

BALTIC START UP MAG

BALTIC STARTUP MAG 2019

Technology vision 2019

Baltic Startup Outlook

VEF District rebirth

Investment card

accenture



LATVIA AND THE BALTICS: ATTRACTIVE PLACE TO DO BUSINESS

The Baltic States are undoubtedly one of the most thriving regions in the EU. For the last couple of years, not only has Latvia seen steady economic growth, it has also been one of the fastest growing economies in the EU, at 4.8% last year. I'm sure that this is mainly due to our hard-working people, their talent and multilanguage skills, which is the norm around here. So, no wonder we're sending this signal as clearly as never before – Latvia and the Baltics overall are an attractive place to do business in Europe.

Governments closely watch how business is done these days, and we adapt and rearrange things to support entrepreneurs even more. Their success is crucial for our all well-being. We have adjusted our assistance programmes to help the startup ecosystem grow collectively as well as individually, but one thing is for sure – no programme will help if there is no bright idea behind the business. That's why every year we foster and celebrate innovation in our yearly Export and Innovation Award Ceremony in Latvia. This is one of the key elements of success not only for startups but for business as such.

We're proud to offer Mini MBA and Science Commercialization programmes, co-financing instruments for business trips and Business Incubators, all of which eventually assist new ideas to take shape on the often bumpy and challenging road to success. Our new Startup Law is on the books now, offering an attractive tax arrangement for startup companies. Also, we have initiated and finalized Startup Visas which will help a new generation of non-EU entrepreneurs to come here, explore and build their businesses.

The startup environment in the Baltic states is a great place to be in 2019. We are happy to have multiple internationally recognised, exciting startups here in Latvia and I invite entrepreneurs to explore the wide opportunities that our country can offer.

Andris Ozols

General director at Investment and Development Agency of Latvia

Photo: Publicity photo

Unicorns create economic value for shareholders, especially early investors through IPOs and exits. The value they give to society and ecosystems around them plays out over a much longer-term time frame. Of course, unicorns are not the only proxy and do not guarantee success. Quality of scientific research, conducive patent arrangements, corporate investment are also necessary.

For society at large, unicorns are essential in two ways. First, they are a good symbol of the possibility of success, financial and otherwise. Several unicorns coming from the same environment over a more extended period create a strong belief that the ecosystem itself must be special. The founders and the founding teams root this principle in recognizable cultural norms. This creates a type of a rock-and-roll culture, which drives a new generation of people. Secondly, once a unicorn by valuation becomes a unicorn by revenue and a unicorn by amount of people, it becomes the basis for the next generation of "techpreneurs".

Israel lauded itself as a startup nation as early as 2009. A combination of age-old traditions of education, compulsory army service, excellent technical education and lack of big employers produced a unique focus on starting your own business. While company formation continues to boom in Israel, the narrative of the last two-three years is much more focused on taking successful startups to scaled companies with significant research, development and head offices in the state of Israel.

Europe should continue to focus on building strong firms. SAP founded in the 1980s and Spotify in the early 2000s are both excellent examples. Firms created robust ecosystems for other enterprises. They are a lighthouse for new professionals, as their founders and early employees went on to create new companies. Europe needs more of that!

Maksims Jegorovs

Accenture Lead in Latvia

Photo: Andrejs Losevičs

TOGETHER WE ARE CREATING A UNICORN NATION

LATVIA'S ARMS ARE WIDE OPEN FOR STARTUPS

We want to see our ecosystem united – it is time to come together and leverage what each of us is doing best

This is the view of Olga Barreto Gonçalves, Head of Magnetic Latvia Startup – a dedicated startup support team at the Investment and Development Agency of Latvia (LIAA).

What are your plans for startups in 2019?

We kicked off this year with an official dedicated startup support team created within LIAA, and this is worth a lot. It will allow us to do more and do it better.

For 2019, we have a lot of things in mind. The Startup Law's benefits are clearly there for the taking and we intend to be pro-active in attracting startups to act on this. Furthermore, last year we launched an experimental program to help 100 startups to attend different conferences and events with our financial support. 92 entrepreneurs were approved out of 100. We intend to continue this program. We also plan to participate in some global startup events to promote the attractiveness of our startup launchpad, and some original initiatives are being planned as we speak – we intend to make all of them happen with the support of our own ecosystem.

This idea of working together with the ecosystem is becoming increasingly important. We would initially like to foster this collaboration within Latvia, and then at a pan-Baltic level. We want to see our ecosystem united – it is time to come together and leverage what each of us is doing best. I've consistently urged us to put our egos aside and act for the greater good. This year my personal aim is shaped around that thought.

Let's talk about money. Where can one get it in Latvia?

First of all, the Startup Law allows you to save money – which is another way of getting money. Then there is the program that I already mentioned offering support for attending conferences and other events, and an innovation voucher that is applicable to all enterprises. The innovation voucher program is run by LIAA and was also recently revised to offer more forms of support. There is also a special program run by Altum – three acceleration funds Buildit Latvia,

Overkill Ventures and Commercialization Reactor which will run their program for a couple more years. They are actively looking for startups and opening calls for applications regularly. There will be more money infused through Altum for the growth stage startups soon – just stay tuned.

Then there are business angels (LATBAN) and one new angels network Changer BAN. There are also some VC/private equity funds that tend to look at mature startups. We can look outside of Latvia too, as we should, because startup investments don't know any geographical borders and the money supply is quite impressive. Some people do not agree with me when I say that there is a lot of money around because there some trends show a decrease in startup investments world-wide. I firmly believe though that there is abundance of money for good ideas that are well presented.

What is Latvia's competitive advantage?

My favorite question! Every country would like to claim something unique. At the risk of sounding disappointing I'd say that there is no such thing anymore. Latvia does have advantages as a startup platform, but they are not unique. So it all boils down to how you package your advantages, communicate them and provide follow-through and support. That said, early stage startups can benefit from the Latvian startup scene the most: there is money available, the business environment is solid, there are people in the government that are sincerely interested in you. There is an ecosystem – the one-handshake theory works perfectly. The talent is there. Is the talent sufficient? No. There is a lack of talent everywhere. But we have good opportunities for the talent to grow. Our location is good and strategic. You can easily keep yourself mobile while living in Latvia. And I always emphasize our quality of life: from security and lack of natural and man-made disasters to access to culture and spiritual growth, Latvia is a great place to live.

Olga Barreto Gonçalves
Head of Magnetic Latvia
Startup

Latvia was one of the first countries globally to pass a Startup Law. But it turned out to be difficult to get startups interested in applying. The second amendment package for the law was passed last year. What has changed since the first version of the Startup Law?

The definition of the qualifying investor has become broader. Before, the qualifying investor could only be a venture capital (VC) fund registered with Financial and Capital Market Commission in Latvia or abroad. Now, VC fund managers, acceleration programs and business angels are also included. This reflects the real situation much better: the likelihood of early-stage startups attracting funding from acceleration programs or business angels is higher than from VC funds.

Furthermore, the nature of the qualifying investment was also adjusted to include investments via share premiums and convertible loans. Prior to the amendments, only equity investments counted. There were also revisions of the most complicated requirement that refers to reorganization of the startup and changes in the structure of shareholders.

**EARLY STAGE STARTUPS CAN
BENEFIT FROM THE LATVIAN STARTUP
SCENE THE MOST: THERE IS MONEY
AVAILABLE, THE BUSINESS ENVIRONMENT
IS SOLID, THERE ARE PEOPLE IN THE
GOVERNMENT THAT ARE SINCERELY
INTERESTED IN YOU. THERE IS
AN ECOSYSTEM —
THE ONE-HANDSHAKE THEORY
WORKS PERFECTLY.
THE TALENT IS THERE.**

While several important drawbacks in the law have been fixed, there are still things to work on. For example, startup ownership of other companies and structure-related issues remain unresolved at the moment.

Let's talk about the process. It was a bit unique because everybody from the ecosystem had a chance to say the word about amendments. How did you feel it on the other side?

The Startup Law initiative came from the ecosystem, so it's very grassroots. It's also a brilliant sign of a mature solid ecosystem. We had several roundtables for shaping the law and the subsequent amendments. Members of the startup ecosystem had an opportunity to take part. There were a lot of discussions because the same issue looks different from different sides. And we were trying to find a way that would make sense to everyone. Needless to say, it's a dynamic and complex process and not all issues were sorted out – I see it as an opportunity to keep up the good work.

Are there discussions at the international level between governments on how to improve processes for startups?

As far as I know, Latvia was the pioneer worldwide on the initiative to create a Startup Law. Ever since we've received many questions from other countries that are also considering such a law. It's great that we can share our experience and help others avoid mistakes. On the other hand, those who didn't know about the Startup Law but with whom the topic somehow came into conversation were amazed that this kind of initiatives can be passed.

What is the outcome of the second edition of the Startup Law?

The immediate outcome was that many of those who we consulted before the amendments became plausible candidates for support under the Law. At the moment, there is a second wave of consultations wherein startups come to check with us whether they can qualify. We already have two more successful applications and a few startups are in the process of applying. The database of investors was extended, too – it now contains some acceleration programs and business angels, which was not possible before the amendments. But I would be lying if I said that it is an optimal result. It's not. We are trying to understand why. Maybe the reason is fatigue among startups of waiting for the amendments – they took quite a while to come into force. Maybe it is bureaucratic burden that is still there although the application form was made much easier to comply with. Maybe everyone is familiar with the Startup Law, but they opt not to apply because the benefits don't match expectations. I wish I knew why. The good news is that currently research is being conducted by the Ministry of Economics of Latvia with a professional partner on the needs of Latvian startups. I hope we will get some answers.

THE POST-DIGITAL ERA IS UPON US

THE TECHNOLOGY VISION IDENTIFIES FIVE EMERGING TECHNOLOGY TRENDS THAT COMPANIES MUST ADDRESS IF THEY ARE TO SUCCEED IN TODAY'S RAPIDLY EVOLVING LANDSCAPE

DARQ POWER

UNDERSTANDING THE DNA OF DARQ

THE KEY SET OF NEW TECH IS DARQ: DISTRIBUTED LEDGER TECHNOLOGY (DLT), ARTIFICIAL INTELLIGENCE (AI), EXTENDED REALITY (XR) AND QUANTUM COMPUTING.

AI PLAYS A CRITICAL ROLE IN OPTIMIZING PROCESSES AND INFLUENCING STRATEGIC DECISION-MAKING. XR, AN IMMERSIVE TECHNOLOGY, CREATES ENTIRELY NEW WAYS FOR PEOPLE TO EXPERIENCE AND ENGAGE WITH THE WORLD AROUND THEM. DISTRIBUTED LEDGERS ARE PERHAPS BEST KNOWN IN THE CONTEXT OF CRYPTOCURRENCIES, BUT THEY ARE EXPANDING NETWORKS AND CAPABILITIES BY ELIMINATING THE NEED FOR TRUSTED THIRD PARTIES. AND QUANTUM COMPUTING, THE DARQ TECHNOLOGY THAT REMAINS THE MOST EXPERIMENTAL, WILL USHER IN NOVEL WAYS TO APPROACH AND SOLVE THE HARDEST COMPUTATIONAL PROBLEMS.

GET TO KNOW ME

UNLOCK UNIQUE CONSUMERS AND UNIQUE OPPORTUNITIES

TECHNOLOGY-DRIVEN INTERACTIONS ARE CREATING AN EXPANDING TECHNOLOGY IDENTITY FOR EVERY CONSUMER. THIS LIVING FOUNDATION OF KNOWLEDGE WILL BE KEY TO UNDERSTANDING THE NEXT GENERATION OF CONSUMERS AND FOR DELIVERING RICH, INDIVIDUALIZED, EXPERIENCE-BASED

RELATIONSHIPS. MORE THAN FOUR IN FIVE EXECUTIVES (83%) SAID THAT DIGITAL DEMOGRAPHICS GIVE THEIR ORGANIZATIONS A NEW WAY TO IDENTIFY MARKET OPPORTUNITIES FOR UNMET CUSTOMER NEEDS.

LEADERS ARE USING THESE UNIQUE DIGITAL IDENTITIES TO CREATE A NEW GENERATION OF OFFERINGS THAT FOSTER AN ONGOING, TRUSTWORTHY RELATIONSHIP WITH CONSUMERS.

HUMAN+ WORKER

CHANGE YOUR WORKPLACE OR HINDER YOUR WORKFORCE

AS COMPANIES CONTINUE TO INNOVATE, THEY CREATE MORE JOBS AND ROLES THAT ARE IMMersed IN TECHNOLOGY. EVERY JOB TODAY IS BECOMING A HUMAN+ ROLE. EVERY NEW ROLE CREATED IN THE FUTURE WILL BE HUMAN+ FROM THE START. THIS GROWING COLLABORATION BETWEEN HUMANS AND TECHNOLOGY CREATES NEW OPPORTUNITIES, BUT ALSO PRESENTS NEW CHALLENGES. TODAY'S ENTERPRISES ARE STILL OPTIMIZED FOR THE WORKFORCE OF THE PAST, LEAVING A DISCONNECT THAT STRETCHES ACROSS THE ORGANIZATION.

COMPANIES HAVE INADVERTENTLY CREATED A NEW DIGITAL DIVIDE BETWEEN THEMSELVES AND THEIR HUMAN+ WORKFORCES. TO LEAD, BUSINESSES MUST CLOSE THE GAP, ADAPTING THE TECHNOLOGY STRATEGIES THAT SUCCESSFULLY CREATED THIS NEXT-GENERATION WORKFORCE TO MEET THEIR NEW NEEDS.

SECURE US TO SECURE ME

ENTERPRISES ARE NOT VICTIMS, THEY'RE VECTORS

TODAY, NO ORGANIZATION IS TRULY ABLE TO TACKLE CYBERSECURITY ALONE. THE MODERN, ECOSYSTEM-DEPENDENT BUSINESS WORLD AMPLIFIES THE IMPACT OF CYBERATTACKS EXPONENTIALLY. AN INCIDENT THAT ONCE WOULD CRIPPLE JUST ONE ENTERPRISE CAN NOW GROW AND EXPAND TO THREATEN A COMPANY'S PARTNER ORGANIZATIONS, AN ENTIRE INDUSTRY, OR EVEN LARGE PARTS OF THE ENTIRE ECONOMY.

LEADING BUSINESSES RECOGNIZE THAT SECURITY MUST PLAY A KEY ROLE IN THEIR EFFORTS AS THEY COLLABORATE WITH ENTIRE ECOSYSTEMS TO DELIVER BEST-IN-CLASS PRODUCTS, SERVICES AND EXPERIENCES.

ONLY 29% OF EXECUTIVES SAID THEY KNOW THEIR ECOSYSTEM PARTNERS ARE WORKING DILIGENTLY TO BE COMPLIANT AND RESILIENT WITH REGARD TO SECURITY.

