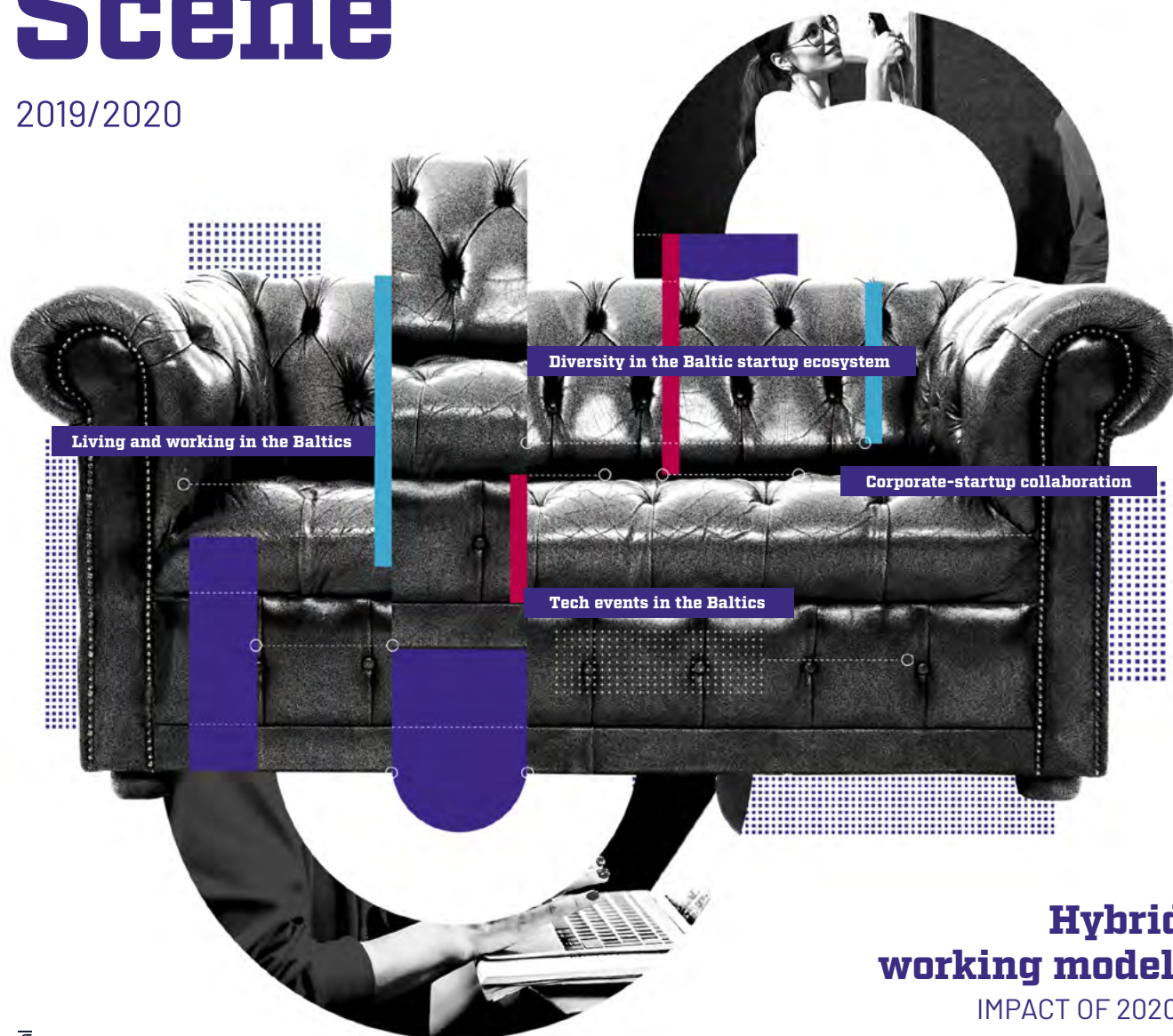


2020 REPORT

Baltic Startup Scene

2019/2020



Living and working in the Baltics

Diversity in the Baltic startup ecosystem

Corporate-startup collaboration

Tech events in the Baltics

**Hybrid
working model,**
IMPACT OF 2020,
AND OUTLOOK AHEAD

Baltics – the hidden treasure

OF THE EUROPEAN STARTUP SCENE?

**Biggest deals, Spotted startups,
and 150 Startups to watch**





EIT Digital is a leading European digital innovation and entrepreneurial education organisation driving Europe's digital transformation. Its way of working embodies the future of innovation through a pan-European ecosystem of over 200 top European corporations, SMEs, startups, universities and research institutes, where students, researchers, engineers, business developers and entrepreneurs collaborate in an open innovation setting. This pan-European ecosystem is located in Amsterdam, Berlin, Braga, Budapest, Brussels, Eindhoven, Edinburgh, Helsinki, London, Madrid, Milano, Munich, Nice, Paris, Rennes, Stockholm, Trento, and San Francisco.

www.eitdigital.com



Startup Wise Guys is Europe's leading B2B startup accelerator, present in all three Baltic states with participants from around the world, also voted VC fund of the year 2019 in CEE. SWG displays a 77% survival rate, being one of the most active early-stage investors in the Nordics & CEE region with more than 200 portfolio companies.

www.startupwiseguys.com

This report is a result of the joint efforts between EIT Digital and Startup Wise Guys. It could not have been completed without the help of various organizations and individuals who have participated by providing their insight, knowledge, and perspectives that shaped this report. It is also made possible by previously published research that this report was able to use as a foundation to build on.

ECOSYSTEM PARTNERS

Companies, organisations, or government institutions supporting and enabling Baltic ecosystem growth



Accenture is a global professional services company with leading capabilities in digital, cloud and security. We take an innovation-led approach to help clients "imagine and invent" their future.



Department for
International Trade

The UK Department for International Trade (DIT) specialises in helping overseas companies set up and invest in the UK and assisting UK companies to succeed in global trade.

CONTENT PARTNERS

Companies or organisations supporting the research



Crunchbase is the leading platform for professionals to discover innovative companies, connect with the people behind them, and pursue new opportunities.



Change Ventures is the first pan-Baltic seed venture fund backing ambitious Baltic founders.



Startup Estonia is a governmental initiative aimed to supercharge the local startup ecosystem in order to see many more startup success stories to come from Estonia.



The Magnetic Latvia Startup team of the Investment and Development Agency of Latvia provides one-stop-shop support for startups to grow and thrive.



Startup Lithuania is the national startup ecosystem facilitator between fast-growing businesses, venture capital funds, accelerators, and the government.

Collaboration and partnerships are essential not only for the success of creating the report but also for the ecosystem and the region coming together as one force for good. This report would not be possible without a healthy collaboration model. We, Startup Wise Guys and EIT Digital, invite you to join us in bringing brand awareness of the Baltic region forward.

Contact baltic.report@startupwiseguys.com for getting involved and future collaboration opportunities.

THE BALTICS – SMALL, BUT MIGHTY

Having barely 6 million inhabitants in total, the Baltic states are often dismissed as too small to be taken into account. However, do not be fooled – in the startup and tech area this tiny region is home to 6 startup unicorns. The Baltics are again leading the region when it comes to funding per capita. The Baltics, with their small combined population of 6 million, are demonstrating 5x more funding per capita than the 14 countries in the CEE region, with 80.80 eur and 15.15 eur, respectively. Baltic founders and governments seem to have found a recipe for success in the startup world and we invite you to take a closer look at what the last year and a half have been like for this surprisingly vibrant and notable region in the European startup scene.

This is the third year that the Startup Wise Guys accelerator and EIT Digital join forces to publish the Baltic Startup Scene Report – the most in-depth insight to the Baltic startup ecosystem, looking beyond pure data and zooming in on emerging trends, correlations, and real stories from founders and ecosystem players.

This year we've added a major component – the Startup Scene Survey. This has provided unprecedented insight to the real lives of local founders, startups, investors, and more. See how these insights play out throughout the report, and dig deeper into the trends observed in the longer reads at the end.

FROM THE EDITORS



” 2020 has been a non-standard year everywhere, but zooming in on the Baltics we have also seen a lot of positive trends that prove that success doesn't correlate with size and how long term thinking in terms of digitalization helps in times of crisis. Estonia welcomed its 5th unicorn, overall startup funding statistics are stronger than a year before, and the online hackathon movement to tackle the crisis took over the world, producing many new ventures in MedTech, EdTech, and other Sustainability areas.

We welcome you to join us for a journey through this report to uncover the facts and figures that make up the Baltic startup scene in 2019/2020, but moreover, to dive deeper into topics surrounding diversity, the impact of Covid-19 on the startup ecosystem at large, and of course, its outlook ahead.

Zane Bojare,
Head of Marketing,
Startup Wise Guys



” With the past year bringing two more unicorns to the Baltic countries, the region's startup ecosystem is confirming its growth and maturity. The third “Baltic Startup Report” highlights the presence of a healthy funding pipeline, emphasizes Baltic countries' place in Europe's ecosystem, acknowledges the leading role of its strong reaction to Covid-19 and, for the first time, dives deep into the increasingly relevant topic of diversity.

Fabio Pianesi,
Head of External Collaboration
EIT Digital

Contacts:

baltic.report@startupwiseguys.com

The report would not be possible without:

Project management and partnerships:
Goda Juskeviciute
Research and writing partners: Truesix

Design: Liga Felta

Copyright: EIT Digital, Startup Wise Guys, 2020

EXPERT AND CONTENT HIGHLIGHTS



Maksims Jegorovs,
Head of the Latvian branch of Accenture

Maksims Jegorovs is an IT professional and expert with notable experience in international IT projects. He has been active in the industry since 1997, and since 2007 he is the Head of the Latvian branch of Accenture. Every day Accenture works with clients in more than 120 countries with partners and clients in local and global ecosystems. Starting from mentoring hackathons and workshops to prototyping and testing in the Accenture Latvia Innovation studio, the company continues to co-innovate with startups and scaleups, and conduct research with universities and scientific institutes.

” We all need to think globally from very early on. Collaboration and strategic partnerships are fundamental to improving the power of the ecosystem. There are numerous startups in the Baltics which have become global success stories, which are essential for a well-functioning ecosystem”

– explains Maksims.

The IT industry is growing rapidly, and its greatest assets are people who speak several languages, generate new ideas and create world-class products and services with high added value. The Baltic states should continue to focus on building strong firms which create a robust ecosystem for other enterprises and partners.

READ MORE:
**CORPORATE-STARTUP
COLLABORATION AND INNOVATION**



Tiina-Maria Araja,
Head of the Baltic Investment Team
at the UK Government Department for
International Trade (DIT)

Tiina-Maria Araja has 15 years of experience in helping Baltic companies to expand to the UK. Before joining the UK Government Department for International Trade (DIT) as the Head of the Baltic Investment Team, Tiina-Maria worked for the Estonian Government representing Estonia in the UK. Tiina-Maria helps companies establish bridges between the Baltics and the UK.

” The Baltic Startup Report is a valuable tool in communicating the value of the Baltic startup scene internationally. In the beginning, it was all about Skype. Today, there are dozens of startups from the Baltics in the UK market and the trend will continue for years to come. We have joined the report this year to start the discussion on the resources and guidance available to scale to the UK market and attract financing”

– explains Tiina.

As the Baltic Startup Scene Survey revealed, the ecosystem thinks that entry to new markets is the biggest challenge faced by startups, as compared to startups themselves and investors who don't share this same point of view. Together with DIT, we interviewed startups that have successfully entered the UK market to learn from their experience.

READ MORE: **ENTERING NEW
MARKETS – STARTUPS' BIGGEST
CHALLENGE?**



Julia Gifford,
Co-founder of Truesix,
Baltic Startup Report content lead

Julia Gifford is a veteran of the Latvian startup community, with claims to fame ranging from being part of the founding team of Printful to coming up with the name for TechChill. She has been conducting international content marketing and PR for Baltic startups for over 8 years now, shining a light on local success stories.

Julia has been the content lead for the Baltics Startup report from the very beginning, making this the 3rd report under her guidance.

” This report is different from all of the previous reports, thanks to the wealth of new data sources available. From quantitative data from the Change Ventures funding report and Crunchbase database, to qualitative insight from the Baltic Startup Survey, the new data brings a new depth of insight. This year, I'm particularly excited about diving into the topic of diversity, an under-explored theme in the Baltics”

– explains Julia.

This wealth of information has made it possible to draw a more accurate picture of the true state of the Baltic startup ecosystem.

READ MORE: **DIVERSITY IN THE
BALTIC STARTUP ECOSYSTEM**

CONTENTS

BALTICS IN A NUTSHELL

- 6 Startups and investment
- 7 **Startup funding**
A bird's-eye view of startup funding in the Baltics. 2018 set records, while the subsequent years have not been as fruitful.
- 10 Biggest deals
- 11 Spotted Startups
- 12 Startup Scene Survey: an overview

BENCHMARK

- 16 **Baltic benchmark with Europe**
The Baltics have shown the highest funding per capita from the CEE region.
- 18 Living and working in the Baltics
- 22 Startup visas in the Baltics and Europe
- 28 Accessibility to the Baltics
- 32 Entering new markets – startups' biggest challenge?

ECOSYSTEM

- 36 Startup accelerators
- 38 VC funds
- 40 Business angels
- 41 **Corporate-startup collaboration and innovation**
All of the Baltics are growing in the European Innovation Scoreboard rankings, and so is the impact of local corporate innovation initiatives.
- 44 Tech events in the Baltics
- 48 **Diversity in the Baltic startup ecosystem**
13% of Baltic founder teams have a woman in them. But if you dig deeper, the picture is vastly different.

STARTUPS TO WATCH

150 of the region's most promising startups, all in one place.

- 56 Methodology
- 58 B2B and SaaS
- 61 MedTech and Sustainability
- 64 Extended Fintech
- 66 Cybersecurity and Verification
- 68 Hardware, IoT, and Robotics
- 70 Transportation, Mobility, and Logistics

DEEP DIVES

- 74 Hybrid work: improving work-life balance and opening doors
- 77 The impact of Covid-19 on startups
- 80 **Outlook ahead**
Healthier, happier, and better connected – despite the challenges of 2020, the startup ecosystem feels overwhelmingly positive about the future.



BALTICS IN A NUTSHELL

STARTUPS AND INVESTMENT

The number of startups in Estonia has grown by 61.69% since 2019, bringing up the startups per capita rate to 7.9, with Latvia experiencing 16.51% growth in startup count, and 4% in Lithuania. To better understand the reason for Estonia's explosive growth, we asked Startup Estonia for their insight:



In addition to the fast growth of the sector, our means of collecting data of startups have improved. After a year of development, in the beginning of 2020, we launched the new version of the Estonian Startup Database. In the process, we systematized and improved our data collecting methods, which led us to mapping out a lot of new startups. Besides that, we tracked 150 new startups founded in 2019 and 66 new startups have been founded in 2020.

Moonika Mällo,
Startup Sector Monitoring Project
Manager at Startup Estonia

NUMBER OF STARTUPS AS OF JULY 2019 & JULY 2020

STARTUPS PER 10,000
INHABITANTS

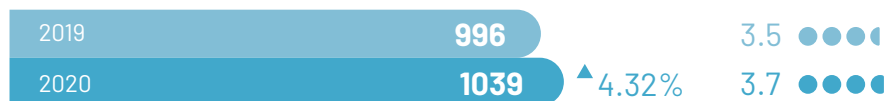
ESTONIA



LATVIA



LITHUANIA



Over the past years, we've seen disproportionate growth of the number of startups reported in each Baltic country. This is largely due to initiatives in the Baltic countries pertaining to how they count startups. Last year both Lithuania and Latvia updated their startup databases, while Estonia did so in 2020. As a result, absolute growth in startup numbers does not reveal the true state of new startups founded, but rather points towards a tendency of overall growth over several years.

