Russian Federation for Modernization of the Economy and Innovation Development of Russia.
INITIATIVE FOR NTI METHODOLOGICAL SUPPORT

PROJECT FOR RVC EXPERT METHODOLOGICAL SUPPORT IN THE IMPLEMENTATION OF NTI ACTIVITIES. DEVELOPMENT OF METHODOLOGICAL REFERENCE MATERIAL FROM THE SOURCE MATERIAL OF NTI ROAD MAP RESOURCES

PROJECT AIMS:
- Analysis of the activities of the federal executive bodies and development institutes that are supported by NTI;
- Creation of maps of NTI financial instruments;
- Analysis of opportunities to use existing financial instruments in the interests of implementing NTI road maps;
- Development of recommendations for improving the participation of development institutes in the development of the NTI.

PROJECT RESULTS:
- Methodological reference materials that identify the conditions for access to resources for NTI participants;
- Recommendations aimed at improving participation of development institutes in implementation of the NTI.

PROJECT FOR DEVELOPING A METHODOLOGY FOR CREATING ALL TYPES OF ROAD MAPS

PROJECT AIMS:
- Development of a methodology for creating, procedures for agreement and implementation of NTI road maps;
- Providing support for working teams by using the methodology during development of road maps.

PROJECT RESULTS:
- Methodological materials with description of structures and differentiated requirements for completing three types of road map: market, technology and infrastructure;
- Educational seminars for NTI working teams on using the methodology and completing key models; 2
- NTI working teams 1 received methodological support for developing road maps.


2 NTI working teams received methodological support for developing road maps.
INVESTMENT ACTIVITY

Main results of RVC investment activities
Main results of RVC-backed funds
Subsidiary funds
Funds with Foreign Jurisdiction
Funds established in the form of closed-end funds (CEF)
Funds established in the form of investment partnership agreement
In 2015, negative factors of the internal environment affected the Russian innovation ecosystem and venture capital market. The activity of venture investors decreased and there were a number of cases of Russian venture capital reorienting to foreign markets. Nonetheless, thanks to the active measures of government support, the Russian market for innovative technological enterprise demonstrated a clear safety margin.

In the prevailing conditions, the investment activity of RVC as the state institute for development of the venture capital industry is a positive assessment, and was in 2015 aimed at compensating the slowing rate of growth of the Russian venture capital market. This enabled RVC to avoid a worsening of a number of phased and industry disproportions, and a significant reduction in market volumes. The main industry directions of RVC-backed investment funds in 2015 were medical technology and pharmaceuticals, energy efficiency, space technologies and telecommunications, which resulted in noticeable growth in investment in the area of medicine and pharmaceuticals.

It is also important to note RVC’s strength on the part of practical application and promotion of the investment partnership agreement as a perspective form for implementing collective investments in the Russian market. During the last three years, 10 RVC-backed funds were created in the form of an investment partnership agreement.

In assessing the results of RVC activities in 2015, one should also note that the most crucial event for the company in 2015 was the decision of the Prime Minister of the Russian Federation D. A. Medvedev on granting RVC the function of project office of the National Technological Initiative.

Oleg Fomichev
State Secretary – Deputy Minister of Economic Development of the Russian Federation

INVESTMENT ACTIVITY

RVC’S INVESTMENT ACTIVITY IS AIMED AT ATTRACTING PRIVATE RUSSIAN AND FOREIGN PLAYERS INTO THE INNOVATION SEGMENTS OF THE RUSSIAN ECONOMY, AND ALSO DEVELOPING NEW INVESTMENT INSTRUMENTS OF THE NATIONAL VENTURE CAPITAL MARKET.

This is achieved by forming funds based on public-private partnerships, RVC pays particular attention to knowledge-based sectors that have low levels of private capital and are important for the development of balanced innovation of the country.

Developing the venture capital market and introducing global best practice in fund management, RVC provides market participants with methodological support and consultations on a wide range of issues. The company takes part in developing fund concepts (strategy, main parameters, mandates, management system etc.), works on creating mechanisms (criteria, procedures) for selection of the management teams of funds, provides methodological and expert accompaniment for fund activities, and organizes discussions with potential investors. The work with potential investors takes place in two directions. Firstly, the company assists in analyzing the strategy documents and business plans of funds, determining aims that can be achieved with their backing. Also, the company assists in preparing documents for review by management bodies that take decisions on their participation in fund formation.

In 2015, negative factors of the internal environment affected the Russian innovation ecosystem and venture capital market. The activity of venture investors decreased and there were a number of cases of Russian venture capital reorienting to foreign markets. Nonetheless, thanks to the active measures of government support, the Russian market for innovative technological enterprise demonstrated a clear safety margin.

In the prevailing conditions, the investment activity of RVC as the state institute for development of the venture capital industry is a positive assessment, and was in 2015 aimed at compensating the slowing rate of growth of the Russian venture capital market. This enabled RVC to avoid a worsening of a number of phased and industry disproportions, and a significant reduction in market volumes. The main industry directions of RCV-backed investment funds in 2015 were medical technology and pharmaceuticals, energy efficiency, space technologies and telecommunications, which resulted in noticeable growth in investment in the area of medicine and pharmaceuticals.

It is also important to note RVC’s strength on the part of practical application and promotion of the investment partnership agreement as a perspective form for implementing collective investments in the Russian market. During the last three years, 10 RVC-backed funds were created in the form of an investment partnership agreement.

In assessing the results of RVC activities in 2015, one should also note that the most crucial event for the company in 2015 was the decision of the Prime Minister of the Russian Federation D. A. Medvedev on granting RVC the function of project office of the National Technological Initiative.

Oleg Fomichev
State Secretary – Deputy Minister of Economic Development of the Russian Federation

INVESTMENT ACTIVITY

RVC’S INVESTMENT ACTIVITY IS AIMED AT ATTRACTING PRIVATE RUSSIAN AND FOREIGN PLAYERS INTO THE INNOVATION SEGMENTS OF THE RUSSIAN ECONOMY, AND ALSO DEVELOPING NEW INVESTMENT INSTRUMENTS OF THE NATIONAL VENTURE CAPITAL MARKET.

This is achieved by forming funds based on public-private partnerships, RVC pays particular attention to knowledge-based sectors that have low levels of private capital and are important for the development of balanced innovation of the country.

Developing the venture capital market and introducing global best practice in fund management, RVC provides market participants with methodological support and consultations on a wide range of issues. The company takes part in developing fund concepts (strategy, main parameters, mandates, management system etc.), works on creating mechanisms (criteria, procedures) for selection of the management teams of funds, provides methodological and expert accompaniment for fund activities, and organizes discussions with potential investors. The work with potential investors takes place in two directions. Firstly, the company assists in analyzing the strategy documents and business plans of funds, determining aims that can be achieved with their backing. Also, the company assists in preparing documents for review by management bodies that take decisions on their participation in fund formation.

In 2015, negative factors of the internal environment affected the Russian innovation ecosystem and venture capital market. The activity of venture investors decreased and there were a number of cases of Russian venture capital reorienting to foreign markets. Nonetheless, thanks to the active measures of government support, the Russian market for innovative technological enterprise demonstrated a clear safety margin.

In the prevailing conditions, the investment activity of RVC as the state institute for development of the venture capital industry is a positive assessment, and was in 2015 aimed at compensating the slowing rate of growth of the Russian venture capital market. This enabled RVC to avoid a worsening of a number of phased and industry disproportions, and a significant reduction in market volumes. The main industry directions of RVC-backed investment funds in 2015 were medical technology and pharmaceuticals, energy efficiency, space technologies and telecommunications, which resulted in noticeable growth in investment in the area of medicine and pharmaceuticals.

It is also important to note RVC’s strength on the part of practical application and promotion of the investment partnership agreement as a perspective form for implementing collective investments in the Russian market. During the last three years, 10 RVC-backed funds were created in the form of an investment partnership agreement.

In assessing the results of RVC activities in 2015, one should also note that the most crucial event for the company in 2015 was the decision of the Prime Minister of the Russian Federation D. A. Medvedev on granting RVC the function of project office of the National Technological Initiative.

Oleg Fomichev
State Secretary – Deputy Minister of Economic Development of the Russian Federation

INVESTMENT ACTIVITY

RVC’S INVESTMENT ACTIVITY IS AIMED AT ATTRACTING PRIVATE RUSSIAN AND FOREIGN PLAYERS INTO THE INNOVATION SEGMENTS OF THE RUSSIAN ECONOMY, AND ALSO DEVELOPING NEW INVESTMENT INSTRUMENTS OF THE NATIONAL VENTURE CAPITAL MARKET.

This is achieved by forming funds based on public-private partnerships, RVC pays particular attention to knowledge-based sectors that have low levels of private capital and are important for the development of balanced innovation of the country.

Developing the venture capital market and introducing global best practice in fund management, RVC provides market participants with methodological support and consultations on a wide range of issues. The company takes part in developing fund concepts (strategy, main parameters, mandates, management system etc.), works on creating mechanisms (criteria, procedures) for selection of the management teams of funds, provides methodological and expert accompaniment for fund activities, and organizes discussions with potential investors. The work with potential investors takes place in two directions. Firstly, the company assists in analyzing the strategy documents and business plans of funds, determining aims that can be achieved with their backing. Also, the company assists in preparing documents for review by management bodies that take decisions on their participation in fund formation.

In 2015, negative factors of the internal environment affected the Russian innovation ecosystem and venture capital market. The activity of venture investors decreased and there were a number of cases of Russian venture capital reorienting to foreign markets. Nonetheless, thanks to the active measures of government support, the Russian market for innovative technological enterprise demonstrated a clear safety margin.

In the prevailing conditions, the investment activity of RVC as the state institute for development of the venture capital industry is a positive assessment, and was in 2015 aimed at compensating the slowing rate of growth of the Russian venture capital market. This enabled RVC to avoid a worsening of a number of phased and industry disproportions, and a significant reduction in market volumes. The main industry directions of RVC-backed investment funds in 2015 were medical technology and pharmaceuticals, energy efficiency, space technologies and telecommunications, which resulted in noticeable growth in investment in the area of medicine and pharmaceuticals.

It is also important to note RVC’s strength on the part of practical application and promotion of the investment partnership agreement as a perspective form for implementing collective investments in the Russian market. During the last three years, 10 RVC-backed funds were created in the form of an investment partnership agreement.

In assessing the results of RVC activities in 2015, one should also note that the most crucial event for the company in 2015 was the decision of the Prime Minister of the Russian Federation D. A. Medvedev on granting RVC the function of project office of the National Technological Initiative.

Oleg Fomichev
State Secretary – Deputy Minister of Economic Development of the Russian Federation

INVESTMENT ACTIVITY

RVC’S INVESTMENT ACTIVITY IS AIMED AT ATTRACTING PRIVATE RUSSIAN AND FOREIGN PLAYERS INTO THE INNOVATION SEGMENTS OF THE RUSSIAN ECONOMY, AND ALSO DEVELOPING NEW INVESTMENT INSTRUMENTS OF THE NATIONAL VENTURE CAPITAL MARKET.

This is achieved by forming funds based on public-private partnerships, RVC pays particular attention to knowledge-based sectors that have low levels of private capital and are important for the development of balanced innovation of the country.

Developing the venture capital market and introducing global best practice in fund management, RVC provides market participants with methodological support and consultations on a wide range of issues. The company takes part in developing fund concepts (strategy, main parameters, mandates, management system etc.), works on creating mechanisms (criteria, procedures) for selection of the management teams of funds, provides methodological and expert accompaniment for fund activities, and organizes discussions with potential investors. The work with potential investors takes place in two directions. Firstly, the company assists in analyzing the strategy documents and business plans of funds, determining aims that can be achieved with their backing. Also, the company assists in preparing documents for review by management bodies that take decisions on their participation in fund formation.

In 2015, negative factors of the internal environment affected the Russian innovation ecosystem and venture capital market. The activity of venture investors decreased and there were a number of cases of Russian venture capital reorienting to foreign markets. Nonetheless, thanks to the active measures of government support, the Russian market for innovative technological enterprise demonstrated a clear safety margin.

In the prevailing conditions, the investment activity of RVC as the state institute for development of the venture capital industry is a positive assessment, and was in 2015 aimed at compensating the slowing rate of growth of the Russian venture capital market. This enabled RVC to avoid a worsening of a number of phased and industry disproportions, and a significant reduction in market volumes. The main industry directions of RVC-backed investment funds in 2015 were medical technology and pharmaceuticals, energy efficiency, space technologies and telecommunications, which resulted in noticeable growth in investment in the area of medicine and pharmaceuticals.

It is also important to note RVC’s strength on the part of practical application and promotion of the investment partnership agreement as a perspective form for implementing collective investments in the Russian market. During the last three years, 10 RVC-backed funds were created in the form of an investment partnership agreement.

In assessing the results of RVC activities in 2015, one should also note that the most crucial event for the company in 2015 was the decision of the Prime Minister of the Russian Federation D. A. Medvedev on granting RVC the function of project office of the National Technological Initiative.

Oleg Fomichev
State Secretary – Deputy Minister of Economic Development of the Russian Federation
Based on the successful experience of the Da Vinci Pre-IPO venture fund created together with RVC, I have noted that in the prevailing situation of a deficit of “long-term money” and new quality elements on the Moscow Stock Exchange, the new fund is more relevant than ever for the support of Russian medium-sized companies. The Da Vinci Pre-IPO fund, for which RVC was the anchor investor, is oriented towards Russian high-tech companies that are planning to carry out a public offer within the next 2-3 years. The uniqueness of the project is that the fund consists of a Russian and an international part (Da Vinci PE Fund II created with participation of large international investors), and the relationship between them is regulated by co-investment agreement. This is the first fund in the Russian market that has been realized in such a format, which opens up new possibilities for attracting long-term investments in the Russian economy by international investors.

Oleg Zhelezko
Managing Partner of Da Vinci Capital Management
RVC-BACKED FUNDS AS OF THE END OF 2015¹

<table>
<thead>
<tr>
<th>Name of fund</th>
<th>Total fund size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subsidiary funds:</strong></td>
<td></td>
</tr>
<tr>
<td>RVC Seed Fund LLC</td>
<td>RUB1,982.0 million</td>
</tr>
<tr>
<td>Biofund RVC LLC</td>
<td>RUB1,500.0 million</td>
</tr>
<tr>
<td>Infranet RVC LLC</td>
<td>RUB2,000.0 million</td>
</tr>
<tr>
<td>Civil Technologies MC LLC</td>
<td>RUB1,000.0 million</td>
</tr>
<tr>
<td><strong>Funds in foreign jurisdictions:</strong></td>
<td></td>
</tr>
<tr>
<td>Russian Venture Capital LLP</td>
<td>RUB1,588.376 million</td>
</tr>
<tr>
<td>RVC IVFRT LLP</td>
<td>RUB1,794.236 million</td>
</tr>
<tr>
<td><strong>Funds established in the form of closed-end funds (CEF):</strong></td>
<td></td>
</tr>
<tr>
<td>Bioprocess Capital Ventures CEF for HR(V)I</td>
<td>RUB1,000.0 million</td>
</tr>
<tr>
<td>VTB Venture Fund CEF for HR(V)I</td>
<td>RUB890.1 million</td>
</tr>
<tr>
<td>New Technologies CEF for HR(V)I</td>
<td>RUB641.2 million</td>
</tr>
<tr>
<td>Maxwell Biotech</td>
<td>RUB1,234.4 million</td>
</tr>
<tr>
<td>Leader Innovation CEF for HR(V)I</td>
<td>RUB1,000.0 million</td>
</tr>
<tr>
<td>S-Group Ventures CEF for HR(V)I</td>
<td>RUB1,000.0 million</td>
</tr>
<tr>
<td>Innovative Solutions CEF for HR(V)I</td>
<td>RUB1,000.0 million</td>
</tr>
<tr>
<td><strong>Funds in the form of investment partnership agreement:</strong></td>
<td></td>
</tr>
<tr>
<td>RussBio Ventures IPA¹</td>
<td>RUB2,070.7 million</td>
</tr>
<tr>
<td>Finematica Air-cosmic IPA Fund</td>
<td>RUB1,515.5 million</td>
</tr>
<tr>
<td>Da Vinci Pre-IPO Fund</td>
<td>RUB1,793.7 million</td>
</tr>
<tr>
<td>North Energy Fund I Seed²</td>
<td>RUB958.64 million</td>
</tr>
<tr>
<td>Phytech Ventures II</td>
<td>RUB900.0 million</td>
</tr>
<tr>
<td><strong>Funds in the form of investment partnership agreements (microfunds):</strong></td>
<td></td>
</tr>
<tr>
<td>Softline Seed IPA Fund³</td>
<td>RUB1,960.0 million (including RUB36.0 million⁵)</td>
</tr>
<tr>
<td>High Technologies Seed Fund IT</td>
<td>RUB1,960.0 million (including RUB33.6 million⁵)</td>
</tr>
<tr>
<td>Seed Fund ACP IPA</td>
<td>RUB1,960.0 million (including RUB88.4 million⁵)</td>
</tr>
<tr>
<td>Venture Fund Accelerator IPA</td>
<td>RUB1,960.0 million (including RUB1,334.4 million⁵)</td>
</tr>
<tr>
<td>Life Sciences Seed Fund IPA</td>
<td>RUB1,960.0 million (including RUB1,334.4 million⁵)</td>
</tr>
</tbody>
</table>

¹ For calculating the total volume of funds of microfunds, RVC only considers funds from private investors in order to avoid double counting because microfunds are created with participation of capital from RVC Seed Fund LLC, a subsidiary of RVC. Therefore, the total volume of RVC funds was RUB33,715.93 million.

² Here and below the order for calculating fund size, including domination by currency, is carried out as follows: some completed investments for fund creation were calculated in rubles according to the rate of the Bank of Russia on the date of investment. Some non-implemented obligations for fund creation were calculated according to the rate of the Bank of Russia on 31.12.2015 (72.8827 rubles per USD).

³ RBVC name is used for external communications.

⁴ Softline Seed Fund name is used for external communications.

