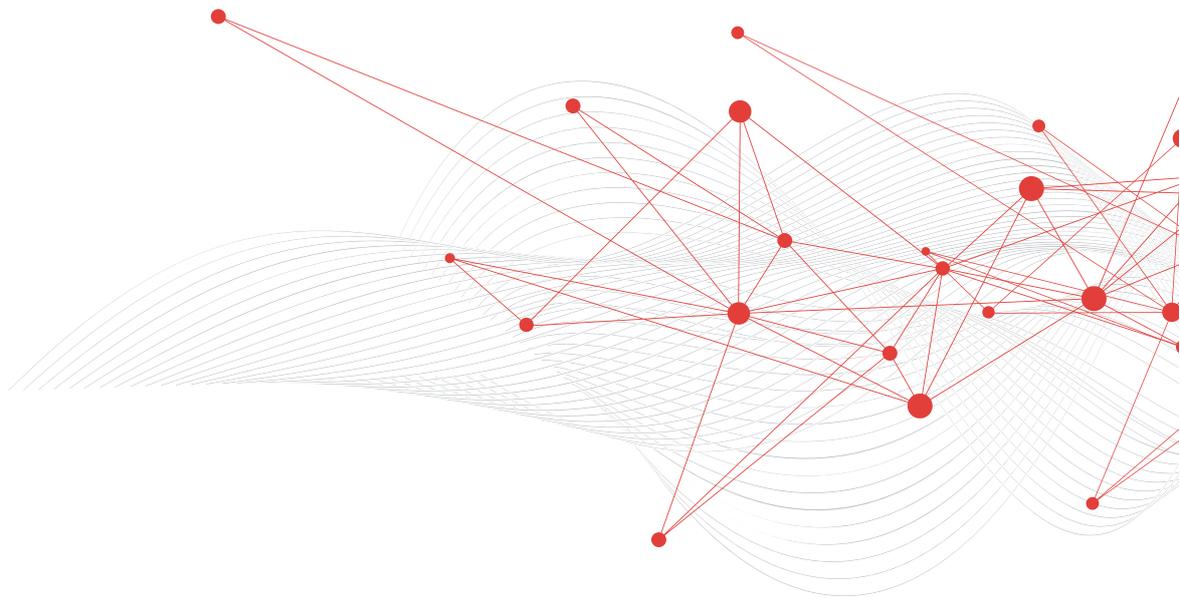


INCREASING COMPETITIVENESS OF GEORGIAN REGIONS AND DEVELOPING ENTREPRENEURSHIP



Acceleration Programme for
Georgian startups in 2022



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GEORGIA'S INNOVATION &
TECHNOLOGY AGENCY



Ministry of
Development Funds
and Regional Policy



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**Dariusz Budrowski****President of Polish Agency for Enterprise Development**

With great pleasure I would like to hand over to you the second edition of the eBook created within the 'Increasing competitiveness of Georgian regions and developing entrepreneurship' project.

The project, carried out by the Polish Ministry of Development Funds and Regional Policy, Polish Agency for Enterprise Development and Georgia's Innovation and Technology Agency, is co-financed within the framework of the Polish development cooperation of the Ministry of Foreign Affairs of the Republic of Poland.

Its objectives include, among others, the strengthening of the Georgian tech-scene and boosting the collaboration between Georgian IT/ICT startups, the Polish VC, and industry leaders.

The first stage of the project, which took the form of an online skill share training, aimed at familiarising Georgian startups with the Polish startup ecosystem and improving their competences and knowledge needed to run a successful business.

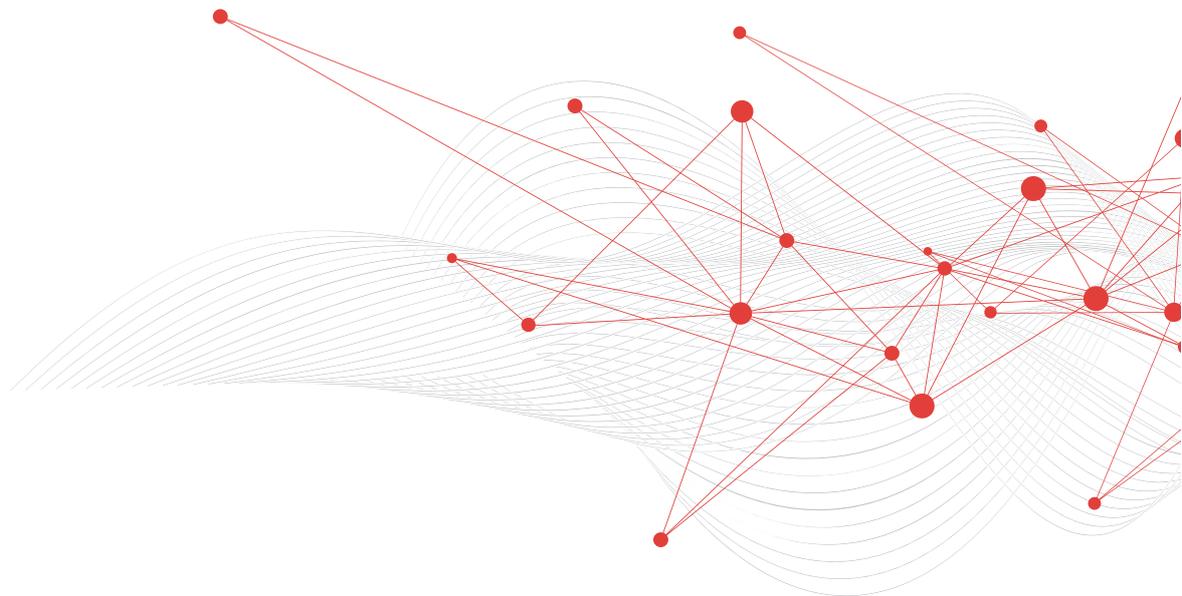
Ten selected Georgian startup founders took part in the second phase of the project – a bootcamp organised in Poland aiming at increasing the inflow of innovative teams to the Polish startups ecosystem, and creating bilateral links between Polish and Georgian entrepreneurs.