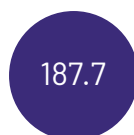
INVESTMENT PER CAPITA (2019)

TOTAL INVESTMENTS (MILLIONS)
AND YOY CHANGE FROM 2018 TO 2019

INVESTMENT PER
CAPITA (EUR)

POPULATION
(MILLIONS)

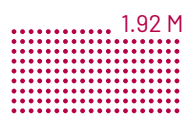
ESTONIA



LATVIA



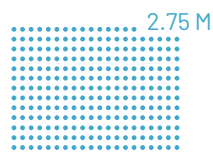
9.0



LITHUANIA



63.1



Fun fact

The number of startups in Estonia has nearly doubled since 2019. According to Statistics Estonia, in the first half of 2020 every 95th employee has worked in a startup.

Source: Startup Estonia

Source: Latvian Startup Association, Startup Lithuania, Startup Estonia, crowdsourced data, Change Ventures

STARTUP FUNDING

After several years of consistent funding growth for all Baltic countries, 2019 saw a reduction of total funding across the board. That being said, H1 of 2020 is outperforming H1 of 2019, indicating a resurgence of startup funding growth, despite the onset of a global pandemic.

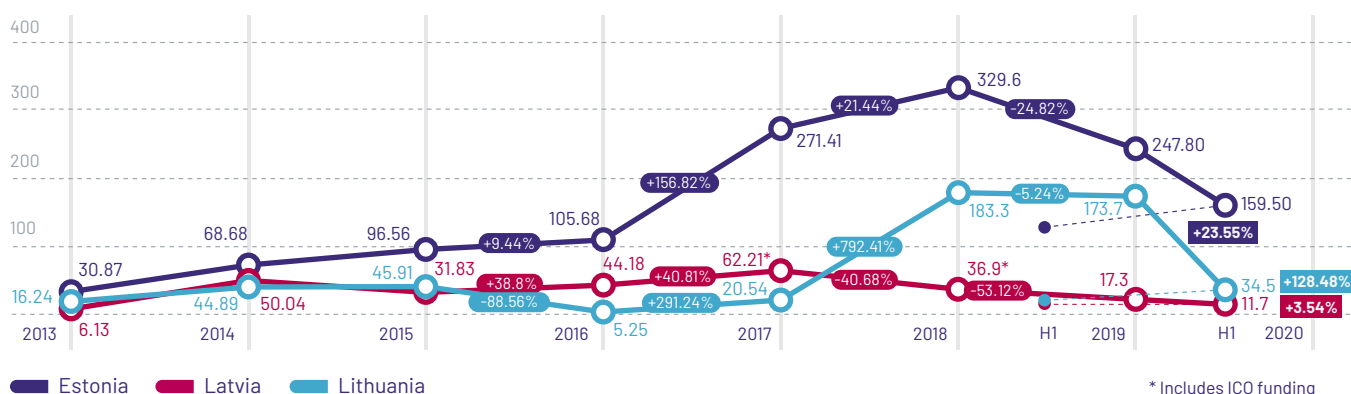
The data and research show that the past few years have seen a massive growth in VC and angel funded investment in Baltic startups. However, it also shows the challenges that the Baltics (like all other startup ecosystems) have in navigating the pandemic-induced economic slowdown. While most VCs have adjusted to working remote, not meeting with all teams face-to-face like they used to, for a while in the spring investment slowed while the venture industry tried to figure out if this was temporary or a prolonged shift. Now everyone is clear that this will not go away in a matter of months and activity

has resumed. But startup founders are, correctly, also wary of running out of cash, so many raised smaller than planned rounds, often from insiders, to ensure they have the cash to continue to build their businesses. All the round size and valuation effects in the data point to this.



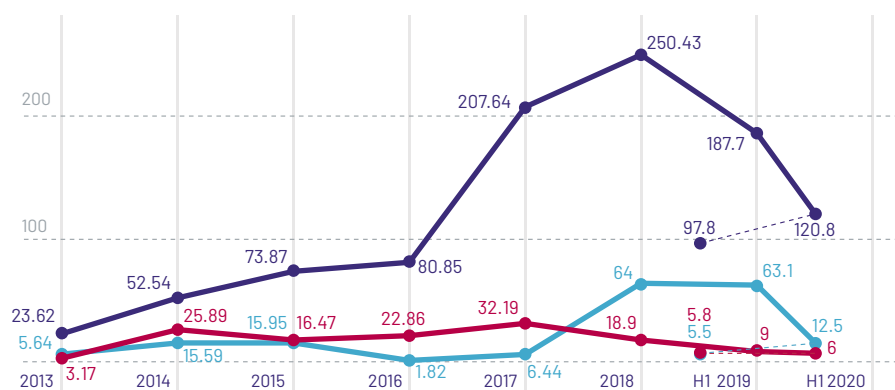
Andris K. Berzins,
Managing Partner, Change Ventures

FUNDING OVER THE LAST 7 YEARS (IN MILLIONS) AND YOY CHANGE



Despite the decrease in startup funding during 2019 in all three Baltic countries, Lithuania has maintained its traction most successfully. Next to the biggest increase of funding back in 2018, the country has experienced the smallest drop in startup funding during 2019, compared to the other two Baltic states.

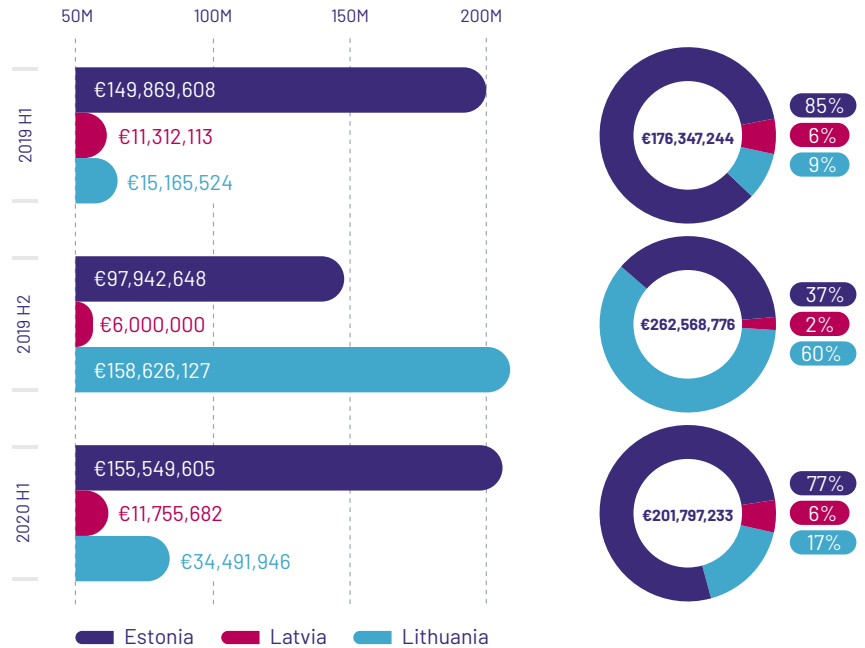
FUNDING PER CAPITA



Sources: Baltic Startup Scene Report 2018/2019, crowdsourced data (Estonia, Latvia, Lithuania), Em.gov.lv, Dealroom.co, Change Ventures, Google Public Data

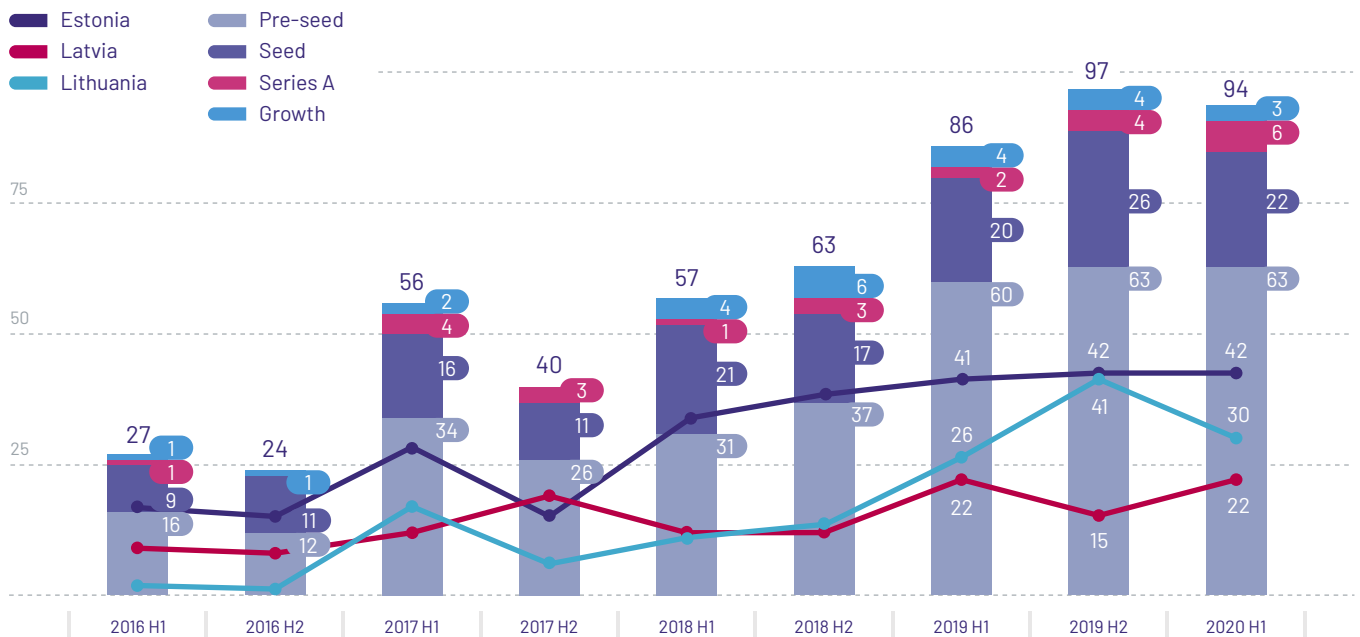
SHARE OF FUNDING PER COUNTRY

Latvia's invested capital lags behind Estonia and Lithuania, with Lithuania demonstrating significant growth when comparing H1 of 2019 to H1 of 2020. Interestingly, H1 of 2020 is outperforming the same period of the previous year in all Baltic countries, despite the onset of a global pandemic and an accompanying economic recession.



Source: Change Ventures

NUMBER OF ROUNDS BY STAGE AND COUNTRY



Source: Change Ventures

Overall, we have seen growth on pre-seed rounds. Despite smaller average round sizes, the slope is stabilizing. We're seeing fewer seed rounds, but for larger amounts and with higher MRR. There are two factors at play here. First, many companies chose to raise bridge rounds instead of seed rounds because they forecasted how the market will react to the pandemic. They might have

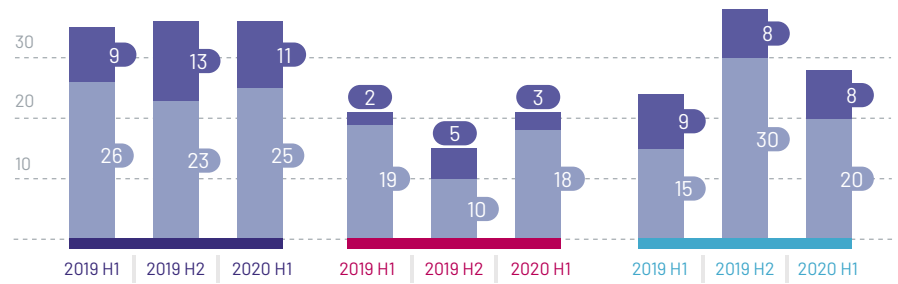
decided to raise less money or have some liquidity to protect them. Second, of course, there has been impact from Covid-19. But it's not necessarily a bad effect. We can still see that these rounds are bigger than two or three years ago, there are much higher series A valuations for the larger winners in the region, and success is based on growth on MRR – what we call sustainable growth.



Cristobal Alonso,
CEO at Startup Wise Guys

NUMBER OF PRE-SEED AND SEED ROUNDS BY COUNTRY

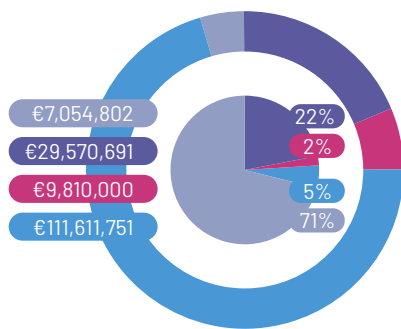
Pre-seed Seed
Estonia Latvia Lithuania



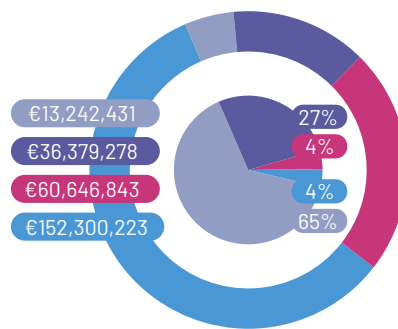
Source: Change Ventures

SHARE OF ROUNDS AND CAPITAL INVESTED BY STAGE

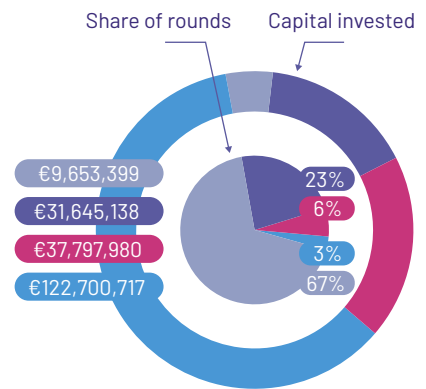
Pre-seed Seed Series A Growth



2019 H1



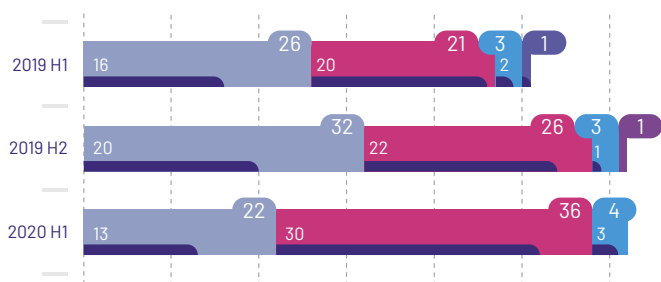
2019 H2



2020 H1

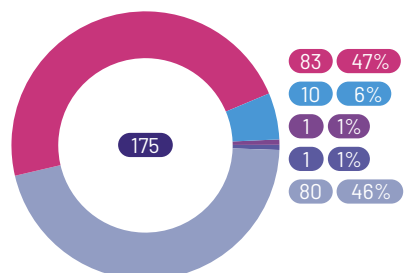
Source: Change Ventures

NUMBER OF ROUNDS BY FUNDING TYPE



Equity Equity crowdfunding Revenue-based royalties Convertible note Crowdfunding
Number of pre-seed rounds

2019 H1 - 2020 H1, TOTAL



Source: Change Ventures



BIGGEST DEALS

In 2019 and 2020 the Baltics continue to see major investments, with Bolt again nabbing deals worth more than 100M eur. Over time we're seeing that the biggest deals tend to repeat themselves year-over-year, demonstrating the maturity of the ecosystem, that some startups are on a trajectory for growth and attract repeated funding.

We've identified the biggest deals as funding of 5M eur or above, raised in 2019 and 2020. There were 11 such deals in 2019, and 10 such deals in 2020 at the time of writing (November 2020). These include Pipedrive's recent funding round, which pushed them over the brink to become the Baltics' most recent unicorn.