⁵ Private investor funding.
PROJECT FOR SUPPORT OF RVC PORTFOLIO COMPANIES AIMED AT PROMOTION OF INNOVATION PRODUCTS IN RUSSIAN AND FOREIGN MARKETS

RVC is implementing the project under co-financing conditions (50/50) with the portfolio companies of funds. Within the project, portfolio companies with high growth potential were supported at industry events, offered marketing research and market competition analysis, and marketing materials were developed to promote the company.

PROJECT AIM:

- Support portfolio companies with high growth potential.

PARTNER:

- The company GVA LaunchGurus

RESULTS:

- 16 portfolio companies received support within the program;
- 166 RUB million growth in revenues for supported companies.

Ivan Afanasov
General Director of NAPOLI LLC

The support of RVC allows small companies like ours to establish links with corporations, regional authorities, and take the first step in doing business at a new level. Our experience of participating in RVC activities confirms that the non-financial support component is extremely important. Based on the results of the roadshow in Samara, we managed to agree on presentation of products for the head doctors of Samara oblast, after which we signed a contract with a distributor and our products were included in the procurement list. Participation in events in Yakutsk and Sochi also enabled a range of important contacts to be accumulated.
SUBSIDIARY FUNDS

RVC Seed Fund LLC (RVC Seed Fund)

RVC Seed Fund LLC (RVC Seed Fund) was established in October 2009. The fund participants are RVC OJSC(99.9%) and the Foundation for Assistance to Small Innovative Enterprises in the Scientific and Technical Sphere (0.1%).

The fund is focused on investing in innovative Russian companies with high growth potential in Russian and foreign markets.

By the end of 2015, five microfunds had been created with participation of the RVC Seed Fund in the form of investment partnership agreements: Seed Fund ACP, Venture Fund Accelerator, Softline Seed Fund, High Technologies Seed Fund, and Life Sciences Seed Fund.

The target size of the fund is RUB1,982 million.

The actual fund size as of the end of 2015 was RUB1,992 million.

The target size of RVC OJSC participation is RUB1,980 million.

INVESTMENT TRENDS USING DATA SINCE THE ESTABLISHMENT OF THE FUND

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of project companies in the fund</td>
<td>25</td>
<td>46</td>
<td>56</td>
<td>64</td>
<td>62</td>
</tr>
<tr>
<td>Actual size of RVC OJSC equity in the fund, RUB million</td>
<td>1,980.00</td>
<td>1,980.00</td>
<td>1,980.00</td>
<td>1,980.00</td>
<td>1,980.00</td>
</tr>
<tr>
<td>Amount of invested funds (without microfunds), RUB million</td>
<td>1,990.05</td>
<td>545.00</td>
<td>790.00</td>
<td>992.36</td>
<td>1,045.95</td>
</tr>
<tr>
<td>Approved investments (without microfunds), RUB million</td>
<td>651.60</td>
<td>1,081.70</td>
<td>1,311.50</td>
<td>1,496.60</td>
<td>1,545.94</td>
</tr>
<tr>
<td>Number of exit transactions from previously invested companies</td>
<td>–</td>
<td>1</td>
<td>6</td>
<td>11</td>
<td>14</td>
</tr>
</tbody>
</table>

MAJOR MILESTONES OF THE REPORTING YEAR:

‣ Life Science Seed Fund was created with RVC Seed Fund capital in the form of an investment partnership agreement.
‣ The portfolio company RVC Seed Fund NAPOLI initiated sales of HeatoPran wound dressings in 40 pharmacies in Moscow, St. Petersburg, Krasnoyarsk, Rostov-on-Don, and Crimea. This product was earlier only available to medical establishments. The product is used by more than 50 hospitals and polyclinics in Moscow.
‣ Capitalization of two microfunds that are backed by RVC Seed Fund: Softline Seed Fund and High Technologies Seed Fund. The funds were capitalized for RUB102 million each, with RVC Seed Fund raising 75% of funding and private investors contributing the remaining 25%.


VENTURE CAPITAL CIVIL TECHNOLOGIES MIC LLC (CIVIL TECHNOLOGIES MIC)

Civil Technologies Military Industrial Complex (Civil Technologies MIC) was established in April 2013. It has an active investment term of 7 years.

The participants of the fund are RVC OJSC (35%), Ramenskoye Design Bureau OJSC (10%) and the Foundation for the Development of Science, Innovation and Technology (5%). Civil Technologies MIC LLC holds 50%.

The fund is managed by the team at RVC Seed Fund LLC, which acts as the sole executive body of the fund.

The fund is geared towards investment in industrial cluster projects at the seed stages that have high potential growth capitalization in the short and medium terms. These are primarily projects in the sphere of high-tech instruments, special purpose microelectronics and micromechanics, visualization tools, high-precision navigation systems, new materials, embedded systems (softwares, intelligent systems and control systems), welding, soldering and heat treatment technologies, etc.

The target size of the fund is RUB1 billion.

The actual fund size as of the end of 2015 was RUB500 million.

The target size of RVC OJSC participation is RUB600 million.

INVESTMENT TRENDS USING DATA SINCE THE ESTABLISHMENT OF THE FUND

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of project companies in the fund</td>
<td>–</td>
<td>–</td>
<td>350.00</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>Actual size of RVC OJSC equity in the fund, RUB million</td>
<td>–</td>
<td>–</td>
<td>63.70</td>
<td>88.00</td>
<td></td>
</tr>
<tr>
<td>Amount of invested funds, RUB million</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Approved investments, RUB million</td>
<td>–</td>
<td>–</td>
<td>30.00</td>
<td>215.80</td>
<td>234.68</td>
</tr>
<tr>
<td>Number of exit transactions from previously invested companies</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1</td>
</tr>
</tbody>
</table>

MAJOR MILESTONES OF THE REPORTING YEAR:

‣ The fund made an exit with the Racer project (innovative hybrid STV (TV equipment/media players)) for realization of an options scheme with Duna HD Rus.
‣ The Civil Technology MIC fund’s portfolio company MaxTelCom developed the first Russian apparatus for assembling optical fibers and signed an agreement for strategic cooperation with Vologda Optical Mechanics Factory, one of the largest Russian optical equipment enterprises.
**Biopharmaceutical Investments Fund RVC (Biofund RVC)**

Biopharmaceutical Investments RVC LLC (Biofund RVC) was established in early 2011.

Participants of the fund are RVC OJSC (94.25 %) and Venture Innovation Fund (5.75%).

The investment fund’s focus is on innovative biopharmaceutical and service companies that provide laboratory, information analysis and consulting contract services to companies in the biotechnology, pharmaceuticals and medical industries.

**Main Milestones of the Reporting Year**

- National BioService, a portfolio company of Biofund RVC, has attracted investment from a private investor in the second round for large-scale activities and nurturing export potential.
- PrimeBioMed is a portfolio company of Biofund RVC, which produces innovative nanosystems of monoclonal antibodies for diagnosis of cancers in Russia and has initiated commercial supply to Russian clients.
- ExoNtho, a portfolio company of Biofund RVC, has developed and produces medical exoskeletons for rehabilitation of patients with paralysis of the lower limbs, and has completed its first commercial sale.


**Investment Trends Using Data Since the Establishment of the Fund**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of project companies in the fund</td>
<td>–</td>
<td>8</td>
<td>13</td>
<td>15</td>
<td>–</td>
</tr>
<tr>
<td>Actual size of RVC OJSC equity in the fund, RUB million</td>
<td>470.00</td>
<td>470.00</td>
<td>770.00</td>
<td>770.00</td>
<td>770.00</td>
</tr>
<tr>
<td>Amount of invested funds, RUB million</td>
<td>–</td>
<td>16.74</td>
<td>112.79</td>
<td>314.86</td>
<td>494.99</td>
</tr>
<tr>
<td>Approved investments, RUB million</td>
<td>–</td>
<td>336.94</td>
<td>769.11</td>
<td>978.11</td>
<td>724.29</td>
</tr>
<tr>
<td>Number of exit transactions from previously invested companies</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**Infrastructure Investments Fund (Infrafund RVC)**

Infrastructure Investments RVC LLC (Infrafund RVC) was established in January 2011.

The participants of Infrafund RVC are RVC OJSC (99.91 %) and SME Bank OJSC (0.09%).

The strategic objective of Infrafund RVC is the development of infrastructure that supports the whole cycle of innovation in several directions, from catalyzing to commercialization through to successful incorporation into existing technological chains. Infrafund RVC invests in commercially prospective companies that offer a wide spectrum of services to participants of innovation markets and are located in regions with a developed scientific research and educational base.

**Main Milestones of the Reporting Year**

- Infrafund RVC invested in the establishment of Chelyabinsk IT Park in the AMT&C group of engineering companies that work on implementing solutions based on nanomagnetic technologies in various sectors of industry.
- An agreement was signed between RVC and the Belarusian Innovation Fund establishing the Russian-Belarusian Fund for Venture Capital, which is aimed at supporting creative sectors. Investment was also made in the Perm-based company EKAT, which develops high-tech solutions in the area of cleaning and sterilization of air in industries such as chemicals, oil, agriculture and others.

Funds with Foreign Jurisdiction

**Russian Venture Capital I LP**

RVC OJSC’s subsidiary Russian Venture Capital I LP was registered in the United Kingdom in 2010. It was established with the aim of transferring technology from the global market to Russia by acquiring securities or stakes in foreign innovation companies and funds, including by membership in venture investor consortia (alliances) or co-investment deals with leading venture funds.

The company Russian Venture Asset Management Ltd (UK) is a subsidiary of RVC and acts as managing partner of the fund Russian Venture Capital I LP. RVC is the only investor of the partnership with limited liability (Limited Partner, LP).

The fund’s investment focus is on alternative energy technologies, microelectronics and high-performance computing.

The target size of the fund is USD45.69 million.

The actual fund size as of the end of 2015 was USD45.69 million.

The target size of RVC OJSC participation was USD45.69 million.

**INVESTMENT TRENDS (USING DATA SINCE THE ESTABLISHMENT OF THE FUND)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of project companies in the fund</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Actual size of RVC OJSC equity in the fund, USD million</td>
<td>10.25</td>
<td>11.53</td>
<td>12.56</td>
<td>13.84</td>
<td>13.84</td>
</tr>
<tr>
<td>Amount of invested funds, USD million</td>
<td>10.00</td>
<td>11.53</td>
<td>12.56</td>
<td>13.84</td>
<td>13.84</td>
</tr>
<tr>
<td>Approved investments, USD million</td>
<td>10.00</td>
<td>11.53</td>
<td>12.56</td>
<td>13.84</td>
<td>13.84</td>
</tr>
<tr>
<td>Number of exit transactions from previously invested companies</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>


**Russian Venture Fund of the Republic of Tatarstan LP**

RVC OJSC’s subsidiary Russian Venture Capital II LP was established in 2011 and was later renamed RVC IVFRT LP when a second investor joined (Investment and Venture Fund of the Republic of Tatarstan NGO). Both investors have the status of a partner with limited liability (LP).

The fund is managed by the company Volga Venture Management Inc., which is a joint venture company incorporated under the laws of the state of Delaware (USA) and owned by RVC USA Inc. (subsidiary of RVC) and the Investment and Venture Fund of the Republic of Tatarstan NGO.

The fund’s investment focus is inclusion into leading international late stage venture funds and co-investment in technology assets that are in the interests of the Russian Federation.

The target size of the fund is USD40 million.

The actual fund size as of the end of 2015 was USD32.23 million.

The target size of RVC OJSC participation is USD25 million.

**INVESTMENT TRENDS (USING DATA SINCE THE ESTABLISHMENT OF THE FUND)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of project companies in the fund</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Actual size of RVC OJSC equity in the fund, USD million</td>
<td>10.25</td>
<td>11.56</td>
<td>12.56</td>
<td>13.84</td>
<td>13.84</td>
</tr>
<tr>
<td>Amount of invested funds, USD million</td>
<td>10.00</td>
<td>11.56</td>
<td>12.56</td>
<td>13.84</td>
<td>13.84</td>
</tr>
<tr>
<td>Approved investments, USD million</td>
<td>10.00</td>
<td>11.56</td>
<td>12.56</td>
<td>13.84</td>
<td>13.84</td>
</tr>
<tr>
<td>Number of exit transactions from previously invested companies</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Funds Established in the Form of Closed-End Funds (CEF)

At the end of the reporting year, RVC held a stake in seven Russian CEFs managed by professional management companies. RVC’s share in the authorized capital of each of the closed-end venture capital funds at the end of 2015 amounted to 49%. Representatives from the company sit on the investment committees of the CEFs in an advisory capacity.

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Fund’s investment focus</th>
<th>Management company</th>
<th>Target size of fund, RUB million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bioprocess Capital Ventures CEF for HR(V)I</td>
<td>Investment in research in the area of living systems and fine chemistry</td>
<td>Management Company Bioprocess Capital Partners</td>
<td>3,000.00</td>
</tr>
<tr>
<td>VTB Venture Fund CEF for HR(V)I</td>
<td>Investment in information technologies, telecommunication, innovative biotechnology projects, energetics and energy saving, transport, technologies of the rational use of natural resources, as well as in nanotechnology</td>
<td>VTB Capital Asset Management CJSC</td>
<td>3,061.00</td>
</tr>
<tr>
<td>New Technologies CEF for HR(V)I</td>
<td>Investment in innovative projects related to the development and extraction of subsoil resources</td>
<td>Management Company April Capital JSC</td>
<td>412.20</td>
</tr>
<tr>
<td>Maxwell Biotech CEF for HR(V)I</td>
<td>Investment in innovative projects related to high-tech medicine and pharmaceuticals</td>
<td>Maxwell Asset Management LLC</td>
<td>1,224.40</td>
</tr>
<tr>
<td>Leader Innovations CEF for HR(V)I</td>
<td>Investment in technological innovations in the power industry and energy saving, chemistry and petrochemistry, new materials, as well as in IT and telecommunication</td>
<td>Leader CJSC</td>
<td>3,000.00</td>
</tr>
<tr>
<td>S-Group Ventures CEF for HR(V)I</td>
<td>Investment in IT, solutions in the field of clean energy and new energy sources, material sciences, nanotechnology and biotechnology</td>
<td>Management Company S-Group Capital Management LLC</td>
<td>1,800.00</td>
</tr>
<tr>
<td>Innovative Solutions CEF for HR(V)I</td>
<td>Investment in IT, the power industry and energy saving, biotechnology and medical technology and development of new materials</td>
<td>Management Company Innovative Solutions CJSC</td>
<td>1,800.00</td>
</tr>
</tbody>
</table>
FUNDs ESTABLISHED IN THE FORM OF INVESTMENT PARTNERSHIP AGREEMENT

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Fund’s investment focus</th>
<th>Management company</th>
<th>Target size of fund, RUB million</th>
</tr>
</thead>
<tbody>
<tr>
<td>RusBioVentures IPA Established 2004</td>
<td>Investment in venture unique projects in the relatively early stages, RusBioVentures LLC having a potential of a multiple capitalization growth; in venture projects in the late stages or with a vital cycle of a shorter duration, for example, bio-IT, and in less risk projects, already at the market or close to the the market, including syndicated and/or arm’s transactions with the world’s leading venture companies</td>
<td>RusBioVentures LLC</td>
<td>2,079.70</td>
</tr>
<tr>
<td>Finematica Air-cosmic IPA Fund Established 2014</td>
<td>Investment in advanced development in aerospace engineering and in related sectors</td>
<td>Finematica LLC</td>
<td>1,515.00</td>
</tr>
<tr>
<td>Da Vinci Pre-IPO IPA Fund Established 2015</td>
<td>Exit support for Russian technology companies at a mature stage of development in Russian and foreign fund markets</td>
<td>Da Vinci Capital Management GP LLC</td>
<td>3,788.79</td>
</tr>
<tr>
<td>North Energy IPA Fund I Seed Established 2015</td>
<td>Projects in the early stages in the sphere of energy efficiency, renewable energy sources and rational use of natural resources</td>
<td>North Energy Ventures LLC</td>
<td>958.648</td>
</tr>
<tr>
<td>PhysTech Ventures IPA II Established 2015</td>
<td>Companies at seed stage that are implementing projects in NTI directions such as new materials, additive technologies, sensors, new energy sources, energy efficiency, big data, IT security, and decentralized financial systems</td>
<td>PhysTech Ventures LLC</td>
<td>900.00</td>
</tr>
<tr>
<td>Softline Seed Fund IPA Established 2013</td>
<td>Early stage IT projects</td>
<td>Softline Internet Projects LLC</td>
<td>136.00</td>
</tr>
<tr>
<td>High Technologies Seed Fund IPA Established 2013</td>
<td>Projects at the pre-seed and seed stages of development in the real economy, including regional projects</td>
<td>TONAP Venture LLC</td>
<td>133.60</td>
</tr>
<tr>
<td>Seed Fund ACP IPA Established 2014</td>
<td>Companies developing software for the B2B segment and hardware-software complexes</td>
<td>Management Company ACP LLC</td>
<td>33.40</td>
</tr>
<tr>
<td>Venture Fund Accelerator IPA Established 2014</td>
<td>Innovative companies in the area of Hardware 2.0: wearables, IoT, medical</td>
<td>DGroup LLC</td>
<td>133.40</td>
</tr>
<tr>
<td>Seed Fund in Area of Life Systems Established 2015</td>
<td>Innovative companies in the area of pharmaceuticals, medical equipment and agro-biotechnologies</td>
<td>KSI Ventures LLC</td>
<td>33.40</td>
</tr>
</tbody>
</table>
ACTIVITIES FOR THE DEVELOPMENT OF AN INNOVATION ECOSYSTEM

The programs descriptions include the major projects only. Consolidated results of the program may vary from the joint results of its projects.
Without the initiatives of RVC, the venture capital industry would be an unnoticeable presence. In my view, RVC can be counted as one of few initiatives of the Government of the Russian Federation that is effective and consistent. Thanks to the efforts of RVC in 2015, very important projects were realized to raise the expertise of participants of the venture market in creation of corporate funds, training of business-angels in the regions, and more. These activities should help turn venture business in Russian into from an exclusive phenomenon into a mass one.

