

Service Organization:

Art Novo
Registration Nr. 40003596959 (Latvia)
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Contacts:

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Additional Information:

www.artnovofilmproduction.com

Form of Business:

Film Production

Areas of expertise:

Filmmaking
TV shows
Education

Objectives:

To provide international film-makers with economical and unique venues.

To establish a major film-making studio in Riga, Latvia.

To become a significant part of the global movie industry.

Providing film production companies with cost effective and experienced film production services in Latvia.

The OPPORTUNITY - The Latvian Film Production Industry has a rich and established film production history providing both local technical expertise, equipment, facilities and talent. It is located in the cultural capital of Northern Europe which provides unique architecture and/or a multitude of beautiful natural surroundings for film venues in a stable, robust growing economy that uses the Euro and is a member of NATO.

The CHALLENGE: - To provide easy access to Latvia for international film producers wishing to use Latvia as a venue and benefit from the numerous advantages offered.

The COMPANY:

Art Novo is a privately owned film production company promoting the development of the international movie industry in Latvia by acting as a general contractor / marketing company bringing together leading Latvian companies, associations and institutions that provide services and education to the film production industry to provide one-stop shopping for its clients.

Art Novo services include providing all generations of actors and actresses, filmmaking equipment and gear (video cameras, lights, dolly tracks and camera cranes), office premises and filmmaking pavilions (green background) as well as arranging filming locations and set design and construction.

Art Novo's specialization includes, but is not limited to the following:

- feature-length films
- shorts,
- animation,
- documentaries,
- commercials

The Benefits: - Favourable Latvian tax laws, lower labour costs and experienced personnel are key factors. There is also a possibility for EU financing for projects, and refunds for expenses. Geography plays a key role by providing excellent venues in Latvia itself, and allows Latvia to be a bridge between Western Europe/North America, and Russia/India. Art Novo has established a team of professionals with local and international experience, as well as service providers to the film industry in Latvia. This sets the stage for a profitable business relationship in a unique market.

The Result: An economical and professional environment for film production.

1 ABOUT LATVIA and ECONOMIC FACTORS

Latvia is positioned between Russia and central Europe, and as such, is at the geographic centre of northern Europe. Latvia also has an established film production industry (see section 3).



Latvia

Latvia regained its independence from the Soviet Union in 1991 and began the difficult process of converting from a planned to a free market economy. In the mid 90's, Latvia was experiencing the challenges of economic transition, including multiple banking crises, economic boycotts by Russia, unfamiliarity with western (particularly European) practices and politically-related development issues.

Latvia is a western state that abides by EU regulations, having joined the European Union and NATO in 2004. This provides a more stable and predictable foundation.



The Economy

Post economic crisis Latvia has enjoyed a stable and growing economy, a trend which continues following the adoption of the Euro on 1st January 2014. There remains a positive outlook and Standard & Poor's, recently changed long and short-term local and foreign currency sovereign credit ratings on Latvia from BBB-/A-3 to BBB/A-2, and Latvia's transfer and convertibility (T&C), as of March, 2014, the rating now stands at BBB+ and the (T&C) at AAA.

Latvia has benefited from its history with established traditions in banking, manufacturing, education and development that provide the foundations for future growth and development, but shares strong ties with both Russia and the west.

Latvia has favourable company tax rates of 15%. There are no restrictions on the repatriation of profits or the transfer of funds from the country. A cash rebate of up to 20% of the total eligible expenses spent is also available. Latvian tax laws favours investment and allow Latvia to compete favourably with "off-shore" companies.

For further information see <http://www.liaa.gov.lv/about/latvia-facts>.

The Advantages of working in Latvia

Latvia is in the European Union and borders the CIS and so is well positioned to serve both.

The Riga International Airport is a regional hub with convenient connections to the rest of the world and the immediate region. Distances to major cities are quite small: Tallinn - 310 km, Helsinki - 397 km, St. Petersburg - 570 km, Moscow - 917 km, Minsk - 475 km, Vilnius - 293 km, Kaliningrad - 385km, and all are accessible by road transport. Riga is a central location. The studio is close to the Airport which helps optimize and reduce travel time.