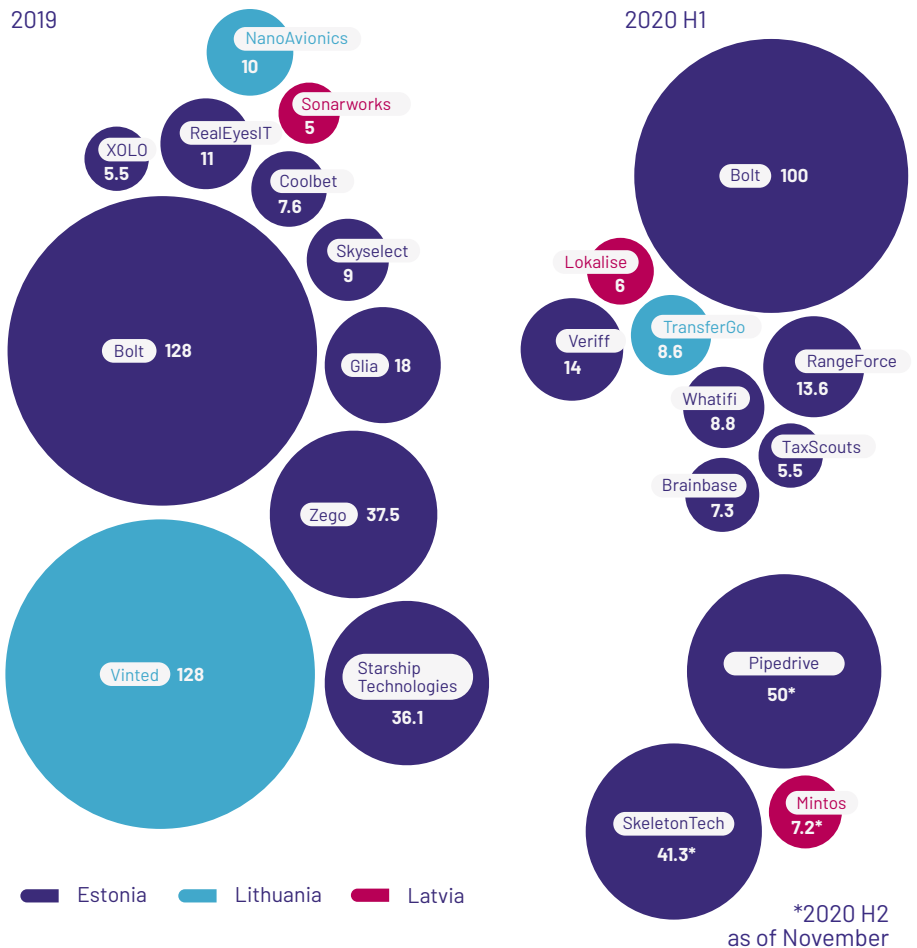
”

In 2020 the Baltics continued to see major investments. The biggest deal of the year, raising over 100 million euros, went to Bolt who secured the investment from London-based investment firm Naya Capital Management. Veriff also secured a pretty big deal of 14 million euros, yet both of these investments are later-stage and convertible note investments.

Arguably more intriguing are the investments the rest in the list got. The rest received investments either from the US or the UK, with zero capital from home. Whatifi being kind of a surprise in the mix, as they were the only ones starting in the seed round and scoring an 8.8 million euro investment from individual backers including Netflix CFO David Wells, Supercell CEO Ilkka Paananen, Paypal co-founder Max Levchin, and Zynga founder Marc Pincus.

Compared to last year, the investment numbers are significantly smaller in terms of money and also in numbers of investments made. The year is not over

BIGGEST FUNDS RAISED BY BALTIC STARTUPS IN 2019 AND 2020, IN MILLIONS OF EURO



Source: crowdsourced data (Estonia, Latvia, Lithuania)

but it's still interesting to see that this year the investments decreased in all three Baltic countries. It's a bit too early to make definite conclusions. However, the 2020 stock market crash, overall economic downturn, and uncertainty have definitely impacted the sector outlook for the whole year. Many private equity firms and angel investors and their investment strategies and portfolios are being severely tested.



Vattan PS,
Founder of Founderly

Interesting fact

All of the startups receiving the biggest investments in 2020 are in a niche market. This highlights the fact that product-market-fit is key to success.

SPOTTED STARTUPS

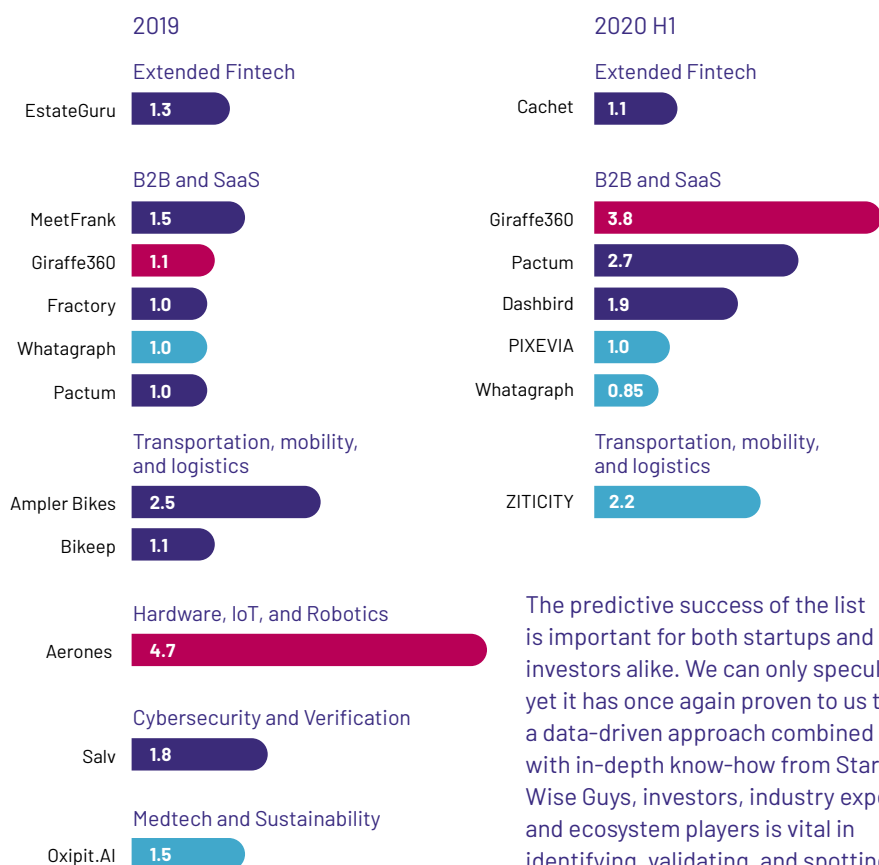
Every year we put together a Startups to Watch section in the report, featuring a curated list of the most exciting startups in the region and the lesser-known startups that are doing great things. Having done so for the third year in a row, we decided to look at how these startups have done after being featured on our list. As a result, we've put together this Spotted Startups section, highlighting those that have raised funds of over 1M eur after being featured.

Many of these startups were categorized as "The Usual Suspects" or "On the Radar" in last year's report, which means

that they had already made a mark in the ecosystem. Yet within the "Startups to Watch" section there was also a "Hidden Treasures" category – early-stage startups that had raised funding below €100K and showed great potential overall, but hadn't yet gained visibility within the ecosystem. Cachet, an Estonian fintech startup, is one such example that has set its foot into the Spotted Startups' lounge with raised funding of 1.1M eur in total.

Who will be on next year's Spotted list? Flip to the Startups to Watch section and place your bets!

SPOTTED STARTUPS FROM STARTUPS TO WATCH LISTS 2018/2019 THAT HAVE RAISED 1M-5M AFTERWARDS



Dive deeper into this year's 150 "Startups to Watch" and look out for spotted startups with the icon.

Source: crowdsourced data (Estonia, Latvia, Lithuania)

” Once we started working on this year's report, one of the first things we noticed was the amount of startups that had been on our previous "Startups to Watch" lists under the "The Usual Suspects", "On the Radar" or even "Hidden Treasures" categories that had gone on to raise more funding.

Clearly, our curated shortlists were proving accurate in foreseeing future startup success. And while fundraising is by no means the only measure of success for startups (we have plenty of examples here in the Baltics of startups that have become superstars without funding), it does play a large role in the majority of startups' lifecycles. Fundraising is also about validating your ideas, your business model, your team, your competence, your vision. Nevertheless, a successful funding round is a badge of trust.



” The predictive success of the list is important for both startups and investors alike. We can only speculate yet it has once again proven to us that a data-driven approach combined with in-depth know-how from Startup Wise Guys, investors, industry experts and ecosystem players is vital in identifying, validating, and spotting notable startups. The Spotted Startups category serves as a proof of concept, and we will be keeping an eye on which startups from this year's 150 "Startups to Watch" will make it to next year's Spotted Startups lounge.



STARTUP SCENE SURVEY: AN OVERVIEW

” From the get-go, the rationale of the Baltic Startup Scene report was to aggregate data about all three countries in one place and give more insights from ecosystem representatives – investors, startup associations, and experts. This year we wanted to dive deeper and broader, and involve the ecosystem itself in sharing opinions and insights. Therefore we launched a survey aimed at 3 broad groups: startup founders and employees, investors (from angel investors and accelerators to funds), and ecosystem players such as hubs, co-workings, opinion leaders, corporations, and others. We received 128 responses, and while that, of course, cannot fully represent the whole ecosystem, it helped to shine a light on certain trends and get a hint of the overall sentiment of how 2020 has been so far for various audiences from the startup scene.

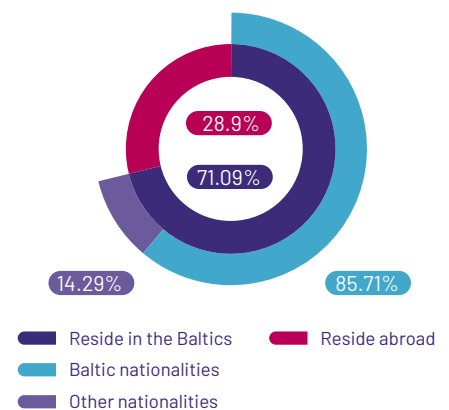
This year's Baltic startup scene report has been built with a new ingredient – the Baltic Startup Scene survey. It has been conducted for the first time to gather a more tailored insight into 2020 and the startup scene's outlook ahead.

Among 128 respondents, 29 different nationalities were represented. The majority of the respondents reside primarily in the Baltic region, with 30% living elsewhere. 83.3% of the surveyed investors, among other respondents, have invested in a Baltic startup at least once, and the majority of the surveyed startups are already generating revenue and employing people.



Zane Bojare,
Head of Marketing at
Startup Wise Guys

RESPONDENTS' PLACE OF
RESIDENCE AND NATIONALITY



The insights drawn from the survey provided a valuable base for further investigation of several major topics emerging from the past year's global events, such as hybrid work, the impact of Covid-19, the outlook ahead, and more. To explore the more in-depth analysis of these topics, read the "deep dives" at the end of the report. Here's a sneak peek into the most important findings:



56%

work in a hybrid format from both home and the office

Hybrid work setup improving work-life balance and opening new doors for startups

Startup founders working in a hybrid model rate their work-life balance higher than those working only from home. Despite hybrid workers admitting they miss the social interaction with their teams, their productivity levels appear to be higher than expected in partially remote work conditions.

[Read more: p.74](#)

36.5% vs 34.9%

positive vs negative startup experience

The impact of Covid-19 on startups

Startups state that the areas most affected by the pandemic are sales and fundraising. However, most startups view the Covid-19 crisis as another bump on the road and not a dead-end – therefore, nearly half of the surveyed members of the ecosystem have launched new business initiatives related to Covid-19. Another interesting observation – other ecosystem players generally assume that startups have been affected heavier by the pandemic than startups themselves claim.

[Read more: p.77](#)

75%

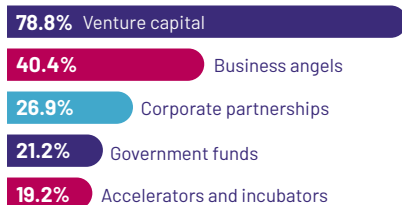
have a positive outlook on profitability within the next 3 years

Outlook ahead

Despite the pandemic's triggering situation, 75% of the surveyed startups have a positive outlook on their profitability within the next 3 years. Investors look at the Baltics with deep interest – most of those surveyed have already invested or are strongly considering investments in the region's startups.

[Read more: p.80](#)

WHERE STARTUPS SEEK INVESTMENT



Corporate-startup collaboration and innovation

Startups consider corporate partnerships as the third most preferred source of investment behind venture capital and business angels. The corporate-startup collaboration ecosystem in the Baltics is developing rapidly, powered by various innovation programs that seek to connect startups with fitting companies.

[Read more: p.41](#)

WHAT SHOULD TECH EVENT ORGANISERS FOCUS ON NEXT YEAR?



Tech events in the Baltics

For the event industry, 2020 has been a one-of-a-kind year. However, its adaptation to a hybrid or online environment is up and running, and from event attendees' perspective, content is still king.

Together with the need for remote networking, content is still the primary consideration for remote event attendees.

[Read more: p.44](#)

WHICH AREAS OF STARTUPS HAVE BEEN AFFECTED THE MOST IN 2020?

Ecosystem players and partners opinion

54.5% entry to new markets

Startup experience

55.9% sales

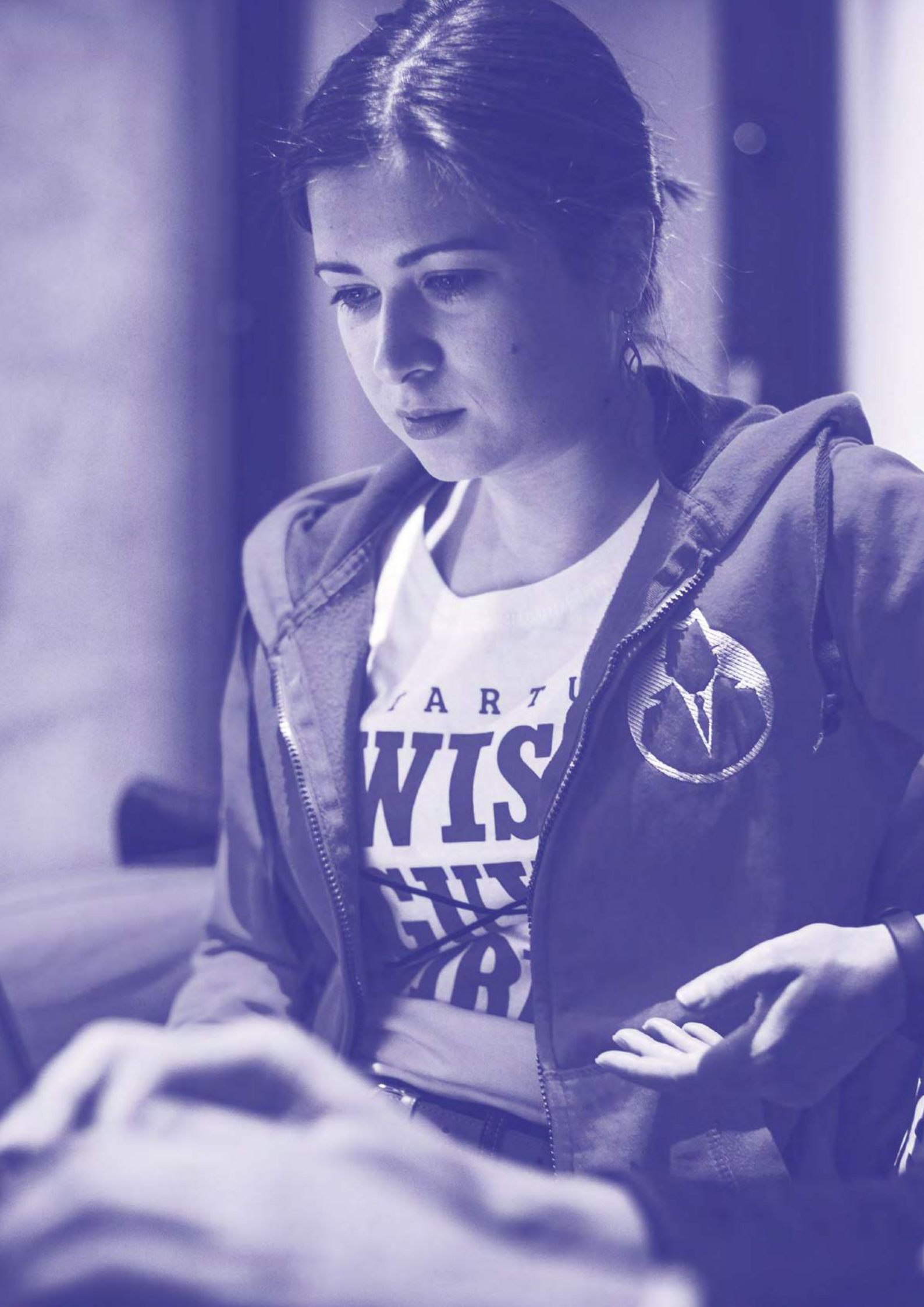
Investors view

76.5% fundraising

Entering new markets – startups' biggest challenge

Startup representatives indicate entering new markets as one of the biggest challenges the pandemic has brought to them. As 2020 has delivered many unfamiliar traveling and international movement restrictions, the struggle with entering new markets seems self-evident. However, isn't getting into new trading areas always a bit of a fight?