Aleksand Galitsky
Co-Founder and Managing partner of Almaz Capital Partners

In order to increase the competitiveness of the Russian economy, fast growth of small high-tech companies is necessary and, to ensure this, the practice and experience of experts is important. In the regions there are few enterprises for innovators and, as a result, for enterprises starting out there are not enough business competencies or information for the start of the business. Therefore it is hard to overestimate the significance of RVC’s educational projects, for example the regional sessions of practical consultation. Participants learn about creating value for the business, patenting, effective technological sales, and promoting innovative products. Obtaining feedback is an important aspect, and also the opportunity to establish useful contacts. With increased interest of private investors towards innovations, specific attention in the program is given to the block for business-angels starting out, which allows them to immerse themselves in the specificities of running a business, prepare for the first transactions and avoid the common mistakes.

Ilya Tikhonov
Deputy Director of the Fund for Cooperation for Development of Venture Investment in Small Enterprises in the Science and Technology Sphere in Nizhnyegorod oblast

**ACTIVITIES FOR THE DEVELOPMENT OF AN INNOVATION ECOSYSTEM**

**INVESTMENT IN VENTURE CAPITAL MARKETS IN PUBLIC-PRIVATE PARTNERSHIPS IS A NECESSARY, BUT NOT SUFFICIENT, CONDITION FOR THE SUSTAINABLE FUNCTIONING OF AN INNOVATION ECOSYSTEM. WITH REGARDS TO THE AIMS AND OBJECTIVES OF THE STRATEGY FOR INNOVATION DEVELOPMENT OF THE RUSSIAN FEDERATION FOR THE PERIOD UNTIL 2020, RVC IS ALSO FORMING NON-FINANCIAL INSTRUMENTS.**

The network of venture capital investors, the expert community, scientific research institutions, universities, accelerators, and other infrastructure organizations, are the foundation on which RVC’s program activity is built. Guiding principles within this activity are: the growth of competencies and the increased efficiency of cooperation with participants of the venture capital market, the popularization of technological enterprise, support for regional infrastructure, and also assisting the globalization of the Russian innovation industry.

Ten years of experience in the development of Russia’s venture industry and supporting technological enterprise has strengthened RVC’s role as a center of expertise. This facilitates the formation of effective cooperation between the individual elements of the innovation ecosystem, by promoting best industry practices, optimizing, integrating and scaling-up mechanisms accessible on the market, and also by supporting the emergence of new support instruments for high-tech business.

**INVESTOR DEVELOPMENT PROGRAM**

**THIS PROGRAM IS FOCUSED ON THE DEVELOPMENT OF VENTURE INVESTORS AND BUSINESS ANGELS, AS WELL AS SUPPORTING THE EMERGENCE AND FUTURE ACTIVITIES OF CORPORATE VENTURE FUNDS IN RUSSIA.**

**PROGRAM AIMS:**
- Development of the competencies of participants of the Russian venture capital market;
- Organization and support of platforms where investors from various countries (business angels, representatives of venture funds and corporations) can exchange experience;
- Development of cooperation between venture investors and entrepreneurs with projects that attract investment;
- Increasing the transparency and accessibility of the venture capital market.

**KEY RESULTS:**
- More than 2,000 participants from 35 regions of the Russian Federation attended educational and consultancy events, including:
  - 164 business angels;
  - 202 venture funds;
  - 318 corporations;
- Six unique platforms for exchanging experience between Russian venture investors, supporting their communication with enterprise in Moscow and other regions of the Russian Federation;
- Five studies into the venture capital market established with RVC support.
### THE PROJECT FOR THE REGIONAL SESSION OF PRACTICAL CONSULTANCY ON DEVELOPING SKILLS FOR CREATING AND ATTRACTING INVESTMENT INTO STARTUPS

**PROJECT AIMS:**
- Creating a system of events that bring together educational and consultancy activity, which is necessary for generating and successfully running innovative companies;
- Integration of regional infrastructure facilities (clusters, technoparks, business incubators, engineering centers) into the region’s integrated innovation ecosystem.

**PROJECT PARTNERS:**
- LOGA Group Company;
- Moscow Technological Institute.

**PROJECT RESULTS:**
- 100 were investors,
- 50 were mentors,
- 900 technology companies received consultations.

### THE PROJECT FOR INCREASING THE LEVEL OF EXPERTISE OF VENTURE INVESTORS OPERATING IN THE RUSSIAN VENTURE CAPITAL MARKET

**PROJECT AIMS:**
- Increasing the qualifications of technological entrepreneurs within the frames of educational and accelerator programs.

**PROJECT PARTNERS:**
- Taiga Startup School accelerator program;
- Factor Ural District accelerator program;
- RusOil Centure accelerator program;
- Accelerator Onntomba (Friendship) Hardware accelerator program;
- Expedition Startup: Sabantuy educational program;
- Stimul accelerator program;
- IT-Start educational program.

**PROJECT RESULTS:**
- 800 regional startups gained access to unique lectures about technological enterprise, experts and mentors;
- 600 participants from support startup schools applied to participate in the federal GenerationS accelerator.

### THE PROJECT FOR A SERIES OF EDUCATIONAL EVENTS FOR CORPORATE REPRESENTATIVES WITHIN THE FRAMES OF RAISING QUALIFICATION ON “THE MANAGEMENT OF CORPORATE VENTURE FUNDS”

**PROJECT AIMS:**
- Raising the key competencies and skills of top-managers at corporations overseeing innovative development on questions relating to the portfolio management of corporate venture capital and using “open innovation” instruments.

**PROJECT PARTNER:**
- The Institute of Innovation Management at the National Research University Higher School of Economics.

**PROJECT RESULTS:**
- 36 representatives of corporations took part in the program for raising the qualification of "management of corporate venture funds".

### THE PROJECT FOR A SERIES OF EDUCATIONAL EVENTS FOR POTENTIAL AND ALREADY OPERATING BUSINESS ANGELS IN MOSCOW AND REGIONS OF THE RUSSIAN FEDERATION

**PROJECT AIMS:**
- Increasing the qualifications of technological entrepreneurs within the frames of educational and accelerator programs.

**PROJECT PARTNERS:**
- Taiga Startup School accelerator program;
- Factor Ural District accelerator program;
- RusOil Centure accelerator program;
- Accelerator Onntomba (Friendship) Hardware accelerator program;
- Expedition Startup: Sabantuy educational program;
- Stimul accelerator program;
- IT-Start educational program.

**PROJECT RESULTS:**
- 600 participants from support startup schools applied to participate in the federal GenerationS accelerator.

### INITIATIVE FOR INCREASING THE LEVEL OF EXPERTISE OF VENTURE INVESTORS OPERATING IN THE RUSSIAN VENTURE CAPITAL MARKET

**PROJECT AIMS:**
- Increasing the qualifications of technological entrepreneurs within the frames of educational and accelerator programs.

**PROJECT PARTNERS:**
- LOGA Group Company;
- Moscow Technological Institute.

**PROJECT RESULTS:**
- 2,000 participants, of whom 100 were investors, 50 were mentors.

1 Educational program included, among the rest, representatives of the Russian Railways, KLA, Kaspersky Lab, MTS, Alfa-Bank, Rosatom, the Energy Without Borders Foundation and Junona Holding.
INITIATIVE FOR DEVELOPING A SYSTEM FOR THE EXCHANGE OF EXPERIENCE AND SUPPORT OF PROFESSIONAL CONTACTS FOR VENTURE INVESTORS OPERATING IN THE RUSSIAN VENTURE CAPITAL MARKET

THE PROJECT FOR SUPPORTING INDUSTRY PLATFORMS FOR THE EXCHANGE OF EXPERIENCE BETWEEN INVESTORS AT VARIOUS STAGES

PROJECT AIM:
‣ Creating an industry platform for exchanging experience between business angels, venture funds and representatives of corporations.

PROJECT RESULTS:
5 events in three regions of the Russian Federation; 400 participants.

PROJECT PARTNER:
‣ The Club of Directors for Science and Innovations NP (iR&Dclub).

PROJECT RESULTS:
7 expert sessions on the issues of management of innovation activity and implementing models of “open innovations”;

A methodological handbook for managing innovation activities and work with external and internal developers in Russian and international corporations and banks.

THE PROJECT TO SUPPORT ANALYTICAL PROJECTS OF THE VENTURE CAPITAL INDUSTRY

PROJECT AIM:
‣ Supporting communication platforms that bring together representatives of corporations, government bodies, universities and development institutes, for the discussion of issues related to the corporate venture capital market.

PROJECT PARTNER:
‣ The Club of Directors for Science and Innovations NP (iR&Dclub).

PROJECT RESULTS:
152 business angels participated in the Closed Club’s events.

PROJECT AIM:
‣ Creating an industry platform for exchanging experience between business angels, venture funds and representatives of corporations.

PROJECT PARTNER:
‣ Union of Organization of Business Angels (St. Petersburg).

PROJECT RESULTS:
792 participants, of which 215 participants were representatives of corporations and venture funds.

PROJECT AIM:
‣ Increasing the level of expertise of private venture investors operating in Russia;
‣ The exchange of experience between investors;
‣ Increasing reliability of business angel investments by using the experience of successful investors.

PROJECT PARTNER:
‣ Pulsar Venture Capital;
‣ Preqveca;
‣ RVCA;
‣ Rusbase;
‣ Firma.

PROJECT RESULTS:
3 studies based on a unified methodology developed by OAG;

A database of public venture transactions used as a supporting instrument for analytical projects.

THE PROJECT FOR DEVELOPING INSTRUMENTS FOR THE EXCHANGE OF EXPERIENCE AND PROMOTING BEST PRACTICES IN CORPORATE VENTURE INVESTMENTS AND “OPEN INNOVATIONS”

PROJECT AIM:
‣ Proposing the successful experience of managing corporate venture capital and using instruments of “open innovations” by exchanging professional opinions, developing horizontal links between corporate participants of the venture capital market, and broadening the network of their professional contacts.

PROJECT PARTNER:
‣ The Club of Directors for Science and Innovations NP (iR&Dclub).

PROJECT RESULTS:
1 Methodological handbook for innovation managers and magisters for innovations management programs in corporations.

2 Joint Analytical Group of RVCA, supported by RVC, is involved in updating the uniform procedure for the collection and analysis of the key parameters of the Russian venture capital funds operations, as well as development of a public database of venture capital transactions.
Small and medium-sized high-tech companies do not have enough marketing data, or cooperation in the promotion of goods and services abroad and in the search for potential partners and consumers. The support instruments offered by RVC, such as organizing business missions and roadshows, and selection of partners, allows for strengthening of the company’s marketing strategy. The main indicators of the effectiveness of these events are of course the growth in export volumes of goods and services, widening of the range of foreign partners, presence in priority markets, and also an increased level of awareness of Russian companies.

Our company participated in a range of events organized within the program for supporting exports in 2015. This provided invaluable assistance in studying experiences of entering other markets. We were able to determine a strategy for working in foreign markets, identify priorities and exchange experience. As a result of this interaction, contact was established with Russian exporters, and now we are trying to create joint products with mutual promotion. Such support programs are in demand in the market. They are trying to create joint products with mutual promotion.

Irina Mikheeva
Director of RadTech Association

Dmitry Odintsov
Director of TrueConf

The program is aimed at collecting and studying current information about the most successful international innovation markets, the development of partnerships with their key players, and the incorporation of products and services of Russian technology companies in global value chains. These measures, as well as the strategic project for supporting the export of innovation products and services, are aimed at stimulating the external economic activity of Russian innovation companies, and above all, on increasing the volumes of high-tech exports.

Results:
- USD 44 million in annual exports of RVC-backed portfolio funds, implemented with the company’s assistance;
- Tel perspective Russian companies, including from RVC’s fund portfolio, received support on issues of exits onto foreign markets and growth in global technological chains;
- 15 analytical reports about foreign technology markets.

The project for exportation support for Russian technology companies

From the initiative and methodological support of the Ministry of Economic Development of the Russian Federation, RVC developed a project that enables increased export volumes of high-tech products from Russian companies that have been included in technological platforms and industry business associations through selection on a competitive basis. The support program is considered as RVC co-financing marketing, consultancy and educational events, aimed at raising the competencies of Russian companies and members of industry associations on issues of international economic activities.

Project AIM:
- Infrastructure development that supports the export of innovative and high-tech products through exportation support co-financing programs, developed technological platforms and business associations.

Project Partners:
- RUSSSOFT NP;
- Manufacturers of LED Technologies NP;
- Radtech Association;

Results:
- 136 companies were supported within the framework of the implementation of these export support programs;
- 42 companies participated in international events;
- 3 support programs for the export of innovative products in the spheres of information, radiation, and LED technologies were selected and launched in co-financing conditions;
- 15 educational events aimed at raising competencies in the spheres of foreign economic activities, security, the protection of intellectual property, and also international certification;
- 5 studies on perspective export markets.
MAIN DIRECTIONS OF RVC’S INTERNATIONAL ACTIVITIES BY COUNTRY

PRIMARY PRIORITY COUNTRIES FOR RVC’S INTERNATIONAL COOPERATION

USA
- 30 companies received the support of RVC USA Inc.;
- A presentation of the interests of Russian high-tech companies at the Global Technology Symposium (GSTS) in the USA;
- A business mission of Russian technology companies aimed at developing bilateral economic relations with foreign partners.

ISRAEL
- 18 companies received the support of the representative;
- A seminar on prototyping and producing for RVC-backed portfolio companies, finalists of the GenerationS accelerator, and members of the RUSSOFT association;
- Representatives from RVC-backed funds and their portfolio companies participated in the TechInnovation 2015 forum.

SINGAPORE
- 31 companies received the support of the representative;
- A presentation of the interests of Russian technology companies at the Russian-Singaporean IGC;
- Participation of RVC-backed portfolio companies and the finalists of the GenerationS accelerator at the exhibition conference TechVenture 2015 and the TechInnovation 2015 forum;
- Educational work placements organized for representatives of the Russian innovation ecosystem.

CHINA
- Business missions of Russian technology companies with the aim of initiating foreign economic transactions and developing bilateral economic relations with foreign partners;
- 4 export companies in the IT sector, with support from RVC, participated in the events during Russian Day at the Mobile World Congress;
- A cooperation agreement between RVC and the Venture Committee of the All-China Association of the Financial Promotion of Science and Technology, within which a mechanism for searching for relevant partners was launched.

SOUTH KOREA
- A business mission of Russian technology companies with the aim of initiating foreign economic transactions for developing bilateral economic relations with foreign partners;
- A presentation of the interests of Russian technology companies, in the subgroup for innovation, at the Russian-Korean IGC for Economic and Scientific Technical Cooperation;
- Russian-Korean Weeks in Russia and in Korea within the framework of the partnership with Russian Science Seoul (RSS) and the Korean Technical Venture Fund of the Korean Institute of Science and Technology (KIST) for the establishment of a Russian-Korean technological platform;
- Cooperation agreement with the Office of the Strategic Planning Research and the Development of the Ministry of Trade, Industry and Energy of the Republic of Korea;
- Cooperation agreement with the Korean Technical Venture Fund; the launch of a mechanism for selecting technology companies, scientific research projects, experts and scientists.

GERMANY
- A presentation of the interests of Russian technology companies at the Russian-German Working Team for Strategic Cooperation in Economy and Finance;
- A presentation of the interests of Russian technology companies at the CeBIT exhibition and the CeBIT dconomy conference;
- Cooperation with local development institutes within company promotion: NRW Inves (Dusseldorf), hannovermarkt (Hannover).

FRANCE
- A presentation of the interests of Russian technology companies at the Russian-French IGC on Bilateral Cooperation;
- Interaction with the Business France agency under the Embassy of France in Russia;
- Participation of companies from the GenerationS pool in the Future in Seine event.

AUSTRIA, VIETNAM, FINLAND, SWITZERLAND, JAPAN
Business missions of Russian technology companies / interaction with trade representatives of the Russian Federation with the aim of finding partners / participating in events.

BRAZIL, THE NETHERLANDS, SWITZERLAND
Hosting educational working placements for representative of the Russian innovation ecosystem.
PROGRAM FOR PROMOTING INNOVATION ACTIVITIES

THE PROGRAM IS DESIGNED TO POPULARIZE AND PROMOTE SCIENTIFIC TECHNICAL AND INNOVATION ACTIVITIES BY DEVELOPING INNOVATION JOURNALISM, ACCELERATING PROFILE NETWORK EVENTS AND MEDIA, PROMOTING SUCCESS STORIES OF TECHNOLOGY COMPANIES, AND INCREASING THE PRESTIGE OF ENGINEERING EDUCATION.

PROGRAM AIMS:
• Engaging scientific and educational stakeholders, and also developers, in the scope of the innovation business;
• Popularizing new professions and career trajectories in the area of science and technology;
• Popularizing engineering and IT education among young people, as well as scientific and technical activities;
• The development of information infrastructure for new technology markets.

KEY RESULTS:
• More than 25 mass media outlets covering the theme of innovative enterprise and venture business received support;
• 20,000,000 people reached by media reports about the program’s projects;
• 27,700 participants from events in programs promoting innovation activities;
• A program to popularize scientific, technical and innovation activities as prepared for the Ministry of Economic Development of the Russian Federation;
• Four analytical studies carried out on the key themes of the program’s projects.

Communication in the sphere of science and technology is a huge area, which includes popularization of science, links with the public in high-tech business, and science journalism. In today’s conditions it is important to create new methods for communication and prepare specialists for working with information in modern, high-tech society.

Last year together with RVC’s Communications Laboratory, we launched the Communications in the Sphere of Science and Technology educational program, within which we prepare specialists who are capable of explaining advanced research and engineering developments in an interesting and clear manner. We actively engage in cooperation professionals working in key popular science media, and introduce modern educational formats. Potential “clients” of specialists in science communications are scientific institutes, technological enterprises, large businesses and popular science mass media outlets.