MYMARKETS

MEET CONSUMERS AT THE SPEED OF NOW

IT'S ABOUT BEING ABLE TO DELIVER GOODS OR SERVICES TO A PARTICULAR CUSTOMER AT THEIR PARTICULAR MOMENT OF NEED. THE WORLD HAS BEEN EVOLVING TOWARD THE GOAL OF CAPTURING MOMENTS AS LONG AS DIGITAL TECHNOLOGY HAS EXISTED.

IN THE POST-DIGITAL ERA, IT WILL FINALLY BE POSSIBLE. NEW TECHNOLOGIES ALLOW CONSUMERS TO ACCESS PERSONALIZED PRODUCTS AND SERVICES ON DEMAND, AND THEY ALSO ENABLE BUSINESSES TO PRODUCE CUSTOMIZABLE PRODUCTS MORE QUICKLY AND INEXPENSIVELY. THAT COMBINATION HAS SET CONSUMER EXPECTATIONS ON A CONSTANT CLIMB. IN THE POST-DIGITAL ERA, IT WON'T BE ENOUGH TO ACHIEVE CUSTOMIZATION OR ON-DEMAND PRODUCTS AND SERVICES. PEOPLE EXPECT BOTH.

COST OF LIVING IN THE BALTICS

MONTHLY EXPENSES (MODERATE/LOW SPENDING*)



* THESE CALCULATIONS ARE BASED ON NUMBEO.COM ALGORITHMS AND ASSUMPTIONS ABOUT A LIFESTYLE THAT INCLUDE: RENTING A SMALL APARTMENT OUTSIDE OF THE CITY CENTER, USING PUBLIC TRANSIT, NOT SPENDING MUCH ON EATING OUT, LEISURE, CLOTHING, MODERATE SPENDING ON COFFEE, ALCOHOLIC BEVERAGES, TRAVEL, AND NOT INCLUDING CHILD-RELATED EXPENSES.

1093€ LASTS**

AVERAGE MONTHLY EXPENSES FOR A SINGLE PERSON WITH A STARTUP LIFESTYLE IN THE BALTICS

BALTICS: 31 DAYS
WARSAW: 31 DAYS
LONDON: 11 DAYS
BERLIN: 19 DAYS
STOCKHOLM: 17 DAYS
KIEV: 52 DAYS

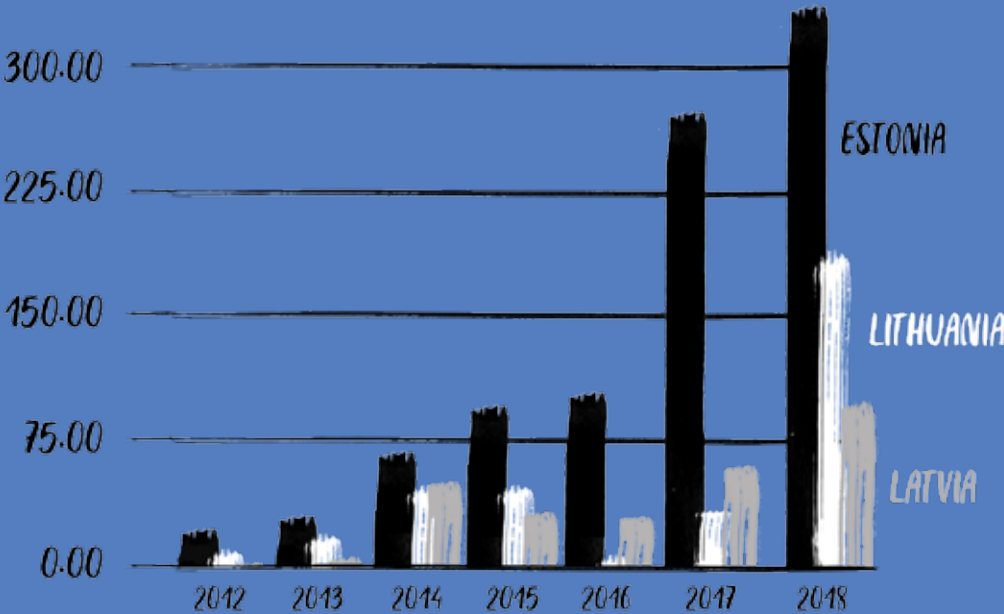
** THIS COMPARISON IS BASED ON NUMBEO.COM ALGORITHMS, CALCULATING MONTHLY SPENDING FOR EACH CITY USING THE SAME LIFESTYLE INDICATORS.

SOURCE: BALTIC STARTUP SCENE REPORT 2017/2018 BY STARTUP WISE GUYS & EIT DIGITAL

INVESTMENTS

RAISED BY BALTIC STARTUPS, MILLION EUR

	ESTONIA	LATVIA	LITHUANIA
2012	23	12	8
2013	31	17	16
2014	69	55	45
2015	97	43	46
2016	106	26	5
2017	272	65	19
2018	328	85	184



SOURCE: STARTUP ESTONIA, THE MINISTRY OF ECONOMICS OF THE REPUBLIC OF LATVIA, STARTUP LITHUANIA

INTERESTING FACTS ABOUT BALTIC STARTUPS

NUMBER OF STARTUPS

SOURCE: THE MINISTRY OF ECONOMICS OF THE REPUBLIC OF LATVIA



NUMBER OF EMPLOYEES IN ESTONIAN STARTUPS

SOURCE: STARTUP.ESTONIA, THE ESTONIAN TAX AND CUSTOMS BOARD



LITHUANIAN STARTUPS BY NUMBER OF EMPLOYEES

SOURCE: UAB CREDITINFO, VSI VERSLI LIETUVA STARTUP DATABASE



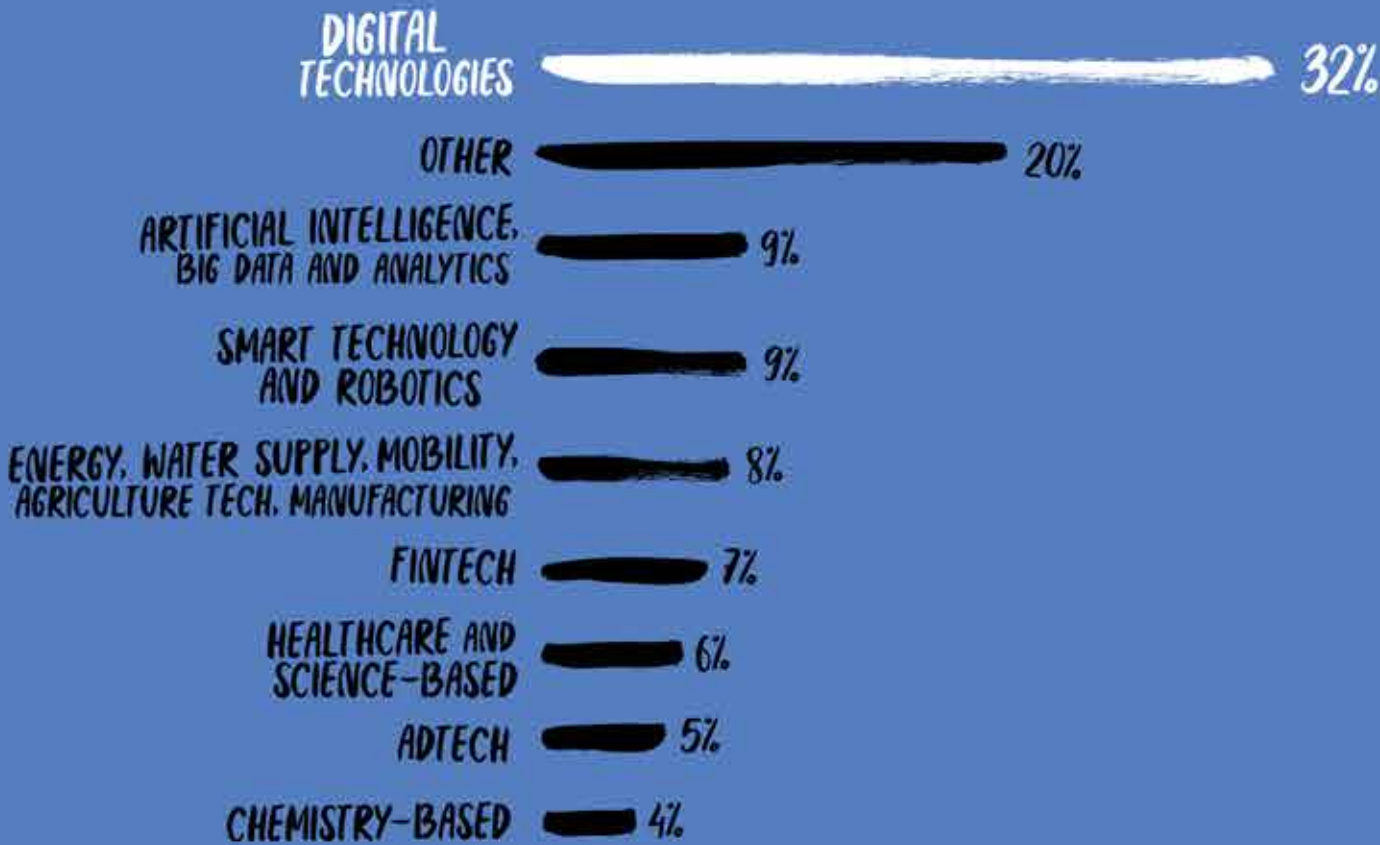
NUMBER OF EMPLOYEES IN LITHUANIAN STARTUPS

SOURCE: UAB CREDITINFO, VSI VERSLI LIETUVA STARTUP DATABASE



LATVIAN STARTUP FIELD (%)

SOURCE: THE MINISTRY OF ECONOMICS OF THE REPUBLIC OF LATVIA



TOP 3 BIGGEST EMPLOYERS AMONG ESTONIAN STARTUPS

SOURCE: STARTUP.ESTONIA, THE ESTONIAN TAX AND CUSTOMS BOARD



THE REBIRTH OF THE VEF DISTRICT

The area will be a model for Latvia as a smart country, where the partners will develop and use the urban surroundings to test the latest digital technologies, raising Latvia's international profile

One of the largest tech events in Latvia, TechChill, brings together 2000 entrepreneurs, challengers and the brightest minds in tech. TechChill 2019 was in a unique place – VEF Culture Palace. TechChill is a gathering of visionaries every year. Of course, most of what they do is grounded in the hard logic of coding, the science of how microprocessors and communications systems work and the cold numbers of users, customers and potential revenue. But there is an intangible spirit they all share – a vision, an idea, confidence that you can do it! It sparkles in the enthusiasm of TechChill presentations and the thousands of informal discussions that go on at events like this.

In the streets and buildings around VEF Culture Palace, there is also a spirit of creativity, innovation and entrepreneurial perseverance going back 100 years to Latvia's first period of independence and the new nation's first ventures into the pre-microchip high-tech world of those times.

Making spy cameras and airplanes

VEF, the abbreviation for the State Electrotechnical Factory, was founded in 1919 as a workshop for then newly independent Latvia's post and telegraph service. As it grew, it moved to the buildings in the industrial area near the TechChill venue which were built in the late 19th century to house a factory for electrical equipment, at one time owned by Germany's AEG. Today VEF no longer exists as a working enterprise, but in its heyday, it brought together some of Latvia's best innovators and engineers. In the 1930s they designed and built the tiny Minox spy camera, designed prototype light civilian aircraft and fighter aircraft for Latvia's defense forces and manufactured telephones, telephone network switches and home radio receivers. By the late 1930s, VEF was also making light bulbs, vacuum cleaners, film projectors, batteries and flashlights, and even built a prototype passenger/utility car. One could say that VEF was an incubator of sorts for the high-tech hardware world of the early 20th century.

During the dark Soviet times, the enterprise continued to make telephones and sophisticated telecommunications switches as a kind of "market leader" in the Soviet Union (which, of course, didn't have a free market). In the 1980s, VEF also made transistor radios and computers. The accumulation of technical knowledge and experience at VEF didn't stop under the Soviets, but lacking



WE DIFFER FROM
OTHER PLACES IN WHAT
WE ARE - AN
INNOVATION
PLATFORM -
AND VEF IN SCALE.

market-oriented management skills and perhaps, a bit of political will from the post-independence Latvian governments, the company went under in the early 1990s. One legacy of the Soviet era when factories also provided social and cultural services is the TechChill venue, the VEF Culture Palace, which opened in 1960. It fell into disrepair after the Soviet Union collapsed and was taken over as a “cultural monument” by the City of Riga, which extensively refurbished it in 2016–2017 with European Union funds as a modern setting for cultural events, art exhibits and conferences. A structure that embodies the best of what architecture critics call Soviet-era eclecticism, the VEF Culture Palace hosts everything from concerts and folklore group events to art exhibits and dances for senior citizens.

TODAY, THERE IS MORE TO THE VEF LEGACY THAN JUST BUILDINGS.

A natural community of innovators

Today, there is more to the VEF legacy than just buildings. The buildings left behind by VEF have been populated by various high-tech companies ranging from startups to the Latvian operations of the global technology consulting company Accenture. Real estate developers such as Jaunā Teika and Pillar/New Hanza Capital have built new office and residential spaces near the former site of VEF or upgraded and become managers of older buildings in the VEF complex. Several of these companies and other players in the VEF neighborhood have come together to form the VEF District (VEF apkaimē in Latvian). This is a community of common interest developing the VEF environs as a place for high-tech innovation, cooperation and high-quality living within walking distance of a growing number of attractive workplaces and a short tram ride from the centre of Riga.

“The aim of the VEF District is to promote the improvement of the environs for residents and workers, to promote innovation by companies and the development of STEM (Science, Technology, Engineering and Mathematics) education at schools and universities. In order to do so, several companies in the VEF neighborhood – real estate developers Jaunā Teika and Pillar/New Hanza Capital, Latvijas Mobilais telefons (LMT), Accenture and (consumer electronics, clothing and household goods retailer) Elkor pooled financial and human resources to realize these goals,” explains Viesturs Celmiņš, a social anthropologist who has helped organize meetings between companies in the VEF District.

Elkor has hosted robotics training courses for children and hopes to see innovative products such as 5G devices – perhaps made just across the street – on its shelves someday. The office tower headquarters of LMT looms over the VEF District. “LMT together with other technology companies, real estate developers and a cultural center have joined forces to create an innovative environment in the VEF District – a place to work, rest and create for people who are captivated by technology and the possibilities for innovation,” says Elina Lidere, LMT press secretary. She adds that LMT is looking for synergies that will benefit some of its research and development projects in the VEF District.