I hereby present a publication featuring basic facts and figures about the Georgian economy, the Georgian IT/ICT sector, with particular focus on the FinTech subsector, and introducing participants of the second edition of the project.

I am looking forward to further development of our cooperation.

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The Overview of the Fintech sector in Georgia



Georgia in figures

– short overview

General overview

Georgia (population of 3.7 million) is a small lower-middle-income country located in the South Caucasus, at the intersection of Eastern Europe and Western Asia. In 2020, agriculture contributed around 7.37% to Georgian GDP, 21.63% came from the industry, and 58.57% from the service sector¹. Economic growth was robust until 2019, averaging 5% per annum, and poverty declined rapidly to 19.5%, almost half its 2007 rate, driven by sound macroeconomic policies and improved governance². Significant reforms in the economic management and governance have earned Georgia a reputation as the “best reformer,” scoring 7th out of 190 countries for Ease of Doing Business. Today, Georgia’s Innovation and Technology Agency (supervised by the Ministry of Economy and Sustainable Development of Georgia) is helping develop innovative start-ups, deepen financial and capital markets, improve corporate governance, and strengthen investment promotion. Long-term challenges to economic

growth include the constant zero rate of population growth and high emigration, due to which labour force continues to shrink (Geostat, 2021). Small labour market lacks appropriate technical skills, which is a consequence of Georgia’s education system, facing many challenges, despite significant achievements in recent years. Substantial unemployment among youths aged 15-24 (30-40%) indicates the lack of work opportunities in general and shows that Georgia lacks a suitably qualified talent pool (UNDP, 2021). In 2018, the OECD student assessment placed Georgia 70th among 79 countries. In the same year, public spending on education and training was 3.52% of GDP, while the EU average for 2017 was 4.72% (World Bank, 2018). In March 2019, the government announced its plans to designate about 6% of the country’s GDP for investments in the educational system by 2022 (Agenda.GE, 2019). There is an educational framework for ICT studies; however, Georgia lacks an integrated educational information management system and robust data analytics to inform education policies.

¹ National Statistics Office of Georgia 2020

² World Bank, 2020. *World Development Indicators*. The World Bank Group.

The World Intellectual Property Organization ranks Georgia 63rd out of 131 in its Global Innovation Index (2020). Since 2010, Georgia has strengthened its support to ICTs through various public-private partnerships and digital-related initiatives such as zone tax exemption, foreign investments, and projects to improve labour force (International Telecommunication Union, ITU, 2020). In 2017, the ICT development value was 5.79, and the ICT sector accounted for 3.8% of the total GDP (Geostat, 2018).

The telecommunications market is generally very open to competition. There are more than 270 licensed and operational Service Providers and Network Operators (ITU, 2020). Georgian National Communications Commission (GNCC) launched in 2000 with the main aim to establish a transparent regulatory environment and promote competition in electronic communications and broadcasting. With a competitive sector primarily driven by private investments, the telecommunications sector remains among the fastest growing and in 2017, it accounted for 5 to 7% of the country's GDP (ITU, 2020).

According to 2019 ITU data, the number of fixed-broadband subscriptions per 100 inhabitants was 23.56, and 75.8% of households had the Internet access at home. Wireline broadband networks

(using fibre-optic or cable networks) have limited reach outside of urban areas. According to the country's National Broadband Network Development Strategy for 2020-2025, schools, highways, and public facilities must be provided with the Internet access at a download speed of 1 GB by 2025, which is aligned with plans for 5G development in the country. The strategy aims to create the infrastructure and establish Georgia as a digital and information hub between Europe and Asia, while upgrading knowledge and skills, which will lead to employment growth (EU Digital, 2020).

The introduction of artificial intelligence systems in the Georgian public sector is at an early stage of development. The most prevalent AI technologies in the civil service are chatbots used by several government agencies to consult citizens. The Ministry of Internal Affairs uses AI in image processing (radar and video technologies for road traffic), while law enforcement agencies use the automated facial recognition technology. The Georgian Prosecutor's Office uses some AI-based applications to support crime investigations (PMC Research³, 2021). There are many successful examples of AI solutions in the private sector, especially in insurance and banking, including a digital bank Space that exists only as a mobile app, without branches and physical presence. In 2020,

³ <https://www.research.pmcg-i.com/>

Georgia reached 43.39/100 index score and was ranked 72nd out of 172 countries, according to the AI Readiness index.

Georgia's digital economy⁴

“Digital economy”, which broadly encompasses the increasing use of digital technologies in social and economic processes and interactions, is already growing in Georgia. About 70% of people and over 90% of businesses are connected to the Internet, more than a third of the population have engaged in financial transactions using digital tools, and most government agencies offer their services through digital channels. Georgia has recently witnessed its first international acquisition of a digital startup, and many digital entrepreneurs are innovating products and services for both the domestic and global market. Together, these developments indicate that Georgia is well positioned to chart a path towards a future where it realises its economic and social development objectives in the context of the global digital economy. Indeed, the economic impacts of the wider use of such digital technologies are already captured in the economic statistics. The World Bank found that the output and investment multiplier effects of even more-specific information and communication technology (ICT) sector are significant. These multipliers

show that one million GEL of additional demand for ICT can generate 1.45 million GEL in revenue and 450,000 GEL of capital investments in the economy, respectively. Employment multipliers are at 22, meaning that 22 full-time-equivalent jobs will be created in the country per one million GEL of final demand for ICT output. Of this, 17 jobs are created in the ICT sector itself, and the remaining 5 in the other areas. With the deepening use of digital technologies across economic sectors and society, these impacts will only be more widespread.

Strong Growth of Georgian Economy⁵

Georgian economy continued its strong recovery with real GDP growth at 10.8% in Q4 2022, despite another challenging year. The GEL also strengthened amid sustained external inflows and tight monetary policy. Considering high Q4 2022 growth, strong external earnings, and positive preliminary May data, the GDP growth forecast for the full year 2022 significantly grows to 7.6%, compared to 4.5%, previously. Geopolitical challenges and related uncertainty are key threats to growth and if negative spill overs intensify in the second half of 2022, further growth is not expected. Notably, Georgian economy benefits also from better-than-expected growth in other neighbouring

⁴ World Bank Group, Global Economic Prospects 2021

⁵ Galt and Taggart Research June 2022

and EU countries, which limits negative spill overs from the Russia-Ukraine war.