[Read more: p.32](#)



BENCHMARK

BALTIC BENCHMARKING WITH EUROPE

The Baltics are often referred to as a cohesive unit, and often touted as a successful region for startups. But the amount of data available to prove it, is lacking. For that reason we want to see the Baltics benchmarked against its surrounding regions, its closest neighbours being the Nordic and CEE region. So how do the Baltics stack up?

Observing the Central Eastern Europe (CEE) region as a whole (made up of 14 countries), Baltic startup funding accounts for almost 20% of total funding. Other emerging players in the region are Ukraine with over 550M eur and Romania with 702M eur in startup funding in 2019. Romania has seen a massive jump due to the now unicorn Uiath closing a Series D round at the beginning of 2019.

Even though we're seeing a 11.07% overall decrease in Baltic funding compared to 2018/2019, the Baltics, with their small combined population of 6 million, are demonstrating 5x more funding per capita than the 14 countries in the CEE region, with 80.80 eur and 15.15 eur, respectively. In addition to the Baltics, two other countries with impressive funding

per capita are Croatia (34.35 eur) and Romania (36.17 eur). The Baltics, without a doubt, are leaders within the CEE region.

This year the Nordics have demonstrated a massive jump in amount of funding, more than doubling their funding from the previous period. This has resulted in a change in dynamics of funding per capita – if previously the Baltics demonstrated a higher funding per capita than the Nordics and the CEE region, then

” The Nordic startup ecosystem has matured during the last 10 years, from explaining to the local nations what the term “startup” means to seeing these companies developing from start-up to the scale-up level. This is the result of an increased number of individuals willing to take the entrepreneurial path and combined with an ecosystem that has become more risk tolerant. A number often used in Finland is that in 2008 only 3% of the university students considered an entrepreneurial career. In 2014 this had changed to over 40% due to Nokia's decline and positive role models from the startup field supported by the media. The result of these “smart minds” entering the startup ecosystem has led to an increase in the quality level of startup initiatives. It is a low barrier for the university students to start a business project alongside their studies and there are several financial instruments decreasing the financial risk.

The local venture funding level has increased tremendously and new funds are backed by a larger number of individuals who want to contribute to the ecosystem. In addition, an important

now this position has been ceded to the Nordics – with 166.91 eur per capita.

The Nordics region's massive jump in funding can be attributed to some large funding rounds. Most notably – a 900M eur funding round for Northvolt, a green-tech startup in Sweden building Europe's largest lithium-ion battery plants. They were accompanied by a 137M eur funding round by Wolt, the food delivery service based in Finland.

fund resource for the Nordic investment funds have been the pension funds, which have become more risk tolerant. The Nordic countries have also been very successful in channeling EU level funding to the early-growth sector.

We assume to see continued increase in the funding level as we will at some point start seeing more serial entrepreneurs enter the market, that will take the lessons learned to new growth company initiatives.

For the Baltics, it would be important to follow the entrepreneurial interest level, especially among the university students and to highlight successful deals and role models. Success will attract more attention. We see no doubt that the Baltics will keep on increasing the financial number as the deal flow we see continues to be impressive!



Claes Mikko Nilsen,
Investment Director at NordicNinja VC



TechChill Publicity Photo

STARTUP FUNDING IN THE BALTICS, CEE, AND NORDICS



The startup scene in the Nordic countries had momentum in 2019 especially driven from pension funds and family offices entering the market in 'Huger for Yield', to solve the problem with negative rents and negative bonds. So there was a lot of capital flowing in, and at the same time bigger and more attractive scaleups this year, such as Klarna. We have entered a more visible and a more mature market – and also a hype market (IPO's) in 2019 – that have boosted the whole ecosystem in the Nordics.



Jesper Højberg Christensen,
bootstrapping.dk,
Vice Chair at DanBAN

BALTICS

Estonia, Latvia, Lithuania

CEE

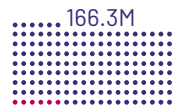
Ukraine, Greece, Belarus, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia +Baltics

NORDICS

Denmark, Norway, Sweden, Finland, Iceland

POPULATION

6M

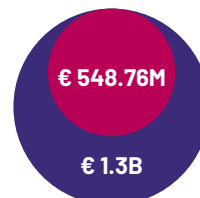


26.9M

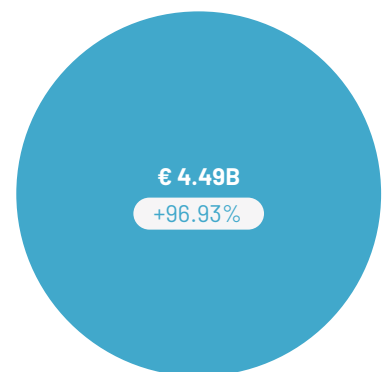
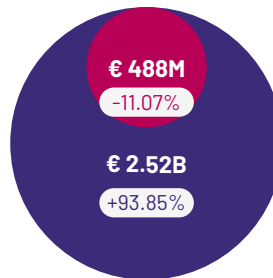


STARTUP FUNDING AND YOY CHANGE FROM 2018 TO 2019

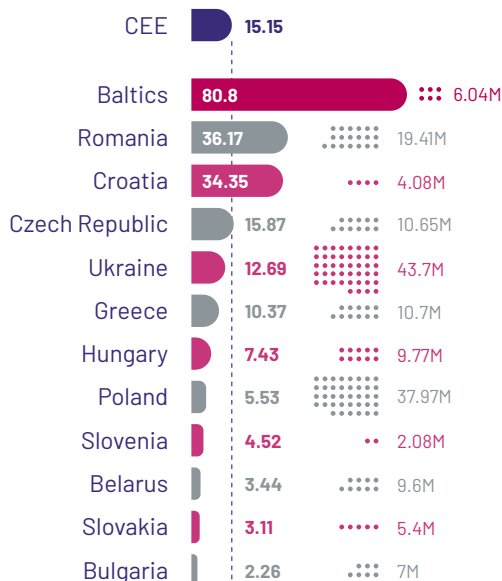
2018



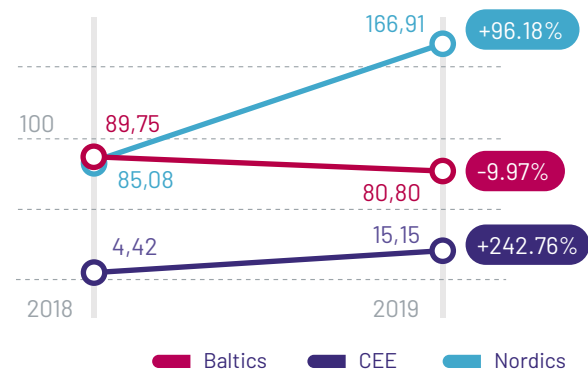
2019



FUNDING PER CAPITA IN THE CEE COUNTRIES, 2019



FUNDING PER CAPITA



Source: Google Public Data, Baltic Startup Scene Report 2017/2018, crowdsourced data (Estonia, Latvia, Lithuania), Dealroom.co, Worldometers.info, Em.gov.lv, UVCA, CIVITTA, Bulba Ventures

LIVING AND WORKING IN THE BALTICS

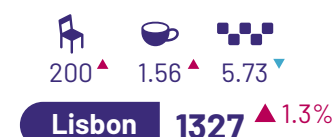
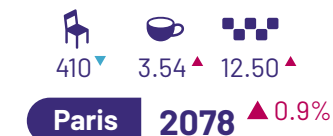
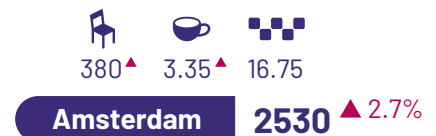
The cost of living in the Baltics remains moderately low when compared to other European startup hubs. This results in high standards of living, happy founders, and a longer runway for investment received.

While average costs have increased in most hubs, the largest capitals of Europe such as London and Berlin have become slightly more affordable. The other two capitals that have seen the decrease in living costs are Kyiv and Barcelona. The price of co-working spaces in Tallinn has increased the most, making the average cost to rent a coworking desk in Tallinn more expensive than in Lisbon. Vilnius is still the most affordable when it comes to co-working. Taxi costs in London have

dropped by half, while growing at the same rate in Riga and Tallinn.

The changes in costs can be attributed to the economic response to the global pandemic. While major cities were hit hardest, the Baltics enjoyed relative normalcy for the majority of 2020, thus explaining why there was no drop in co-working space costs and taxis – both being industries that would be very affected by pandemic-induced lockdowns.

COST OF LIVING, AS OF SEPTEMBER, 2020



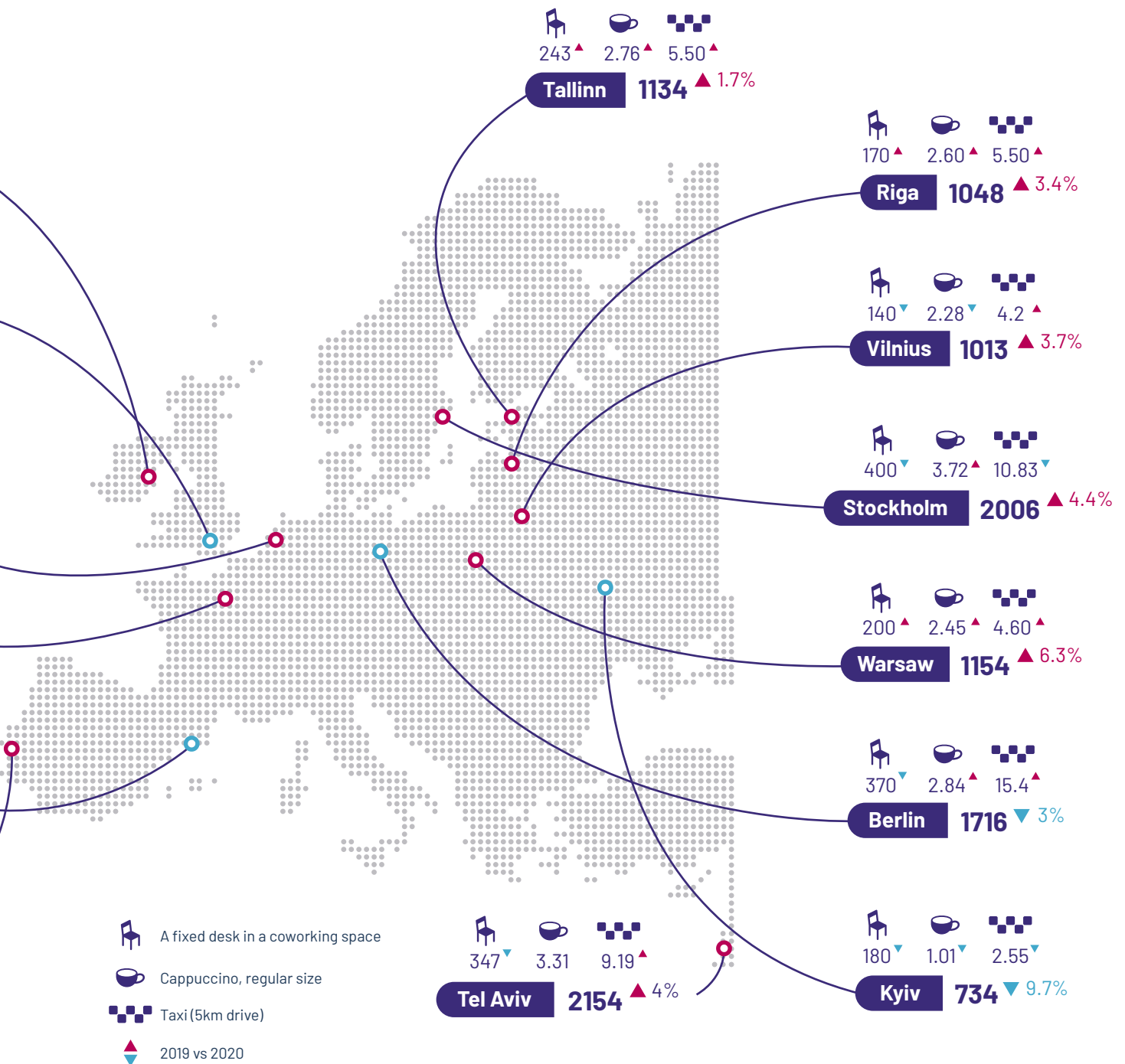
These calculations are based on Numbeo.com algorithms and assumptions about a lifestyle that includes: renting a one-bedroom apartment outside the city center, using public transport, taking a taxi once per week, not spending too much on eating out, leisure, clothing, moderate spending on coffee, alcoholic beverages, traveling twice per year, and not including child-related expenses.



Startup Wise Guys Publicity Photo

COST OF LIVING,

AS OF SEPTEMBER, 2020



Interesting fact

Over the summer of 2020 while most European countries had closed their borders, the three Baltic states created a joint "Baltic Bubble", making it possible to freely travel among the countries.

HOW MUCH DOES IT ACTUALLY COST TO LIVE IN THE BALTIC STATES?

CEOs and founders from six startups share their costs of living in the capital cities of Estonia, Latvia, and Lithuania.

TALLINN, ESTONIA



From Estonia

Lives alone in an apartment in the city center

Walks to work

Buys lunch at supermarkets' warm food counters

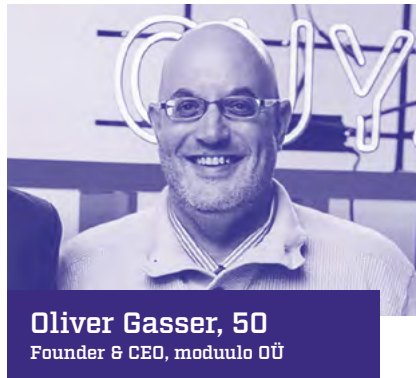
Would like to lower monthly expenses on going out and eating out, as well as clothing

Enjoys the fact that both the beach and the coastline is within half an hour's reach from Tallinn's old town and business area

Total monthly costs: 1300 eur

What's surprisingly cheap in Estonia?

Kalev: Taxi



From Switzerland

Lives alone in apartment outside the city center

Uses public transport for getting to work

Eats lunch at home

Would like to lower monthly expenses on groceries and eating out / going out

Enjoys that Estonians are generally open-minded when it comes to startups

Total monthly costs: 900 eur

What's surprisingly cheap in Estonia?