A place to test “smart country” solutions

“The district will be a model for Latvia as a smart country, where the partners will develop and use the urban surroundings to test the latest digital technologies, raising Latvia’s international profile. This will be a creative environment where companies are committed to prototype new solutions, not only for a smarter, but a greener infrastructure, as well as creating export-capable innovations and a balanced milieu for working and living,” Lidere explains. “For example, LMT will implement machine vision solutions and the potential of 5G for improving the urban environment. Accenture’s prototyping Liquid Studio will work with the internet of things, artificial intelligence and augmented reality projects. Mikrotik in cooperation with LMT will develop 5G technologies to improve Latvia’s competitiveness.” Asked whether the VEF District will duplicate co-working spaces such as TechHub and the Mill and startup incubators held from time to time in Riga, Celmiņš replies: “The people who live, work or visit events in the former VEF territory remain at the center of the VEF District. There are co-working spaces, conference rooms, and the offices of large IT companies. We differ from other places in what we are – an innovation platform – and in scale. We are one of the largest IT-oriented districts in Latvia. We are also accessible, we are on the central thoroughfare of Riga, Brīvības (Freedom) Street and easily reached by public or private transportation.”

THE AIM OF THE VEF DISTRICT IS TO PROMOTE THE IMPROVEMENT OF THE ENVIRONS FOR RESIDENTS AND WORKERS.

The idea for something like VEF District started to crystallize when MikroTik, a maker of internet and WIFI routing equipment and software, moved its operations to the neighborhood, recalls Kristaps Banga, Accenture Innovation Lead in Latvia. “The move by MikroTik confirmed to the others that such an idea and vision for the area is held by several business leaders and that the time has come to well on past memories but to continue to concentrate technological and scientific capacity in this place,” he says, noting that it took a little time for some enterprises to come around to the idea. “LMT took the initiative and the VEF Culture Palace then invited and brought together the area’s enterprises to celebrate May 4 (Latvia’s second declaration of independence in 1990), making our communication closer and more frequent.”

Offering Integrated living, working and fun spaces

Real estate developer Jaunā Teika has been creating an office and residential complex close to the old VEF site since 2006 (the high-rise buildings behind the LMT office). According to Līga Ansone, a representative of the developer, Jaunā Teika was designed from the start to integrate commercial, residential and recreational facilities, something which soon attracted both companies and their employees. A synergy has developed between what is now the VEF District and Jaunā Teika because of “a high density of IT people and companies in the immediate neighborhood, at least 25 large IT firms, 70 smaller – all of them in IT or innovative tech,” according to Ansone. Many employees and their families, in turn, have moved to apartments in Jaunā Teika because it is close to their workplaces, a short distance from the centre of Riga and offers local amenities such as garden parties, street food fairs, playgrounds and Christmas events for children, she said.

Real estate investment company New Hanza Capital and its management unit Pillar own and manage four buildings in the historic VEF industrial area. The aims of the VEF district align with the company’s vision for the buildings and area where VEF once operated, says Iveta Krusta, New Hanza Capital’s marketing specialist. “Even though industrial production has not taken place here for a long time, as developers we see a new potential for this area. Respecting local history and the golden age of the factory, we will renew our buildings, creating a modern and orderly environment, which will become home to local and international creative and innovative companies.”

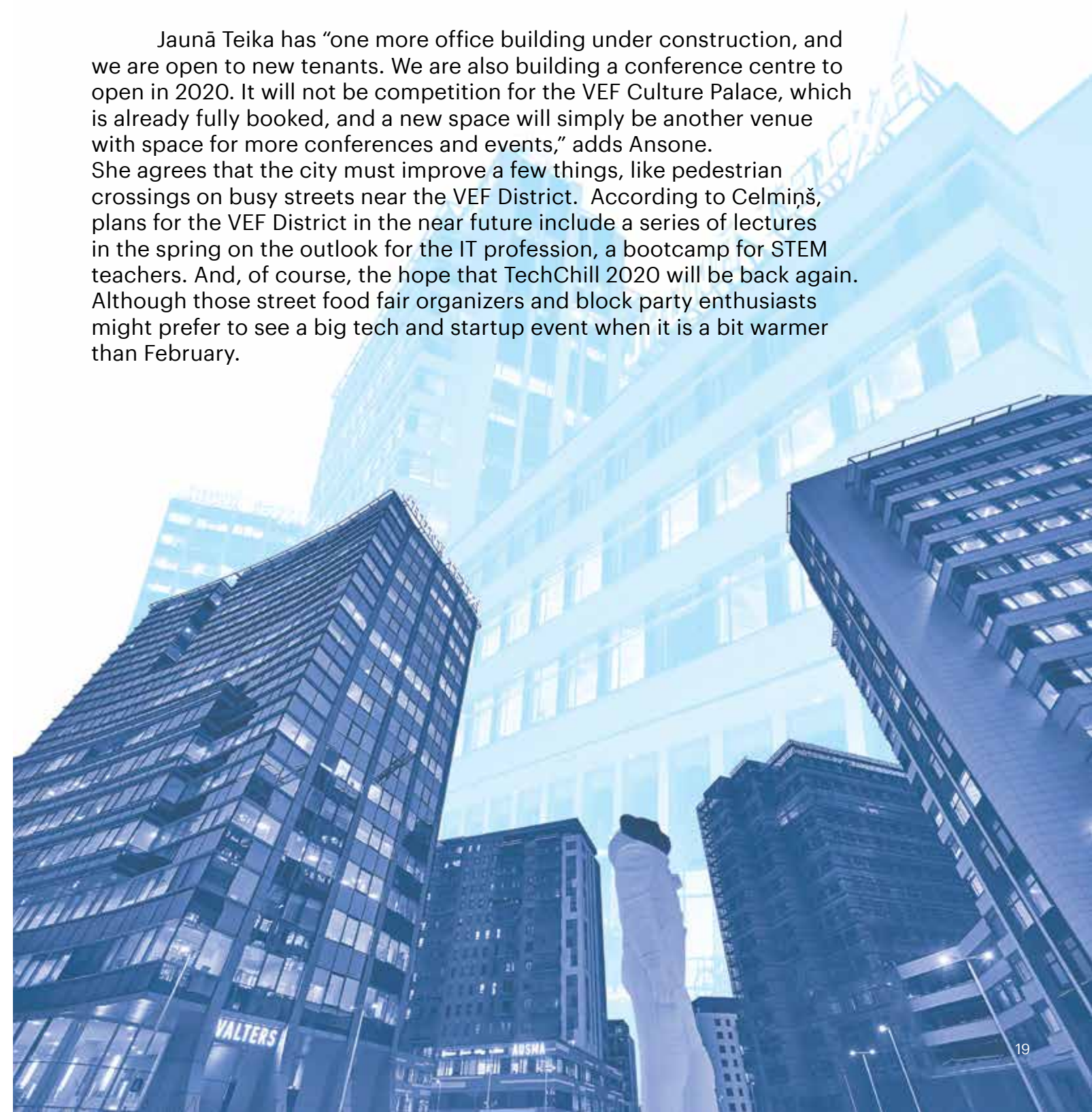
Neither Riga nor the VEF Area will ever be finished

There is a saying that Riga is never complete, never finished, and one could say the same for the VEF District, which has plans and hopes for the future once short-term guests like TechChill leave (and, one hopes, return). While companies in the VEF District praise its location,

amenities and the growing presence of innovative companies, there are things about the immediate neighborhood that could be improved.

“One can’t imagine the VEF District fully developing without some changes from a city planning perspective so that it is friendlier to those who work and live in the area; for example, there should be more meeting places. And we hope the park near the LMT building will be renewed and there will be more places to spend one’s time after work, as well as activities for children where they are taught something meaningful,” says Banga.

Jaunā Teika has “one more office building under construction, and we are open to new tenants. We are also building a conference centre to open in 2020. It will not be competition for the VEF Culture Palace, which is already fully booked, and a new space will simply be another venue with space for more conferences and events,” adds Ansone. She agrees that the city must improve a few things, like pedestrian crossings on busy streets near the VEF District. According to Celmiņš, plans for the VEF District in the near future include a series of lectures in the spring on the outlook for the IT profession, a bootcamp for STEM teachers. And, of course, the hope that TechChill 2020 will be back again. Although those street food fair organizers and block party enthusiasts might prefer to see a big tech and startup event when it is a bit warmer than February.



EMPOWERING SUPERHEROES

TechChill started as a cosy community gathering seven years ago. Now it has developed into a non-profit foundation that organises a two-day conference bringing together more than 2000 attendees and empowers the Baltic startup ecosystem throughout the year

Meanwhile, the startup scene itself has grown exponentially. Is it a coincidence? Hardly. So thinks Kristīne Kornilova, CEO of TechChill, who outlines the advantages and challenges of the industry.

Booming Baltics

The Baltic startup scene has been growing tremendously over the last several years. That is a global phenomenon, but I also see benefits from us being in this particular location, from understanding different cultures, from having our background and experiences. The Baltics, even taken together, are relatively small on a global scale, so we are aware it will always be harder to grab attention. It's worth remembering, however, that the potential investor or client will appreciate the work, as long as it solves the right problem. At the same time, we've been famous on a global scale for the ability to build incredibly complex yet simplified technology solutions. More and more people recognize that, especially now with deep-tech, science technologies and healthcare becoming huge markets for startups to tackle. Many investors are looking into the Baltic startup scene because we have scientists, technical engineers, people who understand how the big processes work and who can successfully address the issues.

Connecting people

The two-day conference is just the tip of the iceberg of TechChill. Throughout the year it connects the Baltic startup scene with the network of international opportunities. We promote Baltic startups abroad and we also bring people over to Riga. If you run a startup you better choose the events you attend very carefully because you only get value out of it if you're prepared beforehand. The European startup scene is actually not that big. The main people are still reachable within a few connections on LinkedIn. It's all about making the right connections and we at TechChill encourage you to do that. Only by helping each other we can lift up the local startup scene. For example, personal connections are the key for getting accepted in the world's leading accelerators, like TechStars or 500startups. Startups from Baltics usually suggest other startups they know personally and are eager to make warm introductions to support each other.

Being friends with other startup founders that are going through the journey and with people that have the potential to connect you internationally opens up doors you couldn't even imagine were there.

Shaping the future

TechChill also organises public events to educate the local society, where attendees get to meet people who are working in the industry. We've developed a network of students that are interested in the tech scene, so they follow our activities. For example, in 2018 we hosted matchmaking between startups and students at the time when they were looking for internships. There was also a series of workshops that covered all the basics one should know if thinking about creating a startup here. Not every idea will become a global success story. Yet I am happy for every founder who actually goes for their dream and builds a business they feel passionate about. Starting a startup is pretty much as hard as becoming a superhero and yet we have them. Besides, in Latvia we are now living through the first generations of startup founders, so the best is still to come.

Smart to start in Latvia

The government of Latvia has done a lot in the last couple of years to make us more startup-friendly. Latvia is a small country and the processes for running a business or joining a startup can be streamlined much faster and more easily than in bigger countries. Startups can uplift the economy on many levels. One that I find to be the most beneficial for the economy as a whole is the fact that young, entrepreneurial people get the opportunities to fulfil their ambition moving to Latvia and building their startup here. Building a startup means making a product for the global market, travelling a lot, which is easy given our geographical connections, and being based in Latvia not only offers a high quality of life, but also saves the operational costs. Scalable products, intellectual capital, building talent, investments are attracted from all around the world — it only makes sense that we help those startups that start from Latvia to succeed and thrive.

Kristīne Kornilova
CEO of TechChill

INVESTMENT CARD

DOING BUSINESS IN THE BALTICS – A SNAPSHOT OF THE MOST RELEVANT COMMERCIAL CONDITIONS. EFFECTIVE 1 FEBRUARY 2019

INDICATOR	ESTONIA	LATVIA	LITHUANIA
EASE OF DOING BUSINESS (WORLD BANK REPORT 2019 RANKING)	16	19	14
REGISTERING PROPERTY (WORLD BANK REPORT 2019 RANKING)	6	25	3
ENFORCING CONTRACTS (WORLD BANK REPORT 2019 RANKING)	13	20	7
TIME TAKEN TO REGISTER COMPANY	FROM 1 BUSINESS DAY ONLINE WITH ID CARD	FROM 1 BUSINESS DAY	FROM 3 BUSINESS DAYS
MINIMUM SHARE CAPITAL (PRIVATE LIMITED LIABILITY COMPANIES)	2500 EUR	2800 EUR	2500 EUR
RESIDENCE/ CITIZENSHIP REQUIREMENTS FOR MANAGEMENT/ SHAREHOLDERS	NONE	NONE	NONE
MINIMUM GROSS MONTHLY SALARY	450 EUR	430 EUR	550 EUR
AVERAGE GROSS MONTHLY SALARY (ESTIMATE)	1291 EUR	1006 EUR	936 EUR
CORPORATE INCOME TAX	0% ON RETAINED OR REINVESTED EARNINGS / 20% POSTPONED TO PAYMENT OF DIVIDENDS	0% ON RETAINED OR REINVESTED EARNINGS / 20% POSTPONED TO PAYMENT OF DIVIDENDS	15% (15% REDUCED RATE)
TAXATION TREATIES WITH	59 COUNTRIES	61 COUNTRIES	55 COUNTRIES
CURRENCY	EURO	EURO	EURO
INCENTIVES AVAILABLE	YES	YES	YES

ESTONIA

Corporate laws

- Company registration online with ID card in a matter of minutes.
- Natural persons can register a company without paying in share capital.
- Only one management board member required; no citizenship or residence requirements.
- Corporate changes can be registered and annual reports filed online.

Employment regulation

- Broad freedom of contract.
- Termination notice (for economic reasons) 15 days to 3 months; one month's average salary compensation.
- Few trade unions and collective agreements.
- Favourable immigration regulations for hiring qualified non-EU nationals and intra-group transfers of foreign employees.
- High social security and good public support system for unemployment and redundancy.

Tax system

- Dividends, interest and royalties not subject to withholding tax.
- Value added tax (VAT) – 20%; reduced rate – 9%.
- Personal income tax rate – 20%, including capital gains.
- Resident companies pay CIT deferred to actual distribution of profits.
- Reduced CIT rate 14% on regular dividend payments.
- Social security contributions: employer pays social tax (33% of gross salary) plus unemployment contribution (0,8%) and withholds employee's unemployment contribution (1,6% of gross salary).
- Online tax declarations and communication with the tax board.
- Easy to claim VAT refunds.

Investment incentives

- The cost of running a business in Estonia is far lower than in neighbouring Scandinavian countries.
- Buildings not subject to real estate tax (only land is).
- Resident companies can apply for grants from EU structural funds.
- Estonia offers e-Residency — a transnational digital identity available worldwide for managing a location-independent business online + company formation and administration online.
- Among the leading countries in Central Eastern Europe in terms of foreign direct investment per capita.