Georgia's money market⁶

In July 2022, 196 million GEL treasury notes and 50 million GEL treasury bills were sold. The reduction in interest rates continued on all instruments MoM, explained by high demand along with the peak of the tightening cycle assumed by the market. The weighted average interest rate on 10-year notes was 9.971%, 9.832%, 10.077%, 10.082%, and 10.523% on 5-year, 2-year, 1-year and 6-month notes respectively. Notably, non-residents' treasury holdings reduced by 11.2% y/y to 354.5 million GEL, reflecting increased interest rates in the US. As a result, the share of non-residents in total outstanding holdings amounted to 5.8% (- 1.0 ppts MoM) in July 2022.

Trade⁷

In July 2022, exports surged up 40.3% y/y, reflecting resumed growth to both Russian and Ukrainian markets. As imports growth was slower (up 26.3% y/y), the trade deficit increase softened compared to previous months. Notably, cars and commodities were key exports, while petroleum contributed the most to imports growth. Meanwhile, robust remittances and tourism inflows continue

to offset trade deficit, and the external balance (goods trade, remittances, and tourism) remained positive for the 3rd consecutive month.

Tourism⁸

Tourism recovery was significant after Covid-19 pandemic and it further strengthened in July 2022, with revenues hitting a record-high monthly figure (an increase by 2.3 times y/y and surpassing the 2019 level by 20.4%). The country was visited by 597,887 individuals from abroad, which was an increase by 158.9% y/y. Considering strong ongoing figures and migrant impact, a full recovery of tourism is expected in 2022.

Banking sector⁹

Banking sector performance indicators are stable in Georgia and remained healthy in July 2022 with NPLs at 2.0%. Credit growth was slowed in July to 16.3% y/y (-0.4% MoM), excluding the FX effect, reflecting a slowdown in the corporate loan book. The increase of construction permits by 15.6% y/y in H1 2022 suggests a recovery in domestic investment, while corporate loans are expected to rise. Dollarisation ratios reduced markedly, with loan dollarisation at the all-time low of 45.8% (-6.15 ppts y/y) and deposit dollarisation of 56.9% (-3.10 ppts y/y).

⁶ Galt and Taggart Research August 2022

⁷ National Statistics Office of Georgia July 2022

^{8,9} Galt and Taggart Research August 2022

IT/ICT market in Georgia

ICT has been one of the most dynamic labour markets in both Europe and globally. The Network Readiness Index (NRI) of the World Economic Forum demonstrates that Europe is at the forefront of developing a digital ecosystem that fosters innovation and competitiveness. Despite increasing support from international organizations and the Georgian government to establish a competitive ecosystem supporting the IT/ICT market growth by creating an enabling and transparent environment for investment, the IT/ICT sector is still underdeveloped, and further support is needed to achieve a higher level of transformation¹. After Covid-19 the size of the local e-commerce market increased 3.2 times y/y to 137.9 million GEL in 2020, with its share in total (local and cross-border) growing from 11% in 2018 to 23% in 2020, according to our estimates. However, the e-commerce penetration rate in Georgia is very low at 1.1% of retail sales, far from the average 12% in Europe. Furthermore, total annual e-commerce spending

per user stood at c. 950 GEL in 2020 in Georgia, 3x lower than that of European average. With the development of local retailers' online platforms and increased trust from customers, we believe the share of local e-commerce will rise, grabbing more than half of total e-commerce spending by 2025.²

Innovation, R&D, and Technology Development³

Since 2014, Georgia has been highlighting the importance of knowledge-based, innovation-driven, and private sector-oriented economy development and has started building an innovation ecosystem, having a clear mandate for sustainable industrial development: to stimulate innovation, modern technologies, and R&D; to facilitate commercialisation and R&D; to support innovative startups and their competitiveness growth, and to facilitate cooperation between the representatives of scientists and businesses.

¹ <https://eu4business.ge/uploads/20/09/01/97dcc06e2cd51b416f4716ec061a1939.pdf>

² Galt and Taggart Research June 2022

³ GITA Monitoring and Evaluation section 2022

FinTech subsector in Georgia¹

With the aspiration to become one of the world's leading Fintech hubs, Georgia is stepping up its efforts to strengthen its Fintech ecosystem and promote innovation in the financial service sector.

Globally, Fintech has been changing the way people bank, shop, purchase insurance, engage with goods and services, access finance, etc. Georgia is in position to take advantage of technologies that have emerged in recent years and to be on the leading edge of innovation and services. The Caucasus region is ready for Fintech adoption and disruption, and entrepreneurs in Georgia recognise the opportunities and are eager to explore the existing gaps. Georgian regulatory and governmental stakeholders also see the benefits that Fintech can bring to micro, small and medium-sized enterprises and are very open and willing to contribute to Fintech developments and changes. The existing stakeholders in Georgia – including legacy financial, insurance, and microfinance institutions – are keen to learn more about Fintech and discover how they can better serve their customers.

Georgia can avoid the existing legacy regulatory burdens, processes, and systemic issues that other countries face since Georgian regulators and governmental institutions take a very progressive stance toward Fintech. Although the Georgian Fintech ecosystem is forward-looking, there are opportunities to improve the adoption of Fintech; spur more profound innovation and create a more Fintech-friendly ecosystem by identifying and eliminating any existing barriers to development. Just like in many other countries, impediments including the lack of collaboration of stakeholders, excessive legacy regulations, and the inability to provide a stable and growing Fintech workforce hinder the advancement of Fintech in Georgia. However, stakeholders, including regulators, governmental departments, Fintech providers, financial institutions, insurance companies, educational institutions, etc., are willing to make changes necessary to develop Georgia's financial ecosystem further.

