



**Vekselberg and Skolkovo Foundation Empower Zyfra to
Supply AI Products to Russia's Military Industrial Base**

Introduction

Zyfra (ООО “ЦИФРА”) is the top Russian developer, producer, and systems integrator in the Russian artificial intelligence (AI)-enabled industrial internet of things (IIOT) market. Zyfra specializes in serving the energy sector, especially oil and gas companies, and is known to supply its products to the Russian military industrial base. In August 2024, the United States sanctioned Zyfra for working with a subsidiary of the United Engine Corporation, which produces engines for Russian military aircraft. Despite the imposition of Western sanctions on Russia for its 2022 invasion of Ukraine, Zyfra appears to be leveraging its ties to the sanctioned Russian oligarch Viktor Vekselberg and Finnish company AII Corporation OY to continue operations and possibly even exports while under sanctions. Zyfra’s international reach, including its Finnish connection, is enabled by its membership in the group of companies owned and controlled by Vekselberg, who has had extensive involvement in extractive industries in Russia and internationally. Zyfra’s significant ties to the Skolkovo Foundation, known as Russia’s “Silicon Valley,” have also helped it become a key player in Russian AI development. Unsurprisingly, Viktor Vekselberg and AII Corporation OY leader Pekka Villakainen both have significant ties to the Skolkovo Foundation and the Russian state.

Zyfra: An AI National Champion Fueled by Vekselberg’s Connections

Zyfra is tied to Viktor Vekselberg, a sanctioned Russian oligarch and a close ally of Russian President Vladimir Putin, which at least partially explains the company’s prominence and connections to the Russian state. Zyfra was created in June 2017 as a wholly owned subsidiary of the Renova Group, which is led by Vekselberg. Zyfra appears to have obfuscated its ownership structure recently, but a review of its ownership history and connections suggests it is still effectively owned by business interests controlled by Vekselberg.

The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned Vekselberg in 2018 for his “contribution to Russia’s energy sector” and again in 2022 following Russia’s invasion of Ukraine for “acting on behalf of Putin and of being a key player in Russia’s technology sector through his holding company Renova.” Former head of the Russian Federal Security Service (FSB) Nikolai Patrushev is also allegedly one of Vekselberg’s friends. Moreover, Vekselberg has close ties with other leading Russian government officials, including former Russian President Dmitry Medvedev, and has taken part in Russian diplomatic and soft power activities on behalf of the Kremlin.

Despite its location in Russia, Zyfra may be able to continue to thrive due in part to obfuscated international connections. Zyfra’s significant ties, through Vekselberg, to its Finnish former subsidiary, or possibly continuing partner company in Finland (formerly Zyfra OY and now called MDC), may enable it to market its software internationally or access resources or technology to develop AI products beyond what could otherwise be possible if it had operated exclusively within Russia. Zyfra claims to operate within 450 enterprises in 22 countries, likely aided by its Finnish relationship.

Zyfra’s former Finnish subsidiary is owned by the company AII Corporation OY, whose owner Pekka Villakainen is a Finnish businessman sometimes described as an advisor to Vekselberg and the Skolkovo

Foundation. The relationship between Zyfra’s Finnish subsidiary (AII Manufacturing Solutions OY) and the Russia-based Zyfra may have been deliberately obfuscated in publicity materials to make Zyfra appear less Russian. This is captured in AII Manufacturing Solutions OY’s creation story: on April 16, 2024, a week before Zyfra was sanctioned, Zyfra’s former Finnish subsidiary, then known as “Zyfra OY,” changed its name to AII Advanced Manufacturing Solutions OY.

Zyfra previously offered a product named “MDCPlus” starting around 2018. This product was an industrial monitoring system that appears to have been a simpler, possibly earlier version of its current “Dispatcher” product. Around May 2024, Zyfra’s former Finnish subsidiary AII Advanced Manufacturing Solutions OY set up a new website to market its services under the trade-name “MDCPlus,” which may be a reference to the previous Zyfra product also named MDCPlus. “MDCPlus” may have been a trade-name used by Zyfra OY/Zyfra since early 2024, but the website currently does not have any reference to Zyfra. As of mid-2025, AII Advanced Manufacturing Solutions OY/MDCPlus claims to have a global footprint, collaboration and integration with multiple countries, and impressive technical capabilities. At the same time, it also appears to have a very few employees, perhaps two or five, and no job postings. This strongly suggests that it is marketing products made or contributed to by Zyfra.