LATVIA

Corporate laws

- No residence requirements for the management board.
- One-person management board sufficient.
- Most establishment steps can be done under a power of attorney.

Employment regulation

- Possibility to apply flexible work-time organisation forms.
- The social security system is run by the state and removes costs from the employer.
- Favourable immigration regulation for hiring qualified non-European Union nationals and for intra-group transfers of foreign employees.

Tax system

- Corporate income tax 0% on retained or reinvested earnings / 20% postponed to payment of dividends.
- Dividends received by a Latvian company can be distributed without further tax liability.
- Dividend income is tax exempt on a natural person level.
- Progressive personal income tax rates –20%, 23% and 31,4%.
- Standard value added tax rate – 21% (12% and 5% reduced rates).
- Social security contributions: employee rate – 11% of gross salary, employer rate – 24,09% on top of gross salary.
- Social security contributions not payable on salary over 62 800 EUR threshold annually.
- Salary over 62 800 EUR is subject to solidarity tax of 25,5%.
- Holding regime – no withholding tax on interest and royalties and participation exemption for withholding taxes on dividends.
- Online tax reporting.

Investment incentives

- Tax and other benefits for businesses within special economic zones and free ports.
- Special measures and tax framework available for developing startups.
- Credit guarantees of up to 1,5 mill EUR or 3 mill EUR, depending on the size of the company, available in certain state-supported sectors. Possibility to receive credit guarantees up to 250,000 EUR within a few days.
- State aid programmes to improve competitiveness, to support startups.
- Subordinate or mezzanine loans up to 5 million EUR for small and medium companies, available in certain state-supported sectors.
- Funding for R&D incentives available in certain state-supported sectors.

LITHUANIA

Corporate laws

- No residence requirements for management.
- One-person management sufficient; formation of board optional.
- Most establishment steps can be done under a power of attorney.

Employment regulation

- Flexible employment regulation;
- Cost-efficient approach to working time rules.
- Social security system run by the state and removes costs from the employer.
- Favourable immigration regulation for hiring qualified non-EU nationals, especially by using EU Blue Card system and for intra-group transfers of foreign employees.

Tax system

- Personal income tax rates: flat 15% rate applies to dividends and income from individual activities; progressive 15% / 20% rate applies to annual income not relating to employment or substantially equivalent relations; progressive 20% / 27% rate applies to annual income from employment or substantially equivalent relations.
- Social security contributions: employee rate – 12,52% withheld from gross salary; for employer – 1,77% (including payments to long-term employment benefit fund and guarantee fund) on top of gross salary. Additional 0,72% is levied by the employer on top of gross salary paid under fixed term employment contracts.
- Compulsory health insurance contributions only apply for employees at a rate of 6,98% withheld from gross salary.
- Threshold from which the higher rate of personal income tax starts to apply and ceiling from which no social security contributions are: 120 average Lithuanian salaries as of 2019
- Value added tax (VAT) rate – 21%.
- Participation exemption for withholding taxes on dividends.
- Unlimited carry-forward of losses.
- Intra-group transfer of losses permitted.

Investment incentives

- Corporate income tax and real estate tax exemption in free economic zones.
- Financial incentives for high value-added projects.
- Compensation of training and employment costs.
- R&D costs deducted three times.
- Possible land lease reduction and land tax exemption from municipalities.

SUCCESS REQUIRES MOTIVATION

Estonia's Bolt (formerly Taxify) is one of the fastest-growing transportation platforms in Europe and Africa with investors including Daimler, Didi Chuxing, Korelya Capital, and TransferWise co-founder Taavet Hinrikus

In 2018 Bolt raised 175 million dollars in an investment round led by Daimler at a valuation of one billion dollars and joined Estonian unicorns. Martin Villig, Bolt co-founder, says that Bolt is on the way to becoming a broader and more efficient transport platform. Also, Bolt is one of the rare examples of a startup company staying headquartered in the country it was founded in and not moving away after such a big investment round.

What has changed now that Bolt is at the next level and has joined other Estonian unicorns?

It's a big milestone to become a unicorn from Estonia and the Baltics. It gives us more global visibility for new investors and attracting new talent. Internally we still focus on growth and product improvements, launching new cities and countries. We have grown fast during the last five years, but considering the size of the transport industry we see 10 to 100 times growth ahead.

How would you describe the stage you are at now?

We have become a market leader in several regions in Africa and Eastern Europe in terms of ride-hailing. If we look at Western Europe, we still have growth ambitions there, mainly in London and Paris, where we still need to grow to become a market leader. It's one of the main priorities for the company. Otherwise we are looking for new product areas. Last year we launched motorcycle taxis in Africa and also electric scooters in Paris. This year we have a plan to scale them to new cities and grow. We started with cars, and then we added motorcycles and scooters. It shows that we can become a broader transport platform and provide more efficient means of transportation. For example, in Africa motorcycles are more efficient because of traffic jams in the cities. It's similar with scooters – for shorter trips (from one to three kilometers) in cities, electric scooters are very efficient.

What are your biggest challenges?

We aim to provide the best method to move in cities. Motorcycle taxis are quite similar to traditional taxi cars, the technology is the same and we connect

drivers and passengers. If we look at electric scooters, it's a totally different business model. There is no driver and we need to do full operations – develop the software, buy scooters, put them in the city, make sure they are charged and repaired etc. If we look at ride-hailing, we are just a technology platform connecting drivers and passengers. The segment of electric scooters is more operationally intense. These are really exciting times, especially for the new people who want to join our company or change their role in the company. If they have worked three years on ride-hailing, they can take a new role in the scooter department and work on a totally new business model.

As you mentioned, you are a market leader in some regions. There is so much competition and you are not the first company working in this field. What is required to be successful?

I think it is putting drivers and passengers first. That's the main focus for us. We believe that if we can provide the best earning and business opportunity for drivers, they are happier and there will be more drivers. That gives a quicker arrival time for the passengers. They will use the service that has the best drivers, quicker arrival time and lowest prices. That's the formula we are focusing on everywhere. Our secret sauce is to be really, really efficient and not wasting money.



BUILDING A BIG COMPANY IS NOT A SPRINT. IT'S A MARATHON.

What are the main areas where financial investment is needed and which ones are not so important?

Looking at our industry, the majority of the spending goes to different discounts for passengers and bonuses for drivers to educate them and invite them to work at the right time and at right place. If we compare Bolt to other platforms, we are the most efficient by far. For example, Careem in the Middle East do around the same amount of rides as Bolt, but their staff is about double the size of ours. And they have raised about five times more funding. If we are looking at the bigger platforms, the ratio is similar – they have many more employees and they have invested much more money compared to the rides that they do.

I guess you have answered this question already a million times, but I will ask it one more time – how did it all start?

I got the idea back in 2012 and discussed it with my brother Markus. We started researching and we found that there was a problem getting a taxi in peak hours in Tallinn. The market was fragmented among 35 different taxi companies and they were very inefficient. Only a few companies in Tallinn used any dispatch software. So we thought, there must be a way to improve this, and that's how we started it. We launched in Estonia and then expanded to Latvia, Lithuania, Finland, and now five years later we are in a hundred cities and 30 countries and we have 25 million passengers on the platform.

We entered a new industry without a clue how to manage a fleet, how to change oil or how to change flat tires. We looked what is most important for passenger, and found that it is the quality of the drivers and cars, easy electronic payments and fast car arrival times. And for drivers it is important how many rides they do per hour and what their earnings are. In 2013, the biggest Estonian taxi company had 400 cars and today they have about 300. But Bolt has more than half a million drivers. In five years that is quite a big shift. We could have stayed in Tallinn alone but we had bigger ambitions and now we are in nearly 30 markets.

WE ARE PROUD TO BE A REAL ESTONIAN COMPANY. IF BOLT COULD DO IT, YOU CAN USE IT AS A MODEL AND TRY TO DO THE SAME.

Would you say you are still a startup? What do you call yourself today?

Yes, we still define ourselves as a startup. We think that startups are firms that grow fast and we still grow multiple times every year. The other thing is speed, how fast you can do things. A good example from last year is that we got the idea to launch electric scooters about eight to ten weeks before launching them in Paris. From our side it took less than three months from idea to the product launch, including finding the scooters, getting the warehouse, all the operations and people, plus all the platform development. I think that is quite fast.

Last year you raised a big investment round. How did you decide to join forces with Daimler?

We talked with many investors and in the end we chose Daimler because they have invested in all European platforms and they had bought all the other European ride-hailing platforms that were available. They understood that Bolt is the only real competitor to Uber in Europe and they really wanted to be part of it. They are one of the leading companies developing self-driving car infrastructure. That was another reason why we decided to work with them.

It's interesting that Bolt still has its headquarter in Estonia, because in the most cases startups move to London or other metropolises after bigger investments are made. Why did you decide to stay in Estonia?

To show that it is possible to build a company out of the Baltic States and Estonia. We want to prove that you can keep your headquarters in your home country. We managed to convince the investors that Estonia is a decent and trustworthy country and it makes sense to invest there. And they were happy to do it. We are proud to be a real Estonian company. If Bolt could do it, you can use it as a model and try to do the same. At some point we analyzed whether should we move our headquarters, but we didn't see any major benefits from it.

How would you describe the Estonian startup scene?

It's still very lively, but getting more and more developed. If I'm not wrong, last year Estonian startups raised record funding of 340 million EUR. Half of this money went to Bolt, while the rest went to Pipedrive, Starship Technologies, Veriff and many others. The number of deals is getting a bit smaller, but average team size is growing. We see a lot of new startups starting up, and quality is improving. Of course, everyone is competing for talent but we also see that a lot of people are relocating to Estonia to work for startups or to create their own companies. We have a Startup Visa system where you can apply for Startup Visa and build a company in Estonia. It's getting really diversified and I think that's healthy.

You are often called the «Baltic Uber». How would you describe the global competition?

Globally there are eight to ten bigger platforms and each region has two or three of them. In Europe and Africa it is mainly Uber and Bolt. In recent years Uber has merged with several regional competitors. In China it merged with DiDi, in Russia with Yandex and last year they merged with Grab in Southeast Asia. So Uber has exited three big regions and is now just part of a joint venture. In those markets where competition is consolidating, there will be space for a stronger second player to enter. And in some markets competition is still very fierce. I think that in the longer term it will be similar to the telecoms industry where there are usually two to three players. There is still competition, but these players can also make money.

Car-sharing and ride-hailing are quite a new thing, but they have shaped the mobility industry a lot. How do you see the future of this industry?

It is getting more and more integrated. Last year we started working with motorcycles and scooters and we are building different new technologies and working more with cities and sharing the data we have. I would say that in five years, when you put a destination in the Bolt app, it will suggest three to five different ways to get there. That could mean using an electric car and being greener or using a mix of a taxi and bike or walking and the bus, or whatever is more important for you – cost, speed etc. I think that's how the market is developing and that's also why transport platforms are taking a bigger and bigger share of urban transportation market.

Together with other entrepreneurs, Bolt's founders have launched the Good Deed Education Fund, which aims to provide seed capital for innovative initiatives in Estonian education. Why are you doing this? Why is it important?

Last summer we met with my brother, Bolt co-founder Markus, and TransferWise co-founder Taavet Hinrikus, and we had a chat about what we could do to help society. We quickly realized there are issues in our education system that could definitely be improved. We started to look into education more deeply and found many challenges – teachers are relatively old and there are not enough young teachers coming in. Then there is the question of management and leadership quality in the schools – how to select the best principals and motivate them to improve internal culture. If we draw a parallel with the business world, we can see that companies that have really good leaders grow, flourish and expand. And companies with less ambitious and more conservative managers usually don't develop, and people are not happy to work there.

Our whole society is changing through technology, there are new skills we need, and work is becoming more based on projects. But unfortunately education is not changing so fast. To keep up with these changes in society, new leadership

in schools is urgently needed. So we decided to put in time and effort to work together with the Ministry of Education and Research, and we raised a fund which mostly comprises the personal money of the founders and not from their companies.

Bolt is a great example of how really good things can be done in the Baltics. What would be your advice to people starting their own companies – how can they make their company successful?

Markus recently gave a speech to our team in which he said that three things are vital. One is motivation and ambition. You need to have a big drive to reach your goals. Second, you need to be ready to work hard. Building a big company is not a sprint, it's a marathon. Third is just constant learning. Markus' employs so-called "on demand" education, which means that whenever you come up against a question or challenge, you search for the global best content in Google and try to implement it in your company. After that comes building a really good team and talking to other founders. I encourage people to invite well-known founders to lunch for 30 or 40 minutes and ask key questions. Our society in the Baltics is small, and it is quite easy to reach out to these people and get their feedback and knowledge.

WE STARTED WITH CARS,
AND THEN WE ADDED
MOTORCYCLES AND
SCOOTERS. IT SHOWS
THAT WE CAN BECOME
A BROADER TRANSPORT
PLATFORM AND
PROVIDE MORE
EFFICIENT MEANS OF
TRANSPORTATION.



Markus and Martin Villig
Co-founders of Bolt (formerly Taxify)

FINTECH IS BLOOMING

FinTech and banks in the Baltics – partners not enemies. Data clearly shows that Latvia has the ambition, resources and people to successfully compete in the global FinTech market

The two biggest investments in 2018 in Latvia were in FinTech startups.* Mintos, a global marketplace for loans, received 5 million EUR in funding, while Nordigen's solution helping banks to categorise and identify risk-critical behaviours attracted 700 000 EUR.

Mintos is a local FinTech success story with a big impact on a global scale. It currently has a customer base of 87 000 investors from 71 countries and plans to open its doors to more users in additional locations. The company will be focusing on investor acquisition and expansion in additional global markets, aiming to reach 300 000 registered investors by the end of 2019. Mintos has already facilitated more than 1 billion EUR in loans through its marketplace, making it the largest marketplace of its kind globally. Investors have earned 26,7 million EUR in interest through loans to individuals and businesses with an average net return of nearly 12%.

The latest FinTech success story from Latvia is Nordigen. The company started in 2016 with a simple idea – to help lenders approve more creditworthy customers. The founders decided to use open banking, which was relatively new at that time, to provide banks and alternative lenders with insights they lacked to make better lending decisions. They drew an investment of 150 000 EUR from Change Ventures followed by 700 000 EUR from Seedcamp and Inventure. The team is now on a mission to help banks and lenders everywhere use account data in lending decisions.

However, Creamfinance still holds the record for the biggest investment ever received among FinTech startups in Latvia. This consumer finance services provider was founded in 2012 and has experienced consistent growth ever since. Utilizing advanced algorithms and machine-learning capabilities to quickly evaluate and score, it offers a highly customized approach to the personal loan process in a speedy and reliable manner. The company aims to become a one-click loan provider to underbanked consumers globally. It is currently operating in eight countries. In 2014 Creamfinance raised 5 million EUR from the venture capital fund Flint Capital, followed in 2017 by an investment of 21 million EUR from Capitec, the third biggest bank in South Africa. In total, Creamfinance has raised 100 million EUR in investment by the end of 2018. Currently the company is moving towards near-prime and bank status and planning to improve customer experience by better pricing.