Stakeholders in Georgia are very concerned about investor protection,

¹ Fintech sector research by USAID 2021

data privacy, and equitable finance – which is a very positive approach – and finding the balance between innovative Fintech and public safety remains front of mind for regulators. Naturally, there have been some delays in the journey toward a more robust Fintech ecosystem in Georgia. Still, stakeholders recognise that the adoption of more Fintech solutions is generally a positive progress for the country. The Fintech ecosystem is very much alive and strong in Georgia. The growing alignment of stakeholders, including the progressive regulatory approach adopted by the National Bank of Georgia (NBG), positions the country as

a true regional leader, a growing player in the international Fintech ecosystem.

The Fintech sector is still nascent in Georgia and faces many challenges. There are currently slightly over 20 known Fintech companies, and many of them target banks as their major clients. The following charts² present major stakeholders in the Georgian Fintech ecosystem.

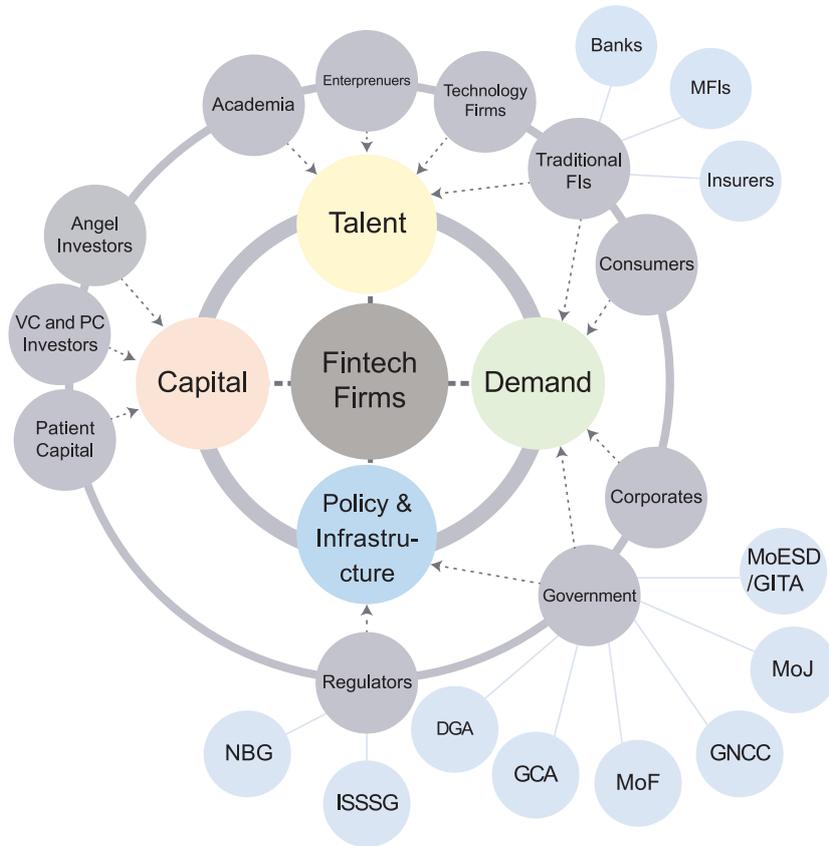
Among 15 banks in Georgia, the two largest ones hold 70% of total assets under management (AUM). The NBG and the Insurance State Supervision

Georgian FinTech ecosystem



² Fintech sector research by USAID 2021; Based on the findings of the University of Cambridge Judge Business School MBA 2020-2021

Georgian Fintech ecosystem including all stakeholders



Service of Georgia (ISSSG) are the two financial services regulators, and there are six government bodies relevant to the Fintech sector development.

Technical University (BTU) and Kutaisi International University are developing a Fintech curriculum to educate the next generation of Fintech leaders.

Fintech Collaboration³

Georgia's fast-growing Fintech sector requires the production and development of more Fintech practitioners specialising in technical development, as well as business and operational aspects. Financial innovation can rarely be taught, but coupled with Georgia's dynamic entrepreneurial ecosystem, Georgia can position itself as the producer of Fintech talents. Both the Business and

Fintech companies contacted for the compilation of this assessment report that it is a challenge to find the requisite talent pool of developers. Computer developers do not need to have any background in or deep understanding of Fintech, but entrepreneurs and financial services companies need good programmers and developers to deliver their innovative technologies. Fintech companies also indicate that finding business-focused employees

³ Based on the findings of the University of Cambridge Judge Business School MBA 2020-2021

with an understanding of Fintech and a global approach to new technologies associated with financial services is difficult. These two gaps (lack of Fintech developers and operational employees) are addressable with workforce development programmes.

Georgia has many Fintech companies, which means that there are many innovative entrepreneurs and business leaders. A large number of creative thinkers and entrepreneurs is a testament to the success of grant programmes preparing startups to tackle some of the most urgent Fintech challenges. However, without access to developers, programmers, and Fintech-savvy business operations workers, these startups face complex challenges to deliver their products efficiently and cost-effectively in Georgia. Many Fintech entrepreneurs look to countries like Ukraine and Latvia to outsource their technology development, not because of lower cost but because they can find the talent there. This means that there is an opportunity for developing educational programmes and for training the necessary workforce required to propel the Fintech industry in Georgia.

Intra-industry collaboration also remains a challenge within the Georgian Fintech ecosystem. The lack of it became evident first during this assessment, when it turned out that most Fintech companies across multiple industries (including

both finance and insurance) were not aware of currently existing ways to address identity verification in a way that does not require face-to-face contact. A solution to this problem is offered by one of Georgian Fintech companies and is currently utilised by some existing banks. Yet, most industry representatives were neither familiar with this firm nor knew that these identity verification challenges could be solved. It is not up to regulatory agencies to propose ways for businesses to solve their problems; it is up to companies to innovate and figure out ways to reduce their issues. Multiple players across different industries are not communicating effectively and efficiently with each other in ways that move their industries forward together. It is not a question of protecting competitiveness; it is a question of not knowing what solutions and opportunities are out there and what can or cannot be done within the existing regulatory framework.