Andrey Nikolaenko
Rector of Moscow Polytechnic University (previously MAMI)

RVC’s initiatives for supporting the media infrastructure of the innovation market is helping to develop profile mass media, and new informational resources are appearing that write about science, technology and education. We are not talking about grants or subsidies, but a program for accelerating teams and new media, educational projects, and development of qualified young journalists, including from the regions. Together with the creation of “their” mass media, RVC has made a stake in the search for new teams and formats, and support for profile resources, which forms a unified program of development and ensures significant changes for the better.

Vitaly Leybin
Editor-in-Chief of Russian Reporter magazine
INITIATIVE FOR THE ACCELERATION OF INFORMATION INFRASTRUCTURE FACILITIES ON PERSPECTIVE TECHNOLOGY MARKETS

THE PROJECT ON THE DEVELOPMENT OF CENTERS OF PRODUCTION AND DISTRIBUTION FOR POPULAR SCIENTIFIC, TECHNICAL AND EDUCATION CONTENT

PROJECT AIMS:
‣ The development of audience and business potential for niche media writing about science and technology;
‣ Stimulating interest in new spheres of science, and educational and career opportunities in the area of high technology.

PARTNER: Slon.ru.

PARTICIPANTS:
‣ PostScience internet magazine;
‣ Ceiling: Science, Technology and Future portal;
‣ IT & Security information agency;
‣ ve.ru internet edition;
‣ Kot Shirvingera/Schrodinger’s Cat magazine;
‣ Habrahabr website;
‣ Ucheba.ru portal;
‣ N+1 internet edition;
‣ Business FM radio station;
‣ Sib.fm Internet edition, and others.

RESULTS:
16 mass media outlets, including four regional ones, passed through the accelerator program;
600 participants gathered at the themed MediaMakers conference;
>20 mass media outlets participated in the program, in which three network meetings and five educational seminars were held.

PROJECT AIM:
‣ The development of network events in the innovative technology market by means of the acceleration of organization teams;
‣ Raising the quality of profile events and the development of the competencies of organizers at innovative technology themed events.

RESULTS:
25,000 people were reached as audience by the events;
14 projects received support, including educational and popularizing events, youth forums and science schools.

INITIATIVE ON THE DIRECT POPULARIZATION OF INNOVATION ACTIVITY

THE PROJECT ON THE TECHNOPKAR TV PROGRAM COVERING THE SUCCESS STORIES OF INNOVATIVE RUSSIAN BUSINESSES

PROJECT AIMS:
‣ Creating an attractive image of technology enterprise among the general public;
‣ Attracting attention to perspectives scientific discoveries and engineering activities.

PARTNERS:
‣ Russia 24 TV channel;
‣ Committee for Science and Knowledge-Based Technology of the State Duma of the Russian Federation.

RESULTS:
2,132,000 people as target audience were reached;
16 programs broadcast on the TV channels Russia 24 and Public Television Russia.

1 International project for science popularization is being developed in over 50 countries of the world: http://science-slam.moscow/.
COMMUNICATIONS LABORATORY PROJECT

PROJECT AIMS:
• Forming and developing a social and reputational capital for the scientific community.

PARTNERS:
• SPN Communication agency;
• Moscow State Machine-Building University (MAMI);
• St. Petersburg National Research University for IT, Mechanics and Optics (ITMO University).

RESULTS:
• >2,000 people were reached in the professional community of scientific communicators through social media;
• 500 participants in 10 conferences on the theme of science communication;
• 100 participants in the Laboratory Cases event;
• 65 participants from university educational programs;
• 68 scientific research institutes and scientific educational organizations from seven regions were brought together in the project.

THE PROJECT FOR NAVIGATING THE MARKET AND THE SYSTEMATIZATION OF INFORMATION ABOUT MARKET PARTICIPANTS

PROJECT AIMS:
• Increasing informational transparency;
• Supporting the informational infrastructure of the venture capital market;
• Drawing the attention of the business community to venture capital.

PARTNERS:
• Infrastructure: EY, Venture Club, National Association of Business-Angels (NABA), RVCA, Deloitte;
• Information: Lenta.ru Internet edition, RB.ru, Slon.ru, Rossiyskaya Gazeta’s international publication project RBTH.

RESULTS:
• Ratings:
  • Venture funds;
  • Business angels;
  • Corporate venture funds and corporate strategists.

THE TECH IN MEDIA INNOVATION JOURNALISM COMPETITION

PROJECT AIMS:
• The development of a community of journalists who write about science and innovation themes;
• Raising the professional competencies of journalists who cover innovation venture themes;
• The emergence and popularization of professional standards for innovation journalism.

PARTNERS:
• All-Russian Science Festival;
• Kot Shredinger’a/Schrodinger’s Cat magazine (a partner of the educational program).

RESULTS:
• 324 authors participated in the competition;
• 250 participants from five regions in the Russian Federation passed through the educational program;
• 4 press tours were held for the competition winners at closed facilities for scientific technical infrastructure in the Russian Federation.

THE PROJECT FOR DEVELOPING A YOUNG TECHNOLOGY COMMUNITY

PROJECT AIMS:
• Popularization of the maker movement in Russia;
• Development and support for the Russian community of technology enthusiasts.

PARTNER:
• Intel Corporation.

RESULTS:
• Research on the digital Do-It-Yourself movement in Russia.

1 The project has been recognized as the best in five categories of Gold Quill Award of the International Association of Business Communicators and also received a special prize of “Silver Archer” National Award.
2 Within Laboratory Cases event a group of students, mentored by the leading communication agencies of the country, offered the solutions for the real cases related to communication problems of scientific and educational institutions.
3 Baccalaureate “Communications in science and technology” in MAMI and monthly training course on scientific communication “SciComm Mission” in ITMO.
One of RVC’s key initiatives is the Program for Development of the Innovation Ecosystem. The result of the project pool of this program was the formation of a favorable environment for creating new technological products, businesses, infrastructure and markets in the Russian Federation, including the inclusion of Russian universities in these critically important processes. The experience of our cooperation with RVC clearly demonstrates the effectiveness of an approach that is aimed at increasing the accessibility of services for project teams, productive cooperation between subjects and objects of the national innovation ecosystem, and their synchronization with government instruments for support of innovation.

**Vladimir Vasilev**
Rector of St. Petersburg National Research University of Information Technology, Mechanics and Optics (ITMO University)

In developing the innovation ecosystem, RVC is solving the complex challenge of creating partnerships between its participants. Essentially, it is about consistent work on the topic of trust between universities, enterprises, corporations and the government. The final aim of this cooperation is new generations of foundational technological platforms for global markets, and competitiveness of small and medium-sized technological companies that are the most flexible and adaptable “agents of change.”

Paying particular attention to knowledge-based, high-risk projects, RVC has shown effective expert support for a range of initiatives of the Russian Technology Agency and the Ministry of Industry and Trade of Russia.

**Nikolay Kuteev**
General Director of Russian Technology Agency

**PROGRAM FOR THE DEVELOPMENT OF THE INNOVATION ECOSYSTEM**

The Program is aimed at developing an innovation infrastructure, and also creating and developing the innovation ecosystems of universities and scientific organizations, including raising the qualifications of specialists working in the sphere of innovation.

**PROGRAM AIMS:**
- Strengthening cooperation links between participants of the innovation ecosystem and removing obstacles to its development;
- Raising the competencies of participants in the innovation ecosystem.

**KEY RESULTS:**
- More than 170 innovation infrastructure facilities were covered by the programs and RVC’s support and development instruments.

**INITIATIVE FOR THE DEVELOPMENT OF AN INNOVATION ECOSYSTEM IN UNIVERSITIES AND SCIENTIFIC ORGANIZATIONS AS A BASIS FOR NTI**

**THE SCHOOL OF TECHNOBROKERS PROJECT**

**PROJECT AIM:**
The development of technology brokering skills among young scientists and employees of the Russian Academy of Sciences.

**RESULTS:**
40 young scientists from 23 universities and scientific organizations participated in the project.

**PARTNERS:**
- Scientist community and enterprises of the Biotechnology of the Future;
- Skolkovo Open University;
- St. Petersburg National Research University of IT, Mechanics and Optics.

1 22 innovation ecosystem facilities were involved in three or more projects and initiatives.
A PROJECT FOR THE DEVELOPMENT OF AN INNOVATION ECOSYSTEM IN UNIVERSITIES AND SCIENTIFIC ORGANIZATIONS

**PROJECT AIMS:**
- The development of innovation infrastructure facilities in leading universities and regional scientific centers in Russia, and the strengthening of their links with industry.
- Supporting the transfer of technology and the results of scientific and technical activity.

**RESULTS:**
- 570 people from 83 organizations participated in the first practical forum for technology transfer entitled Ecosystem of Innovation: Universities and Scientific Centers;
- 46 universities and scientific organizations were offered methodological support in the area of creating and developing centers of technology transfer;
- 240 employees of universities and scientific organizations passed through the educational program entitled the Development of the Innovation Ecosystem in Universities and Scientific Centers;
- >100 universities and scientific organizations in Russia were encompassed by the project;

**PARTNERS:**
- Federal Agency for Scientific Organizations (FASO Russia);
- Ministry of Education and Science of the Russian Federation;
- Leading universities of the Russian Federation;
- St. Petersburg Technopark (Ingriya business incubator).

---

THE PROJECT FOR THE ANALYTICAL REPORT ON THE COMMERCIALIZATION OF EARLY STAGE TECHNOLOGIES

**PROJECT AIM:**
- Preparing a global analytical report about university projects that have commenced their activities, thanks to investments from corporations, with the consideration of Russian specificities.

**RESULTS:**
- A global analytical report entitled the Commercialization of Early Stage Technologies;

**PARTNERS:**
- Global Corporate Venturing;
- Kauffman Fellows;
- Tilburg University.

---

THE PROJECT FOR THE DEVELOPMENT OF INNOVATION ECOSYSTEMS AT KEY UNIVERSITY PARTNERS

**PROJECT AIM:**
- Forming a base of key university partners.

**RESULTS:**
- A cooperation agreement between RVC, MSU and Innopraktika;
- A cooperation agreement between RVC and NRU TSU.

**PARTNERS:**
- National Research University of Tomsk State University (NRU TSU);
- Lomonosov Moscow State University (MSU);
- Innopraktika Company.

---

THE PROJECT ON INNOVATION ECOSYSTEMS AT SCIENTIFIC ORGANIZATIONS OF THE FASO IN RUSSIA

**PROJECT AIM:**
- The development of innovation ecosystems at scientific organizations in Russia.

**RESULTS:**
- A cooperation agreement between RVC and FASO Russia;
- 7 scientific organizations selected from the results of a competition for centers of scientific technical forecasting.

**PARTNER:**
- Federal Agency for Scientific Organizations (FASO Russia).

---

1 St. Petersburg National Research University of Information Technologies, Mechanics and Optics, Lomonosov Moscow State University, Tomsk National State Research University, Lobachevsky Nizhny Novgorod National State Research University, MISiS National Research Technological University and others.

1 The report is given in Annotations of analytical materials section.
THE PROJECT FOR INNOVATION WEEK AT THE FACULTY OF ECONOMICS AT LOMONOSOV MOSCOW STATE UNIVERSITY

PROJECT AIM:
› The development of an innovation ecosystem at MSU.

RESULTS:
600 students, graduates and young scientists from Russian universities and scientific organizations participated in the Innovation Week events.

PARTNERS:
› The Council for Youth Issues of the Ministry of Education and Science of the Russian Federation;
› National Research Technology University (NRTU).

A PROJECT FOR ELABORATING A DEVELOPMENT ROAD MAP FOR THE STUDENT COMMUNITY AT THE CROSSROADS OF ENTERPRISE, SCIENCE AND ENGINEERING IN 2016-2017

PROJECT AIM:
› The development of the student community at the crossroads of enterprise, science and engineering.

RESULTS:
A road map for the development of the student community at the crossroads of enterprise, science and engineering for 2016-2017.

PARTNERS:
› The Council for Youth Issues of the Ministry of Education and Science of the Russian Federation;
› National Research Technology University (NRTU).

THE PROJECT FOR THE INNOFEST SECOND ALL-RUSSIAN FESTIVAL FOR YOUTH INNOVATION

PROJECT AIM:
› The development of youth innovation projects.

RESULTS:
>1,000 students, graduates, and young scientists participated with their projects in more than 15 events at the festival.

PARTNER:
› Lobachovsky National Research Novgorod State University.

PROJECT FOR RVC PARTICIPATION IN EDUCATION SEMINARS AT UNIVERSITIES AND THE WINNERS OF THE PROGRAM FOR RAISING INTERNATIONAL COMPETITIVENESS (5-100 PROJECT)

PROJECT AIM:
› Increasing the level of information for university representatives about models of developing innovation ecosystems and integrating them into the implementation of the NTI.

RESULTS:
10 educational seminars on issues of the development of university venture funds, youth enterprise, the standardization of innovation infrastructure activities, and links between universities and industry.

PARTNERS:
› 5-100 Project office;
› Centre for Sociological Research Federal State Autonomous Scientific Institution;
› National Research University of Tomsk State University;
› St. Petersburg National Research University of IT, Mechanics and Optics;
› National Research University Higher School of Economics;
› National Research Technical University (NRTU);
› Lobachovsky National Research Novgorod University;
› First President of Russia B.N. Yeltsin Ural Federal University.

seminars of the 5-100 Project, including a strategic session dedicated to universities’ participation in the NTI.
The Ministry of Economic Development of the Russian Federation
Assisting the development of modern innovation infrastructure in regions of the Russian Federation, and also building effective links between business, the social sphere and education.

The development of the competencies of university leadership on the part of interactions with industry and other participants in the innovation ecosystem;

Improving the competencies of regional ecosystem players (representatives from incubators, technoparks, accelerators, venture funds, etc.)

PARTNERS:
- The Ministry of Economic Development of Krasnodar Region;
- Skolkovo Foundation;
- Volnoe Delo Foundation;
- The Ministry of Industry and Trade of the Russian Federation.

The project for the ecosystem of innovations II
Forum for Development of Regional Innovation Ecosystems of Russia

PROJECT AIMS:
- Improving the competencies of regional ecosystem players (representatives from incubators, technoparks, accelerators, venture funds, etc.);

PROJECT AIM:
- Teaching the representatives of innovation ecosystem facilities about best global practices in technological enterprise and management of innovation ecosystems.

PARTNERS:
- St. Petersburg National Research University of IT, Mechanics and Optics;
- Eugene Fitzgerald and Andreas Wankerl, Professors at the Massachusetts Institute of Technology (MIT).

THE PROJECT TO PREPARE AND CONDUCT AN EDUCATIONAL PROGRAM FOR THE MANAGEMENT OF AN INNOVATION ECOSYSTEM ON THE BASE OF GLOBAL BEST PRACTICE

PROJECT AIM:
- Preparing managers and technological brokers who are capable of managing innovation projects and using their results in the market.

PARTNER:
- Moscow Physics and Technology Institute (State University) MPTI.

THE PROJECT FOR THE RVC BASIC DEPARTMENTS FOR MANAGEMENT OF TECHNOLOGICAL PROJECTS AT MPTI

PROJECT AIM:
- Preparing managers and technological brokers who are capable of managing innovation projects and using their results in the market.

PARTNER:
- Moscow Physics and Technology Institute (State University) MPTI.

THE PROJECT FOR INTERNSHIPS IN LEADING INTERNATIONAL SCIENCE CENTERS, CENTERS FOR TECHNOLOGY TRANSFER, UNIVERSITIES AND INNOVATION CLUSTERS FOR THE HEADS OF MANAGEMENT COMPANIES, INNOVATION CLUSTERS, LEADING UNIVERSITIES AND SCIENTIFIC ORGANIZATIONS IN RUSSIA

PROJECT AIM:
- The development of the human capital of the Russian innovation ecosystem by raising the competencies of its participants in the sphere of innovation activity;
- The identification and distribution of global best practices in the sphere of innovation and entrepreneurial education;
- Research into the innovation ecosystems of other countries, the establishment of contacts with main participants specializing in technology transfer and the development of innovation infrastructure for future cooperation and the exchange of experience.

RESULTS:
- 270 people participated in the forum;
- 67 innovation infrastructure facilities in 32 regions of the Russian Federation were presented within the forum.

PARTNERS:
- Bonntemantel (The Netherlands);
- Kaizer Communication (Germany, Switzerland);
- Aptivalux Bioengenharia Ltd (Brazil);
- Eugene Fitzgerald and Andreas Wankerl, Professors at Interstice Consulting (RVC representative in Singapore).

THE PROJECT FOR THE ECOSYSTEM OF INNOVATIONS II FORUM FOR DEVELOPMENT OF REGIONAL INNOVATION ECOSYSTEMS OF RUSSIA

PROJECT AIMS:
- Assisting the development of modern innovation infrastructure in regions of the Russian Federation, and also building effective links between business, the social sphere and education;

RESULTS:
- 98 participants of the innovation ecosystem of the Russian Federation carried out internships;
- An agreement between RVC and the Nyanyang Business School for acquiring technological and management competencies within the frames of the Open Technology Academy;
- A cooperation agreement between the administration of Stavropol region, providing an internship program with the Jurong company, for the construction of a technopark.

PARTNERS:
- The Ministry of Economic Development of Krasnodar Region;
- Skolkovo Foundation;
- Volnoe Delo Foundation;
- The Ministry of Industry and Trade of the Russian Federation;

THE PROJECT OFFICE
Creation of the NTI

INVESTMENT ACTIVITY

ACCOUNTS FOR THE GOVERNMENT REGARDING THE DEVELOPMENT OF AN INNOVATION ECOSYSTEM

MANAGEMENT OF AN INNOVATION ECOSYSTEM ON THE BASE OF GLOBAL BEST PRACTICE

OF REGIONAL INNOVATION ECOSYSTEMS OF RUSSIA

THE PROJECT FOR INNOVATIONS II FORUM FOR DEVELOPMENT

ACTIVITY FOR 2015-2016

EXECUTION OF INSTRUCTIONS OF THE GOVERNMENT REGARDING THE DEVELOPMENT OF INNOVATION

APPENDIXES

![Diagram](image-url)
INTERNATIONAL PROJECTS FOR DEVELOPING AN INNOVATION ECOSYSTEM

GENERATION S FEDERAL ACCELERATOR FOR TECHNOLOGY STARTUPS

Generation S is the largest startup accelerator in Russia and Eastern Europe and has been operated by RVC since 2013. During the accelerator, the best projects, selected based on the results of a multi-step expertise, receive intensive development and broad opportunities to attract investments. Since 2015, the resources of Generation S have been used to create corporate accelerators: corporations participate directly in the selection, expertise and acceleration of projects on the basis of their requirements in innovation developments.