Banks open doors to innovations

Open banking is covered under the EU's revised Payment Services Directive, also known as PSD2. The Directive aims to enhance consumer protection, promote innovation and improve the security of payment services within the EU, as well as putting the customer in control of their financial data. PSD2 has encouraged many startups to turn to the FinTech industry, co-creating various solutions with banks, as the banks also see an opportunity to offer more innovative solutions to their customers. Although the Finance Latvia Association (previously the Association of Latvian Commercial Banks, which changed its name when it shifted its orientation towards the whole finance industry rather than just banks) does not keep specific statistics on the popularity of open banking, at a startup forum in autumn 2018, Swedbank revealed it alone had received 2000 open banking access requests.

But this is not the only way that banks are currently involved in the Latvian startup scene. For example, Swedbank has announced the first-ever FinTech-focused acceleration program together with the leading B2B accelerator in Europe, Startup Wise Guys. Eighty startup companies from all over the world applied for the first batch and ten were accepted. This collaboration was so successful that the second FinTech batch with nine teams started in the autumn. However, the interest of the Startup Wise Guys extends beyond pure FinTech. "We are also looking for PropTech and insurtech startups," says Cristobal Alonso, Global CEO of the accelerator. "I see more software-as-a-service (SAAS) products than FinTechs here due to the fact that SAAS solutions do not relate to the same regulations as FinTechs do. Also, we are competing locally with FinTech solutions whereas SAAS provides startups with the opportunity to go global. However, payments and many other business-to-customer solutions are history. What really works now is open banking and business-to-business solutions." Alonso is confident FinTechs will continue to be successful thanks to the talent available from our already successful FinTech startups, and we may finally see some "spin-off's".

Another bank taking an active role in the local startup ecosystem is SEB bank. SEB has announced a venture capital fund in all three Baltic countries. Over the next five years the bank has promised to invest in ten to 20 Baltic companies who want to improve banking experience together with SEB. The bank is looking for good business matches and innovative offers for their customers and is ready to invest 50 000 to 200 000 EUR per startup. Approximately 50 companies from all over the Baltics have already shown an interest to participate.

Whereas bank Citadele has just announced cooperation with the Estonian FinTech success story – startup Veriff. It provides secure and hassle-free online identity verification solution and was voted the Estonian startup of the year 2018. Together with Citadele they have just launched digital onboarding. It is now possible to become client of the bank just by filling out the application form in the mobile app and taking selfie with the visible identification card. Previously the bank has done research and founded out that 45,2% of latvians would like to open their bank account through the mobile app. And 49% in the age between 18 and 24 stated that they would like to use bank services only through their smartphone. The management of the bank confirms that it is moving towards meeting needs of young customers.

However, banking functions are gradually being taken over by some startups. For example, Crassula, a company founded in 2015, was initially a pure payment solution with some incorporation of marketing, virtual currency and data processing features. As the business grew, Crassula started to receive queries from clients about white label solutions. Now its products are helping

THE BALTIC COUNTRIES ALSO HAVE AMBITIONS IN CRYPTOCURRENCIES. THE BLOCKCHAIN CENTRE IN VILNIUS HAS JUST CELEBRATED ITS FIRST ANNIVERSARY. LATVIANS ARE CATCHING UP WITH DIFFERENT INITIATIVES.

many companies to create technical solutions which reduce the cost of system development and maintenance. In 2019 Crassula will introduce an initiative to support small and medium-sized businesses and new companies by launching digital banking for entrepreneurs. Crassula's banking will allow entrepreneurs to focus on their business, minimising the time spent on bookkeeping and lowering the entry threshold to use an open API platform for connecting Crassula banking accounts to workflow, create new tools and more.

THE ESTIMATED AMOUNT OF INVESTMENTS THROUGH ICO'S IS 28 MILLION EUR**

First Cryptocash Embassy established in Riga

The Baltic countries also have ambitions in cryptocurrencies. The Blockchain Centre in Vilnius has just celebrated its first anniversary. Latvians are catching up with different initiatives. For example, the CryptoCash Embassy was opened in 2018, making cryptocurrency available to the general public. The founders of this organization are Konstantins Vasiļenko and Inokentijš Iers. Both have been trading cryptocurrencies for three years through the FinTech company PayBis.com which they also founded. The founders claim this is the first such embassy in the world. It is open for retail sales of cryptocurrencies to ordinary consumers, i.e. cryptocurrencies can be bought with a payment card or for cash. Also, anyone interested can get information and advice on buying cryptocurrencies as well as electronic bitcoin wallets and other accessories.

Despite of the lack of a clear regulatory framework, initial coin offerings (ICO) as a type of funding using cryptocurrencies are allowed in Latvia. There are a couple of successful startups that have done successful ICO's. The estimated amount of investments through ICO's is 28 million EUR**. At the end of 2018, the Financial and Capital Market Commission (FCMC), the organization responsible for ICO regulation in Latvia, has released guidelines and explanations regarding the use of ICO's. The overall position of the FCMC is that every ICO is assessed separately. "ICO's are not forbidden in Latvia. However, support the opinion of the European Commission that it is not a legal form of the payment," says Guna Janelšina, representative of the FCMC.

* Initial coin offerings are not taken into account.

** Figure mentioned by local authorities during the event "Cryptocurrencies and blockchains", December 2018

REAL ESTATE GOES DIGITAL

Despite being one of the most valuable asset classes, real estate has thus far failed to catch the digital wave. But this is just a matter of time

Mikus Opelts, co-founder and CEO (Latvia) of Giraffe360, believes that PropTech is in a similar position to FinTech a decade ago, and understanding how FinTech developed provides a guide for the future of PropTech.

Currently startups are fashionable, and the lifestyle seems like that of rock stars. What is life really like in the startup world?

You formulated this question very well, and I also joke about it. Lots of people really do think that a startup is like a rock band, but it's not true. Firstly, you put in countless hours, and for the first few years you can forget about vacations. A normal startup aims to achieve a very ambitious result, and the core team – engineers, managers, founders – just don't have time for holidays. Even if you go on vacation, you take along your laptop and work from wherever you are. For example, if I go away, I get up at 6 every morning and work until 10 or 12. If it's a week-long trip, for two days I work from dawn till dusk without leaving the hotel or Airbnb apartment. I haven't had a real vacation in years. Secondly, the level you want to reach is incredible, because every startup wants to do what no one else has ever done ko. By definition, a startup means breaking all the written rules and standards.

And on top of it all is the fact that hardware is hard.

I think anything is hard when you're trying to be number one in the world, but there are some disciplines which are more complex than others. For example, building the world's best rocket is tougher than creating the best app, which is why the best rocket is being built by Elon Musk who has plenty of money and experience and a good reputation. Kids in their twenties make better apps. But whether you're Musk building the world's best rocket or a 20-year-old founder creating a new Instagram filter, it's not easy.

Earlier you founded the software service startup SkatSkat, and now you're developing a hardware project. What are the similarities and differences between these projects?

Hardware requires much bigger capital investment, and our investments have been quite large for the Latvian market. In the pre-seed investment round we had 500 000 EUR, and now seed investment is over 1 million EUR. The

company is at the launch base stage and 80% of our staff is technical people. This kind of project requires more capital and it has a slightly different life cycle. With software, you can go live and still fix errors. But as soon as hardware has been sent to the client, you can't change a thing.

What are your ambitions?

As a company, we want to be number one in the world for a solution which allows real estate companies to scan and digitalise their properties in various ways. We want to create a service which is so unique and invaluable that it can be used from Tokyo to New York and from Sydney to Riga.

What exactly is this camera and why is it needed?

There's a lot of talk about the digital age, but when you look at real estate ads and photos online you wonder – are they good enough to make informed

YOU CAN'T ASK FOR
MONEY JUST FOR A
VISION. EUROPEAN
STARTUPS ARE EXPECTED
TO BE FAR MORE
PROFESSIONAL.
HERE THERE ARE SEVERAL
INVESTMENT
ROUNDS RATHER
THAN A SMALL
SEED ROUND
AND A HUGE
A ROUND.

Mikus Opelts

Co-founder and CEO of Giraffe 360
(Latvia)

decisions about what is on offer? When you shop online, every item of clothing has photos from five or six angles, a video, a description – everything the customer needs to make better choices. I don't understand why real estate portals don't respect their clients and communicate so poorly.

With SkatSkat, we provided an individual service and ended up working in the luxury segment for five-star hotels and major project developers with bigger budgets, and we couldn't bring this service to the mass market. So, the mission of Giraffe360 is to create a mass product which can document any property, bring it into the virtual world and provide a technology which is simple enough for anyone to use. We worked on the concept a long time and concluded that the only way to do it is to create an automatic camera for clients to use and build a file processing system, so the user ends up with a file on the property in any possible format, from a photo to layout or a precise, high quality 3D tour. This is necessary because there are no other tools in the world for properly and easily documenting a space to a high-quality level.

**WE WANT TO BUILD A VERY
HIGH-VALUE COMPANY, AND
WE'RE NOT THINKING ABOUT
WHEN SOMEONE ELSE WILL BUY IT.**

You've been doing this for quite a while now. Do you know why no one else has done it before?

Firstly, it's a huge technological challenge. Giraffe360 was founded in 2016, but we have been working on the concept, technical solution and prototype since 2015. Now we have an excellent product and it's time to start scaling. We are confident we will be able to distribute it throughout Europe.

Secondly, I've noticed a comical tendency that people love talking about serious things but rarely bother doing them. Everyone talks big but only a handful of people actually make it happen. When you realise how hard it is to implement an idea, it's easy to find rationalisations not to do it.

Giraffe360's R&D is done in Riga while you work at the head office in London?

It's a bit more complex than that – R&D is in Riga, processing and programming is in Liepaja and the head office with company management and sales functions are in London. At the moment there are 18 of us.

But in these digital times, why can't you work completely remotely? Why London?

It is impossible to digitally scale a B2B business. Business is based on specific decision makers. If you're not located in the right environment, you can't suggest an idea even if they have noticed your digital activities. By being personally in London and making it our main hub, I have access to people in the sector and can build long-term relationships. You can't do that if you are away from one of the big markets. In our case that means London, but it could just as easily be Tokyo, New York or Munich.

How did you arrive at this conclusion?

We were lucky, because we gained experience through SkatSkat. In the early days, I visited Sweden 20 times as well as having business trips to Ukraine and other countries. This was good for building relationships with clients, but I understood that often it was two steps forward one step back. We understood that to do it seriously we had to be on the spot. When we started Giraffe360, it was clear right away that we had to be in London. Initially we didn't know we would be making this sort of camera, but we knew the HQ had to be in London.

How did Giraffe360 come about?

SkatSkat began as a student project and we learned a lot from it. SkatSkat grew into a valuable interactive service provider which now produces very high-quality 3D models, touchscreen and VR solutions. The firm eventually became Giraffe Visual and works in the Baltics and Northern Europe, continuing to grow as a high-quality service company. Giraffe360 emerged from the experience we gained and the mission to develop a single product for distribution on several continents. We founded it as a separate company, because the same company can't be going in two or three different directions, especially if one of the firm's objectives is to provide a broad-spectrum of high-quality services, while the other wants to go deeper in developing a single solution.

Recently Giraffe360 attracted next level investment from Change Ventures, bringing total investment to 1,5 million EUR. How accessible is funding in the Baltics?

Capital is a complicated thing. The reality is that Europe is a conservative market when it comes to investment. Many of us live in the Silicon Valley

information bubble, but there is only one Silicon Valley in the world. I've read a lot about companies from Central America and other states, and they have the same problems with accessing capital as in Europe. California is a paradise for accessing capital and investment, while everywhere else it's still very hard work. Europe has a very conservative investment market, and a company's potential is not enough. European investors are careful and conservative and worry about how to recoup their money if the investment fails. Investors here are interested in the firm's revenue and liquidity, which people in Silicon Valley don't care about. So European startup founders can't just talk about their company's rosy future. They have to be specific and professional and talk about the firm's assets. You can't ask for money just for a vision. European startups are expected to be far more professional. Here there are several investment rounds rather than a small seed round and a huge A round. Investors demand much more precise KPI (Key Performance Indicator) and the team has an enormous responsibility, otherwise there simply won't be any money. But if you do what you promise, there will be another investment round. The investment rounds are smaller than in the US, but that shouldn't worry you. You have to work with what you have rather than philosophising about things.

Often one of the goals of startup founders is to exit. What are your goals?

We want to build a very high-value company, and we're not thinking about when someone else will buy it. I'm not excited when evaluating exit deals in Latvia. While it is positive that exits have happened as this shows the potential we have, most of the exits have been about US companies buying cheaper R&D resources in the Baltics. It's great that the founders make money, that's a normal part of business, but we shouldn't glorify a few isolated cases. I would like the Americans to be buying our engineering resources.

How is PropTech developing at the moment?

PropTech is a fantastic sector which is interesting for both big companies and new enterprises, giving them a chance to prove themselves. There are currently more than 1600 PropTech companies in Europe. The community is still small and accessible, as well as sufficiently global. When it started developing in London in 2015, there were about 80 important people in the sector, and you could meet them all. Now they are heading the biggest real estate innovation network in Europe, organising PropTech conferences and the biggest real estate events in Europe.

How would you describe what is happening in the Baltic startup scene?

The honest answer is that I don't know. For the last three years I've deliberately avoided things that don't relate to our current goals – real estate, PropTech and developing our product and technologies.

How do you see the future of PropTech? What role will Giraffe360 play in it?

We will be the number one solution for digitally documenting real estate properties. There are huge numbers of firms working in this field. Competition is fierce. This is all because real estate is the world's biggest and most valuable asset class. Many people think that PropTech is currently where FinTech was a decade ago, and that by studying how FinTech developed you can get an idea of what will happen with PropTech. There will definitely be giant, valuable startups who will cause a revolution in the field. For example, a company called WeWork. Airbnb is also getting into PropTech.

As in the financial sector, most of the current players will adopt the solutions developed by the newcomers and will either acquire them or become users of their solutions. Technologies will make the real estate business more efficient and qualitative, but they won't destroy it. Many old-fashioned companies will clearly go bankrupt and be replaced by others. There will also be technologically-based solutions which will utterly transform the sector.

What has been your biggest mistake in your startup career?

