

Russia's Ozon Secures Largest Western E-commerce Investment Since Sanctions

U.S. venture capital fund injects \$50 million to e-commerce giant in \$150 million financing round.

By [East-West Digital News](#)

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Ozon, which brands itself as "Russia's Amazon" has seen a spike in demand for online delivery amid the coronavirus outbreak. **Andrei Gordeyev / Vedomosti / TASS**

Russian e-commerce major Ozon has secured a fresh \$150 million round of financing, in one of the largest tech investment deals involving Western backers since 2013.

The money, in the form of a loan which can be converted into equity, comes from three investors bringing equal contributions: the Moscow-based private equity firm Baring Vostok, the corporate venture capital fund of Russian conglomerate Sistema, and a new Western investor, the U.S. venture capital firm Princeville Capital.

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The deal follows similarly large financing rounds completed by Ozon in [2018](#) and [2019](#) for \$92 million and \$154 million respectively. As sales revenues [increase](#) annually by up to 90%, the fresh funding will be used to open “at least five new fulfilment hubs” across Russia’s vast territory and to “grow its last-mile logistics network at least threefold,” the company said in a statement Tuesday.

Since the Russian annexation of Crimea in 2014, and the subsequent U.S. and EU sanctions against Russia, Western venture investors have virtually disappeared from the Russian investment scene.

The last big Russian e-commerce deals involving Western investors took place in 2012 and 2013, when now-defunct Wikimart secured \$30 million from Tiger Global Management and Western-founded clothes retailer Lamoda received \$130 million from Access Industries, Summit Partners and Tengelman.

The 2018 funding round for Ozon valued the firm at around \$815 million, and backers were earlier [reported](#) to be preparing the company for an initial public offering (IPO) to take place this year.

In an interview with The Moscow Times before the new investment deal was confirmed, Baring Vostok’s Matvey Vinokurov backed Ozon to become Russia’s biggest technology company in the next decade — a title currently held by Yandex with a market value of around \$11 billion.

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