Zyfra Ingraining Itself in the Russian State Through Skolkovo Foundation

Zyfra has a deep relationship with the Skolkovo Foundation, a sanctioned Russian entity founded in 2010 that operates a “Skolkovo Technopark,” a research cluster billed as “Russia’s Silicon Valley.” The Skolkovo Foundation supports a number of technological initiatives, including funding AI projects with other global venture capital firms and investors. Skolkovo has furnished Zyfra with the opportunity to become a national champion in AI-enabled Industrial Internet of Things products. In 2021, Skolkovo was designated the official operator overseeing government-backed testing of AI technologies in key economic sectors covered by the federal Artificial Intelligence initiative under Russia’s Digital Economy program. Zyfra is a “Skolkovo Participant” by way of the Skolkovo-backed technopark “Fabrika,” where Zyfra is an official resident. Zyfra’s connection to the Skolkovo Foundation is multifaceted. Zyfra has also collaborated on Skolkovo-funded projects with other key players in Russian industry and technology.



Figure 1: Technopark Fabrika in Astrakhan, Russia

Zyfra has significant ties to Skolkovo through its management. Zyfra's ultimate owner Viktor Vekselberg is currently the chairman of the Skoltech Board of Trustees. His initial involvement began in 2010 when Russian President Dmitry Medvedev named him the first president of the fledgling version of the Skolkovo Foundation. Pekka Villakainen, tied to Zyfra's Finnish subsidiary, helps organize Skolkovo's Startup Village event, which prominently features AI technology innovation for civilian and private sector uses.

Zyfra has also purchased at least two Skolkovo resident companies. In 2022, the Zyfra Group purchased VIST Group (ВИСТ группа), Russia's largest software developer for the mining industry. Zyfra Group bought a controlling stake in Geosteering Technologies, a developer of smart drilling technology. In addition, Skolkovo residents often collaborate with Zyfra on matters related to AI. For example, Skoltech and Zyfra are creating a joint laboratory for applied AI research at the Skoltech Center for Data-Intensive Science and Engineering (CDISE). Additionally, Zyfra was part of the Skolkovo project Obereg.AI. This system uses natural language processing, machine learning, and predictive analytics to offer AI assistants for personal security.

Zyfra's participation in and backing from Skolkovo and the Russian government provide the company a wealth of opportunities to ingrain itself in projects related to the Russian state beyond the Skolkovo and Fabrika campuses. As a national champion, Zyfra has been involved in federal innovation projects like Digital Transformation 2030 and Advanced Engineering Schools. Its "Stankin" project with Moscow State Technical University will develop training modules on digitalization of production and creation of training spaces on Industry 4.0 and R&D. In another effort, Zyfra and the Russian national electricity distributor Rosseti are working together to digitalize the fuel and energy sector, housing, and utilities to implement Putin's order to create digital platforms for key sectors of the economy and social sphere by 2030.

AI Products Supplied by Zyfra to the Russian Military Industrial Base

Zyfra offers IIOT products for the mining, hydrocarbon, metallurgy, chemical, and metalworking sectors, primarily through its "Zyfra Industrial Internet of things" (ZIIoT) product. Zyfra provides its AI-enabled predictive analysis tool "ZIIoT+AI" to at least one Russian company related to weapons manufacturing: the Salyut Machine Building Plant, part of United Engine Corporation (UEC), Russia's holding company for military and civilian aircraft engine production, according to the website of UEC's parent company Rostec.

According to press releases from Rostec and marketing materials from Zyfra, the Salyut Machine Building plant deployed ZIIoT with AI elements to its production line for the AI-222-25 turbojet engine, which is used in the Russian Yak-130 and advanced jet trainer and light combat aircraft. Rostec announced the Zyfra project at Salyut in June 2020.