Oliver: Public transport – it's free for the citizens of Tallinn

RIGA, LATVIA



From Latvia

Lives with 2 people in a single-family house outside the city center

Works from home

Eats lunch at home

Would like to lower monthly expenses on groceries and eating out as well as going out

Likes that Riga is within a close reach from seaside, countryside and nature in general

Total monthly costs: 1350 eur

What's surprisingly cheap in Latvia?

Janis: Healthy food

VILNIUS, LITHUANIA

RIGA, LATVIA



Olga Maksimova, 44
CEO, Lovat, SIA

From the Russian Federation

Shares an apartment with another person in the city center

Walks to work

Eats lunch at home

Would like to lower her monthly expenses on rent and entertainment

Is pleased by the friendliness of Riga's inhabitants

Total monthly costs: 1200 eur

What's surprisingly cheap in Latvia?

Olga: Groceries



Georgij Zelenkov, 24
Co-founder, Multiorders

From Lithuania

Lives alone in an apartment in the city center

Works from home

Eats lunch at home

Would like to lower his monthly expenses on rent and entertainment

Likes the architecture, ambience, and food quality in Vilnius. Therefore, the city is safe yet very lively

Total monthly costs: 1300 eur

What's surprisingly cheap in Lithuania?

Georgij: Public transport



Adel Salah, 39
CEO, Portal365

From Yemen

Lives with his family of 4 in an apartment in the city center

Uses public transport to go to work

Chooses to eat out for lunch

Would like to lower monthly expenses on rent and going out/ eating out

Enjoys that Vilnius isn't crowded or too large, moreover, is a safe city with quite a lot of English-speakers

Total monthly costs: 1300 eur

What's surprisingly cheap in Lithuania?

Adel: Public transport

Interesting fact

When living in the Baltics, you don't need to look for healthy food in expensive organic shops. You can save money by making local friends that will share their birch sap juice in spring, home-grown vegetables in summer and take you along for mushroom and wild berry picking in autumn.



STARTUP VISAS IN THE BALTICS AND EUROPE

COMPARING VISA REGIMES FOR NON-EU STARTUPS

Some of the most popular startup visas in Europe, compared side-by-side with startup visa regimes in Baltic countries.

This has been an eventful period for all things related to startup migration. Some visa regimes have been launched like the German visa regime, others' status has become unclear, while other related concepts have been launched, like the Estonian digital nomad visa and the Latvian and Lithuanian fast-tracked visa for Belarusian businesses.

As Brexit looms, it brings with it uncertainty for all things visa-related. While it's been stated that starting January 2021 those without permanent residence in the UK will have to re-apply for their visas, it's unclear what implications beyond this the new year will have on new startup visa applications.

The Baltic states have been active in developing new approaches to welcome foreign talent. The newly-launched Estonian digital nomad visa is a bid to attract digital nomads, who often tend to be self-employed, to stay and work in Estonia with an appropriate permit. Meanwhile both Latvia and Lithuania have developed fast-track visa application processes specifically for Belarusian businesses and their employees.

NB! Though we use the term "startup visas", it's important to note that in all of the Baltic cases the legally correct term is "Temporary Residence Permit", or TRP. The startup ecosystem has simply adopted the "startup visa" colloquially, it seems like they must like the ring of it.

Interesting fact

France, Belgium, and the UK also offer investor visas to attract foreign investors to invest in their local ecosystems.

Looking for something more exotic? Other countries with startup visas include Chile, New Zealand, Australia, Canada, Singapore, and more!



	Estonia	Latvia	Lithuania	France	UK	Denmark	Italy
Time it takes to register and receive a decision	1-2 months	30 days	1 month (expedited), 2 months (regular)	3 months max	3 weeks	1 month	30 days
Online application	✓	✗	✓	✓	✓	✓	✓
Application 100% in English	✓	✓	✓	✓	✓	✓	✓
Price	€60-80	€100 - €400	€120 - €240	€368	£308 - £363	1,900 DKK (€254.69)	€96.46
Level of innovation will be reviewed	✓	✓	✓	✓	✓	✓	✓
Length of stay	1 year	TRP issued for max 3 years	1 year	4 years	2 years	2 years	1 year
Length that can be renewed	183 days + 5 years	Annual renewal of TRP required	1 + 1 + 2	—	—	3 years at a time	2 years
Interview required	✗	✗	✓ video	✗	✗	✗	✗
Application location	Home embassy or in Estonia	Home embassy or in Latvia	Online, then in Lithuania	French consulate in the home country or in France	Online, then in the local UK visa application center	Online, then at a Danish diplomatic mission abroad	Online, then at the Italian Embassy or Consulate for collecting the issued visa
Amount of financial "buffer" required in bank account	140eur x12 months = 1680 EUR per year	€5,160	€7284	€18'254.60 or equivalent annual salary	£945 for 90 consecutive days before you apply +£630 for each dependant (family members)	137,076 DKK (approx. € 18,374.76) if alone	€50,000 (can be an investment)
Prior investment necessary	✗	✗	✗	✓ 30,000 eur	✗	✗	✗
Diploma required	✗	✗	✗	✗	✗	✗	✗
Can family join?	✓	✓	✓	✓	✓	✓	✓
Other requirements	Confirmation letter from the Startup Committee regarding qualification as a startup, or confirmation regarding participation in a qualified accelerator program	Certificate of a clean criminal record from the country of your origin (with exceptions)	Startup must operate in one of high technologies field, but there are no specific requirements on exact fields	Must be admitted to a French Tech Visa Partner incubator or accelerator	Must pay healthcare surcharge + need to prove your knowledge of the English language when you apply	Your business idea must be approved by a panel of experts appointed by the Danish Business Authority.	Demonstration of an income, obtained in the previous financial year in the country of residence, amounting to a higher sum than 8,500 eur

Sources: Startup Estonia, Startup Latvia, Labs of Latvia, Startup Visa Lithuania, Startup Denmark, La French Tech, Gov.co.uk, Ny i Denmark, Italiastartupvisa.mise.gov.it

BALTIC STARTUP VISAS IN NUMBERS

While Estonia and Lithuania are leaders in amounts of issued visas, Latvia is an outlier in percentage of visas approved. We spoke to LIAA, the Investment and Development Agency of Latvia, about why that may be:

”

We give out our startup visas (Temporary Residence Permits) based on startup ideas (we don't require an MVP) for a term of up to 3 years based on the 1+1+1 year model. If the idea is innovative, scalable, and has a clear roadmap, we give them a chance to prove themselves during the first year, and if they can show us progress, their TRP card is extended. Besides this, we do a lot of pre-consulting, which works as the first filter before startupers apply.

Emīls Dārziņš,
Investment and Development Agency of Latvia

THE TOTAL NUMBER OF ISSUED STARTUP VISAS TO FOUNDERS FROM 2019 TO JULY 2020 IN THE BALTICS, TOP 5 MOST ACTIVE COUNTRIES, 2019

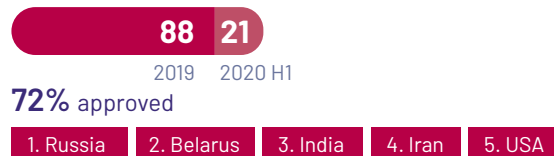
LITHUANIA

Total since 2017: **367**



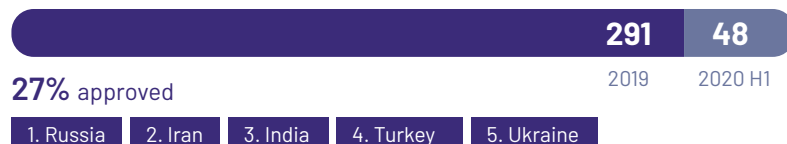
LATVIA

Total since 2017: **128**

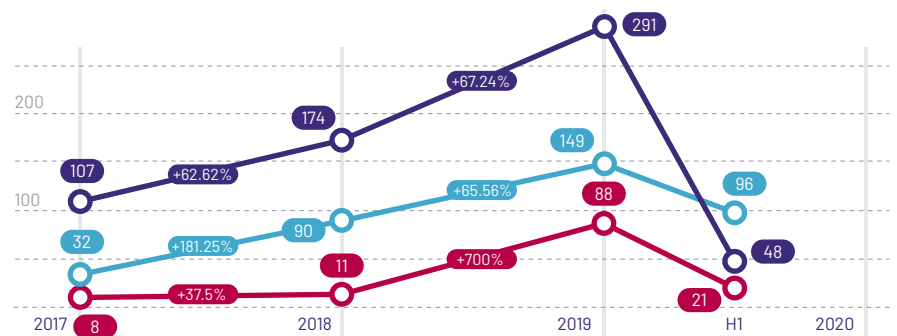


ESTONIA

Total since 2017: **620**



GROWTH OF ISSUED STARTUP VISAS AND YOY CHANGE



Startup Wise Guys Publicity Photo

Source: Startup Estonia, Startup Lithuania, LIAA

ATTRACTING INTERNATIONAL TALENT – AN OPPORTUNITY FOR GROWTH

” Most investors agree that the business infrastructure, tax regulations and talent availability is quite similar across the Baltics. Latvia can boast the biggest city, accessibility and digital infrastructure with favorable legislative support such as significant startup tax breaks; Lithuania has access to a wider talent pool and more developed business infrastructure, while Estonia, without a doubt, hosts the biggest startups in the region and has chosen to leverage its brand as a digital nation well beyond the startup ecosystem. Each country has a particular sales pitch, but all three would agree that their own talent pools are not enough and attracting founders and employees from beyond borders is one of the key priorities for their ecosystems to develop sustainably in the long term.

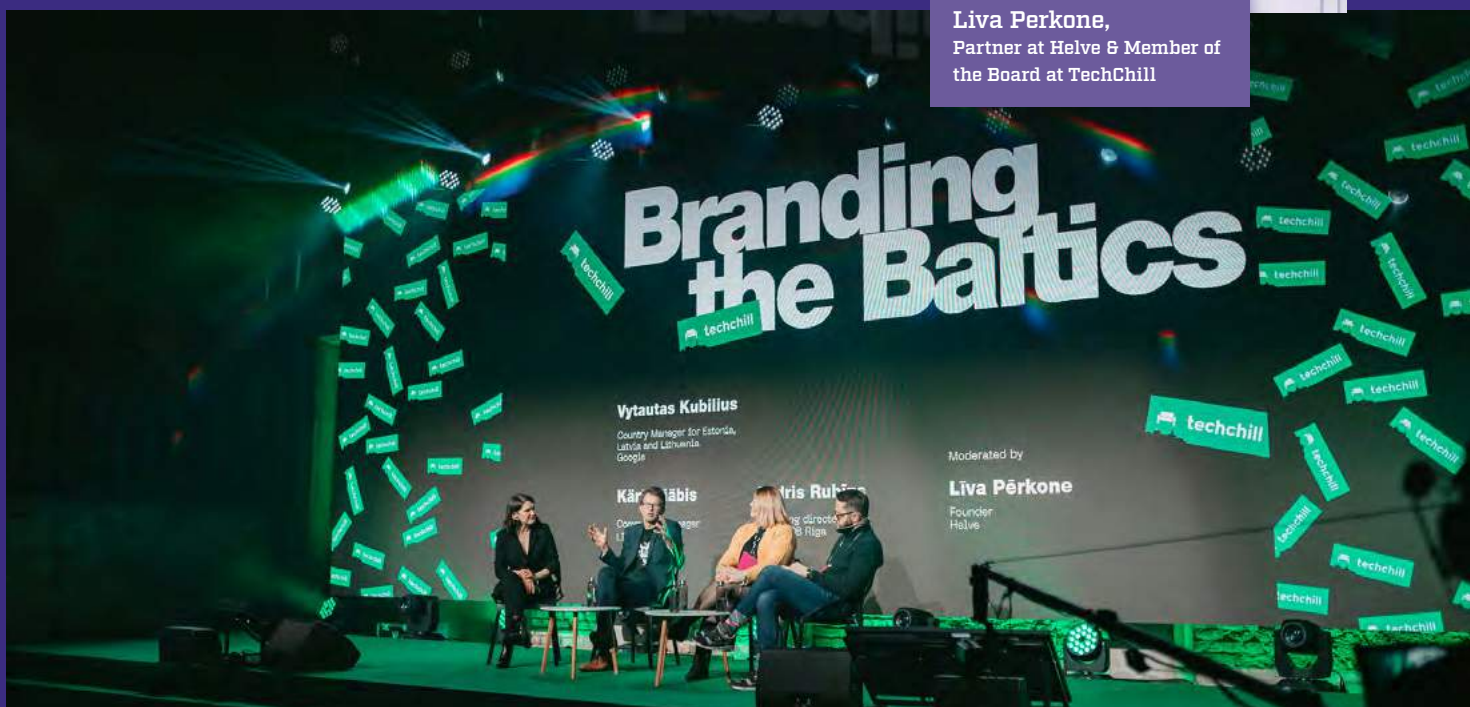
While the number of startup visas issued across the Baltics differs significantly, the data difference can be a misleading measure due to the fact that startup visas have a different scope. In Latvia, the startup visa applies to foreign founders only. There is currently no data for work visas issued to foreign employees who work in startups, as the process is the same across the ICT sector and startups are not counted separately. Whereas in Estonia, while the startup visa also applies to founders, it was originally created for foreign employees, and founders are approximately ¼ of all startup visas issued. Overall, the challenge of reliable data is not a new one, due to the vastly different ecosystems across the countries.

However, the numbers here show a clear picture that strategic vision and investment by state plays a significant role in attracting talent. Startup Lithuania and Startup Estonia are government agencies with dedicated teams, funding and a long term focus, while Latvian ecosystem growth has been mostly driven by non-profit community stakeholders with significantly fewer resources. There is no doubt that a focused policy from the Latvian state, rather than unsystematic activities, would help immensely.

Looking at 2021, I wouldn't be surprised to see major differences in the numbers. The Covid-19 pandemic has challenged the long-standing startup landscape, not just in the Baltics but across the globe. The ability to travel has been restricted significantly, making it not just harder to exist as a digital nomad, but also complicating the ability of startups to network, expand and build contacts, all crucial for growth when you're based in a small market. Local early-stage Baltic startups will struggle to reach the necessary networks for scaling, and might even consider relocating to bigger cities to be closer to investors. Meanwhile, the increasing shift to remote work and also political turmoil across the border has made many startups reconsider their headquarters and are more open to relocating their teams to the open Baltic economies with skilled talent pools and a digital infrastructure that is often superior to pricier European hubs.

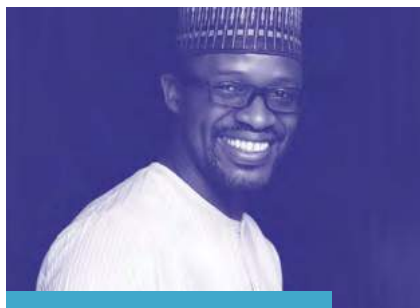


Liva Perkone,
Partner at Helve & Member of
the Board at TechChill



TechChill Publicity Photo

INPUT FROM STARTUPS



Ibrahim Bashir
Founder of Dillali Tech

Nationality: Nigerian
Holder of: Lithuanian startup visa

How did you choose to move to Lithuania?

We carried out research as to the country in Europe that will work best for our startup. After careful consideration, we saw that Lithuania kept coming up in our search as a growing base for Fintech startups. Our research showed that Lithuania was popular for startups, with major Fintech players like Revolut choosing the country as their base following Brexit.

How was the application process?

It was very simple. I signed up at startuplithuania.com and filled out my application. I received the first feedback within a few days, afterwards participated in two interviews and made my final submission for consideration. Exactly 3 weeks after submission, I received the final approval and letter of acceptance. Everything was done online.

What was the hardest part?

