



INVEST IN PROMISING
CEE & CIS STARTUPS
VIA BALTIC
BLOCKCHAIN FUND

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ver. 1.05


OVERVIEW

The startup revolution is still going on. Great ideas are changing the world as you read this White Paper. Innovative teams and leaders work in different parts of the startup ecosystem, but, when you look at the whole process from the investors perspective, repeated problems appear on the map. Together with opportunities, of course.

Firstly, it is often better to find new startup treasures in 'developing markets'. For the most part this is the cheaper option, plus the companies tend to be more ambitious. Countries with excellent startup infrastructures and an impressive business history are world leaders in making new businesses big, but the market in these areas is very competitive among investors, where they tend to fight more fiercely for prospective technologies and people.

On the other hand, there are many countries where investment risk is not just about the market. They are often about the unpredictable state of the country, lack of communication infrastructure, and many other factors outside the established norm of the investment culture.





Secondly, there are industries which seem to be highly underestimated and difficult to quantify. These do not include models such as Uber or Facebook. For example, the IT security industry - the true weapon of the 21st century - how many unicorns have you heard of in this sector? Is it easy to mention the biggest and most known companies, with the best track record of experts? Incubators that allow them to prosper, or maybe die? And critically, who can we trust when investing in the above mentioned markets? Many tech industries are like this.

Thirdly, the startup world has always been easier for venture capitalists. Most of the really significant funds risk a lot with big money. However, this sphere of investment is highly aware that most of the startups they may invest in can easily lose money and slide into bankruptcy. On the flip side, they can also afford to conduct intensive examinations of the startup team, invite expert advisors to help them understand the prospects, including pitfalls of the startups, and engage in long, complicated and expensive paperwork and administration while initially choosing and operating the start up.


Nowadays there are also many private investors who possess a strong desire to help startups create great products. On the down side, they don't possess the same financial clout as the bigger players to research and invest in technologies, markets, and the startup team. Every investment is a risk and may be highly crucial to the private investor.



WHY LITHUANIA? WHY ICO?

Let's start with the country in which we operate. Lithuania is a member of EU since 2004, and a member of the Eurozone for more than 3 years. According to the Doing Business 2018 World bank report, Lithuania is ranked 16th in the world as possessing a unique business-friendly atmosphere, and the World Economic Forum ranked Lithuania as No. 1 in the most inclusive emerging economies (Inclusive Development Index 2018 report). It is estimated that the whole Lithuanian market hosts more than 31,000 IT specialists and more than 14,000 highly talented developers (according Statistics of Lithuania, year 2016). Lithuania is seen as a good hub in which to relocate tech genies from Russia and the CIS countries. The number of entrepreneurs who have relocated from that particular market tend to go Europe and expand and prosper rapidly. We are highly confident, that in the favourable political and economic climate, this number will grow even higher in the year to come.

Our team are vastly experienced in this particular market environment. We are highly focused in this region having amassed many years working with startups and IT recruitment in and for Lithuania, with some of our team members actually located in Russia.



Secondly, underestimated technologies and industries. Our incubator and fund were founded by Marius Pareščius - a well-known Lithuanian IT and security expert, serial entrepreneur, and IT counsellor to the Lithuanian Parliament. He has managed dozens of IT, security and internet projects as both CEO and advisor; working with banks, software development companies, data centres, web hosting companies, retail, and business associations, across Europe, the Baltic States, Russia, Ukraine, and Belarus . He, along with his team, are one of the few entities who can estimate and grow startups in the region because they speak the same language, in every aspect of the business and investment world.

