

Scaling remarkable businesses globally, a profile of Roosh

With #QVCS, Maddy Ness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today, we speak to Den Dmytrenko, cofounder and General Partner at Roosh.

Temps de lecture : minute

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At Roosh, we've always believed in the potential of Ukrainian tech.

Drawn together by our desire to create an ecosystem that would nurture talent, and invest in and scale startups - alongside our previous collaborative successes in the tech and VC industry in Ukraine - Serhiy Tokarev, myself (Den Dmytrenko), and Kyle Ukho founded Roosh in 2020.

Initially, Roosh was comprised of venture firm Roosh Ventures; startups Reface and Zibra AI; strategic partner for AI-powered company development Gathers; R&D company Neurons Lab; and Ukraine's largest AI community, AI HOUSE.

Roosh Ventures has since developed a global presence, co-investing in startups from across the EU and the US together with world-renowned firms such as Andreessen Horowitz, Accel, Global Founders Capital (GFC), Sequoia Capital, Index Ventures, Lightspeed, Greylock, NEA and others. We invest in pre-seed to Series A across the EU and US, with \$40M AUM.

Today, Roosh is an investment group that invests in 2 directions: Roosh Ventures, which invests in startups focused on capitalisation, and Roosh X, which invests in businesses focused on profitability.

Which industries are you working in?

Roosh Ventures is sector agnostic with a slight focus on enterprise SaaS, fintech, gaming, and AI-driven products.

What do you look for in a founder?

We seek founders who possess a number of key qualities - the combination of which, for us, makes a founder dynamic, and appealing (and more often than not - successful).

Industry expertise is ideal. We look for founders who bring valuable experience alongside a deep understanding of the market in which they're developing the product. Better yet, if a founder has already worked in the industry, identified a problem, and created the startup as a solution, that's a great sign. A strong signal for us is team members who were leaders at successful startups, product companies, or large corporations.

Effective communication is another hallmark of what we look for. So many parts of a founder's journey rely on it, whether that's the fundraising process, hiring, or internal communication. Moreover, effective external communication - with prospective customers, for example - is also essential. Engaging with the target audience prior to launching a business provides invaluable insights into the potential Product-Market Fit (PMF) of their product/service.

Honesty is crucial. Transparency about the business, product, team, and challenges faced is key in the final stages of negotiation. There's definitely nothing wrong with things not going perfectly, and a founder's honesty and ability to say "I don't know" sets them apart. Plus a founder's honesty will help us understand where we can support them, whether it's hiring people, improving your pitch deck, networking, or integrating AI.

Passion remains a cornerstone. The best founders exhibit a deep enthusiasm for their work, responding promptly to inquiries, demonstrating a profound understanding of their market, and proactively addressing challenges.

Can you talk about your current portfolio?

Since our launch in 2020, we've invested in some truly incredible startups, co-investing alongside world-renowned firms such as Andreessen Horowitz, Accel, Global Founders Capital (GFC), Sequoia Capital, Index Ventures, Lightspeed, Greylock, NEA and others.

Our investment portfolio is comprised of over 40 companies, including stars such as Deel (a global HR platform with a \$12B valuation, as of 2024), Oura (healthtech innovators with a \$2.55B valuation as of 2022), Pipe (a non-traditional financing company with a \$2B valuation, as of 2023), Playco (\$1B valuation), Alma (\$596M valuation), and 40+ other companies.

And, within our first two years of operating, we had our first exit with a 10X ROI.

What does the future look like?

VC is in a transformational period right now, which - as someone inside that change - can feel both overwhelming, and exhilarating. As we look to the future, I can see six key trends that stand out as shaping the VC scene:

A reset to funding sustainability: Since the pandemic era we've seen challenges in fundraising activity, as well as drops in companies' valuations. In 2023, European companies faced a notable reduction, raising only half the capital compared to the previous year. However, Q1

2024 has shown some signs of resilience, as the total deal value of €16.3B marked an increase of 19.1% YoY. Also - French, UK, and German governments support the VC ecosystem with monetary initiatives, which makes us, over at Roosh, even more bullish on these geos.

Liquidity issues nudge VC secondaries market: several of Europe's biggest VCs made portfolio sales to show liquidity to their LPs, since the IPO markets are muted (Molten Ventures, Tempocap). We do not expect VCs liquidity position to improve majorly this year, therefore we expect more activity with VCs portfolio sales and continuation funds. We also expect more US investors to enter the European VC market particularly through secondaries.

Market Recovery: The market appears to be recovering from the 2021 setbacks, with even industries like crypto and fintech finding positive ground for growth. This recovery is poised to fuel advancements and expand tech proliferation.

AI Dominance & Vertical Tech Emergence: AI remains a pivotal focus for funds, driving them to develop their AI expertise as understanding this technology becomes crucial for profitable investments. At the same time, we're seeing the rise of vertical AI models designed for specific niches. For example, we keep an eye on the implementation of AI in healthcare - with a minimum of 16 use cases - among which drug discovery, personalised care, assistance to care professionals and clinical trials are the most promising.

Competitive Environment: VCs have amassed substantial dry powder for investments, intensifying competition and making it increasingly challenging to participate in the most attractive financing opportunities. VC fundraising has been challenging since 2023 - as there is a limited number of liquidity events capable of boosting funds' performance. Consequently, we've seen that it's difficult for VCs to demonstrate returns

and attract additional capital.

AI-powered enterprises: Executive leaders in enterprises increase their budget allocations to developments in AI. Among Fortune 500 and other top enterprises' leaders interviewed by [a16z](#) the average spend on LLMs is expected to triple YoY in 2024. The profound developments in enterprises' GenAI will help companies to deliver faster, as it will be easier to hit the minimum viable product level (for example, an intern could make a task that earlier needed a team of CPO and CTO). We're anticipating, therefore, a shift to AI-powered offices, where AI agents will be able to perform complex tasks from start to finish with little or no human intervention.

What makes Roosh Ventures different?

What makes Roosh Ventures distinct is its integration within the Roosh Investment Group's robust platform, specialising in AI/ML, gaming, fintech, marketing, Adtech, and mobile apps. As the venture capital arm of this group, Roosh Ventures is uniquely positioned to offer unparalleled support and resources to startups. This includes tailored R&D, operational support, and access to a global network and partners.

Roosh Ventures accelerates startup development through three innovative boost plans: the AI Boost Package, which offers comprehensive AI strategy planning and consulting; a dedicated AI tech development outsourcing service with a rapid three-week turnaround; and expertise in gaming and mobile app scaling, drawing on the success of companies like Reface with up to 300 million downloads.

Additionally, Roosh Ventures provides a Founders' Ops Support Kit, which includes access to top talent, fundraising support, legal consulting, and PR assistance. This comprehensive support system is designed to address all facets of a startup's growth needs, making Roosh Ventures an invaluable

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What one piece of advice would you give founders?

You have to be polished. When it comes to fundraising, that's my main recommendation for startups. A well-prepared pitch and readiness to discuss future plans and challenges can significantly boost the chances of attracting investors. Many startups fail to secure funding initially because of underdeveloped ideas or unprofessional presentations - a polished approach is key.

Den Dmytrenko is the cofounder and General Partner at [Roosh](#).

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