Dealing with Migration processing issues was difficult as there is no Lithuanian embassy in my country of origin. As a result I chose to visit London to process my submission with the Lithuanian embassy. Unfortunately, due to a change in policy, that process did not work and I had to visit the Migration



Emre Tinaztepe
Founder of Binalyze

Nationality: Turkish
Holder of: Estonian Startup Visa

How did you choose to move to Estonia?

I had a share in another startup before I founded a new company in Estonia. Before it was acquired, we had had offices in 3 of the techno cities in Turkey and I experienced a lot of bureaucratic stuff that I wish wasn't there. I chose Estonia after hearing about it from a close friend of mine who also formed a business there. At that time, I was already reading cool things about Estonia on the internet about how easy it is to form and run a business there.

Department of Lithuania to sort out my submission. This was our most difficult moment.

What do you like most about living in Lithuania?

Lithuania is a nice quiet country with interesting weather :) It is also very affordable compared to Western Europe, which is important when building a startup. The people are really helpful and dining out is really refreshing.

How was the application process?

The application process was the easiest. I didn't have a single problem. It is basically, next, next, next, done! Having companies like LeapIn (now Xolo) guiding you step by step is priceless.

What was the hardest part?

I am always telling people how easy and seamless the process was. Even though it required my physical presence, opening the bank account was unbelievably easy and smooth. I still tell people about the experience I had when the bank representative told me "Here is your API key that you can share with your accountant to have read-only access to your balance." I was like, "Wow! Now I am sure that I am in the right country" :)

What do you like most about living in Estonia?

The best thing about living in Estonia is doing business globally is completely frictionless. Having everything starting with e-**** (including Estonia) makes me feel lucky. It has a peaceful atmosphere, easy-going nature, and almost everyone speaks great English.





Konstantin Siniushin
Founder of Fixar-Aero

Nationality: Russian
Holder of: Latvian Startup Visa

How did you choose to move to Latvia?

When planning the relocation of our startup, it was important for us to be in a country with a high level of development of the unmanned aviation industry, with a low cost of living, a friendly social environment, a simple and understandable relocation process and profitable tax benefits.

How was the application process?

I was able to do all relocation activity during 3 months. It is fantastic.

What was the hardest part?

The most difficult thing in the process of moving was still in Russia to make an apostille certificate of no criminal record and a document of marriage.

What do you like most about living in Latvia?

My wife and I really enjoyed living in Riga where we have been for more than six months. Riga is a very beautiful city, it has a wonderful ecology and low population density, as well as the ability to walk almost everywhere within the center. Very friendly people live here, low cost of renting excellent offices, and inexpensive residential real estate – we immediately bought an apartment in the center and are very satisfied with the quality of life in our area. The close proximity to the sea and the forest makes walking enjoyable in our free time.



ACCESSIBILITY TO THE BALTICS

Located almost at the exact geographical midpoint of Europe and with direct connections to all major European start-up hubs, the Baltic region is uniquely positioned and serves as a business and event hotspot. Its highly-developed infrastructure paired with affordable air and ground transit options puts it at arms reach from everything that matters.

The pandemic has severely impacted passenger count in 2020, however, established transit options have largely remained intact, continuing to connect the Baltics to every corner of Europe and beyond.

AIR TRANSPORTATION

Together, the three main baltic airports of Riga International, Vilnius International, and Tallinn airports handled over 16M total passengers in 2019, directly connecting travelers to more than 100 unique destinations including all the main European startup hubs, being just 2 hours away from Berlin, 3 hours from London, and 4 hours from Madrid.

The prevalence of such low-cost airlines as AirBaltic, Ryanair, and Wizz Air makes for affordable travel and contributed to the steady growth in passenger numbers and new routes up until the pandemic.

Riga International Airport

Riga Intl (RIX) is the largest airport in Latvia and the Baltics. It offers flights to 92 destinations in 36 countries with 20 airlines and serviced over 7.7 million passengers in 2019. The top destinations are Moscow and London and the longest direct flight is to Abu Dhabi, which can be reached in 6 hours.

AirBaltic is based out of the Riga International Airport. This year, like all airlines, AirBaltic has felt the impact of the pandemic:

” In October 2020, airBaltic carried around 64 600 passengers or 86% less compared to October 2019 from all three Baltic capitals to its network spanning Europe. In total airBaltic operated 51 routes in October, which is 27 routes less than in 2019.

We see that our customers miss travelling, and we continue to do our best to offer them various safe and flexible travel opportunities for when they will feel ready to get back in the air. We are currently sustaining our operations and we will be fully ready to gradually increase flights once it is possible to ease travel restrictions. In order to sustain business airBaltic introduced a new business plan, Destination 2025 CLEAN, which focuses on the impact of the Covid-19 crisis and adjustments that had to be made to the existing five-year strategy. By 2025 airBaltic is still aiming to fly with 50 Airbus A220-300 aircraft and perform an IPO taking the airline to the stock market.

The aviation industry is vital because it connects businesses, people, and ideas. Without flying, our world would be significantly smaller.



Martin Gauss,
CEO of airBaltic



Startup Wise Guys Publicity Photo



CONNECTIVITY INSIDE THE BALTICS

Riga finds itself right in the center of the Baltic region, being a 4-hour bus ride or 50-minute flight away from both of its neighbouring capitals of Vilnius and Tallinn. Frequent flights and buses departing at all hours of the day ensure maximum connectivity and convenience for travel between the three Baltic states. With popular coaches such as Lux Express and Ecolines providing free wifi, personal media devices, and hot drinks it's easy to work on-the-go or relax in comfort.

Sprawling national train and bus routes with some of the lowest ticket prices in Europe provide easy access to every corner of the Baltics, making personal vehicle ownership optional for any kind of travel.

Rail Baltica

Rail Baltica is an on-going railway infrastructure project set to connect the three Baltic countries with high-speed trains (249km/h), as well as integrate them into the European rail network. It's the largest Baltic infrastructure project in the last 100 years and is set to be completed in 2026.

Vilnius International Airport

Vilnius Intl (VNO), the second-largest Baltic airport, offers flights to 57 destinations in 28 countries with 18 airlines, servicing over 5 million passengers last year. The top destinations are London, Copenhagen, and Riga, and the longest direct flight is to Eilat, with a flight time of just over 4 hours.

Tallinn Airport

Estonia's largest airport Tallinn (TLL) offers flights to 31 destinations in 21 countries with 17 airlines, servicing over 3.2 million passengers in 2019. The top destinations are Stockholm and Helsinki and the longest direct flight is to Malaga, with a flight time of just under 5 hours.

URBAN MOBILITY

Home to such successful mobility start-ups as Bolt, CityBee, and Trafi, the Baltic region is quick to adopt the novel solutions it creates, resulting in ubiquitous access to a wide variety of ride- and vehicle-sharing mobility services in the capitals, as well as most major cities.

Paired with a robust public transport backbone consisting of buses, trolley-buses, and trams, along with city-wide cycle paths, makes for convenient direct and multimodal commutes. People residing in city centres, however, find nearly everything within walking distance.

” Urban transportation is a huge industry, and it's currently poorly organized. Almost all problems in transport are caused by private cars. For example, in some parts of the world, cities have as many as 8 parking spaces per car since people want to park in different places at different times, and cars just sit idly 95% of the time. That's a waste of city space.

At Bolt, we believe that this will change and people will be giving up on personal cars. A two-ton vehicle is rarely the best way to move a single person around the city — there are several new opportunities that are more convenient and more sustainable for moving around cities.

The alternative to individual car-use is normalising shared and multimodal mobility. Bolt has a unique multimodality proposition already today being the first transport platform in the world to offer ride-hailing, e-bikes, and e-scooters under one app and under the same brand. In our vision, in 5-10 years, all modes of city transportation, such as public transport, taxi and ride-hailing services as well as micromobility will be so well integrated that the need to own a private car will decrease significantly.



Martin Villig,
Co-founder and VP of
Sustainability at Bolt



Startup Wise Guys Publicity Photo

” As with the rest of the tourism sector, the Covid-19 outburst which took place in March in our principal markets had an immense impact on Lux Express operations and business. The most affected part of the company’s business is long-distance routes as the borders remained closed for regular long-distance passenger services. Therefore a large portion of business operations had to be swiftly shut down. Routes to and from Baltic states to Russia, Finland, Belarus and Poland have all been put on hold. Currently, only routes within Baltic states are operational.

Lux Express has put a lot of effort into providing extra safety in times of Covid-19 outbursts. During the first wave in the spring, we quickly introduced a “twin-seat” product to enable social distancing. Also on our buses, we started dispensing face masks regardless of the legal obligation, which came around about a month later. Looking forward and beyond the current pandemic, we have also been in close cooperation with the bus manufacturer to upgrade bus ventilation systems with a purpose to decrease infection risks.

The biggest challenge throughout the crisis has been planning ahead in a “zero visibility” landscape that 2020 has proven to be. Like most stakeholders of highly affected sectors, we are seeking answers to questions like “Are we at the lowest point already?” or “When will all this madness end?”. In reality, there have been very few indicators that we can rely on putting together an action plan for the “post-corona” era. Also, it has been a challenge to conserve whole business areas of the company in a way that temporarily shut down operations could be relaunched immediately once the opportunities arise and the demand recurs.



Ingmar Roos,
CEO of Lux Express

” For years I have been travelling at a rate of more than 150 flights per year. This is only possible due to the ease of flying in the region, with door to door travel sometimes down to 2.5 hours between Riga and Tallinn or Vilnius. The same goes for connectivity with the Nordics and most of Western Europe, making it possible to wake up in Riga at 6 AM and be in central Milan with our new batch at 10:30 AM!

The opportunity to use Bolt, AirBaltic, Citybee and the availability of affordable and high-quality lodging makes the region a fantastic hub for pre/seed and seed investment, and an amazing hub to link CIS and CEE with Western Europe. Like everyone, I have felt the impact of the Covid-19 restrictions, but I have not experienced a slowing down of the Baltic region. We have adapted to a hybrid world, and if anything, this has been even a more active year.

I think the region may provide the perfect ground to both innovate and test how the cities and regions in the future may look like and feel. More environmentally focused, leveraging peer-to-peer, eco-friendly transportation infrastructure, and cybersecurity at the heart of digital connectivity. Examples of how AirBaltic has modernized its entire fleet may just have been a tipping point to speed up the process.



Cristobal Alonso,
CEO at Startup Wise Guys

FLIGHT TIME TO MAJOR STARTUP HUBS

Fun fact

The village Girija, near Vilnius, Lithuania is recognized as the official geographical midpoint of Europe in the Guinness World Records. There are also 5 other geographical spots claiming the honor of being the center of Europe according to different methodology, including the Saaremaa island in Estonia.



AIRPORTS

Riga RIX	Berlin BER	Kutaisi KUT	Rome CIA
Tallinn TLL	Stockholm ARN	Istanbul IST	Amman AMM
Vilnius VNO	Amsterdam AMS	Copenhagen CPH	Moscow (SVO)
London LGW	Barcelona BCN	Milano MXP	Abu Dhabi (AUH)
London STN	Dublin DUB	Vienna VIE	Alma-Ata (ALA)
London LTN	Warsaw WAW	Oslo OSL	Eilat (ETM)
London LCY	Lisbon LIS	Madrid MAD	Malaga (AGP)
Tel Aviv TLV	Kyiv IEV	Rome FCO	
Paris CDG	Kyiv KBP	Helsinki HEL	

Same as in the Living & Working section, we mapped out direct flights from all 3 Baltic states to major startup hubs and selected destinations and added some of the furthest direct flights. In total, you can reach 100 unique destinations from the Baltics.

ENTERING NEW MARKETS – STARTUPS’ BIGGEST CHALLENGE?

In a survey conducted by Startup Wise Guys, startups, investors, and ecosystem participants were asked what they think startups struggled the most with in 2020. Among potential answers such as fundraising, sales, team development, the top rated issue that 54.5% of startups struggled with was – entering new markets. That being said, startups themselves disagree, having listed entry to new markets significantly lower down the list.

To better understand how startups can enter new markets, we spoke to the British Embassy’s Department of International Trade, an organization whose mission it is to alleviate the process of entering one of Europe’s largest markets – the UK, as well as to support startups that have successfully managed to crack the market and establish a presence there.

” The UK is a large market, with benefits of a common language, relative proximity to the Baltics, and strong ties with other commonwealth countries. This makes it an attractive one for Baltic startups.

To make expansion go smoother, startups need to take time to prepare. Entering any new market needs focus and understanding how things work. There is a wide variety of support mechanisms available to startups to ease that transition, which we are more than happy to provide. That goes from support in providing introductions to relevant industry representatives, building a network – a mandatory step in entering the UK market, to identifying a bank at which to create an account (our reference network significantly eases the process for startups – we don’t advise they do this on their own).

We’ve helped countless startups enter the UK market, showing that it is possible and potentially very lucrative. If I were to provide my own recommendations, they would be to establish a legal entity in the UK, to contact us for support in opening a bank account, and and to start building a network approximately a year before you’d like to be present in the UK market. Deals don’t happen in large markets as quickly as they do in the Baltics, it will take persistence, patience, and establishing a relationship before you land a deal. But when you do, it will be worth it.



Tiina-Maria Araja,
Head of Investment Baltics at the
Department for International Trade



Startup Wise Guys Publicity Photo

5 LESSONS FOR STARTUPS ENTERING THE UK MARKET

Giraffe 360: Focus on building trust, your technology will speak for itself

” The UK market is very focused on stability and dependability. For that reason, a good rule of thumb is prioritizing familiarity and brand recognition in the market. In terms of selling to prospective buyers, it's more important for them to know that you're not going to disappear, than having the latest tech.



Fractory: Go “all in” from the beginning

” If you have decided on moving your business to the UK, be 100% dedicated to this idea from day one. This means being physically present there, exploring the ecosystem, talking to people, making connections, etc. If you are neither here nor there, the transition won't work out or will take much more time.



CreditOnline: Be prepared to compete

” When considering the UK, do extensive market research and be ready to fight for your spot. Startups and companies in smaller markets can get used to having one or two competitors, if any at all, and it can be an unwelcome wake-up call moving to the UK and realising you're suddenly competing against 50 companies doing the same thing as you.



NanoAvionics: Establish a strong network in the UK before expanding

” Before expanding, learn about your new market, do thorough research of local players, suppliers, talent pools, and establish a strong network in the UK. It will give invaluable strategic advice and connect you with the right organizations and people to make your initial steps.



CastPrint: Find professionals who are eager to use your solution

” The most important factor was that the medical professionals were eager to use our solution and were willing to be the first in the UK to offer Cast-Print to their patients. In February 2019, we were approached by Dr. Nik Bakti, MD, – an orthopedic surgeon and trauma consultant in the UK who has long been passionate about 3D printing opportunities. With the help of Dr. Bakti, we were introduced to Prof. Bijayendra Singh, MD, who is the President of the British Indian Orthopedic Society. He provided us with much-needed feedback on our service and gave us the opportunity to start offering our services in the UK.