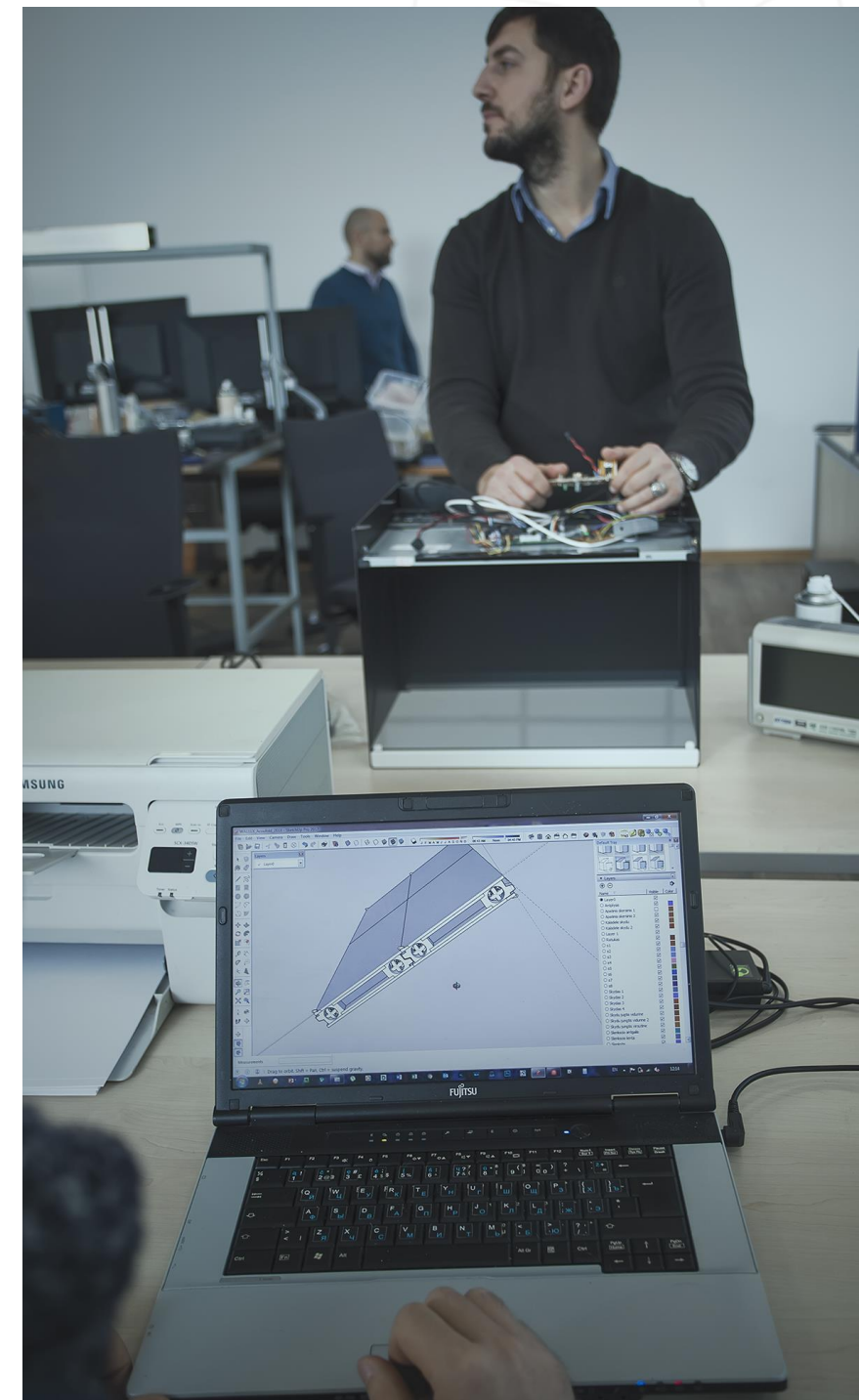
Thirdly, our ICO offers to widen the scale for investors. Being a traditional tech-accelerator and fund at the outset we raised funds from institutional investors and private equity. However, as fintech is changing rapidly we made the decision to examine new opportunities. All funds being raised in cryptocurrency will be converted to Euro and invested in the traditional manner.

But what is different? First of all, for us this is a part of the bigger picture in how we attract money and how we utilise that money in the most effective and profitable manner. This is not an ICO for ICO.

THE LITHUANIAN AND BALTIC STARTUP ECOSYSTEM

According to the recently published Startup Genome 'Global Startup Ecosystem Report and Ranking 2017' Silicon Valley is no longer the capital of the Startup World. And, the reasoning is more than simple, from the very start of the startup hype, every city in the world has placed its efforts in reaping the benefits of job creation, innovation and, rapid economic growth. While on an average investment map - we usually only see Silicon Valley, New York, London, Tel Aviv, Berlin and some of the bigger capitals, what investors tend to miss are the much smaller regions that are not only extremely hungry for innovation, but also focus on learning technical skills.