Low labour costs and a skilled labour force, as well as relatively inexpensive land provide a decided financial advantage of operating in Latvia.

There is a possibility for EU financing, but the project will be based on private funding in the initial stages.

Local municipalities are enthusiastic about such projects because of their potential benefits to the local economy.

Latvia's nature and natural surroundings are a big asset which serve as a drawing card for industries such as film production.

Latvia has the 5th fastest Internet in the world (July 2013 data) with average peak broadband speed 140 % faster than the global average.

Latvian's unique architecture and landscapes can be used in wide variety of films.



Related industries in Latvia

Latvia has deeply entrenched tradition in the performing arts which include song, dance and live theatre. This provides the support for a highly professional and capable film production industry.

Riga boasts one of the top-class operas in Europe, the National Opera (<http://www.opera.lv/en/home>), while the National Theatre (<http://www.teatris.lv/lv/>) and Dailes Theatre (<http://www.dailesteatris.lv/>), amongst others, are part of the region's "Broadway of Northern Europe" having served Latvia for well for over 100 years, with Song and Dance Festivals (<http://www.dziesmusvetki.tv/en/>) having proven to be not only spectacular, but enduring. City festivals (<http://www.rigassvetki.lv/2013/home/startpage/en/>) such as the annual Riga City Festival show how the high technical quality is even passed on to the community at large.



The National Opera

The Dailes Theatre

The National Theatre



Song and Dance Festivals

City Festivals

The film industry in Latvia

The first cinema opened in Riga in 1895, and is still in operation today. The first documentary was made in 1910 featuring the arrival of Czar Nicholas II in Riga. The first feature film was produced in 1913 followed by two the next year. The first sound film was produced in 1934. The Riga Film Studio was established in 1940. In 1957, actress, then director Dzidra Ritenberga received the Volpi cup at Venice Film Festival as the best actress in film Malva. Between 1961 and 1963, the Riga Film Studio Šmerlis pavilions were one of the largest in Northern Europe. In the coming years it produced about 10 feature films, as well as puppet and animated films, documentaries, science and educational films, and newsreels. Latvian animation began in the 1960s with films using appliqué technique. The 1970's brought the golden age of Latvian cinematography when numerous Latvian classics were produced, while the 1980's was the documentaries era. In 1989 the FELIX award for the Best European Documentary went to film Crossroad Street by Ivars Seleckis. During the last decade, Latvian features, short films and animated films have taken part in major film festivals including the Berlin Film Festival, Cannes Film Festival, Venice Festival, Annecy Animated Film Festival, Pusan Film Festival in Korea, Leipzig Festival, Amsterdam Documentary Film Festival, etc. Of note is that 50 animation professionals produced about 45,000 drawings for the 2004 Animated film The Triplets of Belleville (Canada/France) which was nominated for two American Film Academy Oscar Awards, including the nomination for the best film in this category.

Recently, the film industry has been adapting to the new reality of the market economy. There are around 25 – 30 active production companies working in Latvia, though some of them deal mainly with the production of commercials. Others are involved in contract work internationally. Our film professionals add to their skills participating in courses all over Europe, as well as in practical work when working as service companies for film productions from abroad.

<http://www.latfilma.lv/>

<http://filmriga.lv/en/brief-survey-of-latvian-film-industry>

<http://www.mediadesklatvia.eu/arhivs-media-programma/english/characteristics-of-the-film-industry-in-latvia/>

2 THE ORGANIZATION

Latvia has all the ingredients for becoming a centre for film production, though it has two main difficulties that has prevented its development to date. These are:

- Most companies are relatively small with minimal permanent staff to reduce expenses and avoid financial commitments. For larger productions, these companies network with others locally to provide the required services, and hire free agents on a contract basis. This works well and effectively in the small local market where everyone knows everyone else, but is not conducive to attracting foreign business.
- The film production industry has had problems adjusting in the post Soviet era, when it was working with the much larger market of the Soviet Union. This, together with the recent world economic crisis, has left the industry in need of re-orientation towards the west, but without the funding resources to do so, as existing companies struggle to exist. This has limited the amount of marketing and promotion that Latvia can afford to promote its many benefits.