ECOSYSTEM

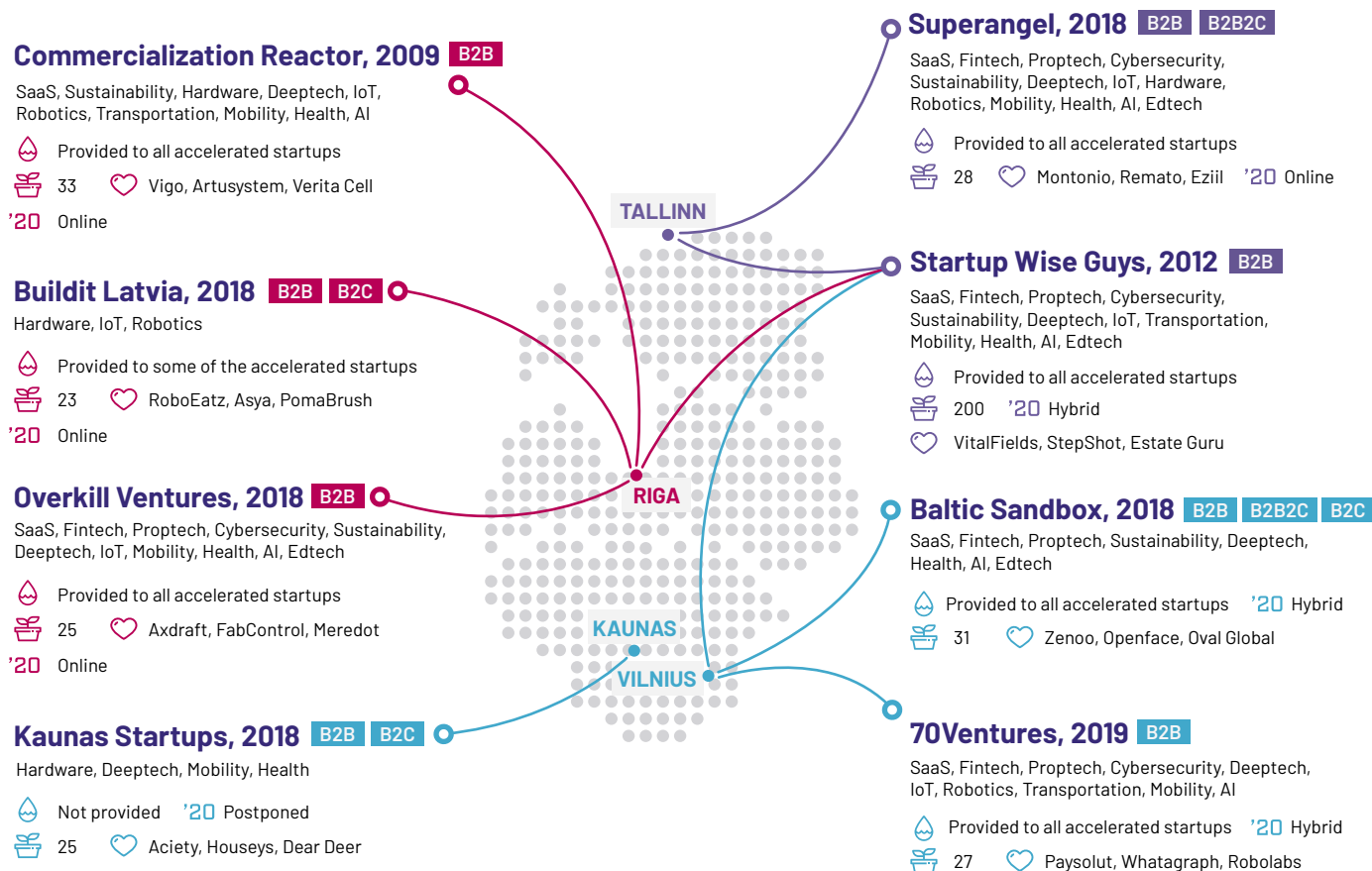
STARTUP ACCELERATORS

An influx of EU money into Baltic accelerator funds changed the game for early stage investments significantly in 2018/2019, and in a way, also served as a safety cushion for the financial implications that would arise from the pandemic in 2020. Most accelerator funds are entering their last year of their investment periods, so it will be interesting to see how the Baltic accelerator scene

looks in 2022. If there was little change in the investment volumes and intensity among accelerators, pandemic-related lockdowns and travel restrictions significantly impacted the way programs took place.



Startup Wise Guys Publicity Photo



Interesting fact

No accelerators reported that Covid-19 has negatively affected their investment volumes. The majority say they invested about the same, while others said they invested more.



Investment



'20 program



Portfolio size



Top portfolio companies

Sources: Startup Wise Guys, Superangel, Commercialization Reactor, Buildit Latvia, Overkill Ventures, Baltic Sandbox, 70ventures, Kaunas Startups

ACCELERATING IN THE TIMES OF COVID

What was generally accepted to be an in-person process has now, like many industries, been forced to reconsider the way things are done and adapt a more socially distanced approach.

While some accelerators conducted a hybrid program, such as Startup Wise Guys, Baltic Sandbox, and 70Ventures, the majority of Baltic accelerators reported having shifted their program online. Those include Superangel, Overkill Ventures, the Commercialization Reactor, and BuildIt. Superangel points out that it does not see the new remote reality as an obstacle to developing thriving startups. In fact, they believe quite the opposite, according to Kalev Kaarna, Venture Development Manager at Superangel:

“We believe that crises are a hotbed of new unicorns. Remoteness has opened up new opportunities to startups in the Baltic Startup Scene regarding talent acquisition, investments, advice, and insights. Superangel continues to look for great early-stage startups globally and we are pleased to see that Baltic startups are strong and can win in global competition as companies and as investment opportunities. We do not see that this will change in 2021.



Kalev Kaarna,
Venture Development
Manager at Superangel

With the Baltics having done relatively well in the first wave of the pandemic (in terms of fighting the spread of the virus), it made it possible for accelerators to consider various approaches to the management of their programs. Some chose to offer a hybrid format – partially online, and partially in person. Among those that implemented a hybrid approach to their programs were Startup Wise Guys, Baltic Sandbox, and 70Ventures.

Not all accelerators were as lucky. The Kaunas Startups program, which provides acceleration without investment (the only such accelerator on our list), has postponed their program until 2021.

“After postponing the usual programme of Kaunastic Startups in 2020 we are eager to get back to it in 2021. In the short term we are doing our best to keep the community informed and the brand recognizable for future entrants.



Tadas Stankevicius,
Director at Kaunas IN

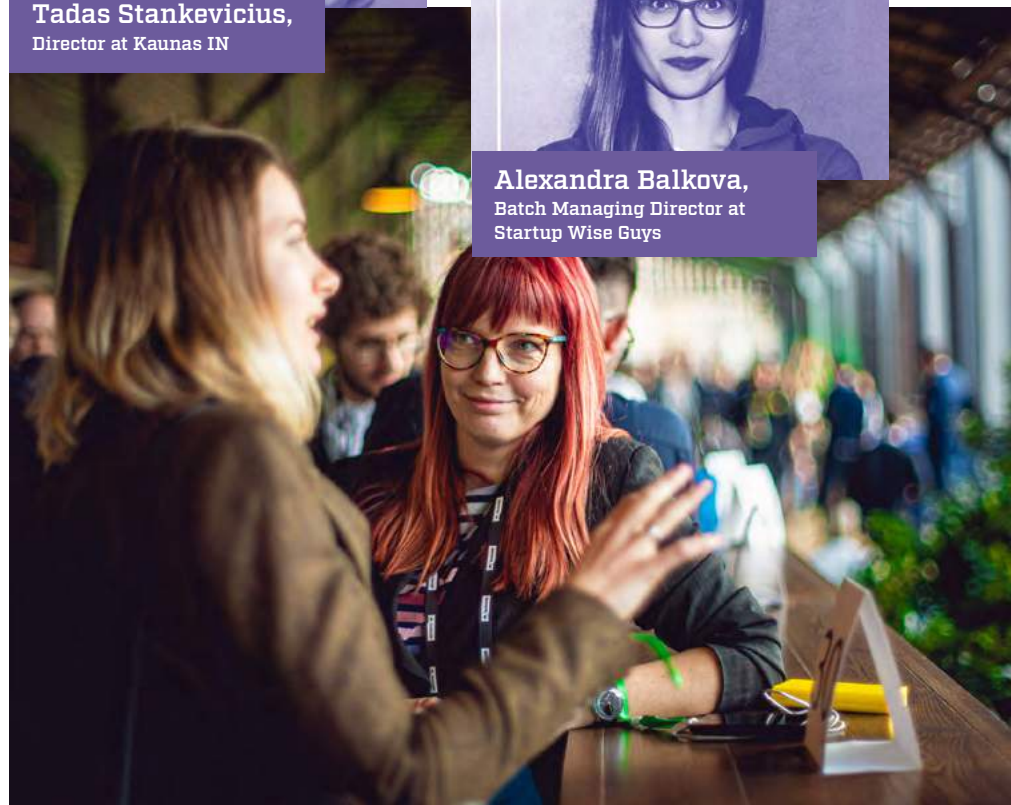
That being said, of the accelerators providing investment, all reported to have not reduced their rate of investment, and do not believe that the pandemic has negatively affected their activity in the region. In fact, some even went as far as to observe that they have increased their investment activity!

All in all, what do we have left to say? Startups – continue accelerating!

“Having run more than 10 batches of our online pre-accelerator since 2018, transitioning our full accelerator to an online program in March 2020 went rather smoothly. We noticed that startups do accelerate well in an online environment, in fact, some were even more focused on achieving their KPIs without the office environment distractions. However, being an accelerator that highly values both human relationships and peer-to-peer support among batch startup-mates, we felt that this is something remote can't provide as well. We made a great effort to bring our two spring programs onsite in Estonia in August, and it was amazing to see how the human touch changes the vibe and collaboration. There is a lot we have learned from running online modules and one thing is clear – hybrid is here to stay and it will be the new normal for the accelerator world.



Alexandra Balkova,
Batch Managing Director at
Startup Wise Guys



VC FUNDS

We have compiled a non-exhaustive list of active VC funds investing in Baltic startups, both from the Baltics and abroad. The total number of investments made in H2 2019 - H1 2020 indicates that more VC firms are choosing to invest in Baltic startups than covered in this list. The majority of Baltic accelerators also have a funding vehicle for follow-on investments in their accelerated companies.

MOST ACTIVE LOCAL VC FUNDS

Estonia, Latvia, and Lithuania-based VC funds with at least 2 investments in 2019 (H2) and 2020 (H1).

● Pre-seed ● Seed ● Late-seed

PAN-BALTIC

CHANGE VENTURES



Focus: pre-seed or seed stage technology startups with local Baltic founders or within Baltic diaspora globally

Portfolio: 17

Most Recent Investments:

Veriff (Estonia), 99math (Estonia), Aeronex (Latvia), Qoorio (Lithuania)

Investments (2019 H2 - 2020 H1): 9

STARTUP WISE GUYS



Focus: B2B, cybersecurity, pre-seed and follow-on investments

Portfolio: 200

Most Recent Investments: Ondato (Lithuania), Katana MRP (Estonia), CENOS (Latvia), Adact (Estonia), Multiorders (Lithuania)

Investments (2019 H2 - 2020 H1): 40

ESTONIA

KARMA VENTURES



Focus: Information and Communications Technology startups with initial commercial traction

Portfolio: 16

Most Recent Investments: MeetFrank (Estonia), Xolo (Estonia)

Investments (2019 H2 - 2020 H1): 2

TERA VENTURES



Focus: seed-stage digital startups creating network effects, applying machine learning and other enabling technologies to business models

Portfolio: 23

Most Recent Investments: Snackable (Estonia-USA), Transformative AI (Estonia) and Botguard (Estonia)

Investments (2019 H2 - 2020 H1): 4

UNITED ANGELS VC



Focus: B2B, SaaS and marketplace segments

Portfolio: 20

Most Recent Investments: Salv (Estonia), Sentinel (Estonia), Bob-W (Finland/Estonia)

Investments (2019 H2 - 2020 H1): 7

TRIND VENTURES



Focus: early stage B2B, SaaS, marketplace startups

Portfolio: 33

Most Recent Investments: Vumonic (Estonia), Fractory (Estonia), Wolf3D (Estonia)

Investments (2019 H2 - 2020 H1): 7

SUPERANGEL



Focus: early-stage startups

Portfolio: 28

Most Recent Investments: ZitiCity (Lithuania), Bob W (Finland-Estonia)

Investments (2019 H2 - 2020 H1): 10

In May 2020, the European Bank for Reconstruction and Development approved an €8M commitment to Change Ventures, making it the largest seed fund operating in the Baltic states, therefore the first VC to join all three Baltic states' venture capital associations.

Fun fact

CONTRIBER VENTURES



Focus: post-revenue startups, coachable, and with an early-exit strategy

Portfolio: 35

Most Recent Investments: Wolf3D (Estonia), WebARX (Estonia), Interactio (Lithuania)

Investments (2019 H2 - 2020 H1): 5

LEMONADE STAND



Focus: early-stage startups

Portfolio: 21

Most Recent Investments: Warren (Estonia), Ezil (Estonia), Outfunnel (Estonia)

Investments (2019 H2 - 2020 H1): 13

SPRING CAPITAL



Focus: tech-driven teams in the seed stage in the Baltics and Scandinavia

Portfolio: 13

Most Recent Investments: Wolf3D (Estonia), Teamscope (Estonia)

Investments (2019 H2 - 2020 H1): 6

LATVIA

ZGI CAPITAL



Focus: companies with proven business models and established markets looking to grow; new markets, manufacturing automation, increase profitability

Portfolio: 17

Most Recent Investments: Hansamatrix (Latvia), GoWood (Latvia)

Investments (2019 H2 - 2020 H1): 2

LITHUANIA

PRACTICA CAPITAL

Focus: backing great Baltic teams behind the tech-driven ventures across Europe

Portfolio: 55+

Most Recent Investments: Eddy Travels (Lithuania), ZitiCity (Lithuania), Pixevia (Lithuania)

Investments (2019 H2 – 2020 H1): 10

OPEN CIRCLE CAPITAL

Focus: early stage tech

Portfolio: 16

Most Recent Investments: Pixevia (Lithuania), Billo.app (Lithuania), Ars Ingenii (Lithuania)

Investments (2019 H2 – 2020 H1): 7

IRON WOLF CAPITAL

Focus: AI, IoT, SaaS, Deeptech, Fintech, Marketplaces

Portfolio: 8

Most Recent Investments: Redtrack (Lithuania), eAgronom (Estonia), Amberlo (Lithuania)

Investments (2019 H2 – 2020 H1): 6

CONTRARIAN VENTURES

Focus: early-stage emerging technologies

Portfolio: 17

Most Recent Investments: Inion Software (Lithuania), Inbalance Grid (Lithuania)

Investments (2019 H2 – 2020 H1): 5

COINVEST CAPITAL

Focus: generalist, pre-seed and seed, Lithuania

Portfolio: 17

Most Recent Investments: Teachers Lead Tech (Lithuania), The Knotty Ones (Lithuania), Inion LT (Lithuania), Ligence (Lithuania)

Investments (2019 H2 – 2020 H1): 7

Source: crowdsourced data (Estonia, Latvia, Lithuania), websites of VC funds, Crunchbase, Dealroom.co

FOREIGN VC FUNDS INVESTING IN BALTIC STARTUPS

A non-exhaustive list of foreign VC funds that have made at least one investment in Baltic startups in 2019 (H2) and 2020 (H1).

FINLAND

INVENTURE

Focus: tech startups (Enterprise Software, Health Tech)

Portfolio: 65

Startups from the portfolio: Whatagraph (Lithuania-Netherlands)

Investments in Baltic startups (2019/2020): 2

ICEBREAKER VC

Focus: software-driven startups

Portfolio: 45

Startups from the portfolio: Klaus (Estonia), Modash (Estonia), Cachet (Estonia), Dashbird (Estonia)

Investments in Baltic startups (2019/2020): 8

SUPERHERO CAPITAL

Focus: early-stage seed funding up to 1M€

Portfolio: 26

Startups from the portfolio: Speakly (Estonia), ZitiCity (Lithuania)

Investments in Baltic startups (2019/2020): 2

NORDICNINJA VC

Focus: Deeptech in the Nordic and Baltic region

Portfolio: 12

Startups from the portfolio: Ziticity (Lithuania), Veriff (Estonia)

Investments in Baltic startups (2019/2020): 12

Source: crowdsourced data (Estonia, Latvia, Lithuania), Black Pearls VC, Inventure, Icebreaker VC, Revo Capital, Speedinvest, Superhero Capital, Dealroom.co

POLAND

BLACK PEARLS VC

Focus: Deep Tech & Enterprise Software

Portfolio: 25

Startups from the portfolio: Teamscope (Estonia), eAgronom (Estonia), INSLY (UK, Estonia)

Investments in Baltic startups (2019/2020): 3

TURKEY

REVO CAPITAL

Focus: late-seed to early stage startups in Turkey, Eastern Europe & Baltics, with a focus on Fintech, enterprise software, marketplaces & digital health verticals.