Meet the Amber Valley for startups; the Baltics, and Lithuania - the biggest country of all 3 Baltic States. While being located at the main crossroads of Western Europe, Northern Europe and the CIS; Lithuania is the ideal hub for accessing the EU markets and enabling CIS and Baltic startups to operate there. Today, according 'Enterprise Lithuania' (a non-profit agency under Ministry of Economy established to promote entrepreneurship, support business development and foster export) data, there are over 400 startups located here, both local and international.



It is no secret that recently, private venture capital from Western Europe, Scandinavia, the UK, and USA have all actively begun examining the Baltic states as a hugely promising and rapidly growing tech region. Many of these funds are already engaged in coming to the Baltic States, or establishing partnerships with some of the biggest local market players, such as BHV.

Since 2007 startups from the Baltic States (Lithuania, Latvia, Estonia) have raised 1 billion Euro in venture capital. Over 300M Euro was raised via ICO in 2017 in Lithuania and Estonia. Noteworthy news came from the Bank of Lithuania at the beginning of 2018, stating that ICO is legal under the country's jurisdiction and only general taxation is applicable. Lithuania is also particularly noted for the quality of its fintech and cyber security startups. The investments made in Lithuania were more than 100M Euro in total.

Favourable conditions for the development of financial technologies (FinTech) in Lithuania have already attracted 32 new domestic and foreign companies that applied for the licence in 2017 alone (Bank of Lithuania data), and the number has doubled compared to 2016. Upon implementation of planned initiatives for fostering FinTech development, the sector is likely to attract more investment and create more jobs. More than 100 companies showed interest in operating in this market. This marks a strong trending curve in the Lithuanian market as the capital of Fintech in the EU.

Lithuania senses global changes and keeps pace with financial innovations. A perfectly developed infrastructure, close network of contacts and favourable geographical location provide proper conditions for competing with other European countries. Vilnius, the capital of Lithuania, is a dynamic city, friendly and safe for foreigners. The majority of citizens here speak English. Russian is also quite often heard being spoken on the streets and throughout the city. Our startups tend to easily facilitate working and living comfortably in such an environment.





STARTUP STATE SUPPORT

Business Hive Vilnius Incubator and Baltic Fund partner closely with governmental agencies, such as Startup Lithuania and Go Vilnius, who are responsible for assisting new startups during relocation and with any startup visa issues which may arise. With cooperative help, residence permits for startups, including the core team and their families, are being issued in a much faster period of time. Launching a new company is also the subject of Startup Lithuania support and can be done in just a couple of days.

Lithuania also offers startup visas using the immigration law established by the Lithuanian government to attract innovative startups from across the globe to invest in Lithuania. There are also additional laws designed for industrial support; e.g. the opportunity to make an e-money allowance for fintech startups in 3 months (compared to one year plus in both the UK and Germany).

In addition and according to the Doing Business 2018 World bank report, Lithuania is ranked 16th in the world as possessing a unique business-friendly atmosphere. Also, according to the World Economic Forums 'Inclusive Development Index 2018' Lithuania has the No.1 ranking among the most inclusive emerging economies.

All this ensures that relocation of promising startups from Russia, Belarus, Ukraine is an easy process. Therefore combining the knowledge of teams working in non-EU markets with technologies and funding sources - will create a more than positive outcome with a more than 4x multiplier.





OUR INCUBATOR

Business Hive Vilnius (BHV) hosts and incubates Lithuanian, CEE and CIS startups throughout the differing elemental stages of their evolution (mostly from pre-seed to A). We are highly focused on the technological and innovational industries, primarily; hardware, security, blockchain, AI, enterprise software, business/industry automation, and fintech, among others.

The modern central headquarters where we have established a welcoming and highly effective startup ecosystem is the BHV home building - opened in 2015. The headquarters are comprised of over 2,000 sq.m. specifically designed for office space, conferences and seminars, networking, plus facilities for prototyping hardware devices and product design.