The development of collaborative platforms that bring industry stakeholders together reduces the time it takes for innovative products and new business methods to get to market. These new technologies and business processes could go a long way to reducing tension in the Fintech system for micro, small and medium-sized enterprises servicing. Educational programmes designed to train the next generation of Fintech leaders and workers with innovative services will produce talents

that can see the opportunities, understand the legal framework, understand how to work with regulators, and hopefully help their companies develop solutions that can reduce friction within the Fintech industry.

Cryptocurrency⁴

Georgia has been an early leader in cryptocurrency mining, and stakeholders are open to integrating cryptocurrencies into their current financial services offerings. The national revenue service treats cryptocurrency equally to fiat money, meaning that any value appreciation is not taxable. Regulatory bodies in the country have adopted the same approach, treating cryptocurrency just like fiat money and not as a securitised instrument. This approach to taxation is very favourable for broader adoption of cryptocurrency and is one of the reasons cryptocurrencies have been doing so well in Georgia.

Globally, cryptocurrencies and Distributed Ledger Technologies (DLT) are still in the infancy of development. Innovation is coming from a diverse range of parties, often with no centralised governing entity. Given the flexibility of the ecosystem players they are operating without any regulatory jurisdiction. Only when these cryptocurrencies or DLTs intersect with regulated systems (like

the financial system) are they exposed to jurisdictional regulation. This often means that any anti-money laundering and know-your-customer diligence falls to regulated entities transferring one form of fiat currency to digital one. To date, the Georgian government has done a progress, allowing these entities to operate freely in a competitive and open market, only regulating the exchange between cryptocurrency and fiat. This encourages further technology development. Notably, Georgia's hands-off approach toward cryptocurrencies and DLTs has prevented them from being lumped together in one regulatory basket. Cryptocurrencies and DLTs are diverse products and services and cannot be regulated as one particular asset or class. Georgia continues to regulate securities transactions that facilitate cryptocurrency payments (such as Initial Coin Offerings, or ICOs) as securities transactions, which is what they certainly are. This does not affect Georgia's regulatory approach to cryptocurrencies and DLTs, just as a stockbroker who delivers funds electronically is still subject to securities regulations. This approach is very forward-looking and has again positioned Georgia to lead in this particular Fintech vertical.

However, a hands-off approach to cryptocurrency has also meant that legislation addressing the adoption of

⁴ Fintech sector research by USAID 2021; Deloitte (2018). A journey through the FCA regulatory sandbox: The benefits, challenges, and next steps.

DLT-based smart contracts does not yet exist in Georgia. Regulation or legislation acknowledging and accepting DLT for securities transactions would benefit both the industry and the consumer. Additionally, the continued license of companies and entities transacting or holding cryptocurrency on behalf of others should continue to be treated as regulated entities – just as if they were handling electronic payments.

Regulatory Sandboxes

Regulatory Sandbox⁵ is a tool to provide a safe experimentation environment for testing how new Fintech business models fit within the regulatory framework.

Some Regulatory Sandboxes around the world aim to speed up product launches, while others aim to assess whether the current regulatory framework is fit for purpose. Different countries have incorporated unique features to their Regulatory Sandboxes.

The National Bank of Georgia launched its Regulatory Sandbox in early 2020 and currently there are 20 companies in the testing process, mainly involving facial recognition services. Though a Regulatory

Sandbox is useful to test new products, it is also resource-intensive for both regulators and firms. Therefore, the best practice is to carefully consider whether this regulatory tool is necessary compared to alternative solutions. The following figure presents different tools available in the regulatory toolkit: It is also important to assess the demand from companies against the regulator's capacity to identify improvements to the sandbox design.

Open Banking⁶

Open Banking is a key priority for the National Bank of Georgia to promote innovation in the banking sector and foster the Fintech development. To facilitate the harmonisation of Open Banking, the NBC and the Banking Association of Georgia jointly published an implementation manual on the NextGenPSD2 XS2A framework in Q4 2020.

Access to Finance⁷

Alternative sources of financing, including online lending and crowdfunding, are at the development stage in Georgia, although conversations with stakeholders, including micro, small and

⁵ Based on the findings of the University of Cambridge Judge Business School MBA 2020-2021; Cambridge Centre for Alternative Finance, ADB Institute, and FinTechSpace (2019). The ASEAN Fintech Ecosystem Benchmarking Study. Available at: <https://www.jbs.cam.ac.uk/faculty-research/centres/alternativefinance/publications/the-asean-fintech-ecosystem-benchmarking-study/>

⁶ National Bank of Georgia 2021. Based on the findings of the University of Cambridge Judge Business School MBA 2020-2021

⁷ Based on the findings of the University of Cambridge Judge Business School MBA 2020-2021