Art Novo is a privately owned production company registered in Latvia in 2002 by its owner, Alvis Mengots, an experienced Motion Picture Producer, for the development of international movie industry projects in Latvia by acting as a marketing organization and general contractor coordinating leading Latvian companies, associations and institutions that provide services and education to the film production industry to provide one-stop shopping for its clients in the film production industry.

The Art Novo mission is to become a significant part of the global movie industry.

Art Novo currently provides all generations of actors and actresses, film-making equipment and gear (video cameras, lights, dolly tracks and camera cranes), office premises and filmmaking pavilions (green background) as well as arranging filming locations. Art Novo also offers a variety of services to the film production industry including providing and managing creative and technical crews and resources, working with creative specialists (especially screenwriters, directors and actors from Europe and Russia) and running production and post-production processes and coordination, and set design and construction. Other services include project management and administration, and coordinating legal, financial, IT, transport and other related services.

Art Novo has the management resources to manage the administration and promotional activities that it has undertaken on behalf of its partners.

Some Western film producers have expressed interest in cooperating with Russian film producers. Because of past experiences, Art Novo has established long term relationships with Russian movie industry leaders and developed a wide network of Russian movie industry players (actors, scenarists, cinematographers, marketing specialists, etc.). Art Novo boasts continuing good relations with many "Soviet Movie School" specialists, who continue to be successful and whose productions are highly appreciated in Russia and elsewhere.

Art Novo works with the Riga International School of Economics and Business Administration as well as Riga School of Arts and Crafts to provide special programs for the training of specialists for film production.

Though Art Novo currently offers international production companies venues, equipment and services for film production in Latvia, its ultimate objective is to build a modern film studio in Riga with the involvement of strategic partners.

To summarize, Art Novo is able to provide most of the facilities and equipment required for the film production industry by international clients. This will significantly reduce transport costs for those using Latvia as a venue. The main benefits will include:

- lower movie production costs in comparison to other studios located in Western Europe,
- convenient transport to or through the Riga airport,
- available facilities and equipment
- local talent and experience

Partner Companies / Organizations

Agreements are in place with the following companies and organizations to provide their services through Art Novo, or to develop expertise in development and educational programs to ensure the continued modernization of the industry.

- Filmu studija Rija,
- Cinevilla Studio,
- Rīgas Kinostudija,
- Platforma Filma,
- Filmu studija Deviņi,
- Rīgas Darbnīca decorations, restoration, furniture
- Studio "Centrums"
- Arkogints film cameras
- SDG Lighting
- TV- kino serviss dolly tracks and camera cranes

- Latvian Filmmakers Union
- Latvian Theatre Professionals Union
- "Dzintarkrasta filma" fund - Film Education and Production.
- Riga International School of Economics and Business Administration - film production industry studies and training
- Riga School of Crafts
- "Stylefoto" photo studio
- "Positive art" media production

Other organizations with which cooperation arrangements are being made:

- Latvian Academy of Culture

Art Novo has a close working relationship with these companies by virtue of the fact that it represents them to ensure that any client receives the required services in an easy and cost effective manner.

Art Novo appreciates and acknowledges the morale support of the Latvian Ministry of Culture and its National Film Centre of Latvia, and the Economics Ministry given to Art Novo in their letter of support received in a letter dated May 25, 2014.

Examples of productions in the main categories include:

- **feature-length** films: Dream Team 1935 (2012) <https://www.youtube.com/watch?v=3DdPZQEjLI>
- **shorts**: FROSTY FLOWERS, (2001) - BEST ART DESIGN at the National Filmmaker's Award "Lielais Kristaps" (Latvia). Best International Photography – Official Jury Award at the 6th Belo Horizonte International Short Film Festival (Brazil)
- **animation**: at the 65th edition of the Cannes Film Festival in 2012, the International Federation of Film Critics (FIPRESCI) presented the FIPRESCI award to "IN THE FOG", a co-production of Germany, Latvia (Rija Films), the Netherlands, Russia and Belorussia.
- **documentaries**: MY HUSBAND ANDREI SAKHAROV (2006) <http://vimeo.com/12267182>

Other examples available on request.