The first, and most important commodity for us is our community and ensuring good relationships between our international community - and it seems to be working. We have a co living option available with the first teams already established in 2018. Anyone from a new startup can avail of the facility and live here too; it is comfortable and makes economic sense, plus allows them to work 24/7 in a vibrant and positive atmosphere .

A vital concern for most startups is to have a friendly team of mentors who are highly experienced in the particular industries, including sales, marketing, business development, startup operations for both business and government projects and more - all of which are invaluable for the new startup.

This results in:

- Growth throughout the EU market, mentorship, and the expertise of market leaders.
- New partnerships and customers in the EU and USA.
- Equity based (up to 10%) funding up to 350K Euro (co-funding round with our partner may be up to 3 times higher).
- Participation in different international tech events worldwide, as a part of our pipeline.
- Your own co-working or office space, co-living opportunities, facilities for product prototyping (for hardware startups).
- PR and marketing support in the EU.
- Support with investor-relations at throughout all stages.

What BHV offers to investors:

- Safe investment into startups via the platform
- Opportunity to use BHV services and community

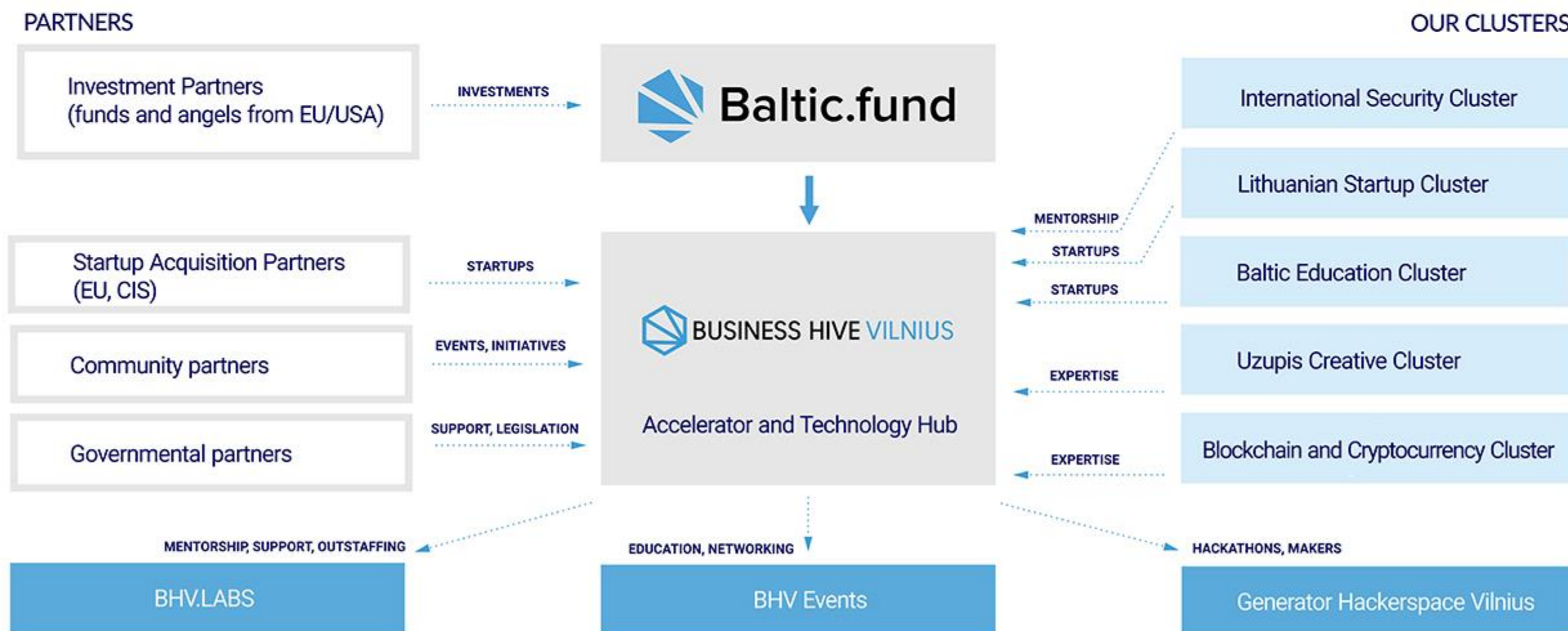
How BHV earns its profit:

- Pipeline startups – BHV makes an exit in 1–2 years with multiplier x3 – x10 (share acquisition by investment fund/enterprise)
- Startup acceleration for partner funds on a monthly fee basis
- Profit from startups (dividends based on the amount of equity share)



BALTIC FUND AND THE ECOSYSTEM

Imagine an ecosystem, where any startup can obtain the best there is – from their creation till they exit. We talk here about top-notch level of expertise, support from the governmental institutions, a chance to dive into the community backed events and initiatives, supervision of best advisors and many more. This is something we created. And we call it - Baltic Fund Ecosystem.



A background network diagram consisting of numerous grey dots (nodes) connected by thin grey lines, forming a complex web-like structure. A solid blue horizontal line runs across the top of the slide, positioned just below the 'HOW IT WORKS' header.

HOW IT WORKS

Lets' crowd-incubate the startups!

We are building the platform, where you support the startups you like with BALT tokens and get perks or income for doing this. Be the first one to get the unique products and other benefits from the most promising CEE and CIS startups!

All the startups, registered at the platform, post a token investors' proposal:

- how many tokens do they need
- what do they need them for (development, production, marketing, etc.)
- what would they offer their backers in return

So, what startups can offer you for your support:

- their products and services
- partnership and collaboration (help with some of your tasks)
- tokenized loan (they take your tokens, and give them back to you with multiplication after a certain period, buying BALT tokens at a public crypto exchange)

How startups can participate:

- offline, using our incubator space and its production facilities
- online, using our services and partners facilities

How does Baltic Fund and NHB incubator help startups for the tokens you invested:

- incubation program with the experts from EU and the US, and our own mentors
- production and engineering facilities, other incubator's office opportunities
- BHV.Labs' developers, designers, marketers, PR pros, analysts, engineers, etc.
- venture partners
- and the growing number of new opportunities!

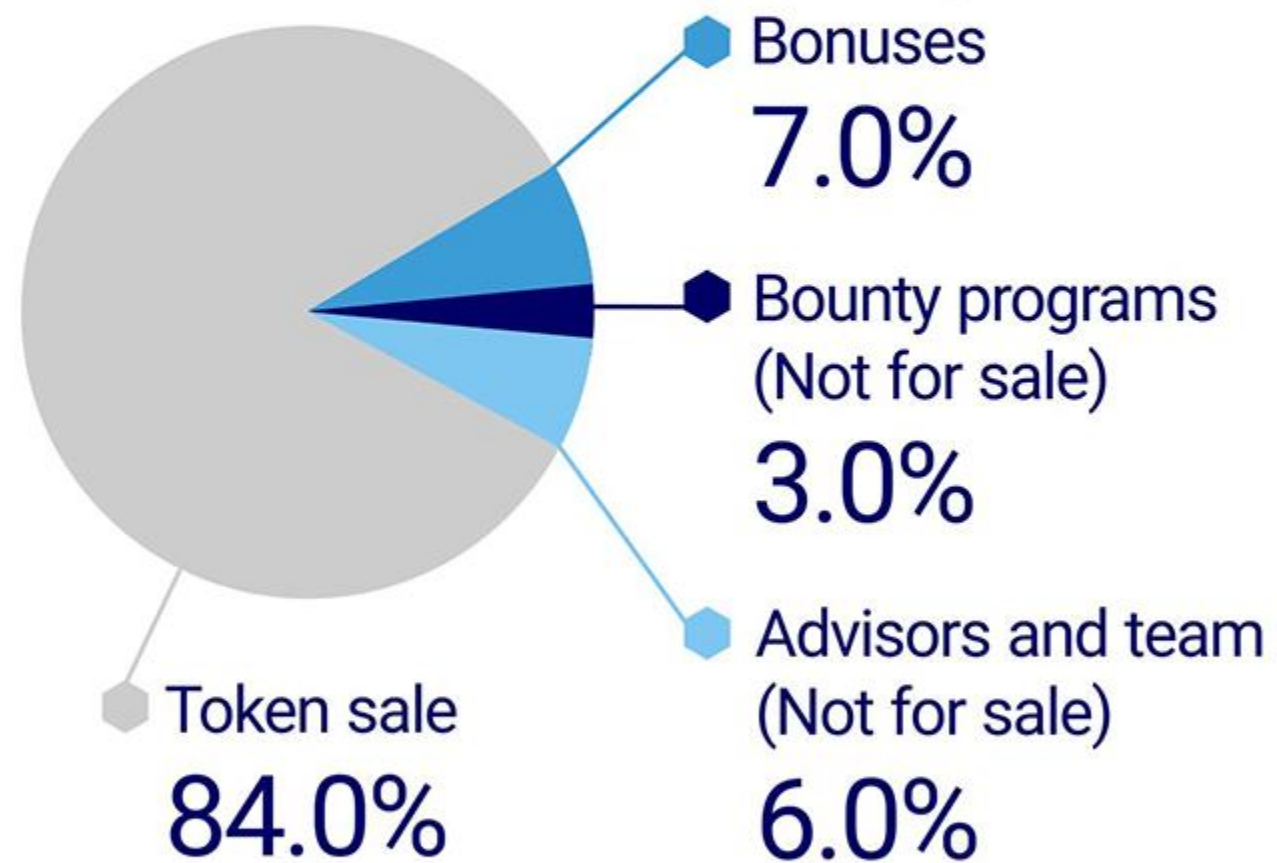
What happens after the incubation:

- startups launch their products (and the contributor gets one)
- partnership and collaboration (help with some of your tasks)
- startups grow and develop (and the price of your investments grow)

An investor gets product and income, a startup develops, we help and manage.

Profit!

Token distribution



TOKEN DESCRIPTION

Baltic fund tokens:

- 165.000.000 tokens to be issued
- 150.000.000 tokens for sale
- 15.000.000 tokens not for sale (advisors, team, bounty)

Token price:

- 1 Baltic Fund token = 0,00020 ETH for public pre-sale, 0,00025 ETH for sale
- Minimum amount of purchase – 100 tokens

Bonuses:

- pre-sale – 15% bonus (minimum amount of purchase – 100 tokens, +5% bonus for payments 100+ ETH)
- sale – 10% bonus (minimum amount of purchase – 100 tokens, +5% bonus for payments 100+ ETH)



TOKEN AND PLATFORM

Each token-holder can easily become a part of our blockchain based startup ecosystem, no matter where he or she is located.

The token allows you to purchase the following services on platform:

- Acceleration (online/offline) for your or your friend's startup
- Online 1-to-1 consulting sessions with the community mentors/advisors
- Tickets and priority entrance to our events
- Discounts for the most significant global startup events
- Membership (or virtual residency) in our coworking and discounts at partner's coworkings worldwide
- Delivery of community events to our city

Or simply sell your token:

- in the community
- at the crypto stock
- back to the platform with multiplier



ICO TIMELINE

ICO timeline



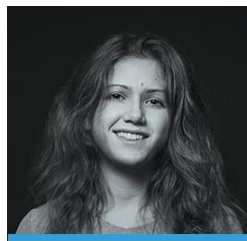


Baltic Fund is managed by the team of highly experienced professionals with a proven track record in business creation, consulting, advisory & software development areas. We have build numerous businesses and today we see, that there's more to be done via the Baltic Fund.

Core team



MARIUS PARESCIUS, CEO. Marius is a well-known IT and security expert, Lithuanian serial entrepreneur, and an IT-counselor to the Lithuanian Parliament. He is the founder of Business Hive Vilnius, one of the oldest startup incubator in the Baltics.



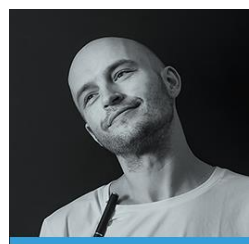
SANDRA GOLBREICH, BDO. Sandra is an IT and startup industry expert, serial IT-En entrepreneur (devs.lt and other projects outside the Baltics), industry events speaker (Login, Techchill, SWITCH) and a mentor of fintech and software Baltic startups.