ACCELERATOR AIMS:

• The development of an innovation environment by increasing the number of high-tech projects of interest for venture investors, corporations and government clients;
• Stimulating the introduction, use and development of “open innovation” instruments in Russian corporations;
• Raising the quality of technology projects and their attractiveness for investment, as well as assistance for entry onto the capital market;
• The development of professional links between technology startups with Russian and foreign experts, corporate clients, entrepreneurs and investors.

PARTNERS:

• More than 150 government organizations and commercial companies, including the Foundation for Assistance to Small Innovative Enterprises in the Scientific and Technical Sphere, the Ministry of Economic Development of the Russian Federation, the Ministry of Agriculture of the Russian Federation, the Ministry of Telecom and Mass Communications of the Russian Federation, the Agency for Strategic Initiatives, VTB 24, Alpha-Bank, Sberbank, FORA-BANK, KamaFlow, SAP, IBM, Samsung, Microsoft, Huawei, Team Finland, PwC, EFKO group, INVITRO, Yandex Taxi, and many more;
• 20 corporate partners of Generation S 2015, including RusHydro, MOESK, T Plus group, MTS, Sberbank, Technologias CJE, Satum NPO, Energy Without Borders Fund, S.P. Korolev Rocket and Space Corporation Energia, the Morton group, the Russian Technical Society, Tatnachiminvest Holding (JSC), Johnson & Johnson, Pharmcontract group, Sibkimpharm, and others.

RESULTS:

• 2,566 applications for participation received from 139 cities and 14 countries;
• 2,159 teams underwent online training;
• 150 organizations participating in the partnership network;
• 141 projects were selected for participation in corporate accelerators in seven directions1;
• 160 RUB million in total prize fund;
• 10 RUB million grand prize for the winners;
• 1.4 TIMES more applications;
• 1.5 TIMES more projects from the regions;
• 1.7 TIMES more projects in knowledge-based areas;

1 Modern power generation, telecommunications, a sterilized and robotic systems, technology for the aerospace industry, solutions for “smart city” technologies and materials in the oil and gas industry, biotechnology and medicines.

---

GenerationS is, without doubt, a project that is very friendly for startups. It is very important that the accelerator gives wide opportunities for participating teams to test their ideas with a big audience. For the corporate partners of GenerationS, it is an excellent chance to watch live projects and assess their prospects. As I see it, it is more effective than corresponding by reviewing papers. In addition, personal interaction with technological enterprises, mentors and potential customers enables shorter distances and speaking in a common language.

Vasiliy Zubakin
Member of the Board of Trustees of GenerationS, Deputy Head of the Main Administration for Energy of LUKOIL PJSC

Participation in GenerationS allowed our company to acquire knowledge for quick development and large-scale business. During the year we visited many thematic exhibitions and events, studied the global market, presented Promobot version 2.0, formed a wide dealer network in Russian, and also gained our first contracts and experience of working with partners in China, Ireland and Kazakhstan. Furthermore, all participants and experts of GenerationS continue interacting with each other after completion of the program, exchanging experience, alumni of GenerationS thus forming another undeniably useful environment for all technological enterprises.

Aleksey Yuzhakov
Co-Founder of the Promobot startup
OPEN INNOVATIONS FORUM

The forum is a global discussion platform in which representatives of the scientific community, innovators and entrepreneurs exchange experience, demonstrate their achievements and forecast development trends in the market for new technologies.

In 2015, discussions at Open Innovations were based on the theme of Meeting of Trends in the Technological Revolution, and tackled five key areas of life that have been significantly altered by the impact of technology: manufacturing, housing, education, health, and the entertainment industry.

FORUM AIMS:
- Creating a discussion platform in which participants of the innovation ecosystem discuss global technological trends and forecast their development;
- The popularization of advanced research and development;
- Involving top figures from government, international corporations, and leaders of the innovation community, in a dialogue about strategic partnership.

ORGANIZERS OF THE 2015 FORUM:
- RVC;
- Skolkovo Foundation;
- RUSNANO;
- The government of Moscow;
- Vneshekonombank;
- The Ministry of Economic Development of the Russian Federation;
- The Ministry of Education and Science of the Russian Federation;
- The Foundation for Assistance to Small Innovative Enterprises in the Scientific and Technical Sphere.

RESULTS:
- 115 business events within the framework of the forum and exhibition;
- 6 venture funds were winners in the national competition Venture Investor 2015;
- RVC presented the National Report on Innovation: Reconfiguring the Management System at the forum;
- 200 experts from all over the world participated in the forum;
- 35,000 visitors to the exhibition and forum over five days;
- The finals of two large RVC projects were held within the framework of the NTI Talks event: AeroNet, AutoNet, NeuroNet and MariNet.

For us, Open Innovations is a great opportunity for finding potential partners and clients in Russia and abroad. It is a very helpful instrument for networking. During one day at an exhibition I managed to get around all the most useful technopark stands for startups and gained a great deal of helpful information.

The opportunity to present in front of forum participants is also very important for startups. As a result of our presentation of a LighTech product, several foreign and Russian investors came to us with offers of cooperation, and our activities also interested several state corporations, including the Ministry of Defense of Russia.

Naira Davidson
Founder of the LighTech startup, Finalist of GenerationS 2015, Best Startup of Open Innovations
Four years ago, the annual TechUspech rating of fast developing high-tech companies came into being in Russia. Today it already consists of 200 quickly developing companies. As shown in the 2015 results, companies participating in the rating grow by an average of 30% annually, and have annual revenue of RUB 1.4 billion, of which more than a quarter is spent on technological innovation. This perspective section of the business, which I would call the golden innovation medium, is set to continue to grow at rather high rates, bring new innovative products onto the market, becoming leaders in their markets in Russia and building up exports. In crisis conditions, these companies can become not only drivers of development of the Russian economy, but also contenders for global leadership. From the government they expect, first of all, the creation of sustainable, long-term demand (including in the form of government orders) and cooperation assistance in entering domestic markets.

Dan Medovnikov
Director of the Institute of Innovation Management of the National Research Institute Higher School of Economics

TechUspech is a good measurement for assessing technological leaders of Russian business with global ambitions. As participants of the rating, assessment of the expert community is important for us, because it confirms the correctness of chosen development directions. Furthermore, thanks to the project the company gains new opportunities for its advancement. Useful professional connections often occur in the TechUspech forum with companies from other sectors, development institutes and research organizations.

Dmitry Morozov
General Director of Biocad

The annual Techup rating is organized by RVC in partnership with PwC, which has developed the rating methodology, and MSP Bank. In 2015, the National Research University Higher School of Economics also joined as a partner. The rating participants are Russian companies with an annual turnover of more than RUB 100 million, and with sustained positive sales dynamics for their high-tech products. In compiling the rating, growth rates and the share of re-investments put into scientific research and experimental design operations are also taken into consideration. During its four years of existence, the rating has envisaged itself as an effective instrument for seeking out, monitoring and promoting fast growing non-primary sector companies that have high potential as leaders in both domestic and global markets. TechUp aims to assist in the development of instruments to support future “national champions” capable of playing a key role in the future development and modernization of the Russian technology sector.

RATING AIMS:
• Seeking out and analyzing medium-sized fast growing companies; and identifying conditions that could enable the emergence and development of “national champions”;
• Increasing the effectiveness of government support in important issues for rating participants that relate to the development of market demand and entry onto global markets;
• The promotion of companies;
• The involvement of managers from medium-sized fast growing companies in the work of forming an innovative agenda.

PARTNERS:
• PwC;
• National Research University Higher School of Economics;
• The Foundation for Assistance to Small Innovative Enterprises in the Scientific and Technical Sphere;
• The Ministry of Economic Development of the Russian Federation;
• MSP Bank.

RESULTS:
260 companies participated in the rating;
50 companies with an average annual income of around RUB 1.6 billion were included in the rating;
Research entitled Champion Candidates: specifics of Russian fast growing technology companies, their development strategies and opportunities for government support in implementing their strategies;
10 companies joined the support program as partners of the rating¹.  

¹ The research is given in section “Announcements of analytical materials”.

² Financial and consulting support by the partners of TechUspech rating.
While preparing the Strategy project we were faced with the task of consolidating the opinions of leading industry players about the perspectives of the ventures market, taking into account the prevailing macroeconomic and political conditions. The inclusion of a series of provisions in the actualized document on the Strategy for Innovative Development of the Russian Federation through 2030 can be considered an important achievement of the project. While the Strategy project requires finalization and is more of a recommendation, I sincerely believe that it will play its role in the future development of the ecosystem and will be useful for market players, regulatory bodies and development institutes.

Vadim Ilyin
Practice Partner for Tax and Legal Services, Centre for Fast-Growing Companies and Venture Capital at EY

DEVELOPMENT OF A PROJECT FOR THE DEVELOPMENT STRATEGY OF THE RUSSIAN VENTURE CAPITAL INDUSTRY

In 2015, RVC, in partnership with the company EY and leading experts of the venture capital market, organized a project entitled the Development Strategy of the Russian Venture Capital Industry. The Strategy envisages a selection of targeted, effective and agreed upon actions of the government, development institutes and market participants in the interests of developing the venture capital industry as an important element of the innovation ecosystem.

**STRATEGY AIMS:**
- Ensuring the sustainable reproduction of venture capital aimed at developing technological enterprise in Russia;
- Assisting Russian “breakthrough” high-tech projects competing for a significant share of new-global markets, and ensuring import substitution through global competitiveness;
- Making the Russian jurisdiction more attractive to international and Russian venture capital, overcoming institutional and administrative barriers, and ensuring stable rules of the games in the market;
- Attracting institutional investors to the Russian venture capital market, increasing the accessibility of long-term money, the development of modern forms of collective investments, and also “crossing” the venture capital market with the industry of direct investments and instruments for the fund market;
- Increasing the transparency of the sector, overcoming the “gaps” between the venture capital market and other elements of the innovation ecosystem, and the future development of professional competencies of participants in the sector.

**PARTNER:**
- EY Company.

**RESULTS:**
- Comparative analysis of key indicators of the Russian venture capital market with those in China, Finland, Israel and United Kingdom;
- A system of indicators enabling the monitoring of markets that takes into account the main strategic goals and objectives facing the sector.

- Abstracts describing a range of internal and external challenges, and also the “vulnerable points” of the venture capital market, which were considered by the Ministry of Economic Development of the Russian Federation within the framework of the updated Strategy for Innovation Development of the Russian Federation for the period until 2020.
PROJECT AIMS:
‣ Establishing in Russia an effective system for creating, preserving, protecting, managing and commercializing the results of intellectual activities as a founding element of the innovation ecosystem;
‣ The analysis of the current situation for normative legal regulation in the IP sphere, and assistance in forming proposals aimed at its improvement;
‣ Support for the development of service infrastructure in the IP market and the stimulation of patent activities for subjects of the innovation ecosystem;
‣ The development of a concept for creating a patent fund (like an accelerator, a patent bank), taking into account best global practices.

PARTNERS:
‣ Russian State Academy of Intellectual Property Federal State Budget Educational Institution of Higher Education;
‣ International Institute of Industrial Property;
‣ Trade Industrial Chamber of the Russian Federation;
‣ The Ministry of Economic Development of the Russian Federation;
‣ The Federal Service for Intellectual Property (Rospatent).

RESULTS:
A method of developing practices for managing the rights to the results of intellectual activities and a strategy for managing the rights to the results of intellectual activities in government and private companies, and also in scientific and educational institutions;
A proposal for the formation of an effective institutional environment in the sphere of IP;
A concept for creating and functioning of a Patent Aggregator Fund;
10 educational events held on the theme of IP.

Ivan Bliznets
Rector of Russian State Academy for Intellectual Property (RGIIS)
In 2015, RVC continued to work on the execution of instructions approved by the Chairman of the Government of the Russian Federation, D.A. Medvedev, on July 25, 2014 as a result of the meeting of the members of the Expert Council of the Government of the Russian Federation.
Development of innovation requires continuous administrative, political and economic accompaniment. That was precisely the reason behind the National Report on Innovation in 2015, prepared by the Expert Council of the Government of Russia.

RVC was specifically chosen as a partner in the preparation of the report because of the successful experience of the company in preparing complex analytical documents, and also the fact that RVC took upon itself the additional burden of managing the national innovation ecosystem, within our joint work for systemic and strategic issues.

In the national report on innovation, we decided to depart from bureaucratic algorithms and tried to create a product together with business; in other words with those who are in the front line of creating and consuming innovation.

One of the main tasks was to form a set of indicators for effectiveness that characterize, among other things, the dynamic of innovation development, and also the level of advancement or lag in comparison with foreign colleagues. This kind of a instrument panel should become a good aid in carrying out high-quality monitoring of the condition of the national innovation system, and also during the adoption of management decisions.

Mikhail Abyzov
Minister for Open Government Affairs of the Russian Federation
FINANCIAL RESULTS FOR 2015
IN 2015, THE REVENUE OF RVC OJSC WAS RUB 2,543.5 MILLION, INCLUDING RUB 2,515 MILLION FROM ALLOCATING MONETARY RESOURCES AS DEPOSITS IN BANKS RUNNING PROGRAMS THAT SUPPORT SMALL AND MEDIUM Sized BUSINESSES.

Expenses amounted to RUB 1,388.4 million. The expense structure included RUB 334.5 million in payroll expenditure and RUB 810.6 million in contractors’ fees. The volume of borrowed funds in 2015 was RUB 210 million.

RUB 752.4 million was directed to the payment of dividends in 2015 to the Russian Federation in favor of the Federal Agency for State Property Management (Rosimushchestvo).

Net profit during the reporting year increased by RUB 920.2 million compared to 2014, reaching RUB 1,504.8 million.

As of December 31, 2015, total cash held in the company’s accounts was RUB 1,584.7 million and net assets increased by RUB 1,347.3 million compared to the previous year, reaching RUB 37,159.7 million.

In 2015, RVC currently has investments of RUB 651.2 million, including:

- Russian Venture Capital I LP capital top-up (RUB 397.7 million);
- Capital-call for RusBio Ventures IPA (RUB 180.9 million);
- Capital-call for Da Vinci Pre-IPO Fund IPA (RUB 44.9 million);
- Capital-call for North Energy Fund I Seed IPA (RUB 16.7 million);
- Acquisition of 80,000 shares in Russian Venture Asset Management Ltd (RUB 9 million).

Notes:
1. The company makes deposits solely with banks that support small and medium business.
2. The company has no overdue accounts payable. RVC OJSC has no overdue debts before budgetary or non-budgetary funds.

The audit report and financial statements for the year 2015 are available at: http://www披露.com/issuer/7724570128/.
CORPORATE GOVERNANCE

Management and supervision bodies
General Meeting of Shareholders
The Board of Directors
Management
Advisory Board
Audit, Control and Risk Management
Distribution of new profit for 2015 and dividend policy
Investment decision-making process

92 92 93 98 100 102 105 105 105
THE BOARD OF DIRECTORS

RVC’s board of directors operates on the basis of Russian legislation, the charter of RVC OJSC, the regulations of the board of directors and other internal documents of the company.

Competences of the Board of Directors include the general management of company activities, except for the solution of questions by the Russian legislation and Charter of RVC to the competence of the general meeting of shareholders.

From the beginning of 2015 up to the date of the annual general meeting of shareholders (March 27, 2015), the Board of Directors was acting with a membership elected at the annual general meeting of RVC’s shareholders (by Order of Rosimushchestvo No. 667-r on June 30, 2014).

The Board of Directors in the office at the end of 2015 was elected at the extraordinary general meeting of shareholders on June 30, 2015 (by Order of Rosimushchestvo on decisions of the extraordinary general meeting of shareholders No. 532-r).

As of December 31, 2015, the Board of Directors consisted of nine members, of whom two were independent directors and the remainders were representatives of the Russian Federation (including three public officers and four professional fiduciaries).

THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors is elected by its members by a simple majority of votes and can be reelected at any time. The Chairman of the Board of Directors cannot be elected as the Chairman of the Management Board – CEO of RVC.

Since April 28, 2015, by decision of the Board of Directors of RVC (Protocol No. 02 from April 28, 2015; Protocol No. 08 from August 06, 2015), the Chairman of the RVC Board of Directors is Oleg V. Fomichev.

MANAGEMENT AND SUPERVISION BODIES

GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is the highest decision-making body of RVC, which deliberates and decides on important issues, including the approval of the company’s charter, and approves major transactions, elects members of the board of directors and both collegial and sole executive bodies of the company.

The Russian Federation is the sole shareholder of RVC. On behalf of the Russian Federation, the shareholder rights are exercised by the Federal Agency for State Property Management (Rosimushchestvo).

In 2015, one annual general meeting of RVC’s shareholders and three extraordinary meetings were convened. In accordance with Federal Law No. 208-FZ on Joint Stock Companies and the RVC Charter, the general meeting of shareholders made decisions regarding the following:

- Changes to the Regulations of the Management Board of RVC;
- The election of members to the Management Board of RVC;
- The election of the CEO of RVC;
- The election of members to the Board of Directors of RVC at the extraordinary and annual general meetings of shareholders;
- The approval of the annual report (with addenda) of RVC for 2014;
- The approval of the company’s annual audit report, including the financial statements for 2014;
- The distribution of dividends for RVC based on the results from 2014;
- Payment of company dividends;
- Payment of reimbursements to members of the Board of Directors of RVC;
- Payment of reimbursements to members of the Audit Commission of RVC;
- The election of members to the Audit Commission of RVC;
- The approval of the auditor for carrying out RVC’s 2015 annual audit.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors is elected by its members by a simple majority of votes and can be reelected at any time. The Chairman of the Board of Directors cannot be elected as the Chairman of the Management Board – CEO of RVC.