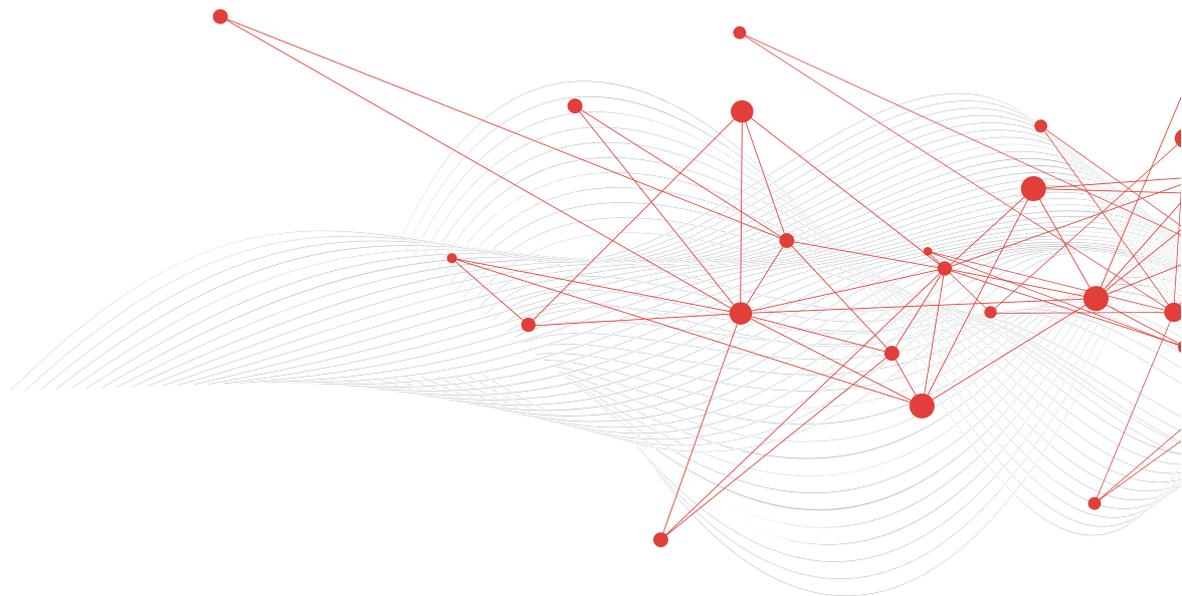
medium sized-enterprises, indicate that the market is ready for such a Fintech innovation. Online lending platforms existed for a brief time in Georgia before they were stopped by the NBS due to predatory lending tactics. Regardless of tactics and practices employed by online lenders, their existence and short-lived financial success proved that alternative capital sources are not only needed in-market but that the MSME segment will also use them.

Equity risk capital (venture, private equity, and business angel) is also at the development stage in Georgia,

even though the government is actively recruiting foreign investors to look at Georgian companies. The lack of risk capital means that some of the most promising startups and Fintech companies may end up allocating business away from Georgia (as is already the case with government-funded programmes that send Georgian founders to Silicon Valley for exposure).

Companies catalogue

Edition 2022



Ambry

www.ambry.ai

AM.BRY

Year of establishment: 2021

Link to pitchdesk:

https://www.canva.com/design/DAFF2pU5igU/-jhUXQwbdCvNpSOoKoDp8w/view?utm_content=DAFF2pU5igU&utm_campaign=designshare&utm_medium=link&utm_source=publishsharelink

Market problem:

Banks and Fintechs are unable to identify the source of funds coming from their clients operating in the crypto industry, thus losing potential big clients. On the other hand, individual customers are unable to prove the source of their income to banks, and consequently are unable to take advantage of their services.

Target group:

Banks & Fintechs.

Description of solution:

Ambry helps the AML Bank to easily identify the source of its clients' funds, whether it be the Mining, Crypto Trading or NFTs.

Colis

https://twitter.com/Colis_chat



Year of establishment: 2020

Link to pitchdesk:

https://drive.google.com/file/d/14B41lqSvocoHnfgdRVKUMSIBj20Q_dUI/view?usp=sharing

Market problem:

The current versions of Dapps (decentralized applications) are built for crypto-native users and are extremely unfriendly to newcomers.

The worst part is the customer support which is extremely unintuitive for newcomers as they have to use third-party platforms like Discord and Telegram to get any help. Those platforms are full of rampant scams and fraud.

Dapps as such are incapable of analysing issues their customers face, and the entire process is extremely chaotic.

Target group:

Decentralized applications (Defi and NFT platforms). The initial target is the Solana ecosystem.

Description of solution:

We are building CRM for Web3 that will have integrated Web3 wallet sign-in and blockchain analysis enabled. Our CRM will allow users to get customer support directly on the platform without the need for any external software. Our diagnostic tool will allow Dapps to use blockchain analysis to understand issues that customers are facing.

It will also allow them streamline the customer support system and include community members in process.

Corvis

www.corvis.ge



CORVIS

Year of establishment: 2020

Link to pitchdesk:

N/A

Market problem:

We do not anticipate any significant barriers on the Georgian market. We know the local market and the industry very well. The only minor barrier is related to publicly funded organisations, as they must use the tendering service provided by the government.

In the regional market, the key barriers include high initial marketing and sales costs. Technology-wise, the product is configurable and easily adaptable to most markets. At the time being, we have decided to enter the regional market only.

We plan to actively expand to EU markets from the 3rd year of operation on since at the time being we do not believe to have sufficient experience offering our products to European companies.

Target group:

Companies with a procurement team made of at least 3 members, spending on procurement a minimum of USD 1-2 million/year.

Description of solution:

Corvis makes price-only bids easy. Users can invite vendors and collect their responses, while Corvis will automatically tabulate their prices and present the results. All the user has to do is just select the winner effortlessly.

When it comes to more complex RFPs, Corvis will support the evaluation process with data-driven and collaborative workflows. Users can collect structured vendor data, compare responses side by side, analyse prices, and auto-score question sets in a matter of seconds. Invite evaluators to review and score, without ever referring to spreadsheets or spending time in meetings.

E-commerce platform Kovzy



<https://kovzy.com/>

Year of establishment: 2020

Link to pitchdesk:

<https://drive.google.com/file/d/1UqUsPfvI5yOFzeaCG2FivgLi8NEnwouQ/view?usp=sharing>

Market problem:

Restaurants, cafés & other food establishments need more than just standard e-commerce web-sites for getting direct digital orders. Customers increasingly compare the slick user experience offered by online food ordering & delivery platforms such as UberEATS with their orders from restaurant web-sites. They require faster ordering, with cheaper delivery & greater control over their experience, moreover, even the payment experience is different (tips, payment split and more) and that can't be achieved by using such global e-commerce platforms such as Shopify, Wix, WooCommerce.

Target group:

SMEs – restaurants, cafés & other food establishments.

Description of solution:

Kovzy is a front-end solution for digitising the customer interaction process. By providing clients with the exceptional app experience, boosting direct digital sales, creating an opportunity for more control over customer engagement, and turning marketing costs into profits from repeat purchases, Kovzy is a perfect tool for scaling the restaurant business to the next level. We offer website and digital menu builder featuring online reservations, order&pay, last-mile delivery management, API & integrations of such essential services provided by third parties as POS, accounting & ERP, marketing tools, etc.