3 OPERATIONS

Specialization - The main sectors serviced by Art Novo or subject areas addressed include:

- feature-length films
- shorts,
- animation,
- documentaries,
- commercials

Available Facilities - Pavilion facilities offered include:

- 1,000 m²
- 800 m²
- 600 m²
- 500 m²
- 300 m²

Available Equipment - The main film production equipment includes, but is not limited to:

- cameras
 - ARRI Alexa EV-1, sup.9, HS 120fps
 - ARRI Alexa XT
 - ARRI Alexa EV-1, sup.9
 - RED EPIC-X
 - RED ONE MysteriumX
 - Vision Research Phantom Miro LC320S
 - Canon C300
 - Canon 5D Mark III, body, EF Mount
 - ARRIFLEX 16SR 3 HS Advanced Gate: S16 - Ground Glass
 - ARRIFLEX 435 Xtreme Gate: N35 or S35 - Ground Glass, Arriglow
- cranes
 - jib 3 - 13 m cranes
 - telescopic 3 - 20 m cranes
- lighting systems
 - HMI up to 12,000 W
 - TUNGSTEN up to 12,000 W
 - FLUORESCENT
- sound systems

Personnel resources

- producers / directors - 600
- operators (film) - 20
- operators (TV) - 70
- actors - 1,200
- make-up artists - 200
- Latvian Song and Dance festivals occur every four years and mobilize some 30,000 performers who are drawn from choirs and dance groups from around the country. These groups rehearse regularly and participate in smaller festivals in the region. This is a potential source of personnel.

Client Requirements

Although Art Novo can provide the equipment, services and facilities required for most standard applications relative to the size and capacity of the local industry, Art Novo is prepared to consider the acquisition of any specialized equipment or meet other specific and unique Client requirements. This is also part of the modernization program that Art Novo has undertaken and can be discussed with the Client based on the Client's Requirement Specification.

The intention is to provide most equipment and personnel on location in Latvia to avoid transportation costs where possible.

4 KEY PERSONNEL

Alvis Mengots has been the Owner and CEO of Art Novo since 2002. He is a film industry professional with a Master of Arts degree from the University of Moscow, and who acquired his academic training from the All-Union State Institute of Cinematography in Moscow, first at the operator level, then proceeding to his Masters and becoming a qualified film director. Some of his class-mates from his university days are now leading film producers in Russia, and an invaluable networking source. Alvis received much of his practical technical experience as a cinematographer or director of photography in more than 40 feature movies at the Riga Film Studio, and then assumed positions as the President of the Alpha Alliance advertising agency and then Director of TV35. He has served as a Vice-chairman of the Board of the Riga Film Studio and as a Board member of numerous film productions related funds. Alvis thus combines both management experience and a wealth of hands on technical experience.

Titles that Alvis has participated in since 1969 include:

- in the **feature-length film** category: Stari stiklā, Šauj manā vietā, Uzbērums, Klāvs Mārtiņa dēls, Šūpoles, Meldru mežs, Kara ceļa mantinieki, Egle rudzu laukā, Velna kalpi velna dzirnavās, Pieskāriens, Pūt, vējiņi, Melnā vēža spīlēs, Robina Huda bultas, Šīs bīstamās balkona durvis, Ģimenes melodrāma, Nāve zem buras, Zem apgāztā mēness, Puika, Aiz stikla durvīm, Nepabeigtās vakariņas, Novēli man lidojumam nelabvēlīgu laiku, Spāņu variants, Laikmeta griežos, Izmeklēšanā noskaidrots, Spēle, Tereona galva, Aizmirstās lietas, Vainīgais, Vakara variants, Vilkatis Toms, Šāviens mežā, Aveņu vīns, Stari stiklā, Tikšanās uz piena ceļa, Radnieks, Aija (2. sērijas), Pa baltā furgona pēdām, Mērnietu laiki (3 sērijas), Par mīlestību pašreiz nerunāsim, Vecās pagastmājas mistērijas, Sēņotāji
- in the **documentary** category: Latvija de jure, Dienvidu elektriskie tīkli, Latvenergo, Tērauda dzīsla (Latvijas dzelzceļš), Daugavpils- mana pilsēta, Ventspils koks, SEB banka, SWED banka , Rīgas cirks
- in the **shorts** category: produced for LTV (Latvian Television) over 60 informative shorts and over 200 economically related shorts.
- in the **commercials** category: produced for LTV (Latvian Television) over 60 commercials

Film Production Industry Specialists

Film production technical specialists include personnel from partner companies.