Since April 28, 2015, by decision of the Board of Directors of RVC (Protocol No. 02 from April 28, 2015; Protocol No. 08 from August 06, 2015), the Chairman of the RVC Board of Directors is Oleg V. Fomichev.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors is elected by its members by a simple majority of votes and can be reelected at any time. The Chairman of the Board of Directors cannot be elected as the Chairman of the Management Board – CEO of RVC.

Since April 28, 2015, by decision of the Board of Directors of RVC (Protocol No. 02 from April 28, 2015; Protocol No. 08 from August 06, 2015), the Chairman of the RVC Board of Directors is Oleg V. Fomichev.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors is elected by its members by a simple majority of votes and can be reelected at any time. The Chairman of the Board of Directors cannot be elected as the Chairman of the Management Board – CEO of RVC.

Since April 28, 2015, by decision of the Board of Directors of RVC (Protocol No. 02 from April 28, 2015; Protocol No. 08 from August 06, 2015), the Chairman of the RVC Board of Directors is Oleg V. Fomichev.
MEMBERS OF THE BOARD OF DIRECTORS:

Igor R. Agamirzian, CEO, Chairman of the Management Board of RVC

Alexander A. Auzan, Dean of the Faculty of Economics at Lomonosov Moscow State University, Head of the Department of Applied Institutional Economics, Doctor of Economics, Professor, independent director

Gleb S. Nikitin, First Deputy Minister of Industry and Trade of the Russian Federation

Boris G. Nuraliev, CEO of 1C, independent director

Dmitry N. Peskov, Director of the Management Board of the Young Professionals agency for strategic initiatives for promoting new projects

Alexander B. Povalko, Deputy Minister of Education and Science of the Russian Federation

Yuri A. Udaltsov, State Secretary, Deputy Minister of Economic Development of the Russian Federation

Sergey G. Polyakov, CEO of the Foundation for Assistance to Small Innovative Enterprises

Oleg V. Fomichev, Deputy Chairman of the Management Board of RUSNANO

All members of the Board of Directors are citizens of the Russian Federation and have no participation in RVC equity.

Biographies for the members of the Board of Directors can be viewed at: www.rusventure.ru/ru/company/directors/

MEETINGS OF THE BOARD OF DIRECTORS

In 2015, fifteen meetings by the Board of Directors were convened, of which nine were in the form of absentee voting. On average, the meetings were convened four times per quarter. A total of 90 matters were considered by the Board of Directors.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Number of matters considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining the company’s priority lines of business: approving the strategic documentation for the long-term period, RVC’s annual business plan and budget, establishing RVC’s KPIs</td>
<td>7</td>
</tr>
<tr>
<td>Establishing RVC-backed venture capital funds in accordance with the regulations governing the “Procedure of the selection of asset management companies for transferring to them the fiduciary management of monetary funds of the open joint stock company Russian Venture Company”</td>
<td>8</td>
</tr>
<tr>
<td>Approval of other transactions reserved for the competence of the Board of Directors of the company</td>
<td>22</td>
</tr>
<tr>
<td>Approval of RVC internal normative acts</td>
<td>4</td>
</tr>
<tr>
<td>Matters initiated for consideration by Rosimushchestvo to execute the instructions of the President of the Russian Federation and the Government of the Russian Federation</td>
<td>10</td>
</tr>
<tr>
<td>Consideration of matters related to the activity of RVC-backed venture capital funds</td>
<td>4</td>
</tr>
<tr>
<td>Consideration of reporting issues relating to the selection of management companies and venture capital funds, RVC’s activity results, KPI performance, the workings of internal audit and risk management systems, RVC’s procurement activities, and others.</td>
<td>4</td>
</tr>
<tr>
<td>Matters relating to membership of the Management Board of the company and serving in the Management Bodies of other companies</td>
<td>3</td>
</tr>
<tr>
<td>Matters relating to the arrangements of the general meeting of the RVC’s shareholders</td>
<td>9</td>
</tr>
<tr>
<td>Matters relating to the establishment of the RVC Board of Directors Committee</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
</tbody>
</table>

COMMITTEES OF THE BOARD OF DIRECTORS

To ensure the effective preliminary study of the most important issues and preparing recommendations for them, the Board of Directors of RVC has formed specialized Committees:

• Strategic Planning Committee;
• Audit and Ethics Committee;
• Personnel and Compensation Committee;
• Corporate Governance Committee.

The Committees of the Board of Directors of RVC are composed of members of the Board of Directors of RVC, the representatives of State Ministries, and also independent experts who are the representatives of business and the innovation venture capital market. The Committees are headed by the members of the Board of Directors of RVC.

In its activities, each Committee is governed by the respective Regulations.

The members of the Committees of the Board of Directors who were serving at the end of the reporting period were elected by the decision of the Board of Directors of RVC on August 6, 2015.
The Strategic Planning Committee assists the Board of Directors in determining the priority lines of business and advises the Board of Directors regarding the strategic development of the company. Also, in accordance with the decision of the Board of Directors of RVC on April 20, 2015, Protocol No. 2, the Committee is authorized to consider activity plans within the National Technological Initiative and apply the control of its implementation, and also provide recommendations for its correction.

The activities of the Committee are regulated by the Regulations approved by the decision of the Board of Directors of RVC on June 8, 2009, Protocol No. 2, with amendments approved by the decision of the Board of Directors of RVC of September 24, 2011, Protocol No. 4, and of April 20, 2015, Protocol No. 2.

Members of the Strategic Planning Committee
The Chairman of the Committee:

- Dmitry N. Peevsky, Director of the Management Board of the Young Professionals agency for strategic initiatives for promoting new projects.

Committee Members:

- Igor R. Agapirnian, CEO, Chairman of the Management Board of RVC (a member of the Board of Directors of RVC)
- Alexander A. Azan, Dean of the Faculty of Economics at Lomonosov Moscow State University, Head of the Department of Applied Institutional Economics, Doctor of Economics, Professor, (a member of the Board of Directors of RVC, independent director).
- Yuli A. Burin, Chairman of the Board of Directors of Wikivote, a member of the Expert Council of the Government of the Russian Federation.
- Evgeny V. Kondratenko, Deputy Director of the Management Board of the Young Professionals agency for strategic initiatives for promoting new projects;
- Sergey N. Leuchtenko, Deputy Director of the Department of Strategic Development and Innovation of the Ministry of Economic Development of the Russian Federation;
- Vasily S. Osnakov, Director of the Department of Strategic Development and Project Management of the Ministry of Industry and Trade of the Russian Federation;
- Konstantin E. Polusin, Partner and Managing Director of The Boston Consulting Group;
- Aleksey E. Repik, President of Business Russia public organization, Chairman of the Board of Directors of R-PHARM CJSC, Novocoldpharm OJSC, and ORTAT CJSC pharmaceutical complex;
- Oleg V. Toplev, Head of the Department of Economy Sector Development of the Expert Management by the Administration of the President of the Russian Federation;
- Oleg L. Khorokhordin, Deputy Head of the Secretariat of the Deputy Chairman of the Government of the Russian Federation.

Meetings of the Strategic Planning Committee
In 2015, the Strategic Planning Committee convened 7 ordinary meetings.

The Audit and Integrity Committee assists the Board of Directors with issues regarding the approval of non-financial reporting, verification of KPI calculation, and integrity issues.

The Committee’s activities are governed by the Regulations, approved by the decision of the Board of Directors of RVC on June 16, 2011, Protocol No. 3, with amendments approved by the decision of the Board of Directors of RVC on July 20, 2013, Protocol No. 7.

Meetings of the Audit and Integrity Committee
Chairman of the Committee:

- Yuri A. Udal’tsov, Head of the Investment Division of Venture Capital, Deputy Chairman of the Management Board of RUSNANO LLC (a member of the Board of Directors of RVC).

Committee Members:

- Sergey G. Poyvakov, CEO of the Foundation for Assistance to Small Innovative Enterprises;
- Sergey N. Leuchtenko, Deputy Director of the Department of Social Development and Innovation of the Ministry of Economic Development of the Russian Federation.

Meetings of the Audit and Integrity Committee
In 2015, the Audit and Integrity Committee of the Board of Directors of RVC convened three ordinary meetings.

The Personnel and Compensation Committee assists the Board of Directors with the development of systems for staff motivation (including members of the Management Board) and respective internal regulations of the company.

The Committee’s activities are regulated by the Regulations approved by the decision of the Board of Directors of RVC on June 8, 2009, Protocol No. 2, and amendments approved by the decision of the Board of Directors of RVC on September 24, 2009.

Members of the Personnel and Compensation Committee
Chairman of the Committee:

- Boris S. Nuraliev, CEO of TC (a member of the Board of Directors of RVC, independent director).

Committee Members:

- Ekaterina Y. Gorskihova, Vice President of Kelly Services Inc. USA and CEO of Kelly Services CIS;
- Sergey N. Leuchtenko, Deputy Director of the Department of Social Development and Innovation of the Ministry of Economic Development of the Russian Federation.

Meetings of the Personnel and Compensation Committee
In 2015, the Personnel and Compensation Committee of the Board of Directors of RVC held six ordinary meetings.

The Corporate Governance Committee assists the Board of Directors in developing and improving corporate governance systems and practice.

The Committee’s activities are regulated by the Regulations approved by the decision of the Board of Directors of RVC on February 3, 2015, Protocol No. 1.

Members of the Corporate Governance Committee
Chairman of the Committee:

- Alexander A. Auzan, Dean of the Faculty of Economics at Lomonosov Moscow State University, Head of the Department of Applied Institutional Economics, Doctor of Economics, Professor, (a member of the Board of Directors of RVC, independent director).

Committee Members:

- Igor R. Agapirnian, CEO, Chairman of the Management Board of RVC (a member of the Board of Directors of RVC);
- Alexander V. Ikonnikov, Chairman of the Supervisory Board of the Association of Independent Directors.

Meetings of the Corporate Governance Committee
In 2015, the Corporate Governance Committee of the Board of Directors of RVC held two ordinary meetings.
MANAGEMENT

THE MANAGEMENT BOARD ADMINISTERS THE DAY-TO-DAY OPERATIONS OF THE COMPANY.

Igor R. Agamirzian, CEO, Chairman of the Management Board of RVC

Egor V. Beketov, Director of Biofond RVC LLC

Gulnara Z. Bikkulova, Head of Innovation Markets Department of RVC

Andrey V. Vvedensky, Head of Investment Programs of RVC, Director of RVC Capital LLC

Roman N. Kosyachkov, Deputy CEO and Managing Director of RVC

Evgeny B. Kuznetsov, Deputy CEO and Head of Project Office of RVC

Alexander A. Loktev, Director of Infrafond RVC LLC

Alexander E. Potapov, Deputy CEO and Chief Operations Officer of RVC

Aleksey Y. Teleshev, Director of FPI RVC LLC

MEMBERS OF THE MANAGEMENT BOARD

The members of the Management Board of RVC, as of the end of 2015, were elected by the decision of an extraordinary general meeting of shareholders on February 3, 2015 (by Order of Rosimushchestvo, on decisions of the extraordinary general meeting of shareholders No. 43-р).

The Management Board convenes two meetings, in presentia, a month. From time to time, the meetings may be convened more frequently, including by means of absentee voting.

During the reporting year, the Management Board convened 29 meetings (of which six were in the form of absentee voting), at which 228 matters were considered.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Number of matters considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>RVC’s business plan performance in 2015</td>
<td>106</td>
</tr>
<tr>
<td>Defining the position of RVC representatives in the bodies of RVC-backed funds, as well as considering other issues related to RVC-backed funds (including subsidiary funds)</td>
<td>68</td>
</tr>
<tr>
<td>Selection of management companies and venture capital funds</td>
<td>5</td>
</tr>
<tr>
<td>Reporting issues (concerning RVC activities, structural departments, and others)</td>
<td>14</td>
</tr>
<tr>
<td>Internal organizational issues, including those regarding the company’s international activities, purchasing activities, executing the instructions of Rosimushchestvo, and others</td>
<td>29</td>
</tr>
<tr>
<td>Other issues</td>
<td>6</td>
</tr>
</tbody>
</table>

The term of office for members of the Management Board is one year, except for Chairman of the Management Board if, by the time of expiry of the Board member’s term, the RVC’s shareholders fail to decide on the election of new Board members, the term of office for the current members of the Management Board of RVC shall be extended until the respective decision is made at the general meeting of shareholders of RVC.

The members of the Management Board neither hold any shares of RVC nor entered into any transactions with them during the reporting year.

MEMETINGS OF THE MANAGEMENT BOARD

Biographies for the members of the Board of Directors can be viewed at www.rusventure.ru/en/company/structure/pravlenie.php
CEO

Igor R. Agamirzian has been the CEO of RVC since April 2009 (reelected on April 23, 2015) and the Chairman of the Management Board since March 2010.

ADVISORY BOARD

The Advisory Board assists the management bodies of RVC with the current development challenges of the innovation market and other issues, provides expert advice to the programs and initiatives of RVC, and ensures increased transparency of the activities of RVC for participants in the Russian innovation market.

MEMBERS OF THE ADVISORY BOARD:

Sergey M. Belousov, CEO of Acronis
Alexey I. Borovkov, Pro-rector of Perspective Projects, SPbSPU
Alexander V. Gaiduk, Management Partner, Almaz Capital Partners
Michael Alenu Doracy, CEO of Olymp-Business publishing
Leonid M. Gokhberg, First Pro-rector, NRU HSE
Andrey Y. Zotov, Management Partner, ADJ Consulting
Alexander B. Idrisov, Management Partner, Strategy Partners
German V. Kaplan, Director of Strategic Development, TMT Investments
Aleksey K. Penomarev, Vice President of Strategy and Industry Communications of Skolkovo Institute of Science and Technology
Yury V. Simachev, Deputy CEO of the Russian Science Fund
Ekaterina G. Shapochka, Executive Director of Forum analytical center
Mark M. Shmulovich, Main Strategic and Operational Director, Acronis
Andrey V. Sharonov, Rector of Skolkovo Moscow School of Management
Yan E. David, Head of the Board of Directors, ABBYY
Marina V. Yanina, Vice-President of Corporate Relations, Yandex

Mikhail P. Kirpichnikov, Dean, Biology faculty of MSU
Vladimir N. Knyaginin, President of the Moscow fund for the Center for Strategic Development
Mikhail V. Kozlov, Deputy CEO of RusHydro International
Mikhail P. Krasnov, Founder of Verysell
Nikolay Y. Kuteev, CEO, Russian Technological Agency
Nickolay Y. Lebedev, Chairman of the Supervisory Board of Transas Group
Dmitry G. Mordurlyuk, Media entrepreneur
Albina I. Nikkonen, Executive Director, RVCA
Andrey V. Sharonov, Rector of Skolkovo Moscow School of Management
Yan E. David, Head of the Board of Directors, ABBYY
Marina V. Yanina, Vice-President of Corporate Relations, Yandex
AUDIT, CONTROL AND RISK MANAGEMENT

THE SYSTEM OF INTERNAL CONTROL, AUDIT AND RISK MANAGEMENT

The audit commission performs the control of RVC’s financial and business activity. An external independent auditor verifies the financial statements (bookkeeping report) of the company, as approved by the general meeting of shareholders selected in an open contest. The system of internal control, audit and risk management is represented by the relative structure divisions of the company.

RVC carries out complex work to develop a system of internal control, audit and risk management that corresponds to the best practices of corporate governance.

AUDIT COMMISSION

The Audit Commission is elected by the general meeting of shareholders. Members of the Audit Commission are not to control the company’s financial and business activities in order to increase efficiency and to protect shareholder interests.

The activities of the Audit Commission are set out in RVC’s Regulations on the Audit Commission.

The Audit Commission is composed of not less than three and not more than five members elected by the general meeting of shareholders of RVC. Members of the Audit Commission must not be members of the Board of Directors simultaneously, nor hold other positions of responsibility within the management bodies of RVC.

EXTERNAL AUDITOR

To verify and confirm the accuracy of its annual financial statements, RVC hires a professional auditor, who is approved by the general meeting of shareholders.

RVC’s financial statements in 2015 were audited by AKG Biznes-KRUG Ltd (Moscow).

INTERNAL CONTROL AND AUDIT

The system of internal control and auditing that operates in RVC is represented by the Internal Audit Service and the Department of Risk Analysis. The system for internal control and auditing ensures the compliance of activities with RVC and its subsidiaries, as established by Russian legislation and company documents. The task of the Internal Audit Service is to ensure the coordination of work for the structural departments of the company and its subsidiaries to minimize risks in the process of implementing programs and projects.

RVC takes measures to improve the organizational and legal basis for the functioning of the system of internal control and audit, bringing it into compliance with the recommendations of the Corporate Governance Commission of RVC, the Corporate Governance Code and best practice.

RISK MANAGEMENT SYSTEM

RVC has developed and implemented a Risk Management System (hereinafter RMS). RMS is a continuous process that affects all of the company’s activities. It is aimed at identifying potential events that may influence the activities of RVC, and also at managing risks to an acceptable level and ensuring the achievement of strategic and programmatic goals of the company.

RMS is focused on providing improved effectiveness of the company in short-term, medium-term and long-term perspectives, in accordance with the priority lines of work.

Among RMS tasks are the formation of a unified approach to risk identification and assessment, reaction to risks, the development of control procedures, the exchange of information regarding risks, setting of goals and aims for risk management by RVC management bodies, monitoring risks and educating workers.

The aims of RMS:
• Increasing the efficiency of strategic and program activities, and achieving the planned indicators;
• Creating the conditions for rational use of resources;
• Establishing activity priorities and taking optimal management decisions;
• The improvement of internal and external communications at RVC;
• An operative reaction to changes in risks, including newly identified challenges.
The outlined goals are achievable by:

- The development of a policy of risk management and organizational legal regulation of RMS;
- The development of a culture of risk management in the company, understanding by the management and employees of the company based on principles and approaches to risk management;
- The embedding of risk management in the general management process of RVC;
- The creation of a culture of risk management in the company, the exchange of information within the company about risks and negative consequences of ignoring them;
- The implementation of plans to reduce the current level of risk;
- Monitoring and auditing of risks;
- The development of measures to manage risks;
- Informed management bodies of RVC about changing risks.