Ensofy

www.ensofy.ai



Year of establishment: 2021

Link to pitchdesk:

https://c16afd1f-71c0-4fe5-a1e5-5741f57ea529.usrfiles.com/ugd/c16afd_25a04d614d184f6f97f050f3be8f532b.pdf

Market problem:

Healthcare providers such as telehealth companies are unable to easily monitor mental health of their patients/customers. Existing screening tools are not optimal and require too much time commitment from doctors and patients. In fact, only 1 physician out of 5 documents the condition of their patients' mental health of their patients in their health records.

Target group:

Telehealth and mental health service providers.

Description of solution:

At Ensofy we are building an AI tool to screen and monitor depression. We have already analysed data from more than 300 subjects and have demonstrated diagnostic accuracy of up to 80%. Our goal is to help healthcare providers easily manage their patients' mental health. Our solution requires only 30 seconds of free-form speech and can be easily integrated into providers' existing ecosystems via API.

Itemssphere

www.itemssphere.com



Year of establishment: 2020

Link to pitchdesk:

<https://drive.google.com/drive/folders/18qP2yoNGxBVsVc-0ffZGn3pNoABp4par?usp=sharing>

Market problem:

Since the globalisation and increased trading, the pressure on the earth system has been growing tremendously. Despite economic development reducing world poverty, insufficient access to healthcare and other social problems are still a major challenge.

Social issues are gaining significance. Companies are committed to sustainable development, especially those using large quantities of natural resources.

Moreover, huge online market merchants need to improve their sales channels and increase revenues.

Charity organisations need a lot of recourses to reach potential donors.

Target group:

Merchants, charity organisations, NPOs, individual sellers & buyers.

Description of solution:

Our company has created an online platform, which is a combination of an online marketplace and a fundraising solution to provide different services to individuals, shops, charity funds, non-profitable organisations and other businesses for contributing to sustainable development goals.

This platform can be called an online marketplace with differentiation strategy concentrated on social welfare or a fundraising solution featuring the product selling option to increase funding opportunities for different social programmes. The company functions according to the social enterprise business model.

LynX

www.lynxanalytix.com



Year of establishment: 2022

Link to pitchdesk:

<https://drive.google.com/file/d/194zNAyWzGtDXDiY0MKZ3Zi1bnLIgb4xm/view?usp=sharing>

Market problem:

The traditional business loan process is outdated and inefficient.

Insufficient information on loan terms for businesses.

Inaccurate targeting for small and medium businesses.

Target group:

SMEs (small and medium enterprises).

Description of solution:

LynX provides:

Digitally automated financial analysis required for credit scoring.

Unified platform that connects small and medium-sized businesses with financial institutions.

Timely information on loan terms and direct communication with financial institutions.

OwnEstate

www.Ownestate.io

Year of establishment: 2022

Link to pitchdesk:

https://drive.google.com/file/d/1THtkbzMGKYEL_UKfYTtZjUk-gvjWodpc/view?usp=sharing

Market problem:

Our clients are residential property development companies. They want to implement new projects, but they cannot finance several projects simultaneously due to insufficient funds.

Our users are smaller-budget individuals. They want to double the existing capital and are looking for high-return opportunities. They are interested in real estate investments but cannot get access profitable deals. Historically, only accredited investors, with bulkier investments, were eligible to finance high-return property development.

Target group:

Real estate development companies.

Description of solution:

With our solution, property developers will obtain funds from small-budget investors, receiving the needed capital to finance their new projects. At the same time, it will allow for a significant decrease of the cost of capital compared to other private equity sources on the market.

By providing equity for property development, our investors will have an opportunity to buy properties at cost. Thus, we eliminate the high capital requirement for small-budget investors. Now anyone, despite their limited budget, can join in and make profits on the difference between the cost and market price of listed properties.





Webapp

www.webapp.ge

Year of establishment: 2019

Link to pitchdesk:

<https://files.fm/u/2unbcnqh8>

Market problem:

Lots of companies are struggling with uncomfortable software solutions, they have a problem analysing big data, measuring customer satisfaction, and do not have access to modules that could solve every issue in their everyday working cycle.

Target group:

Beauty salons, aesthetic centres, booking-based service providers, dental clinics.

Description of solution:

We have created software solutions for niche markets and have developed modules that cover all needs of these businesses.

Wrapstocks.

www.wrapstocks.com



Year of establishment: 2021

Link to pitchdesk:

https://drive.google.com/file/d/1sm4sC9fLFi7OIXnZtX7_ef-yK7BG0A6y/view?usp=sharing

Market problem:

For an average-income person it is really difficult to buy foreign company stocks from many countries. Robinhood operates in few markets only. It's possible to find something or someone, but it is both difficult and expensive. When talking about foreign company stocks I mean Apple, Tesla, Amazon, etc. Problems related to them are as follows:

- there is no easy way to buy company stocks
- minimum deposit limits are huge
- trading fees are high.