- **Vilnis Kalnaellis** – Producer and President of Latvian Film Producer Association. Graduated from the Petersburg Institute for Cinema Engineers in 1985. Participated in more than 300 festivals and received 35 national and international awards. In 2007 his production company Rija Films received the CARTOON nomination for the Best European Producer.
- **Andrejs Ekis** - Movie producer and script write. Graduated with a Master's degree in Cinematography and Film/Video Production from the Petersburg Institute for Cinema Engineers in 1987. Owner of the Cinevilla Studio.

The following personnel are expected to support Art Novo's administration and operations. Current services are presently provided by partner companies.

Operations/Administrative Management

- **Ed Kalvins** is the owner and CEO of Technical Partners International Inc. of Canada and "TP Riga" SIA of Latvia, and is a Latvian-Canadian living in Latvia and serves as the Project Manager for Art Novo. He is a Canadian engineer with extensive Project Management, Production Management and Engineering Management experience. Ed developed the PM-PROformance™ System, a hands-on project management system suitable for project implementation. His 20 years' experience in Latvia provides for a deep understanding of local conditions, while his western background helps him relate to North American requirements. Ed's team provides the necessary back-up for project management services.
- **Robin De Morgan** is an independent investment banking professional and Chartered Accountant from the United Kingdom, with experience of property and infrastructure developments, both in the UK and internationally. He is the former CFO of the Hongkong Land Group and has worked closely with two separate merchant banking organisations on business development strategies and raising related funding. He has been closely involved in numerous development projects in Latvia and the Baltics, and is a trade development advisor for the Middle East Association having most recently lead a trade mission to Kurdistan and Iraq. Robin is helping market Art Novo services and represents Art Novo in England.
- **John Birchmore**, the owner of SHREW's Ltd. of the UK, has extensive experience commissioning start-up projects in the Baltics and Russia as well as the UK and acts as an advisor to UNDP and EBRD on development. His team provides the necessary technical expertise. Because of John's extensive business development work in Latvia, he is well connected to the Latvian business community in the UK. John is helping market Art Novo services and represents Art Novo in Scotland.
- **Valters Kronbergs – Lawyer (Kronbergs & Čukste)**. LLB (Queen's University, Canada), BA Hons. (University of Toronto, Canada). Member of the Ontario and Latvian bar, who has been practicing law in Latvia since 1993. Specialist in Latvian real estate, construction, energy and utilities, transportation and corporate commercial law.
- **Inguna Gustava** MBA (Riga Business School, Riga Technical University), BA, MA – mathematics (University of Latvia) is an experienced general manager covering management, company budgets and financial control, staff recruiting and training, marketing and sales.
- **Inese Mičule** - BA - Mathematics and Physics (University of Latvia), MBA (Riga Business School, Riga Technical University, Latvia). Financial executive. Experienced at the director level responsible for finance, sales or marketing in major consumer goods manufacturing companies
- **Inga Mengote** BA - (University of Latvia), MBA (RPIVA) – Management professional. Buildings and maintenance operations specialist.
- **Ivars Grislis** – BSc - Mechanical Engineering (Riga Polytechnic Institute, Latvia). BA - Economics (Riga Polytechnic Institute, Latvia). Senior Engineer. Systems maintenance specialist
- **Uldis Kurms** – BA (Riga Technical University). Logistics specialist.
- **Indra Sproge-Kalvina** - BA - Management Studies (University of Latvia). Sales and customer service specialist.
- **Henrik Mjoman** – Recruitment Specialist (*Prime Recruitment*). Experience in personnel recruitment and management training.
- **Inese Tomasa** – MA Languages (University of Latvia). Tourism and hospitality industry specialist.

Exchange rates as of Wednesday, January 14, 2015 are:

- 1.00 EUR = \$1.1804 US
- 1.00 EUR = £0.7753 GBP

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