The strategy of RVC in the field of risk management is aimed at supporting a corporate culture, in accordance with which risk management is implemented systematically using a preventative approach. Risk management in RVC is based on principles and approaches to risk management, supported by a corporate culture, in accordance with which risk management is implemented systematically using a preventative approach.

The decision on net profit distribution of RVC, received at the end of 2015, is made at the annual general meeting of shareholders, which is planned to be held by the end of June 2016. According to the recommendations of Rosimushchestvo, RVC annually directs to dividend distribution not less than 25% of the net profit received on the results of the past year. In accordance with the directive of Rosimushchestvo No. PP-05/2009 as of May 20, 2016, RVC shall direct 50% of the net profit, or RUB 752,384 thousand, to dividend distribution upon results of 2015.

**INVESTMENT DECISION-MAKING PROCESS**

The project analysis service performs control of projects, presented for consideration by the Investment Committees (the management) of RVC-backed funds, and prepares recommendations, including outlining important aspects and risks of the project. The representative of RVC, taking a decision by voting at the Investment Committees, is led by the comments set out in the document, and also brings them to the attention of other members of the Investment Committee (the management). The employees in their work are governed by the internal methodological documents of RVC and also by Russian national and best practices.

The monitoring service of the investment portfolio performs the following tasks:

- The implementation of monitoring of the current situation of RVC-backed funds and their portfolio companies;
- The carrying out of post-investment analyses of funds and portfolio companies, which includes the assessment of execution of business plans, investment memoranda, financial models, and also the cost of assets and potential recoveries;
- The formation of methodological recommendations for the management of the company that is aimed at increasing the efficiency of funds and their portfolio companies;
- The offering of expert methodological support to RVC-backed funds and regional venture funds, supported by RVC, on issues of using various investment instruments;
- The holding of seminars designed to increase the professional level of employees of regional venture funds supported by RVC.

Also, employees of monitoring services participate in meetings of collegial management bodies, in agreements and the monitoring of executive decisions of trustees/supervisory boards, and prepare recommendations for improving activities and the widening of functions of regional venture funds, supported by RVC.

In their activities, employees of the monitoring service are governed by internal RVC methodological documents.
Targets and mission of RVC as a key state instrument for the national innovation system development are definitely of non-profit and socially-focused nature, and the scale of challenges met by the company makes it particularly responsible for social and economic prosperity of the society.

SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Social responsibility

Human Resources Management

Procurement Activities

Anti-Corruption Efforts
SOCIAL RESPONSIBILITY

RVC’s OBJECTIVES AND MISSION, AS THE KEY INSTRUMENT OF THE STATE IN BUILDING ITS OWN NATIONAL INNOVATION SYSTEM, ARE OF A NON-PROFIT, SOCIALLY ORIENTED NATURE.

The company’s strategy is focused not only on the development in Russia of the venture capital industry, but also on projects related to the construction of balanced innovation infrastructure and forming a class of venture capital investors and technology entrepreneurs. By developing this system of services and instruments, the company is focused on the proportional development of all parts of the national ecosystem and on the systemic effect of those implemented projects.

HUMAN RESOURCES MANAGEMENT

THE MAIN TASK OF THE HR DEPARTMENT IS TO ASSIST THE COMPANY IN IMPLEMENTING ITS PROJECTS AND INITIATIVES, AS WELL AS ACHIEVING ITS KEY PERFORMANCE INDICATORS.

The following lines of the HR policy were defined in order to achieve its goals in 2015:

‣ Increasing the efficiency and competitiveness of employees by:
  - Introducing a system for evaluating employees; partners, employees, society and the state, while ensuring the openness, consistency and materiality of its activities. The investment process is carried out in accordance with specific rules and restrictions.

‣ Increasing employee loyalty and the prevention of labor disputes;

‣ Cost-effective expenditure of monetary funds for the procurement of goods, work and services, and the implementation of cost-cutting measures;

‣ The establishment of measurable requirements for partners in the procurement process.

COMPETITIVE PROCUREMENT PROCEDURES

The following competitive procedures are preferable and shall be applied to any procurement by RVC:

‣ Tenders;

‣ Auctions;

‣ Commercial inquiry;

‣ Request for quotation;

The use of the RFP model enables RVC to apply the best business practices employed by major international development institutions, such as the World Bank, the International Monetary Funds, the European Bank for Reconstruction and Development, and others.

Information on the procurement activities of RVC and its subsidiaries can be found at the official website that posts information on procurement by certain types of legal entities at http://zakupki.gov.ru.

ANTI-CORRUPTION EFFORTS

In 2015, the company adopted the Anti-Corruption Policy of RVC, which is the founding document for the prevention, detection, suppression and minimization of consequences from possible manifestations of corruption in the company.

The anti-corruption policy reflects the commitment of RVC and its employees to the highest ethical standards of doing business and maintaining the business’s reputation, as well as striving to improve the corporate culture and following best corporate governance practices.

The company, within the framework of its competence, is initiating the introduction of anti-corruption policies in its subsidiaries and affiliates that are analogous with RVC’s anti-corruption policy, as well as making efforts to comply with the provisions of this document in joint companies and associations, as well as by contractors.

By Order of the President of the Russian Union of Industrialists and Entrepreneurs (letter RUSPP 6/3/105 on April 22, 2015), RVC was included as No. 393 in the consolidated register of participants of the Anti-Corruption Charter of Russian Business (a certificate of RVC’s affiliation with the Anti-Corruption Charter of Russian Business No. 989 from April 27, 2015).

With the aim of preventing and combating corruption at RVC, a plan for anti-corruption activities (order No. 02/16 from January 19, 2016) was approved at a meeting of the company’s board of directors.

‣ A series of measures to be taken by the structural units of the company, aimed at ensuring the compliance of RVC activities with the requirements of applicable legislation;

‣ The creation of mechanisms for analyzing, detecting and evaluating risks in activities, and ensuring comprehensive protection by RVC;

‣ Strengthening the trust of shareholders, the investment community and contractors in RVC activities;

‣ Instilling in RVC’s employees a consciousness of anti-corruption, a deeper understanding of the legislation of the Russian Federation in the area of combating corruption, the Anti-Corruption Policy of RVC, and ensuring its practical application.
MAP OF RVC PARTNER INTERACTIONS IN 2015

**DIRECTIONS OF ACTIVITY**

- **Support for regional venture capital funds and development support for infrastructure of technological innovation enterprises**
- **Formation of instruments for supporting creation of corporate and industry investment funds**
- **Creation of financial instruments for supporting technological enterprise**
- **Creation of instruments for accelerating startups and attracting investment in high-tech projects**
- **Popularization and promotion of innovation activity**
- **Supporting innovative activity of universities and scientific organizations, support of technology transfer**
- **Development of comprehensive programs of entrepreneurs, investment and development in the spheres of technical innovation**
- **Participation in development of innovation potential for the future improvements in the national innovation system of the Russian Federation**
- **Formation of an effective system for supporting technological innovation and industrial development of technological innovation activity in the regions**
- **Creation of instruments for financial and non-financial support of national "technology champions"**
- **Implementation of the National Technological Initiative**

**PARTNERS**

- Government authorities and expert organizations, education centers, science and educational competency centers, entrepreneurship, innovation development institutes, consulting service companies, and research centers in partnership with foreign and Russian investors.
- Foreign and Russian investors.
- Technological companies and start-ups.
- Science and educational organizations, education centers, professional and analytical technology platforms, and community support for infrastructure capital funds and development of enterprise and industry investment funds.
- Consulting service companies.
- Private and public corporations.
- Innovation infrastructure facilities.
- National and international market players.
- International organizations for technological infrastructure development.

**RESULTS**

- Annual market research carried out by RVC in partnership with RVA.
- Projects carried out of regional venture capital funds in a new format in partnership with government authorities and business incubators in Nizhny Novgorod and Tver regions, and in partnership with the School of Economics.
- Program to raise the qualification on "creating corporate venture funds" implemented.
- A series of educational events organized for sharing best practices in creating corporate venture funds and attracting open innovation instruments in partnership with the National Research University Higher School of Economics.
- Project to develop a series of educational events organized for sharing best practices in creating corporate venture funds and attracting open innovation instruments in partnership with the National Research University Higher School of Economics.
- Project launched for participants of the venture capital market (ventures funds, business angels, corporate venture capital funds, strategy corporations) in partnership with INTI, Startup, and Regional Acceleration Policy (RVC).[1][2]
- Project implemented for the development of high-tech companies in partnership with the National Research University Higher School of Economics.
- Program implemented for the development of national instruments for supporting startups and new venture capital funds.
- National Program for Innovation in Russia in partnership with the Expert Council for the Social Development of Russia (ZAO VVSO). A series of projects were implemented in partnership with INTI, Startup, Regional Acceleration Policy, and the Expert Council for the Social Development of Russia (ZAO VVSO). A series of projects were implemented in partnership with INTI, Startup, Regional Acceleration Policy, and the Expert Council for the Social Development of Russia (ZAO VVSO).
- Program implemented for the support of Russian technology companies in partnership with RUSSELL MP 705 MP/Phalanx Innovation Association and National Agency for Economic Development of the Russian Federation. TSW Russian companies were supported.
- National Program for Innovation in Russia in partnership with the Expert Council of the Government of the Russian Federation. A series of projects were implemented in partnership with the National Agency for Economic Development of the Russian Federation. TSW Russian companies were supported.

**VALUE OF FUNDAMENTALS**

- Achievement of the objectives set for the development of technological innovation system of the Russian Federation.
- Participation in the development of the National Innovation System of the Russian Federation.
- Formation of an effective system for supporting technological innovation and industrial development of technological innovation activity in the regions.
- Creation of instruments for financial and non-financial support of national "technology champions".
- Implementation of the National Technological Initiative.
OVERVIEWS AND RESEARCH OF VENTURE CAPITAL INDUSTRIES IN FOREIGN COUNTRIES

FOREIGN PRACTICES FOR STIMULATING THE DEMAND FOR INNOVATION IN GOVERNMENT TRANSACTIONS AND TRANSACTIONS IN GOVERNMENT-BACKED COMPANIES

Material prepared by Synapsis Msc LLC based on eight countries

The overview presents an analysis of practices in implementing strategies for innovation developments aimed at the demand from both government and end consumers of innovative solutions and products (IDD-strategy). The main directions of the practices that lead to orders and purchases of innovative solutions and products are outlined. The report reviews the opportunities and their application in developing mechanisms to stimulate demand for innovation in Russian government-backed companies.

http://www.rusventure.ru/ru/programm/analytics/docs/201504_RVC_practics_Cover_Interactive.pdf

ISRAEL’S LIFE SCIENCES INDUSTRY: IATI 2015 REPORT

Material prepared by the Israel Advanced Technology Industries

The report presents an overview of the current situation in Israel’s biomedical sector. It analyses trends and the components of its success, including academic research, government support (incubator and accelerator programs), mergers and acquisitions, and investments. Dynamics and structures of financing for various clusters in sectors of high technology and biomedicine are reviewed, as well as the main trends in IT developments in healthcare and digital medical equipment.


REVIEWS AND RESEARCH OF THE RUSSIAN INNOVATION ECOSYSTEM

STRATEGY FOR THE DEVELOPMENT OF THE RUSSIAN VENTURE CAPITAL INDUSTRY

Material prepared by EY Company

The Strategy project presents an analysis of the position of the Russian Federation in the global venture capital market, and also its key challenges and opportunities. The main directions for stimulating strategic development in the sector are presented (improving the institutional environment, the development of the system of financial and non-financial instruments, stimulating the export of Russian innovation products, and capital flow). Development scenarios and the main stages for implementing the Strategy are described. The project is tightly linked to the updated Strategy on Innovative Development of the Russian Federation through 2020 and is the result of the work of leading experts of the venture capital market (the representatives of venture funds, fast growing technology companies, scientific educational institutions, and industry associations) and expert advice is created with the aim of implementing the project. The document is a recommendation and is intended for discussion by stakeholders of the venture capital ecosystem.

http://www.rusventure.ru/ru/programm/analytics/docs/RVC_vc_strat_draft.pdf

RUSSIA: HEADING FOR INNOVATION, EDITION III

Material prepared by the company Frost & Sullivan

The annual expert analytical report “Russia: Heading for Innovation” is one of a series of reports that aims to conduct regular, independent expert assessments of the implementation of the Strategy for Innovation Development of the Russian Federation until 2020. The reports include the detection of new emerging infrastructural, market and technological challenges, the promotion of best practices, the identification of barriers and restrictions that prevent the achievement of the Strategy goals, and ensures links between market participants, government structures and development institutes. A unique element of the third edition is the thematic appendix that researches the innovation potential of the Russian biotechnology sector based on the analysis of innovation development at 13 Russian companies.


NATIONAL REPORT ON INNOVATION IN RUSSIA

Material prepared by a group of authors under the leadership of E.B. Kuznetsov, executing the order of the Prime Minister of the Russian Federation on the outcomes of the meeting with members of the Expert Council of the Government of the Russian Federation and representatives of the expert community on the issue of innovation development on July 25, 2014.

The document sets out a new view on the condition of the innovation ecosystem in Russia. The report is neither a statement about the execution of the Strategy for Innovation Development of the Russian Federation through 2020 nor an appendix to it. It provides a high-quality assessment of the current state of the Russian innovation ecosystem and its effectiveness of the changes carried out in recent years, and also identifies key directions for correcting the federal innovation policy. The review is based on an analysis of innovation as a main driver of long-term economic growth, pyramids of priority directions in innovation policy, reviewing the channeling of the innovation process as an instrument for assessing results and monitoring of innovation and the innovation system, a dashboard of innovation policy, and functional models as an instrument for optimizing the organizational structure and function of participants in the innovation ecosystem.

http://www.rusventure.ru/ru/programm/analytics/docs/NROI_RVC.pdf
MONEYTREE: VENTURE CAPITAL NAVIGATOR FROM 2014

The report was prepared by the company PriceWaterhouseCoopers with TheMoneyTree Report methodology, based on information from the Venture Database and RusBase Internet edition.

The report presents an analysis of the main trends in the development of the Russian venture capital ecosystem in 2014. It offers an overview of investment activities in information and industrial sectors, and in the sphere of biotechnology in the Russian Federation. It reveals information about grants given to companies and transactions for investor exits. The research resulted in the identification of sectors that are more sensitive to crises and the main forms of their support.

http://www.rusventure.ru/ru/programm/analytics/docs/MoneyTree%202015_Rus_180315.pdf

CHAMPION CANDIDATES: WHAT ARE THE MEDIUM-SIZED TECHNOLOGY COMPANIES IN RUSSIA AND HOW CAN THE GOVERNMENT HELP THEM?

Material prepared by the Institute of Innovation Management of the National Research University Higher School of Economics.

The research presents the key factors for the success of and barriers to the development of medium-sized technology companies. An analysis is carried out in their innovation activity, the specifics of organization and strategies for technological development, and also the characteristics of cooperation with the government. The report reviews forms and methods of support for medium-sized fast growing technology companies abroad, and an assessment is provided of government support measures of such companies in Russia, and the perspectives for stimulating them. The research is based on the results of surveys and interviews with heads of companies, including participants of the TechLy rating, representatives of development institutes, and government bodies.


PROGRAM FOR INNOVATIVE DEVELOPMENT OF GOVERNMENT-BACKED COMPANIES: INTERIM RESULTS AND PRIORITIES

Material prepared by the National Research University Higher School of Economics.

The report presents the results of the implementation of the Program for Innovation Development (PID) of government-backed companies, as well as an analysis of best practices in managing innovation activities in Russian companies and leading foreign corporations. Assessments are given on the execution of the PID in relation to the formation of innovation management systems, research financing, innovative developments and projects, and interaction with the external surroundings. The priorities for updating the Program for Innovation Development are reviewed.

http://www.rusventure.ru/ru/programm/analytics/docs/201508_PID.pdf

TECHNOLOGICAL CREATIVITY: HOBBY OR INDUSTRY? RESEARCH INTO THE COMMUNITY OF INNOVATORS AND TECHNOLOGY ENTHUSIASTS

Material prepared by the company Deloitte.

The research presents an overview of the development practices of the communities of innovators and technology enthusiasts in the USA, Finland, China and Russia, including the support measures of business and government. The most pertinent problems that prevent development of such communities in Russia are reviewed and possible ways to solve them are proposed. Based on the analysis of global practices, the report speculates on development trends in technical enthusiast communities.

http://www.rusventure.ru/ru/programm/analytics/docs/EU_Intel_RVC_pub_fin.pdf

“MAKER” COMMUNITIES OF SCHOOLCHILDREN IN RUSSIA: INFRASTRUCTURE AND PARTICIPANTS, FORMATS AND THEMES

Material prepared by Edutainment.

The report presents the main points of growth and barriers to development of a group of schoolchildren engaged in inventive and scientific technological initiatives. The main “maker” communities and systematized auxiliary infrastructure are described (circles, children’s technoparks, competitions, themed online resources with various target groups). The report identifies the significant and potential themed areas for development of technical creativity. There is a review of types of schoolchildren themselves, and the parent or teacher as mentor, with description of their aims, values and motivations. Models of circles and children’s hobby communities are presented, and also criteria for assessment.

http://www.rusventure.ru/ru/programm/analytics/docs/Edutainment-DIY.pdf
COMMERCIALIZATION OF EARLY STAGE TECHNOLOGIES.
RESEARCH OF GLOBAL PRACTICES: UNIVERSITIES, CORPORATIONS, GOVERNMENT

Material prepared by Mawsonia Ltd company based on surveys of 114 corporations and 50 groups of representatives from 350 universities and social research work

The research was dedicated to the global situation of the corporate venture industry, and the role of corporate venture funds in forming new markets. The research included an analysis of advanced experiences of interaction by corporations, universities, and scientific research laboratories in investing in student startups and commercializing their developments. Varieties of government early-stage venture capital support are described (increasing demand and efforts, forming a closed economy). A report was done of the state of the Russian sector for early-stage venture financing in 2015, with review of methods to strengthen cooperative relationships between universities and industrial enterprises.