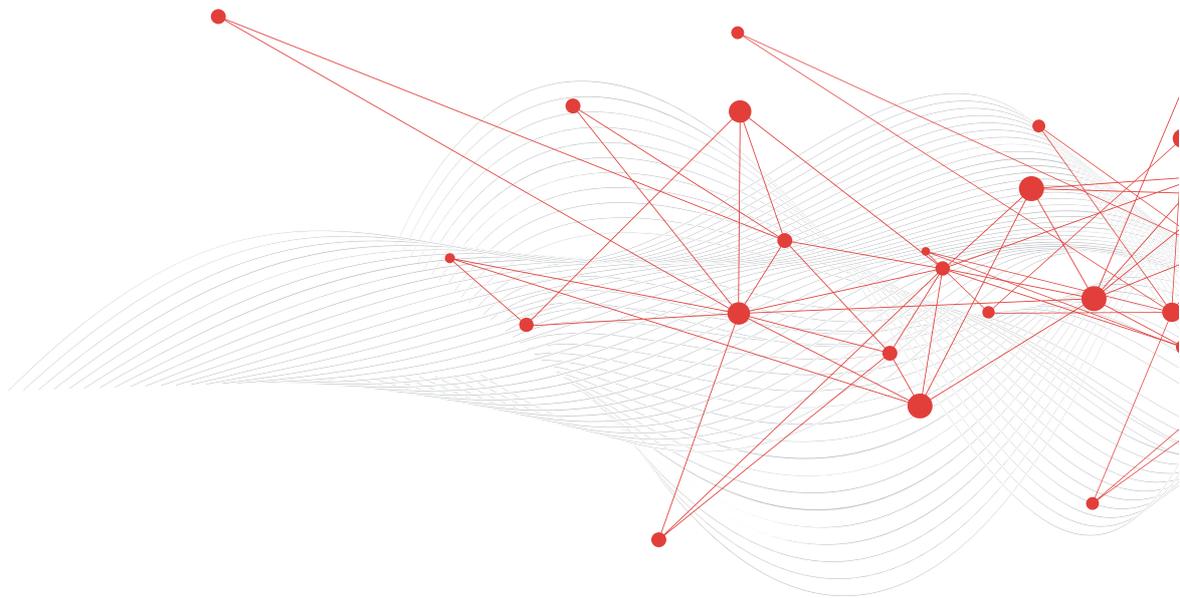
When you buy company shares, they are owned by a proxy firm, for example Robinhood. So you have no full ownership of them.

Target group:

People with average income, wishing to invest in stocks.

Description of solution:

WrapStocks. offers democratised access to stocks letting anyone, from any country buy any company stock, either full or fractional. Send this wrapped token to the private customer's decentralised wallet. If they want to buy Alibaba Stock (BABA), they will get a Wrapped Alibaba token (WBABA). Wrapped stock is a blockchain token backed 1:1 with the real company stock. Completely transparent, 100% verifiable and community-led. Users can trade wrapped stock on any decentralised exchange and use it as collateral assets in DeFi.



Infographic Georgian Fintech ecosystem: Financial institutions

//Data from the infographic are presented in the text.//

Financial institutions presented in the infographic are: TBC Bank, VTB, Bank of Georgia, Terabank, Basisbank, Cartu Bank, ProCredit Bank Georgia, Liberty, Ziraat Bank, Silk Road Bank, Isbank, Credo Bank, Pasha Bank, Halyk Bank, Crystal Fianance Organization, Finca Bank, Georgian Credit, Rico Group, Lazika Capital Microfinance Organization, Swisscapital Microfinance, Smart Finance, MBC, Inteliexpress and Leader Credit Microfinance Organization.

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Infographic Georgian Fintech ecosystem: Insurance companies

//Data from the infographic are presented in the text.//

Insurance companies presented in the infographic are: GPI, TBC Insurance, Unison Insurance Company, Alpha Insurance Company, Irao Vienna Insurance Group, PSP Insurance, Aldagi, Ardi Insurance, Prime, Green Insurance Georgia, Benefits, Cartu Insurance, iG Insurance Group of Georgia, Insurance Company TAO and New Vision Insurance.

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Infographic Georgian Fintech ecosystem: Associations/Clusters

//Data from the infographic are presented in the text.//

Associations and clusters presented in the infographic are: Banking Association of Georgia, Georgian Microfinance Association, GIA, Georgian ICT Cluster, Georgian Fintech Association and FinTech.

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Infographic Georgian Fintech ecosystem: Software as a service

//Data from the infographic are presented in the text.//

Software as a service presented in the infographic are: Azry, cs.cart, Shelf Network, Pulsar AI, ClpHub and QuickCash.

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Infographic Georgian Fintech ecosystem: Digital bank

//Data from the infographic are presented in the text.//

Digital bank presented in the infographic is Space.

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Infographic Georgian Fintech ecosystem: Marketplace

//Data from the infographic are presented in the text.//

Marketplace presented in the infographic is Raisin Plug and Pay.

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Infographic Georgian Fintech ecosystem: Cryptocurrency

//Data from the infographic are presented in the text.//

Cryptocurrency providers presented in the infographic are: CityPay.io, Cryptx and MyCoins.

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Infographic Georgian Fintech ecosystem: Digital signature

//Data from the infographic are presented in the text.//

Digital signature providers presented in the infographic are: Signify and Klafika.

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Infographic Georgian Fintech ecosystem: PFM

//Data from the infographic are presented in the text.//

PFM presented in the infographic is Optio.Ai.

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Infographic Georgian Fintech ecosystem: Education

//Data from the infographic are presented in the text.//

Higher Education Institutions presented in the infographic are: Kutaisi International University and Business and Technology University.

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Infographic Georgian Fintech ecosystem: Public sector

//Data from the infographic are presented in the text.//

Public sector in the infographic is represented by: National Bank of Georgia, Digital Governance Agency, Ministry of Finance of Georgia, Public Service Development Agency, Georgia's Innovation & Technology Agency and Lepi and Insurance State Supervision Service of Georgia.

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Infographic Georgian Fintech ecosystem: Payments/E-wallets

//Data from the infographic are presented in the text.//

Payments/E-wallets providers presented in the infographic are: UniPay, eMoney, OPPA, Payze, Wallypay and Payunicard.

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Infographic Georgian Fintech ecosystem: Other

//Data from the infographic are presented in the text.//

Other entities presented in the infographic are: Kernel and Unicard.

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Infographic Georgian Fintech ecosystem including all stakeholders

//Data from the infographic are presented in the text.//

Fintech companies are placed in the middle of the chart.

There are following elements in the first circle of the chart: Talent, Demand, Policy and Infrastructure.

There are following elements In the second circle of the chart: Academia, Entrepreneurs, Technology companies, Traditional Financial Institutions, Consumers, Corporates, Government, Regulators, Patient Capital, VC and PC Investors, Angel Investors.

There are following elements In the third circle of the chart: banks, MFIs, insurance companies, various ministries like: MoESD/GITA, MoJ, GNCC, MoF, GCA, DGA, and policy regulators: Insurance State Supervision Service of Georgia, The National Bank of Georgia.

Connections between circles and particular elements are described in the main text.

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