I make mistakes all the time. Most of my mistakes have been about time planning. This interview is happening on my 30th birthday. When I started SkatSkat eight years ago and Giraffe360 three years ago, thought I would have retired by the time I was 30. I've also been wrong about the timeframe for developing Giraffe360 and how soon our product would be ready. We live in the Silicon Valley bubble. At the end of the day, a startup is an extremely ambitious company which wants to achieve enormous growth very quickly. But it is still a business just like any other. To grow your business, you need to have a professional, smart, experienced team. That takes years. You need to stop thinking in two-year spans and believing that everything will turn out like in the movies. The company's growth has to be planned over a ten-year cycle. And when you realise how long the cycle is, you change your approach. For example, the period for attracting investment in Europe can be between six and 12 months. Startups must be not only ambitious, but also sustainable.

FROM APPS TO SCITECH SYSTEMS

The “new new” startup action may well be in the “hard” world of physical gadgets, machines and manufacturing techniques produced through scientific research and engineering innovation. Call it SciTech in the broadest terms

Big data, blockchains and artificial intelligence (AI) are the buzzwords of the DeepTech, but at the same time investors and manufacturers are looking for ideas to commercialize for the real economy. In this respect, we need to assess Latvia's place, successes, advantages, and potential in the Baltic startup ecosystem, says Voldemārs Brēdiķis, a member of the board of Commercialization Reactor. The Commercialization Reactor has been transforming scientific achievements into innovative and profitable products for a decade. Successfully commercializing an invention is a complex process, in which scientists, i.e. the generators of the idea, and entrepreneurs, with the ambition to turn the invention into a usable product join investors who are ready to finance it. “Latvia is a pioneer of the DeepTech startup movement Thanks to its unique Commercialization Reactor, an acceleration platform that brings together scientists and entrepreneurs’ operational teams can be formed to create new products and to build global business. Today, we are the only hub in the Baltics with an operating model which ensures an intensive exchange of knowledge, know-how and experience between entrepreneurs, scientists and industry. We are the gateway to the global high-tech market,” explains Brēdiķis.

More than 90 new businesses

DeepTech startups have a particularly close connection between their end products and tangible engineering innovations or scientific advances. Such new ventures are the driving force of industry around the world. In the past ten years, the Commercialization Reactor has accelerated more than 90 new businesses which in biotechnology, space technology, life sciences, artificial intelligence, mechatronics, electronics, chemistry and material sciences. “The alumni include Naco Technologies, Koatum, Conelum, Eventech, Arlabion, Evoled, Vortex Oil, Snow Vision, NanoOptoMetrics and Nano Ray-T. Nano coating manufactured Naco Technologies was the first exit success story, when automotive industry supplier Schaeffler Group acquired its shares in 2015. Eventech is one of the most prominent players in the Latvian space technology market, currently participating in the preparatory work for the international Lunar Mission Luna-27. In 2017, Conelum won the Webit Festival Europe and Fortune500 companies are interested in its biochemistry technology. The Latvian business environment is well-suited for science startups not only from Latvia, but also other countries. They can turn their ideas into commercialized products here,” explains Brēdiķis.



EVENTECH IS ONE OF THE
MOST PROMINENT PLAYERS
IN THE LATVIAN SPACE
TECHNOLOGY MARKET,
CURRENTLY PARTICIPATING
IN THE PREPARATORY
WORK FOR THE
INTERNATIONAL
LUNAR MISSION
LUNA-27.

DeepTech cover all Baltic states

To date, the Baltics have been seen more software-based companies, but in the past couple of years there have been more science-based, DeepTech startups, says Maarika Truu, the head of Startup Estonia. The same trend has been noticed by Karolina Sakalauskytė, head of communications at Startup Lithuania, who writes: “Lithuania has huge potential in lasers, life sciences and ICT. In these areas we already have successful spin-offs, mostly driven from universities. These startups cooperate closely with the academic community and use scientific knowledge.” The problem across the Baltics is getting the first investment, and for science-based startups longer proof of concept time and larger investments are needed. Fewer investors are willing to take the risk and the time, adds Truu, stressing that some of the most promising ideas in BioTech often require extensive testing as medical treatments or devices before going to market. Even outside the health care market, “hardware-making” startups face safety and reliability issues. Delivery robots that bump pedestrians or drones that fly off course are not the same as an app that accidentally erases favorite photos and needs a quick fix and upgrade. Teams presenting their SciTech startup must be prepared to back their concept with hard facts and figures to convince investors, says Truu. Looking across the three Baltic countries, one sees startups in many different areas of science and engineering, from gene-splicing to nano-satellites for space exploration to 3D printed, light and ornamental casts for that hurt wrist or sprained ankle. “Vilnius University BioTech startup CasZyme

NANOAVIONICS, VILNIUS UNIVERSITY STARTUP, DELIVERS NEW-GENERATION SATELLITE BUSES AND PROPULSION SYSTEMS FOR THE SATELLITE APPLICATIONS MARKET. IT HAS ALREADY LAUNCHED TWO NANO-SATELLITES IN COOPERATION WITH NASA.

is researching CRISP-based molecular tools (a gene-splicing technology). This startup uses the latest equipment and research laboratories at the university, and together with scientists the team are co-authors of top-level publications and patents for CRISPs. There are more success stories in niche areas such as space technologies. For example, NanoAvionics, another Vilnius University startup, delivers new-generation satellite buses and propulsion systems for the satellite applications market. It has already launched two nano-satellites in cooperation with NASA.” writes Sakalauskytė. Regarding cooperation between university researchers and SciTech startups, Truu is more skeptical and says that “silos” separating university research and entrepreneurship in Estonia still have to be broken down, a process in which Startup Estonia can assist.

TO DATE, THE BALTICS HAVE BEEN SEEN MORE SOFTWARE-BASED COMPANIES, BUT IN THE PAST COUPLE OF YEARS THERE HAVE BEEN MORE SCIENCE-BASED, DEEPTech STARTUPS.

An overview of some of the rising SciTech startups in the Baltics

Koatum is Latvian-based company developing coatings for orthopedic implants that prevent inflammation and aid the healing of injured bones. Emil Syundyukov, a Latvian computer scientist, is a spokesman for both a Latvian and an Estonian startup in the areas of MedTech and computer vision/artificial intelligence for skin care. As Koatum co-founder Syundyukov explains, the innovation is a technique for coating implants that doesn't need high heat and allows the coating of materials like plastic and certain ceramics that would be damaged by heat. “Koatum technology ensures a healing process that is at least two times faster. The upper layers are made from hydroxyapatite (HA), the gold standard in bioactive coating compounds. Without the intense heat used in plasma coating, the HA's bioactivity is preserved, enabling it to stimulate bone regeneration at the fastest possible rate. Koatum coatings are much thinner (up to 5 microns) and more flexible, and less prone to cracking,” he explains, adding that coatings can be customized for the individual patients' specific needs. The other startup, Estonia-based Haut.AI (Haut means skin in German), is developing

computer vision AI-powered algorithms for skincare. The company's core product is a skincare SaaS (software as a service) platform and recommendation engines for lifestyle with portfolio of algorithms for recognition of aging features and multiple skin conditions. Haut.AI works with largest cosmetic companies in the U.S., Germany and South Korea.

Estonia's best-known engineering-based startup is Starship. Now headquartered in San Francisco, it designs wheeled, autonomous delivery robots able to roam city streets and deliver groceries and packages. Starship combines mechanical engineering knowledge with artificial intelligence (guidance and obstacle avoidance) and a mobile app that allows people to track their arriving deliveries.

Skeleton Technologies uses materials science and electrical engineering know-how to build electricity storage devices called "ultracapacitors". They are used to drive electric public transport vehicles, store power from wind and solar generating plants, run so-called microgrids and as backup for conventional electricity supplies. The innovation behind Skeleton Technologies ultracapacitors is that they used a carbon-based substance called "curved graphene" that they synthesize rather than make from coconuts.

Hepta Airborne provides autonomous drone services for monitoring power lines and other objects where drones can replace human inspectors. Describing the science behind its solution, Hepta writes that it "requires integration of aviation, data collection, GIS, energy sector-specific technical analysis and user-friendly platforms" It can replace ground-based human inspection or more expensive helicopter surveillance.

Hepta has a close competitor in Latvia's Drone Plan, which writes software for guiding monitoring and surveying drones. It provides "intelligent flight planning software for industrial applications, carrying out complex surveying projects with the minimum time and effort" according to its Facebook page. The company also cooperates with drone maker Atlas Dynamics to adapt

KOATUM IS LATVIAN-BASED COMPANY DEVELOPING COATINGS FOR ORTHOPEDIC IMPLANTS THAT PREVENT INFLAMMATION AND AID THE HEALING OF INJURED BONES.

existing drone software to specific tasks and customer needs, according to co-owner Katerina Daškēviča. "The first version of our solution is meant for technical surveillance of high-voltage electricity lines. Currently, to monitor high voltage transmission networks, one needs special equipment and three to five people to examine each object visually, which is expensive, time-consuming and dangerous," Daškēviča recently told Latvian newspaper Dienas bizness. Daškēviča, a former marketing specialist who left that field and got involved in SciTech, is also involved with Empyrio, a Latvian startup that builds compact systems for disposing of organic waste, primarily chicken droppings. Chicken farms with hundreds of thousands of hens produce lots of waste and will soon

ESTONIA'S BEST-KNOWN ENGINEERING-BASED STARTUP IS STARSHIP. NOW HEADQUARTERED IN SAN FRANCISCO, IT DESIGNS WHEELED, AUTONOMOUS DELIVERY ROBOTS ABLE TO ROAM CITY STREETS AND DELIVER GROCERIES AND PACKAGES.

face challenges to their current means of waste disposal – taking it away or making biogas from it to heat the chicken coops during the cold part of the year. While this may seem "green", Daškēviča says that the final step in the biogas cycle, using the remaining dry material as fertilizer, carries a risk of returning antibiotics and other pollutants to the field. Biogas is generated at relatively low temperatures of around 40C, which may not affect unwanted substances in the droppings. This is even riskier when the technology is used for municipal or industrial organic sewage, which can contain metals, chemicals and possible carcinogens. As Daškēviča explains, the Empyrio system burns the droppings or other waste to provide heat directly or uses part of the heat to dry some droppings at very high temperature, destroying most pollutants. The dried mass can then be made into fertilizer. She notes that across the EU, rules are being implemented restricting and phasing out the use of dry remnants of biogas produced from animal waste or waste-water sludge as fertilizer, making Empyrio a "future proof" solution.

I EAT CHALLENGES FOR BREAKFAST

People are too busy to take care of their vehicles, and having a personal vehicle is a headache in most cases. Getting a brand new car with a few taps on your smartphone at any time for as long as you need is the expectations of customers these days

This is the view of Lukas Yla, CEO at CityBee (Lithuania). The main trend in the auto industry today is mobility as a service. He predicts that in the future mobility will be shared, electric, efficient and autonomous.

Previously you worked in CityBee as Head of Marketing, but now you are the CEO. Between these jobs, you had a career in the USA, including a quite interesting experience delivering your CV with the most expensive doughnuts to different company directors for whom you would like to work. What tips and tricks did you bring with you back to Lithuania?

I joined CityBee as a Head of marketing in early 2014. I started my career in marketing and prior to CityBee I worked at different tech, ecommerce and startup companies. I've always had a dream of working in San Francisco where the tech giants are. At the end of 2016 I decided to leave CityBee and chase my dream. Many friends and colleagues suggested applying for jobs on LinkedIn or company websites from Lithuania, but I knew that companies in Silicon Valley are picky – they're looking for the best of the best and they want to meet in person to see if you're really who you say you are. So I packed my bags and went to San Francisco.

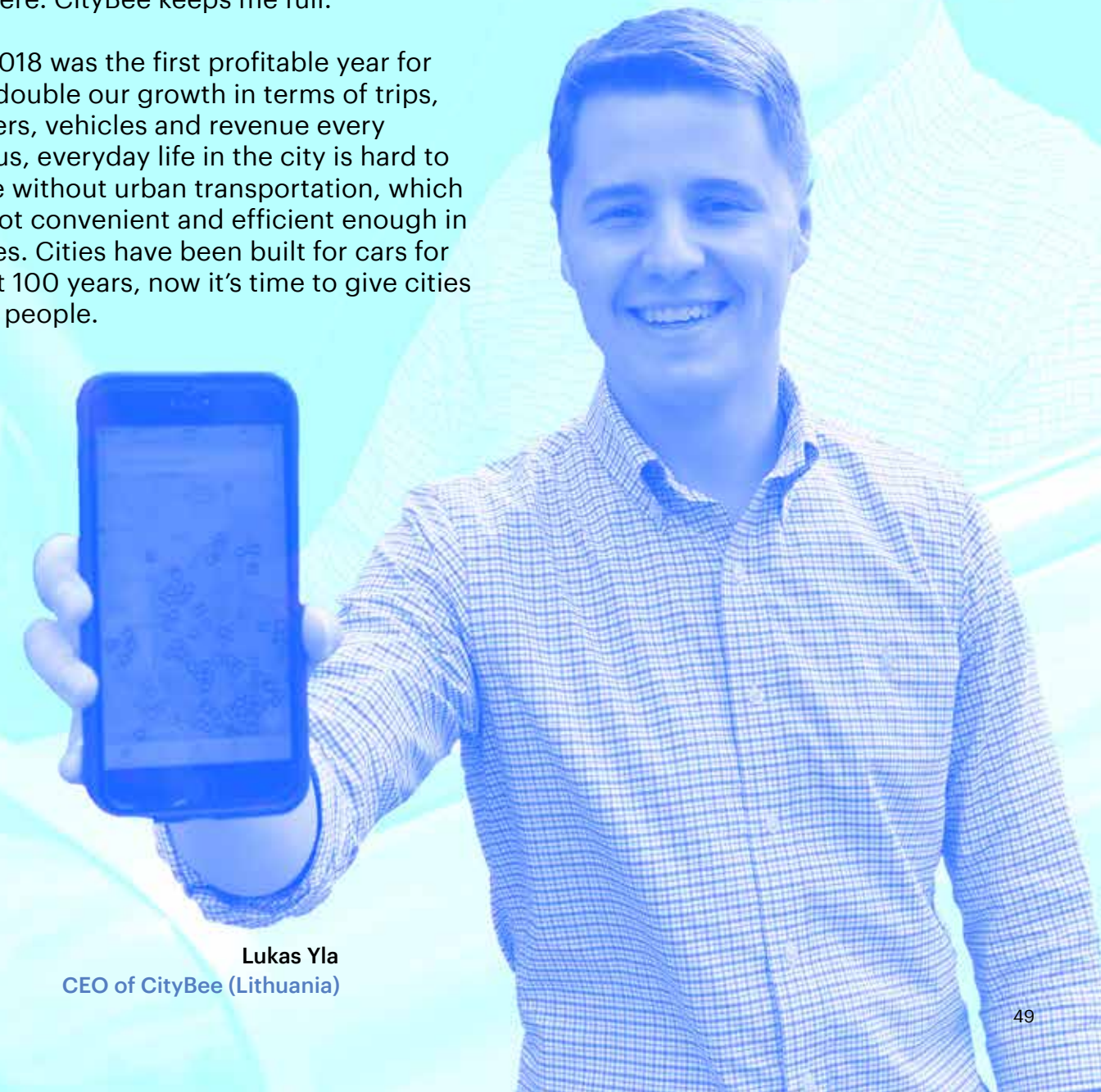
After trying to land a job using conventional means, I realised that I could not compete with locals for the same position because I hadn't graduated from university in the States or had work experience there; I was an alien with no connections or even a work visa. All my resumes landed in the trash bin, so I looked for a way to land my resume on executives' tables and show off my marketing skills. I came up with the idea that food is the best ice-breaker; no one will say no to free food! As I came up with the slogan "Most resumes end up in the trash – MINE ends up in your belly!" I made a list of 50 companies in San Francisco that I would like to work for, and a list of 50 executives in those companies. I pretended to be a guy delivering donuts to those executives, and inside the donut box was a note saying "As you have noticed, I am creative and I get shit done! If you're looking for an employee with those traits, check out my LinkedIn profile (I also used a short URL to track visits to my LinkedIn profile). After doing the deliveries I started getting interviews, but many executives were still suspicious about whether I had the skills needed to work in the US market; after all, I am from a small country like Lithuania. I took this as a challenge, and

aimed to land my story in the top ten media outlets in USA. I pitched my story to them and after few days I got covered in six out of ten, got noticed by Good Morning America (the #1 morning show in the States), then ABC7 National News, FOX News and the story went viral all over the world. I successfully signed a job contract with Postmates (one of the investors there is Peter Thiel). But I didn't get a work visa so I came back to Lithuania to lead CityBee. There's only one trick – execution! There are many great ideas in the world from donut resumes to Facebook, but execution is the single most important thing. Also, EU startups spend significantly less time on marketing their products than their rivals in the US.