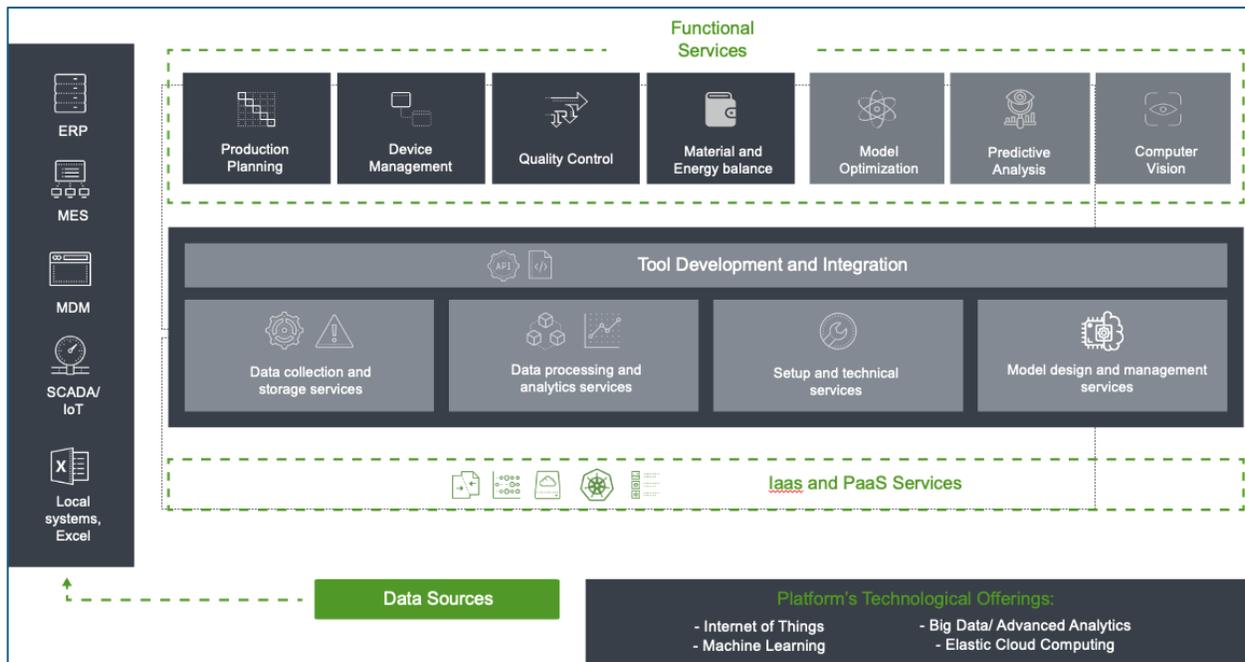


Figure 2: Exovera-Translated Graphic Showing Zyfra’s Industrial Internet of Things Platform Functionalities

Zyfra’s earlier MDCPlus and Dispatcher products, which have similar features to ZIIoT, have also been deployed to Russian military industrial firms. Dispatcher is Zyfra’s monitoring system for industrial equipment and factory employees. As of 2017, Zyfra was clear about its ambitions to develop AI applications in industrial production, but the Dispatcher system did not seem to have any announced AI-enabled functionalities at the time. As of July 2025, Zyfra still offers its Dispatcher product, and the product page does not mention that AI capabilities have been added to the product.

Zyfra is also a key provider of AI-enabled products for the Russian energy and mining sectors. It has a department devoted to the task and lists Gazprom, Sugurneftegaz, Gazprom Bureniye, Achim Development, Lukoil, Bimeister, Nedradigital, and the Neftegazovyy Kluster as partners. Zyfra supports Gazpromneft in the Digital Industrial Platform joint venture. This is a digitization effort aimed at centralizing operational management and creating digital twins using AI technologies, and it relies upon Zyfra’s IIoT Oil and Gas platform.

Conclusion

Zyfra’s broad connections to the Skolkovo Foundation and the influential oligarch Viktor Vekselberg and to companies in the Russian military industrial base mean that it will likely continue to receive Russian state support as a prioritized company, even as sanctions may harm its business activities. Zyfra’s likely continued relationship with a Finnish company owned by a Skolkovo-connected businessman may enable it to evade at least part of the effects of sanctions. Zyfra is a reminder that, at least in the software world, Russia still has ambitions to make a world-class industrial AI company and may still have ambitions to export AI products, one way or another.