IVAN BOROVKOV, STO. Ivan is a co-founder and CTO of Esteq, the startup, who provides hundreds of websites with DDoS protection services, infrastructure management, and cyber security supervision. He has been a highly skilled DevOPS engineer for more than 10 years. Ivan also consults various projects in blockchain and cryptocurrencies.



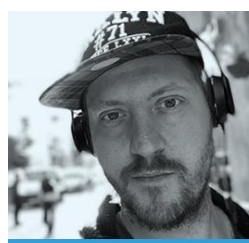
CORE TEAM



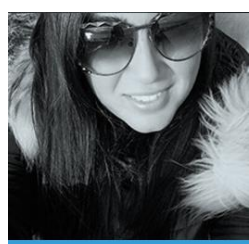
KONSTANTIN MAXIMIUK, Communication Director Konstantin is a marketing and communication professional with over 15 years of experience within the CIS and with a host of international companies and markets. He possesses vast entrepreneurial experience in digital marketing and media production.



ANDRIUS MILINAVICIUS, CMO. Experience-driven professional with over 12 years of digital marketing and communications experience. He has a clear understanding of mass media and a strong experience in driving a brand awareness campaigns together with launching new projects.



ALEX NOSOV, Head of Support Alex is an expert in customer experience. His experience includes heading of customer support of Aviasales (international air tickets aggregator). So he is an expert in finding the solutions to customer's troubles with the airlines and agencies, integrating of quality control systems for the understanding of the complexities of the users, and constructing of user interaction methods.



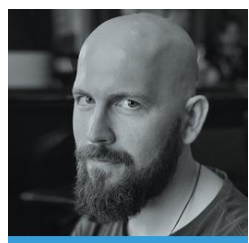
ANASTASIJA KOROTKOVA, Startup Acquisition (based in St.Petersburg). Anastasiya has worked in many facets of the IT industry in a multitude of differing positions; from HR-departments to marketing manager, she knows the industry from within and has an eye for talent. Her main goal is to pre-select the best startups for the BHV pipeline.

Our idea is strongly backed up by many industry leaders. Here we disclose the ones, who we consult with on the daily basis.

ICO advisors



ROKAS MEDONIS. Rokas is currently building post-ICO (20+ mln. USD) blockchain data company for the automotive industry - CarVertical. From 2015 he is also a managing director and co-founder of a famous fast food chain Keule Ruke. Also, he is a board member of privately held venture capital fund Startup Highway. He also has been working for the international IT and marketing companies where he gained a unique possibility to work with many of the Fortune 500 brands.

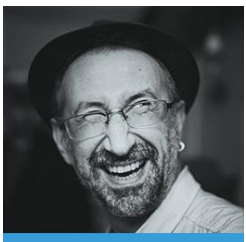


MAX POSTNIKOV. Max is an investor and chief evangelist at Universa, the new generation blockchain technology. Max has been a serial entrepreneur since 2001, launching multiple successful tech companies in the areas of online-recruiting, mobile gaming, big data & AI. In addition, for many years he was in charge of social networks at Mail.Ru Group, one of the largest internet companies in Eastern Europe.

Tech advisors



IGOR PARKHOMOV. Igor is a co-founder & Head of sales of Esteq, the startup, who provides hundreds of websites with DDoS protection services, infrastructure management, and cyber security supervision. He also possesses an impressive portfolio of cyber security companies which were all highly successful.



ALEX MAUZON. Alex is web-developer/analyst since 1997, who launched and supported 100+ projects worldwide, including local and distributed teams management, R&D, on-line campaigns and consulting. He was also a CTO in DIP studio, Weekend Football Limited, and CGMA.

Legal advisors



MINDAUGAS URBONAS. Midaugas is an attorney with 15+ years of experience in the various law issues, including company law, commercial and trade law, construction and real estate law, employment and labour law, litigation and arbitration, representation in public institutions. He is also a Member of the Board of International Security Cluster.

Security advisors



SARUNAS GRIGALIUNAS. Sarunas is a security expert who specializes in strategic security planning, tactical security research, operational threat mitigation and experiential security and technology education. His current work experience includes cyber security in Lithuanian Railways and co-founding of Vidulus.