What was the reason you rejoined CityBee?

I love challenges and I eat them for breakfast. CityBee is a very fast paced, agile environment, and I get plenty of challenges to eat here. CityBee keeps me full.

2018 was the first profitable year for us. We double our growth in terms of trips, new users, vehicles and revenue every year. Plus, everyday life in the city is hard to imagine without urban transportation, which is still not convenient and efficient enough in our cities. Cities have been built for cars for the past 100 years, now it's time to give cities back to people.



Lukas Yla
CEO of CityBee (Lithuania)

What about competition in the car sharing industry? You have a nice market place in Lithuania, but what about global competition?

In Lithuania we currently operate in the three largest cities; roughly 8% of the urban population in Lithuania is using our service. Last year we reached 1,7 million trips.

Globally, private vehicle sales in many western countries are flattening, with people living in urban areas switching to mobility services instead of owning personal vehicles. Car manufacturers understand this shift and are investing heavily in new mobility services, including car sharing.

What are the habits of people using CityBee? How they are doing it – what are the most popular times, average distance, and typical needs for driving with CityBee?

People mostly rely on CityBee for their urban transportation: travelling to work, university, shopping, business meetings, from work back home. It's not different to using a personal car, except with CityBee users get hassle free mobility, because they can use the cars for a few minutes or hours and only pay for the time using the vehicle. 79% of our trips are short city trips up to 30 min. The most popular times are morning, lunch break and end of work.

PEOPLE ARE TOO BUSY TO TAKE CARE OF THEIR VEHICLES, AND HAVING A PERSONAL VEHICLE IS A HEADACHE IN MOST CASES.

How has the company developed during this time? How many cars do you have in your network today?

We started in 2012 with just 50 cars and station-based service – people had to return the car to the same spot they took it. Now we operate 1000 vehicles and provide a free float service allowing users to leave the car anywhere they want in the city's parking locations. Also, last October we launched a CityBee cargo vehicle sharing service in Poland in 11 cities. We are coming to Latvia and Estonia this year.

Development has been impressive. Are you satisfied with the network today?

We still see a lot of room for improvement and growth.

What are the main trends in the auto industry today?

Definitely – mobility as a service. People are too busy to take care of their vehicles, and having a personal vehicle is a headache in most cases. Getting a brand new car with a few taps on your smartphone any time for as long as you need – that's the expectation of customers these days.

How do you see mobility in the future?

Shared, electric, efficient and autonomous. A private vehicle is parked for 95% of the time, so it's the most underused asset in human history. Also, these parked vehicles require a lot of space in cities, and cities can use this space more efficiently.

Lithuania is actively marketing it's FinTech companies. How would you describe the Lithuanian startup scene?

Despite our small market size, I am quite critical about the startup scene in Lithuania and the Baltics as a whole.

What are your favourite startups in Lithuania? And in the Baltics?

In Lithuania – CityBee, in the Baltic states – TransferGo and TransferWise.

What are your predictions about the future in the auto industry?

Shared, electric, autonomous and way more efficient transportation. It's obvious that mobility is shifting from owning a vehicle as a tool to using mobility as a service.

Can you reveal CityBee's biggest failure during this time?

I would not call it a failure, but a missed opportunity was not launching in Poland four years ago. However, we did belatedly launched our operations in Poland in October 2018 in 11 cities. And pushing pedal to metal for further foreign expansion.

Lately startups have become trendy places to work and build your own company. What is your advice to people who are thinking about starting their own startup? What should they be aware of? Is it as fun and glamorous as it is portrayed in the media?

Working at startups is fun, because startups are very agile organizations which quickly adapt to changes in the market. Startups are not fun if you're looking just for fun. At startups you need to care more and work more than in corporate jobs.

CHANGING THE TRAVEL INDUSTRY

The travel industry is one of the fields that startups are entering more and more these days. Eddy Travels from Lithuania has created a digital travel assistant to help people find the perfect flight and place to stay

Previously, Edmundas Balčikonis co-founded the visual feedback and issue tracking tool TrackDuck, which was acquired by InVisionApp Inc in 2017. Having lived as a digital nomad and knowing how painful and time-consuming trip planning can be, Balčikonis created Eddy Travels to help other digital nomads to save time.

What is your newest adventure?

We are building Eddy Travels, an artificial intelligence travel assistant, which is available for your favorite chat apps – currently, on Facebook Messenger, Viber, Telegram, Slack. We are planning to launch more platforms in the future. You can either send a text or a voice message to our chatbot to easily search for the best flight and hotel deals. For example, you can just say «flights from Riga to London next week» and Eddy Travels chatbot will find you the best flight options. Similarly, you can search for a hotel. Recently we launched car rentals and will introduce travel insurance soon. For flights, accommodation, and car rentals we have partnered with Skyscanner and for travel insurance we have partnered with a Norwegian/US company SafetyWing, focusing on travel insurance for digital nomads. We are focusing on building a real artificial intelligence-powered assistant for travel. Our goal is to cover all parts of travelling, so the person doesn't need to search three websites to check for the cheapest flights, four websites for finding hotels, and then forget to buy insurance. We are bringing it all together with machine learning and natural language processing to help travelers to do it faster and easier.

How did you decide to do it?

I have been traveling since I was 17, living abroad for more than a few months every year. For the last three years, I've been traveling full time as a digital nomad. The greatest inspiration for Eddy Travels was a one-month trip to China, where people use WeChat, and a six month trip to Latin America, where everyone uses WhatsApp. After that, I went to Ukraine where everyone has Viber and it is the No.1 communication tool to buy things, organize political movements, and etc.. These kinds of experiences helped me realize that chat apps are the next platform for e-commerce and doing business. For example, look at what is happening with WeChat in China – you don't need your business

cards anymore, people get a taxi on WeChat and etc.. In the West, similar things are happening – Facebook has already introduced payments in the United States. Recently, Facebook also announced that they are going to merge WhatsApp, Facebook Messenger and Instagram. Basically, they are building WeChat of the West. And then we have players like Telegram, which raised 1,5 billion dollars on their ICO. Their main goal is to create their own payment platform, so you can pay and interact with chatbots and send instant payments to other Telegram users. Everyone is going in the same direction. Transportation and travel are one of the biggest parts of global GDP and it is still growing. As I'm passionate about travelling myself, everything just seemed to click together.

What's your impression – how is the travel industry changing and what will be your future role in it?

Right now the travel industry is undergoing a huge shift. 2018 was a record year for travel tech companies and startups in fundraising. There are a lot of different trends influencing travel, but the major one is all kinds of artificial intelligence technologies, machine learning, and big data. Basically, data has already become the most important thing for the travel industry. All the big players are very protective of their data and meanwhile, they try to gather as much data as possible and analyze it. The biggest trend is to collect and make this data usable for the end users. Now Google is pushing everyone in travel; the big players are afraid of Google going into flights, accommodation and bookings.

WE ARE FOCUSING
ON BUILDING A REAL
ARTIFICIAL INTELLIGENCE
-POWERED ASSISTANT
FOR TRAVEL.

Edmundas Balčikonis
Co-founder & CEO at Eddy Travels
(Lithuania)

What are the biggest challenges you are facing in this project?

We already know our target audience, but in the West – Europe and the United States – using voice, text, and chatbots is still not mainstream. Google assistant and Amazon Alexa are doing a great job for us by educating the market. Microsoft has Cortana and Facebook is building their own artificial intelligence assistant Aloha; they will be helping a lot as well. All the big players are investing in this field and educating the market, but society is still not fully ready for real artificial intelligence assistance, having it deeply in our daily lives. It's a lot easier for people who have Alexa at home, but if a person doesn't have it and gets introduced to AI-powered assistants for the first time, there is a big learning hurdle. You have to change your habits, so probably the biggest challenge is educating our users and changing their habits.

Your previous company TrackDuck, where you were a co-founder, got acquired by InVisionApp Inc in 2017. Was it a successful exit or not?

It was successful for me because now I'm in a position where I can start a new venture, fund it, and find a great team to develop it. Looking back, of course, I could have done a lot of things better.

What are you taking with you from your previous experience – what are you doing the same or totally different in this project?

The team is critical important – you need a team you can trust and that has strong skills. Eddy Travels has been working full time for the last seven months and most of this time was dedicated to building a team around the vision and the concept of Eddy Travels. Now we have something we can call a minimum viable product. We are going to get to the first version of our full product in six months

THE STARTUP SCENE IN LITHUANIA IS VERY LIVELY. IT'S GROWING REALLY FAST, ESPECIALLY IN THE FINANCIAL AREA. FINTECH IS A MAJOR TREND IN THE LITHUANIAN STARTUP SCENE.

or so. So, the team is the biggest thing and I invested the most of time in it. Now, we have six people working for Eddy Travels full time. It is also very important to find the right partners and investors. That sounds very simple, but finding the right investors is really, really hard. We already have our first two investors confirmed. One is Techstars in Canada and the other one is an angel investor from London.

How would you describe the Lithuanian startup scene? What is happening in Lithuania now?

The startup scene in Lithuania is very lively. It's growing really fast, especially in the financial area. FinTech is a major trend in the Lithuanian startup scene. Also artificial intelligence, there are a number of successful artificial intelligence companies already in Lithuania. For example, last year Zenedge was acquired by Oracle, it was a multi-million dollar exit. Despite the founders coming from abroad, all the development was happening in Lithuania. Later, one of the founders started Cujo AI.

WE HAVE A NUMBER OF SUCCESSFUL COMPANIES IN ALL KINDS OF FIELDS, BUT FINTECH AND AI ARE BLOWING UP.

We have a number of successful companies in all kinds of fields, but FinTech and AI are blowing up. Of course, our older startups are growing as well – like Vinted, Trafi, TransferGo, CGTrader – all these companies are doing really well now, and it's great to see their development.

What is your impression of Baltic startups?

I don't think we appreciate how fast the Baltic economy in general is growing, and specifically the tech and startup ecosystem. Usually, we are very pessimistic. But we have it really good right now. I think all three Baltics states are doing great, there are lots of cool companies and it is just a matter of time before we are going to have more big exits, more big fundraising rounds and cool new startups. A number of Baltic startups are doing an amazing job, for example, Taxify in Estonia.

We also have investors who are learning and getting better. Change Ventures in Latvia, lots of Estonian angels and Lithuanian Open Circle Capital, Practica Capital and Contrarian Ventures are doing a great job. All these new funds and also new accelerators who enjoy support from the European Investment Fund are definitely helping.

BALTICS: A VIBRANT ECOSYSTEM

The Baltics are the most vibrant ecosystems in the European startup scene

Before I started working closely with people in the Baltics, I thought – these countries are so small, they should unite. After working in telco and startup fields in the Baltics for over a decade, I still hold this belief from an economic point of view. However, I have also come to realize how extremely different these three small nations are, despite sharing common history and being located just a few hours' drive from each other.

Lithuanians are the risk takers and traders. Estonians take it slow, but they are also very strategic and rational. And then you have Latvians in the middle, a bit hasty in their decisions but with a strong intellectual and tech heritage.

Zooming deeper into the startup scene, the effects of these differences in mentality can also be clearly seen.

Estonians can of course be thankful to the “Skype effect” and the good PR & marketing efforts of the E-residency program, but it is their long term strategic, “brick by brick” work on national digitalization and startup-friendly environment that has put them on the global startup map and raised four unicorns. Although they are the smallest of the three countries, they seem to have some deep inner pride pushing them to conquer the world. And while they might have internal quarrels, the startup ecosystem is surprisingly united and strategically aligned on the outside. Their Baltic neighbors joke that Estonians are slow. Yes, they do think before they talk and act, but whatever comes out is always worth the wait.

WHEN IT COMES TO THE
LATVIANS, THEY ARE HONEST
HARD-WORKERS AND
SCIENTISTS AT HEART;

When it comes to the Latvians, they are honest hard-workers and scientists at heart; in most cases they don't seem to be into the quick buck, rather into building something unique and meaningful. They might be better known for their FinTech startups mostly in P2P segment, but it is science commercialization, deep tech and drones that seem to be the real characteristics of the Latvian startup scene. In the late 19th century Latvia became a center of manufacturing (cars, electronics, trains etc.) and the engineering school was established. These traditions seem to still be going strong today. Latvians were among the first in the world to build heavy-weight drones that can even fly a person. Latvia is home to the biggest 3D printing facility in the Baltics, and they are also strong in robotics, MedTech, and many software-oriented startups have close links to tangible technology – think Sonarworks or PlayGineering.

Whenever we have Lithuanian startups in our accelerator program, we always see them as true “execution machines” and sales masters. They are risk takers and are ready to chase opportunities. When the ICO (initial coin offering) craze began, it didn't take long before the Lithuanians came up with ICO-friendly legal guidelines. They see themselves as life-hackers, and this also applies in terms of “hacking” the ICO marketing principles and raising insane amounts in crypto. Lately their fintech friendly regulations have also become an attractive proposition for global FinTech institutions to locate themselves in the country.