DEVELOPMENT OF THE INNOVATION ECOSYSTEM OF UNIVERSITIES AND SCIENCE CENTERS

Material prepared by Ingria Business Incubator

The report was prepared within the frames of implementation of the project to develop the innovation ecosystem of Russian universities and science centers. It presents an analysis of international experience of identifying and overcoming barriers to technology transfer. There is research and detailed description of barriers to technology transfer in Russia. The innovation ecosystem of universities and science centers are reviewed as a complex of elements and connections that are necessary for successful commercialization of innovation. A model is offered of specialists’ activities for managing innovation (in universities or science centers), including with aims of commercializing innovation and end results of the work: commercial transactions, linked to the use of results of intellectual activity, in the form of ordered scientific research and experimental constructive work or purchasing of licenses.


MARKET OVERVIEW. DIRECT AND VENTURE INVESTMENTS. 9 MONTHS OF 2015

Material prepared by the Russian Venture Capital Association (RVCA)

The review presents information on the results of work by Russian and foreign institutional and non-institutional investors (business-angels and crowd-funding services). Transactions of the “technological” market are reviewed in which the subjects were “non-traditional” institutional investors of the direct and venture investment market (industry and investment companies, investment banks, individual development institutes). The review was prepared on the basis of methodology developed in 2014 and added to in 2015, which ensures the comparability of the results of the Russian direct and venture capital market. The results take into account more than 300 funds that are included in the Expert Database of the Russian venture capital market (created by RVCA with RVC support).

http://www.rusventure.ru/ru/programm/analytics/docs/201512_%D0%BCarket_review_venture_capital_investments.pdf

THE GLOBAL STARTUP ECOSYSTEM RANKING 2015

Material prepared by COMPASS company on the basis of 200 surveyed entrepreneurs from 25 countries, participants of 11,000 startups and information from partners in 10 countries

The report reviews in detail the main criteria for the updated global index for startup ecosystems: effectiveness, amount of financing, number of talented specialists, size of startup market, and startup experience of participants. A detailed assessment of 20 startup ecosystems is presented, as well as the launch of startups onto the market, and the level of accessibility of products/services for consumers in international markets.

INDUSTRY RESEARCH

RADIATION TECHNOLOGIES: VIEW FROM RUSSIA

Material prepared by Radtech Association

The overview describes the key areas in the world for applying industrial accelerators (irradiation of food products, inspection equipment complexes, nondestructive controls, and modification of materials), with an indication of the main problems and their innovative solution. Information is presented about products and services of 12 Russian companies that produce this equipment.


ANALYSIS OF THE CONDITION AND DYNAMICS OF THE WORLD NEUROTECHNOLOGY MARKET

Material prepared by a group of authors that include representatives of the Russian group NeuroNet, the foresight group Constructors of Practice Communities, and other network profile communities

This is the first systematic research of its kind into the condition of neurocommunications and perspectives for their development. The report describes contemporary trends in neurotechnologies that led to the emergence of NeuroNet. In the work there is a forecast of impacts of the emergence of communications industries that are founded on the use of a biological and neurological person in related markets (from medicine and entertainment, to education and science). Based on the assessments of large impact of neurotechnologies on global markets, the authors conclude that business needs to immediately consider the factor of NeuroNet’s emergence in the formation of a strategy. With the appearance of a new global market, NeuroNet both carries risks and opens up a unique opportunity to compete for key niches.

http://www.rusventure.ru/ru/programm/analytics/docs/201503_world_neurotechnology_market.pdf

OVERVIEW AND ASSESSMENT OF PERSPECTIVE DEVELOPMENT OF GLOBAL AND RUSSIAN IT MARKETS

Material prepared by IDC company

The overview presents information about global and Russian information technology (IT) markets, including factors and trends in its development in 2014-2018. Covering the main provisions of the government policy of the Russian Federation in the sphere of IT, a rating is proposed for the industry’s economy in terms of amount of expenses on IT, and characteristics outlined for main players of the Russian market in categories: distribution, “Third Platform”, production of IT equipment and consumer electronics, development of package and custom software, and provision of IT services. Important and potential issuers of the market for innovation and investment are described, as is the IPOboard electronic information and trade system of the Moscow Stock Exchange.

http://www.rusventure.ru/ru/programm/analytics/docs/120115_wide_vast_it.pdf

RESEARCH INTO PERSPECTIVE EXPORT MARKETS FOR IT SERVICES, SOFTWARE, AND INTEGRATED SOLUTIONS OF RUSSIAN PRODUCERS

Material prepared by RUSSOFT NP

The research presents a concept of IT markets of the future that determine the problems of existing informational structures and main trends in IT developments in the world according to the directions Smart life, Smart mobility, Smart city, Smart manufacturing, and Robotic Technology. The most important opportunities and risks are reviewed for Russia’s development in the spheres of robotic technology and security. The characteristics are outlined for perspective markets for development of the national robotic technology sector.


SCENARIOS OF INNOVATION DEVELOPMENT AND GLOBALIZATION OF THE RUSSIAN IT INDUSTRY

Material prepared by EY company

The report presents the three most likely scenarios for globalization of the Russian IT industry through 2025. The report reviews possible changes, barriers and measures that need to be taken by market participants and the government for optimal innovation development and globalization of the Russian IT industry. The scenarios are developed based on the generalized opinion of Russian and foreign representatives: companies from various sectors of the IT market, the venture capital industry, development institutes, and government bodies.

http://www.rusventure.ru/ru/programm/analytics/docs/scenarii_innov_razv.pdf

ANALYSIS OF THE CONCEPT AND DYNAMICS OF THE WORLD NANOTECHNOLOGY MARKET

Material prepared by a group of authors that include representatives of the Russian group NeuroNet, the foresight group Constructors of Practice Communities, and other network profile communities

This is the first systematic research of its kind into the condition of neurocommunications and perspectives for their development. The report describes contemporary trends in neurotechnologies that led to the emergence of NeuroNet. In the work there is a forecast of impacts of the emergence of communications industries that are founded on the use of a biological and neurological person in related markets (from medicine and entertainment, to education and science). Based on the assessments of large impact of neurotechnologies on global markets, the authors conclude that business needs to immediately consider the factor of NeuroNet’s emergence in the formation of a strategy. With the appearance of a new global market, NeuroNet both carries risks and opens up a unique opportunity to compete for key niches.


OVERVIEW AND ASSESSMENT OF PERSPECTIVE DEVELOPMENT OF GLOBAL AND RUSSIAN IT MARKETS

Material prepared by IDC company

The overview presents information about global and Russian information technology (IT) markets, including factors and trends in its development in 2014-2018. Covering the main provisions of the government policy of the Russian Federation in the sphere of IT, a rating is proposed for the industry’s economy in terms of amount of expenses on IT, and characteristics outlined for main players of the Russian market in categories: distribution, “Third Platform”, production of IT equipment and consumer electronics, development of package and custom software, and provision of IT services. Important and potential issuers of the market for innovation and investment are described, as is the IPOboard electronic information and trade system of the Moscow Stock Exchange.

http://www.rusventure.ru/ru/programm/analytics/docs/120115_wide_vast_it.pdf
METHODOLOGICAL MATERIALS

CONCEPT FOR CREATING AND FUNCTIONING OF A PATENT FUND
Material prepared by International Institute for Industry Property LLC
The concept is based on the analysis of Russian and foreign experience of creating and running patent funds and funds for supporting inventors. It presents functional and organizational legal models for working to ensure legal security and protection of the results of intellectual activity. The concept proposes various options for choosing the key aspects of the activities of patent funds: strategic goals and priorities of the fund, organizational structure and sources of forming its funds, opportunities to attract external specialists and experts to participate in the activities of the fund, and other issues.


CONCEPT FOR FORMING AN EFFECTIVE INSTITUTIONAL ENVIRONMENT IN THE SPHERE OF INTELLIGENCE PROPERTY
Material prepared by the Russian Academy for Intellectual Property Federal State Budget Educational Institution of Higher Education
The concept is based on the results of research into the condition and development of the institutional context of 16 countries, and also of Russian institutes for security, protection, transfer and commercialization of intellectual property. It describes the key principles for forming an effective institutional environment in the sphere of intellectual property, and reviews the priority objectives and paths to their solution within the frames of functioning institutes of intellectual property.


METHOD FOR DEVELOPING PRACTICE FOR MANAGING RIGHTS TO THE RESULTS OF INTELLIGENCE ACTIVITY IN GOVERNMENT AND PRIVATE COMPANIES
Material prepared by the Russian Academy for Intellectual Property Federal State Budget Educational Institution of Higher Education
The method is based on an overview and analysis of best Russian and foreign practices for managing the rights to the results of intellectual activity. It reveals the problematic issues of this sphere in relation to government and private companies. The report offers recommendations for developing practice to manage rights to the results of intellectual activity in government and private companies, methodology for experting in innovative projects in part rights to the results of intellectual activity (including development of a system for monitoring projects), and methodology for calculating the effectiveness of the use of results of intellectual activity.

http://www.rusventure.ru/ru/programm/analytics/docs/metodika.pdf

MECHANISMS FOR STIMULUS (TAXATION OR OTHER ASPECTS) IN DIRECT OR VENTURE INVESTMENT
Material prepared by Liniya Prava Law Firm
The research reviews various mechanisms for stimulating investment activity. It presents an analysis of foreign and Russian practices for stimulus, including civil-legal and taxation mechanisms. In addition, a comparative analysis is carried out into mechanisms for stimulating economic partnership and investment partnership (including taxation conditions). Substantial attention is given to analysis of taxation as a component of the institutional environment of innovation activity. The research presents current information about taxation benefits and barriers for subjects of innovation activity. It formulates recommendations for creating a favorable climate for innovation activity and improvement of taxation legislation.


MODEL AGREEMENT FOR INVESTMENT PARTNERSHIP
Material prepared by Liniya Prava Law Firm with participation of experts of the Russian venture capital and direct investment markets
The model agreement proposes new opportunities for the structuring of joining innovation activities of market participants, and various methods for establishing relationships within investment partnership, including the specificities of forming bodies for management and distributing income. The young agreement project was prepared based on best foreign practices in innovation activities with the use of investment partnerships. The proposals of the young agreement can be used by the sides of a specific investment partnership agreement at their discretion.

STARTUP DEVELOPMENT STAGES
Pre-seed stage - technological entrepreneur has an idea for which development at this stage does not require heavy expenses and is mainly funded by the initiator of the project with assistance from 3F (family, friends, fools) and grants.

Seed stage - the company is in the process of formation and only has an idea or a project.

Startup stage - the company has a pre-production prototype and is attempting to initiate the production process and introduce the product to the market.

Growth stage - the company is producing and selling the ready-made product, although it is not yet generating a stable income.

Expansion stage - the company has achieved a position in the market, is building its sales and becoming profitable.

Exit stage - establishment of a listed company, sale of investor’s shares to another strategic investor, initial public offering (IPO) or management buyout.

VENTURE CAPITAL INVESTMENT
Investment in particularly high-risk projects.

GLOSSARY

BUSINESS-ANGEL
A private investor who provides financial and occasionally consultancy support for early-stage innovation companies in exchange for an equity share.

BUSINESS ACCELERATOR
A model of support for early-stage innovation projects that provides intensive development of a project within the shortest possible period of time. Investment, infrastructure, expertise and information support ensure that the project enters the market.

BUSINESS INCUBATOR
A company that assists the development of early-stage innovation projects by providing them with office space, technical support, juridical, financial and other consultations on favorable terms.

CEF
Closed-end fund whose assets are managed by professional management companies.

CEF FOR HR(V)I
Closed-end fund for high-risk (venture) investment.

CVF
Corporate Venture Capital Fund.

COMPANY, SUPPORTED BY RVC
A company that received marketing, consulting and expert support within the framework of events arranged and/or supported by RVC, but that did not receive financing from RVC funds.

IDP
Innovation Development Program.

INVESTMENT PARTNERSHIP AGREEMENT (IPA)
An association of two or more entities (partners) that undertake to join their contributions and carry out joint investment activity in order to derive a profit without forming a legal entity. RVC formed two new microfunds at pre-seed and seed stages through investment partnership agreements: Softline Seed Fund (SSF) and High Technologies Seed Fund.

IPO (INITIAL PUBLIC OFFERING)
Initial sale by public auction or company’s share allotment on the capital market. IPO of the portfolio company’s share is one of the methods of exit for a venture investment fund.

LP (LIMITED PARTNER)
Investor-partner with limited liability in private equity fund or venture fund.

MANAGING PARTNER
A partner under an investment partnership agreement that manages the partnership funds solely or jointly with other managing partners.

NABA
National Association of Business-Angels.

PARALLEL FUNDS
Funds under direction of one or more managing teams and that inject capital in the same assets on a pro rata basis (according to the proportion on equivalent rights).

PORTFOLIO COMPANY
A company that is the subject of investment.

PROJECT COMPANY
A company relating to which an investment decision has been made (a decision by the Investment Committee) and a share of which is owned by the fund at the time of reporting.

RVCA
Russian Venture Capital Association.

RMS
Risk management system.

RSPC
Regional sessions of practical consulting.

STARTUP
A recently founded company that in the development stage or looking into high-potential markets. Investment in startups implies particularly high risks.
Dear reader!

You have read the public Annual Report of Russian Venture Company OJSC, which is addressed to a community of stakeholders. Your opinion is very important to us. We would be grateful if you could take a moment to contribute to the improvement of the quality of our reports by answering our questions below.

1. Please specify your professional sphere (select one).

<table>
<thead>
<tr>
<th>Professional Sphere</th>
<th>Your response</th>
</tr>
</thead>
<tbody>
<tr>
<td>RVC portfolio companies</td>
<td></td>
</tr>
<tr>
<td>Federal executive authorities</td>
<td></td>
</tr>
<tr>
<td>Regional/municipal executive authorities</td>
<td></td>
</tr>
<tr>
<td>State development institutes</td>
<td></td>
</tr>
<tr>
<td>Major companies and industrial enterprises</td>
<td></td>
</tr>
<tr>
<td>Innovation companies/startups</td>
<td></td>
</tr>
<tr>
<td>Business-angels</td>
<td></td>
</tr>
<tr>
<td>Venture funds</td>
<td></td>
</tr>
<tr>
<td>Strategic investors</td>
<td></td>
</tr>
<tr>
<td>Managing companies of venture capital funds and investment portfolios</td>
<td></td>
</tr>
<tr>
<td>Higher educational institutions and scientific centers</td>
<td></td>
</tr>
<tr>
<td>Innovation infrastructure for innovation support (technology parks, business incubators, accelerators, etc.)</td>
<td></td>
</tr>
<tr>
<td>Technology platforms, innovation area clusters</td>
<td></td>
</tr>
<tr>
<td>Mass media</td>
<td></td>
</tr>
<tr>
<td>Consulting companies</td>
<td></td>
</tr>
<tr>
<td>RVC employees</td>
<td></td>
</tr>
<tr>
<td>Subsidiary funds and RVC-backed funds</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

2. If your company was incorporated somewhere other than the Russian Federation, please specify the country of incorporation.

Your response

3. Please specify the format in which you read the Annual Report.

<table>
<thead>
<tr>
<th>Format</th>
<th>Your response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printed Russian version</td>
<td></td>
</tr>
<tr>
<td>Printed English version</td>
<td></td>
</tr>
<tr>
<td>Online Russian version on RVC website</td>
<td></td>
</tr>
<tr>
<td>Online English version on RVC website</td>
<td></td>
</tr>
</tbody>
</table>

4. Please assess the quality of the Annual Report against the following criteria.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Grade from 1 (poor) to 5 (excellent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure and convenience of locating information</td>
<td>1  2  3  4  5</td>
</tr>
<tr>
<td>Simplicity, clarity and unambiguity</td>
<td></td>
</tr>
<tr>
<td>Targeted data presentation</td>
<td></td>
</tr>
<tr>
<td>Design and layout</td>
<td></td>
</tr>
</tbody>
</table>

5. Please assess the completeness of information that was provided on the following topics.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Grade from 1 (poor) to 5 (excellent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role and influence of RVC in the Russian venture capital market</td>
<td>1  2  3  4  5</td>
</tr>
<tr>
<td>RVC strategic priorities</td>
<td></td>
</tr>
<tr>
<td>Investment activity of RVC, funds and portfolio companies</td>
<td></td>
</tr>
<tr>
<td>Innovation ecosystem development programs</td>
<td></td>
</tr>
<tr>
<td>Overview of the Russian venture capital market</td>
<td></td>
</tr>
<tr>
<td>RVC corporate governance</td>
<td></td>
</tr>
<tr>
<td>RVC partners</td>
<td></td>
</tr>
</tbody>
</table>

The questionnaire can be filled in on the RVC website at http://www.rusventure.ru/en/programs/analytics/docs/Report_RVC2015.php or sent by email to pr@rusventure.ru.
The present Annual Report (hereafter referred to as the “Annual Report”) of Russian Venture Company OJSC (the “Company”) reflects the company’s performance in 2015 and was prepared using information available to the company at the time of its preparation.

The Annual Report contains information about the company’s activity in 2015, forecasts and statements regarding the intentions, opinions and current expectations of the company, and concerning its performance, financial standing, liquidity, growth prospects, strategies, and development of the industry in which the company operates. Such forward-looking statements are characterized by risks and uncertainty because they depend on circumstances that may change in the future.

The company makes no express or implied representations or warranties, and disclaims any liability in case of any losses that may be incurred by any individual or legal entity as a result of using the forward-looking statements of this Annual Report, whether directly or indirectly. Such persons or entities should not fully rely on the forward-looking statements contained in this document because these are the only possible scenarios.

Except as provided for in the laws of the Russian Federation, the company does not undertake any obligation to review or confirm the expectations or estimates, or publish updates or changes to the forward-looking statements contained in this Annual Report, whether due to subsequent events or new information becoming available.