TOMAS VILEIKIS. Tomas' years of expertise include MCT, ITIL, Project Management. He is a general manager of TOWI, a Microsoft Learning Center (CPLS) and Project Management Hub.

Financial advisors



ARVYDAS DABULSKIS. Arvydas is an Investor, a Founder of Rideway (segways), and a Partner in MD Group (car electronics).



SOME OF OUR STARTUPS AND THEIR FOUNDERS - TOP-10

CURRENT (INCUBATED BEFORE 2018)

Esteq. Hundreds of websites are using Esteq's DDoS protection services, infrastructure management, and cyber security supervision. The founders are Ivan Borovkov and Igor Pahomov. Ivan, a co-founder and CTO, has been a highly skilled DevOPS engineer for more than 10 years. Igor is a co-founder & Head of sales. He possesses an impressive portfolio of cyber security companies which were all highly successful.

Mio makes self-driving robots for events, marketing and vending. At the cutting edge, it is a new generation Mobile Retail Platform opening up new locations and opportunities for businesses. Mio mobile robot kiosk was named Best startup 2016 by American Chamber of Commerce and Global Entrepreneurship network, and is a part of Techstars Metro Retail in Berlin (Techstars is regarded as one of the best entrepreneurial accelerators). Its CEO, Roman Drovok, has over 15 years experience in marketing, tech, retail, startups, and IT.

Kurokesu produces developing and manufacturing measurement instruments, cameras and applied industrial computer vision applications. The Kurokesu product range includes cameras, lenses and filters, precision instruments, motion systems and DIY kits. The founder Saulius Lukšė, is a passionate entrepreneur with huge experience in engineering. The company supplies to Google, Amazon, MIT, Intel and Bosch.



SOME OF OUR STARTUPS AND THEIR FOUNDERS - TOP-10

Slydis is world's first electric tracked modular folding all-terrain vehicle. The inventor, founder and CEO is Ramūnas Stankevičius, who also possesses huge entrepreneurial and IT security experience. There were 18 million electric vehicles sold in 2017 and the market is predicted to keep on growing. By issuing first product by the end of 2018 the company plans to disrupt the E-vehicle industry.

PomoDone is an application for tracking workflow in order to improve current task management service. It's main goal is to keep track of the time user spends on his tasks. The project has a very good press coverage and serves multiple clients worldwide. CEO and founder is Alex Mauzon - web-developer/analyst since 1997, who launched and supported 100+ projects worldwide.

Devs.Lt is a platform which uses the AI-based engine and data-driven algorithms to help companies find a matching developer in a couple of clicks. The company works with more than 1500 pre-selected software developers and 300+ trusted companies in 40 markets. CEO and Co-founder of the project is Gleb Divov, who has a big experience in IT projects.



SOME OF OUR STARTUPS AND THEIR FOUNDERS - TOP-10

OUR NEW STARTUPS (TO INCUBATE IN 2018)

FlowMapp is a new developer's tool for creating visual maps of websites. This tool is highly effective in planning the development of a site, and allows all the participants in the process to cooperate with each other, making the workflow easier and more convenient. The founders of the company, Andrey Severin and Pavel Miyuhin, both possess a wealth of experience in design, UI/UX and digital.

E-Contenta - is an AI-powered content distribution platform. Founded in 2016, it helps brands target their convertible audiences with the most relevant editorial, prepared and delivered in the format of native ads. Currently its list of clients includes various companies in USA and Russia. The founder of E-Contenta is Zoya Andreeva, who has vast experience in marketing and business development, together with launching and operating her own business.

Shotty is a project management software for computer-generated imagery (CGI) and visual effects (VFX) industry, which already has clients worldwide. Founder of the company is Ilya Lindberg, who took part in a lot of notable USA and Russian movies production over the last 10+ years.

Bandtraq.com is a platform aggregating the latest news and activities of music bands and labels posted on multiple popular social media into one simple, unified feed. Made by serial entrepreneur Dmitriy Litvinov, this platform can become a universal aggregator for a lot of industries.



Baltic.fund

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