I ALWAYS FIND IT INTERESTING
THAT THESE THREE COUNTRIES
COMPETE WITH EACH OTHER, GIVEN THEY
HAVE JUST 6 MILLION INHABITANTS
IN TOTAL. BUT THEN AGAIN, IT IS
THIS POSITIVE RIVALRY THAT
PUSHES THEM FORWARD
AND CREATES ONE OF THE
MOST VIBRANT ECOSYSTEMS
IN THE EUROPEAN
STARTUP SCENE.

Cristobal Alonso
Global CEO at Startup Wise Guys



STARTUP VISA COMPARISON

INDICATOR	ESTONIA	LATVIA	LITHUANIA
APPLICATION 100% IN ENGLISH	YES	YES	YES
STATE FEE	60-180 EUR	100-400 EUR	86-172 EUR
LENGTH OF STAY	1 YEAR	1 YEAR	1 YEAR
LENGTH THAT CAN BE EXTENDED	FOR 6 MONTHS WITH VISA (UP TO 5 YEARS WITH TEMPORARY RESIDENCE PERMIT)	2 MORE YEARS	WILL BE 2 YEARS
APPLICATION LOCATION	YOUR HOME COUNTRY'S EMBASSY OR IN ESTONIA	YOUR HOME COUNTRY'S EMBASSY OR IN LATVIA	YOUR HOME COUNTRY'S EMBASSY OR IN LITHUANIA
AMOUNT OF FINANCIAL "BUFFER" REQUIRED IN BANK ACCOUNT	1680 EUR	5160 EUR	6660 EUR
INCLUDING BRINGING SPOUSE AND CHILDREN	YES	YES	YES
TIME IT TAKES TO RECEIVE A DECISION	1-2 MONTHS	30 DAYS	1-2 MONTHS

SOURCE: MAGNETIC LATVIA, STARTUP ESTONIA, STARTUP LITHUANIA

ESTONIA

Startup Verification:

- Fill out and submit an application about your startup for the Startup Committee.
- Startup Committee, consisting of members of the Estonian startup community, will evaluate application within 10 working days. You will get the verification letter with your unique application code.
- In case your company qualifies for pursuing the Startup Visa, you can apply for your temporary residence permit at an Estonian Embassy in a city of your choosing or at a Service Point for the Estonian Police and Border Guard Board, using your unique application code.

Required Documents for Startup Visa:

- Startup Visa application form
- Valid travel document
- Document size photo
- Proof of required financial "buffer"
- Document confirming payment of the state fee
- Document about your place of residence in Lithuania
- Health insurance policy (valid for Estonia or for the Schengen area with a coverage of at least 30 000 EUR for the entire duration of stay)
- Confirmation letter from the Startup Committee regarding qualification as a startup or confirmation regarding participation in a qualified accelerator program
- Information affirming the applicant's intention to leave the Schengen Area before the expiry of the visa, such as return flight ticket

Source: Startup Estonia

LATVIA

Startup Verification:

- Contact Investment and Development Agency of Latvia (LIAA) to check your eligibility for Startup Visa. This is not a mandatory step, but it will speed up the process and you will get valuable insight before submitting all documents. Contact info email: startup@liaa.gov.lv.
- Fill out and submit an application package for a Startup Visa at the Office of Citizenship and Migration Affairs (OCMA) or the Embassy of Latvia at your home country.

Required Documents for Startup Visa:

- Startup Visa application form
- Valid travel document
- Document size photo
- Proof of required financial “buffer”
- Document confirming payment of the state fee
- Certificate of clean criminal record
- Free form description of your startup idea

After positive decision regarding Visa is issued, submit additionally:

- Document about your place of residence in Latvia
- Health insurance policy
- Medical certificate confirming you don’t have tuberculosis in active phase

LITHUANIA

Startup Verification:

- Fill out and submit an online application.
- Present your idea in a short 2-5 minute video interview with a Startup Lithuania representatives.
- An evaluation committee consisting of representatives of startup accelerators, venture capital funds, Startup Lithuania and the Agency for Science, Innovation, and Technology will evaluate an application.
- In case your company qualifies for pursuing the Startup Visa, you can apply for your temporary residence permit in person at the Migration Department (L. Sapiegos g. 1, Vilnius) or abroad at any Lithuanian Embassy.

Required Documents for Startup Visa:

- Startup Visa application form
- Valid travel document
- Document size photo
- Proof of required financial “buffer”
- Document confirming payment of the state fee
- Certificate of clean criminal record
- Document about your place of residence in Lithuania
- Health insurance policy
- Confirmation letter from the Startup Committee regarding qualification as a startup
- Document to confirm your legal stay in the country, if you have submitted your application while being in Lithuania
- List of foreign states that you have visited or have resided in

STARTUP ECOSYSTEM IN LATVIA

ASSOCIATIONS

ALTERNATIVE FINANCIAL SERVICES
ASSOCIATION OF LATVIA
ASSOCIATION OF LATVIAN YOUNG
SCIENTISTS (ALYS)
BLOCKCHAIN DEVELOPMENT ASSOCIATION
OF LATVIA
CHANGERBAN
LATVIAN AMERICAN BUSINESS
ASSOCIATION OF CALIFORNIA
LATVIAN BLOCKCHAIN ASSOCIATION
LATVIAN BUSINESS ANGELS NETWORK (LATBAN)
LATVIAN GAME DEVELOPERS ASSOCIATION
LATVIAN INFORMATION AND COMMUNICATION
TECHNOLOGY ASSOCIATION (LIKTA)
LATVIAN INVENTORS ASSOCIATION
LATVIAN OPEN TECHNOLOGY
ASSOCIATION (LATA)
LATVIAN PRIVATE EQUITY AND VENTURE
CAPITAL ASSOCIATION (LVCA)
LATVIAN STARTUP ASSOCIATION STARTIN-LV

ACCELERATORS

BUILDIT LATVIA
CLIMATE-KIC
COMMERCIALIZATION REACTOR
ESTLAT-ACCELERATE
OVERKILL VENTURES
STARTUP WISE GUYS

VENTURE CAPITAL FUNDS

BALTCAP
BPM CAPITAL
BURAN VENTURE CAPITAL
CHANGE VENTURES
CHANGERBAN
EXPANSION CAPITAL
FLYCAP
IMPRIMATUR CAPITAL
ITECH CAPITAL
LATVIAN BUSINESS ANGELS
NETWORK (LATBAN)
LIVONIA PARTNERS
NCH CAPITAL INC.
PROKS CAPITAL
RUBYLIGHT
SUPERHERO CAPITAL
ZGI CAPITAL

MEDIA

BALTIC STARTUP MAG
BISMART
LABS OF LATVIA

COMMUNITIES

AGILE LATVIA
AIESEC IN LATVIA
CONNECT LATVIA
DEMOLA LATVIA
DEVCLUB-LV
DIGITAL HEALTH CLUSTER LATVIA
GAMEDEV MEETUP
GOOGLE DEVELOPER GROUP (GDG)
JUNIOR ACHIEVEMENT LATVIA
LATVIAN IT CLUSTER
MAKE RIGA
RIGA TECHGIRLS
STARTUP NEST
TECHHUB
UI/UX RIGA MEETUP
VIRTUAL REALITY RIGA

STATE

ALTUM
INVESTMENT AND DEVELOPMENT
AGENCY OF LATVIA (LIAA)
MINISTRY OF ECONOMICS OF THE
REPUBLIC OF LATVIA
MINISTRY OF EDUCATION AND SCIENCE
OF THE REPUBLIC OF LATVIA
MINISTRY OF FINANCE OF THE
REPUBLIC OF LATVIA
OFFICE OF CITIZENSHIP AND
MIGRATION AFFAIRS (OCMA)
REGISTER OF ENTERPRISES
STATE EDUCATION DEVELOPMENT AGENCY
STATE REVENUE SERVICE (VID)

BUSINESS INCUBATORS

GREEN TECHNOLOGY INCUBATOR
IDEALAB
KURZEMES BUSINESS INCUBATOR (KBI)
MAGNETIC LATVIA BUSINESS INCUBATORS (15)
RIGA TECHNICAL UNIVERSITY (RTU) DESIGN FACTORY
RISEBA CREATIVE BUSINESS INCUBATOR
STOCKHOLM SCHOOL OF ECONOMICS (SSE) BUSINESS LAB
TURIBA BUSINESS HUB
UNIVERSITY OF APPLIED SCIENCE (EKA)
BUSINESS INCUBATOR
UNIVERSITY OF LATVIA (UL) STUDENT
BUSINESS INCUBATOR
VENTSPILS HIGH TECHNOLOGY PARK

EVENTS

ATSPERIENS
BALTIC HONEYBADGERS
CREATIVE BUSINESS CUP
DEEP TECH ATELIER
DEVOPS DAYS RIGA
DIGITAL FREEDOM FESTIVAL
IDEJU KAUS
INOVUSS
RIGA COMM
RIGA VENTURE SUMMIT
TECHCHILL

CO-WORKING

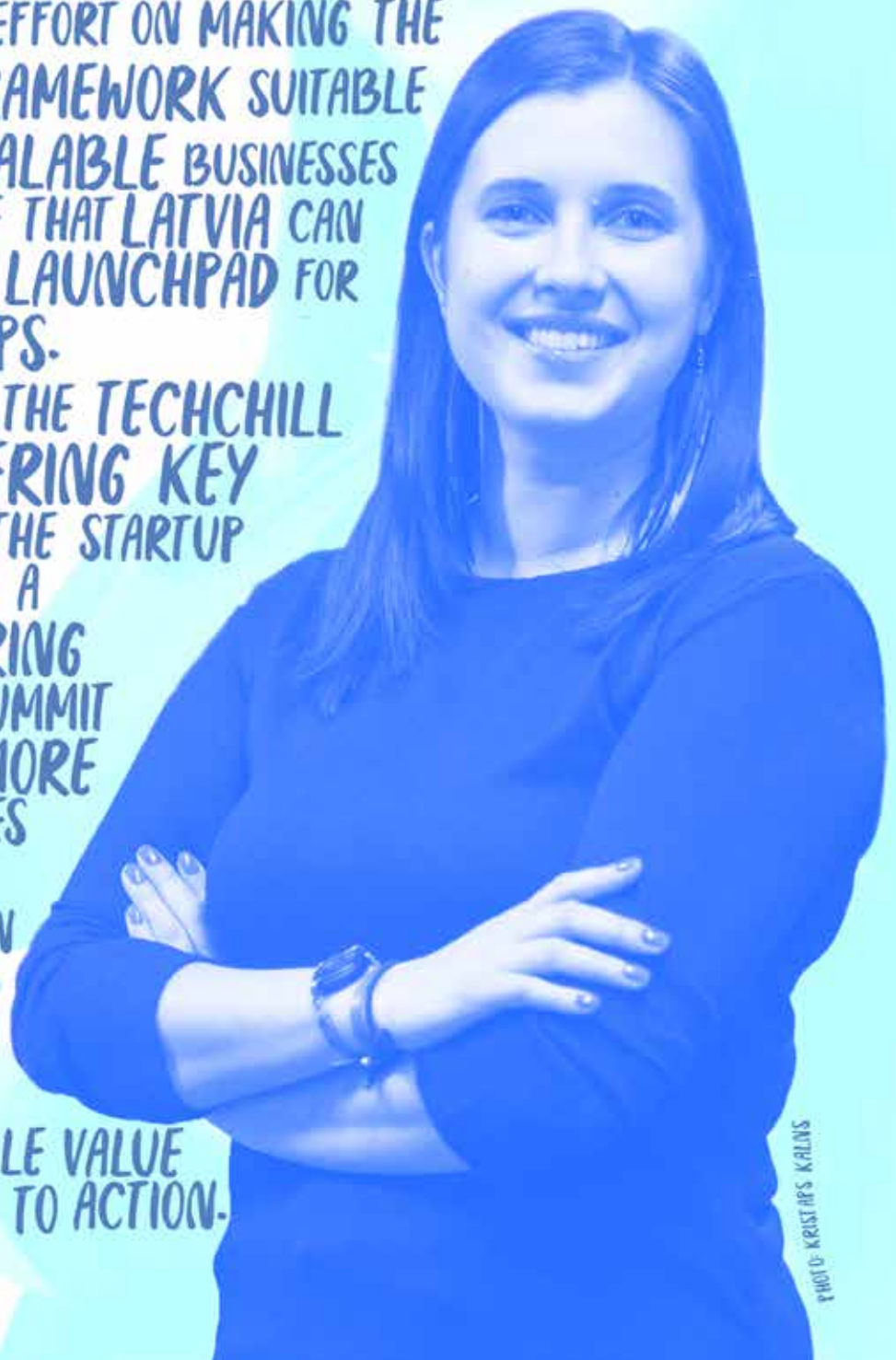
BIROJNICA
COWORKING VEF
DARBAVIETA
DOUBLE9
MILL RIGA
ORACLE TANG SPACE
PEOPLE WORK
REGUS OFFICES
RIGA POWERHOUSE
TECHHUB
TEIKUMS
WORKLAND OFFICES

EGITA POLANSKA

CHAIRWOMAN OF STARTIN.LV,
HEAD OF OPERATIONS OF STARTUP WISE GUYS

I'M VERY PROUD THAT LATVIAN STARTUP ECOSYSTEM THIS YEAR HAS STARTED WITH A STARTUP EXIT THAT GIVES THE NEEDED POSITIVE SHAKE TO EVERYONE AND KEEPS THEM ON THEIR TOES. STARTIN.LV WILL PUT EVEN BIGGER EMPHASIS AND EFFORT ON MAKING THE REGULATORY FRAMEWORK SUITABLE FOR STARTING SCALABLE BUSINESSES LOCALLY TO ENSURE THAT LATVIA CAN TRULY BECOME A LAUNCHPAD FOR GLOBAL STARTUPS.

WE WILL START THE TECHCHILL WEEK BY GATHERING KEY STAKEHOLDERS IN THE STARTUP ENVIRONMENT FOR A DISCUSSION DURING RIGA VENTURE SUMMIT TO IDENTIFY EVEN MORE EFFECTIVE PRACTICES FOR SUPPORTING INNOVATIONS BETWEEN GOVERNMENT ORGANISATIONS AND STARTUP COMMUNITIES AND CONSIDER THE WHOLE VALUE CHAIN FROM VISION TO ACTION.



Editor-in-chief: Sanita Kalve
Journalists: Anda Asere, Juris Kaža,
Ieva Treija, Veronika Viluma
Translation and proofreading: Philip Birzulis
Designer and calligrapher: Karina Kelle

PHOTO: KRISTĀNS KALNS