

# Press Release



## **Russian Online Shipping Marketplace RuWheel (Vezet Vsem) Secures Investment from Russia Partners**

NEW YORK and MOSCOW, November 25, 2015 – Russia Partners, an affiliate of private equity investment firm Siguler Guff, has announced its investment in RuWheel (Vezet Vsem), a leading auction-based online marketplace that brings together shippers and carriers in Russia.

The investment was made by Russia Partners Technology Fund (“the Fund”), the most recent Russia Partners fund, which invests in technology and technology-related companies. Despite the economic slowdown in Russia, the Fund has been expanding its investment portfolio. The investment in RuWheel is one of six investments made by the Fund this year. With a 20-year investment track record, Russia Partners has raised over \$1.3 billion and invested in over 65 companies since inception.

RuWheel was founded in 2011 and, prior to the Fund’s investment, was financed by Igor Konovalov, a Russian entrepreneur through DAC Investments. By 2015, RuWheel had secured one of the leading positions in the online shipping services market, and won a number of regional and federal awards for best start-up. In 2014, RuWheel was selected as the winning IT start-up in the Web-Ready competition held in the Skolkovo Innovation Center.

RuWheel is an internet platform that matches shippers and carriers in the freight, household goods and vehicle shipping markets and allows its users, which include private customers and businesses, to find the best quote for truck transportation. An auction-based service, RuWheel sends direct quotes from truckers and transport companies registered with the website to customers within several hours after placing an order. Currently, RuWheel has a database of over 60,000 transporters that work in Russia, the Commonwealth of Independent States (CIS) and Europe.

RuWheel customers save an average of 35% compared to market prices and, in certain cases, up to 70%. Savings are achieved by eliminating intermediaries and optimizing truckers’ utilization; for example, by enabling backhaul and combining less-than-truckload shipments. RuWheel rigorously monitors the quality of services rendered through the website. Every newly-registered trucker is required to submit a number of documents to RuWheel’s support service. Thereafter, the system tracks each trucker’s history of shipments and collects user reviews. Service providers who accumulate several negative reviews are removed from the database. RuWheel employs 50 customer service professionals to assist customers with all aspects of the process, from order placement to the completion of transportation.

Truckers benefit from working with RuWheel in three ways. First, they receive direct access to a channel of customer acquisition without intermediaries. Commission charged by RuWheel is substantially lower than that of traditional freight brokers. Second, RuWheel helps transporters optimize their resources through use of less-than-truckload shipments and backhaul. Finally, RuWheel lowers the expense of customer acquisition.

In 2015 year-to-date, RuWheel has grown three times as measured by its major KPIs. The company plans to develop a system for processing the entire transaction on their website, which will include document flow and e-signatures. It is also planning to offer additional features, including a mobile application and cargo tracking.

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“Unlike the majority of investors who have noticeably reduced their investment activity, we continue to invest in new deals across various regions of Russia. We have significant experience investing in multiple sectors, with recent investments including Banki.ru in financial services, standard test preparation company Maximum Education, and Viagogo, a marketplace for secondary ticket sales for concerts and sports events. Founded in Rostov-on-Don four years ago, RuWheel has already become one of the leaders in the online transportation booking market. We believe that it is fully capable of competing with traditional offline players. We are confident that RuWheel’s strong and experienced team of entrepreneurs will fulfill this ambitious task,” said Roman Simonov, Managing Director of Russia Partners.

“We have been very careful in selecting our investment partner. Money was not the deciding factor – we needed an investor with quality expertise and impressive experience. I am very glad that we met the Russia Partners team, who, in turn, decided to support us in our efforts to bring transparency to the transportation market. I am confident that together we will build the largest player in Russia and the CIS, while changing the perception of how transportation should work,” commented Anton Konovalov, Chief Executive Officer and Founder of RuWheel. “Many larger players tried to build online shipping marketplaces in hopes that the internet would disrupt the way the traditional trucking market operates. An example is Yandex.Master which, inspired by its success in the taxi market, tried to replicate the model in the cargo shipping business. As we know, they failed to achieve the desired outcome. The transportation market has its own standards and rules, and simply copying successful business models in other verticals will not work here. To the contrary, we have been involved in the market for several years and know exactly what shippers and truckers want. We use this knowledge to further develop our product. I am confident that the company will become the absolute leader and will change the way logistics works within the next three years.”

## **About Siguler Guff and Russia Partners:**

Russia Partners, an affiliate of Siguler Guff, is a private equity investment firm that makes direct equity and equity-related investments in companies operating in Russia and the countries of the former Soviet Union. Russia Partners Technology Fund is one of the funds managed by Russia Partners that focuses on investments in innovative technology companies. In 2015, the fund made six investments, including two companies operating in the Russian market (RuWheel and Maximum Education) and four businesses targeting the global market (Mirantis, Cinarra, RetailNext and Picsart).

Siguler Guff is a multi-strategy private equity investment firm which, together with its affiliates, has over \$10 billion of assets under management across three lines of business: multi-manager funds, direct investment funds and separate accounts. Siguler Guff serves over 500 institutional clients and more than 600 high net worth individuals. The Firm is headquartered in New York and has offices in Boston, London, Moscow, Shanghai, São Paulo, and a local affiliate office in Mumbai. To learn more about Siguler Guff and Russia Partners, please visit [www.sigulerguff.com](http://www.sigulerguff.com).

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