Portfolio: 20

Startups from the portfolio: TransferGo (Lithuania), Sonarworks (Latvia)

Investments in Baltic startups (2019/2020): 1

AUSTRIA

SPEEDINVEST

Focus: Network Effect, Fintech, Industrial tech startups

Portfolio: 140+

Startups from the portfolio: EstateGuru (Estonia)

Investments in Baltic startups (2019/2020): 2

Interesting fact

In September 2020, Finnish VC, Superhero Capital, launched a new fund worth 30 million eur to target Baltic data startups. Additionally, Estonia-based angel investor Ivo Rummelg and Latvia-based serial entrepreneur Ernests Stals have joined Superhero Capital as venture partners.

BUSINESS ANGELS

BUSINESS ANGEL ASSOCIATIONS DURING THE PANDEMIC

Associations are still gathering exact investment data for 2020 and drawing conclusions about the impact of Covid-19 on its members and participants. Overall, LatBAN and LitBAN estimate having a similar investment activity in 2020 compared to the same period (Q1-Q3) last year. EstBAN is the only Baltic business angel network indicating moderate growth in investment activity.

When asked about the areas where Covid-19 might have left the most severe negative impact on startups, business angel associations indicated Mental Health, Growth, and Head-count.

Interesting fact

LitBAN has the highest female representation among its members - 14%, while EstBAN and LatBAN have only 4% and 3%, respectively.

BUSINESS ANGEL INVESTMENTS IN 2019

ESTBAN

Estonia has the oldest and the most active Business Angel Network with 158 members (as of Q2 2020). EstBAN organizes different events for its members, including training, networking and pitching competitions. In September 2020, EstBAN initiated a Nordic cross-border investment and training program together with FiBAN: New Nordic Lift Off.

EstBAN is looking for startups that need between 20k-500k eur in capital in any industries except real estate and gambling. To apply, startups should fill in the application on the EstBAN website and be sure to provide as accurate data as possible.

Members:

158

Total amount invested in startups in 2019:

€ 9.28M

Investment deals in startups in 2019:

375

Average investment per 1 startup:

€ 38K

Recent noteworthy deals:

ATOM Mobility, ADAC T, Aligner

LATBAN

LatBAN aims to develop a network of investors in Latvia and support new and prospective projects. LatBAN's active member count has shrunk from 50 last year to 35 as of Q2 2020.

The association organises Investment Sessions, where investors and new entrepreneurs meet with each other. To apply, startups need to fill in a questionnaire at startupincluder.com.

Members:

35

Total amount invested in startups in 2019:

€ 2M

Investment deals in startups in 2019:

16

Average investment per 1 startup:

€ 70K

Recent noteworthy deals:

Fiqsy, Sonarworks, Strops Technologies

LITBAN

LitBAN actively works to increase the number of investments in early stage companies. Through monthly pitching events, LitBAN links startups with angel investors from Baltic and Nordic countries. To apply, startups need to fill in the application form on LitBAN's website.

Members:

66

Total amount invested in startups in 2019:

€ 1.8M

Investment deals in startups in 2019:

38

Average investment per 1 startup:

€ 47K

Recent noteworthy deals:

Ligence, Viezo

Source: EstBAN, LatBAN, LitBAN

CORPORATE-STARTUP COLLABORATION AND INNOVATION

In an era of “disrupt or be disrupted”, corporate innovation is taking center stage for many companies. While some attempt to refocus internally, others opt for strategic partnerships with startups, seeking to take advantage of their agility and access novel solutions. Startups, on the other hand, are becoming increasingly hungry for collaboration, particularly at early stages, viewing it as a long-term financial opportunity, as well as a way to enter new markets. As a result, various programs fostering corporate-startup collaboration are emerging throughout the Baltics, going beyond traditional accelerators and seeking to create entire collaboration ecosystems.

The benefits are clear - each party brings to the table what the other is missing and corporations and startups can help each other accelerate innovation and growth.

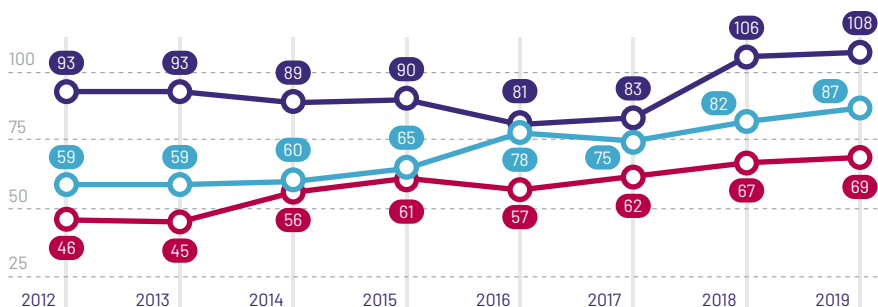
CORPORATE INNOVATION IN THE BALTICS

The European Innovation Scoreboard's ranking of the Baltic countries has remained unchanged from the previous period. In the 2020 report, Estonia retains its position as a Strong innovator, whereas Lithuania and Latvia continue to be classified as Moderate innovators. All three Baltic nations continue to lead their categories in performance improvement, alongside Portugal, Malta, and Greece.

An *innovation-friendly environment* is among the strongest innovation dimensions for both Latvia and Lithuania and it's a key factor contributing to the sustained performance improvement for the two nations. For Estonia, *Linkages*, *Human Resources*, and *Intellectual assets* are what help propel the country to Strong innovator status.

Estonia's high score in *Linkages* is primarily constituted by the “innovative SMEs collaborating with others” factor, indicating widespread innovation co-operation activities between SMEs and other enterprises and institutions.

BALTIC PLACEMENT IN THE EUROPEAN INNOVATION SCOREBOARD



Source: European Innovation Scoreboard



Startup Wise Guys Publicity Photo

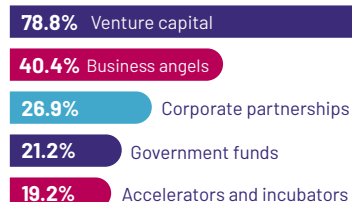


Startup Wise Guys Publicity Photo

GROWING ECOSYSTEMS FACILITATING INNOVATION

9 out of 10 surveyed Baltic startups plan to raise money in the next three years. They're looking to Venture Capital (78.8%) and Business Angels (40.4%) for securing funds. Notably, corporate partnerships (26.9%) come in third, outperforming both government funds (21.2%), as well as accelerators and incubators (19.2%), particularly among younger startups.

WHERE STARTUPS SEEK INVESTMENT



Source: Baltic Startup Report Survey 2020

As such, there's a rapidly developing corporate-startup collaboration ecosystem in the Baltics, powered by innovation programs seeking to connect the right startups with the right companies, as well as provide other types of support.

LOCAL COLLABORATION, INTERNATIONAL INSPIRATION

As noted in the 2018/2019 Baltic Startup Scene Report – the majority of startup and corporate collaboration projects in the Baltics are driven by international corporations with an HQ elsewhere and clearly structured innovation programs. This is true both for IT giants, as well as the majority of the banks. However, an increasing amount of locally driven initiatives are emerging that are changing the corporate innovation sector.

One such example is Swedbank, having different initiatives in each country.

In Estonia they have been one of the founding members of Prototron, which provides startups with funding for prototype creation. In Latvia two years ago they opened DoBe, a dedicated startup space and hosted the Startup Wise Guys Fintech accelerator for its two editions. After successful acceleration programs, the space transformed into a broader co-creation and innovation hub, hosting startup teams and running a Fintech event series. In Lithuania, the biggest Fintech hub called ROCKIT is powered by Swedbank, and are continuous partners of the Startup Wise Guys fintech programs. Currently, Swedbank is expanding its focus towards sustainability and impact verticals.

Growth-stage and unicorn-stage startups is another area where lots of innovation is stirring. They tend to naturally create spinoff products and businesses, thus accelerating the pace of growth even further.

The Draugiem Group could be considered a Latvian startup power-house, over the course of time there have been over 20 internal initiatives developed into stand-alone businesses such as Printful, Mapon, and DeskTime. They had created a subcompany called "Idea Bits", which is where Printful (the group's most successful company) was created. Having grown to a multi-million dollar company in and of itself, Printful has now launched a similar startup ideation initiative, called Printful Bits.

The most recent Baltic unicorn Pipe-drive from Estonia also has a group of companies sometimes referred to as the "Pipedrive mafia" that stemmed from the unicorn's success. Their impact on the Estonian startup scene is directly quantifiable, "soon the Pipedrive mafia will add a minimum of 40-50 NEW angel investors," says Ragnar Saas on his recent Twitter post. Bolt and TransferWise founders are also giving back to the ecosystem by building coding schools and mentoring programs.

However, the local market is still too small in size for a scaling startup, and this is the area where larger corporations with pan-European reach come into the picture. One such exemplary facilitator of corporate-startup collaboration is Accenture Latvia.

CASE STUDY: BRIDGING THE GAP BETWEEN STARTUPS AND CORPORATES

Accenture's Open Innovation Startup program connects startups and scale-ups with top multinational companies, to ensure the brightest Baltic innovations get the audience they deserve. Startups often value strategic partnerships above irregular financial injections, seeing them as more reliable and a great way to expand into new markets, which is regarded as the single biggest challenge faced by Baltic startups, according to Accenture.

This mutually beneficial relationship based on Accenture serving as a bridge-maker and providing startups with guidance and access to their clients and partners, while enabling the company to bring the most innovative solutions from the Baltics to the international stage, is a prime example of corporate-startup collaboration in the Baltic region. That said, the opportunity to be brought to the table with Fortune 500 companies highly depends on the proactivity and responsiveness of the startups themselves.



Startup Wise Guys Publicity Photo

Mapping the Accenture Latvia corporate-startup collaboration model

1. STARTUPS APPLY TO THE OPEN INNOVATION PROGRAM

Any startup can apply, though Accenture is particularly on the lookout for startups that are ready to scale and have a team that's able to support meaningful growth.

2. STARTUPS ARE INTERVIEWED

During the interview process, Accenture understands the startup's capabilities and more specifically, what they can bring to the table.

3. STARTUPS ARE ADDED TO THE GLOBAL DATABASE

Once a startup has demonstrated that they are able to work with Accenture's world-class clients, the startup is added to the global database. Accenture maintains and regularly updates a shortlist of ~50 startups and scaleups.

4A. STARTUPS ARE PROVIDED WITH MENTORSHIP

Startups that demonstrate ample potential, yet fall short of sufficient maturity for the world stage are provided with mentorship and guidance to reach meaningful scale.

4B. SCALEUPS ARE CONTACTED WITH AN OPPORTUNITY

When an Accenture client is in need of an innovative solution, the startup database is consulted, and relevant scaleups are contacted about collaboration. Currently, Accenture is actively facilitating collaboration with 7 startups that fit their clients' innovation agenda.

There is no fee for participating in the Open Innovation program and Accenture treats the startups coming through like they would any other service provider. However, Accenture relies on partners such as Startup Wise Guys to screen applicants to ensure they meet the maturity and business potential required for the global stage.

” The reality is that establishing corporate innovation deals is a complex and time-intensive process. We are upfront with startups from day one: this takes time.



Kristaps Banga,
Accenture Latvia Innovation Lead

Between the slow pace of multinational corporations and ensuring the polished pitch decks reach the right audiences, establishing corporate partnerships can test a fast-paced startup's patience. That said, the potential game-changing impact of corporate collaboration tends to be a sufficient incentive to endure the wait for both parties.

TECH EVENTS IN THE BALTICS

Considering the course of 2020, it comes as no surprise that the events industry has been turned upside down, with most major events, both globally and regionally, either cancelled or moved online. It has been a year of learning and adaptation for everyone involved, particularly for event organisers and startups in the event industry.

One thing is clear – the adage of “content is king” remains true, regardless of what format it is in.

HYBRID, ONLINE, OR CANCELLED

The last large in-person event before the major first wave of event cancellations was TechChill, barely squeezing in at the end of February. Following that, Latitude59 was pushed back to August – an optimistic move.

The optimism paid off – Latitude59 was the first major tech event in the Baltics to have a partially in-person component to its event, benefitting from lowered virus cases during the warm months and open borders within the “Baltic Bubble”. Later, LOGIN in Lithuania held a hybrid in-person/online event in September, and RIGA COMM went ahead in mid-October.

” As we were the first tech event in the region (perhaps even in Europe, we don’t know for sure) to come out with a hybrid format during the Covid-19 pandemic then we were at times forced to invent solutions and approaches. Considering the time we had to prepare, the event went very well and served its purpose. We had almost 2000 participants from 55 countries, with 900 of them participating on site in Tallinn.

We had to make some changes to the layout of the event space, taking into account the safety measures. In addition, we changed the setup of the programme, reduced the number of the stages and had less speakers than usual, instead focusing more on pitches, interactive sessions and networking. We also introduced some new programme elements such as the online mentoring programme for the startups, where more than 65 mentors worldwide shared their expertise. In addition, we changed the pitching competition format, introducing online pre-finals where 50 startups got to pitch in front of the online audience and juries.

The feedback we received was overwhelmingly positive. The event was much needed, both from the physical and online side. One of my favourite bits of feedback came from a person who said that the hybrid experience made her feel like they were part of the physical event in Tallinn.

As many have already said, I think the hybrid format is here to stay, whatever the circumstances. That being said, nothing really beats the real life interactions.



Maarja Pehk,
CEO of Latitude59



Latitude59 Publicity Photo

MOST REQUESTED FEATURES FOR EVENTS – QUALITY CONTENT AND REMOTE PARTICIPANT ENGAGEMENT

Anyone who's been to an in-person tech event can attest to the fact that a major draw to the event is the social networking aspect. For that reason it came as a surprise when Baltic startup ecosystem participants were surveyed about what they believe organizers should focus on in 2021:

76% of surveyed participants said they believe events in 2021 should focus their efforts on delivering quality conference content

We see that despite a massive focus on networking and social aspects, event attendees are still looking for top-notch content.

The second listed priority is in line with the pandemic reality – that a focus should be placed on networking between those that are attending in-person, and those who are attending remotely, online.



Source: Baltic Startup Report Survey 2020

One thing we do see in the survey results is that the startup pitching portion of events – the pitching competitions themselves and the prize money available, are at the bottom of the list of priorities. Only one third of both startups and investors (who are most likely to be interested in startup prize money) surveyed stated that they believe prize money should be a priority. This could serve as an indication for future event organizers as to where to allocate their resources.

2020'S MAJOR TREND – ONLINE HACKATHONS

One major trend we saw was the rise of the remote hackathon. Particularly, with the Hack the Crisis hackathon, which originated in Estonia, was continued in Latvia, then spread throughout the world, culminating in The Global Hack, with 12,000 participants from around the world.

The agile startup community, eager to put their skills to work while stuck at home, demonstrated true startup spirit throughout, and resulted in various initiatives with lasting impact. Since then we've seen non-pandemic-related hackathons being organized remotely, demonstrating that this is a format that is flexible and works well in remote scenarios as well.

Startups that grew out of the hackathons:

SHIELD48 BY BALTIC 3D

reusable face shields to solve the PPE accessibility issue that can now produce 200,000 shields per day.

KOGUKOND AITAB BY ZELOS

a platform to manage volunteers to support quarantine individuals, which was then handed over to Helpific, a non-profit organization, for continued use.

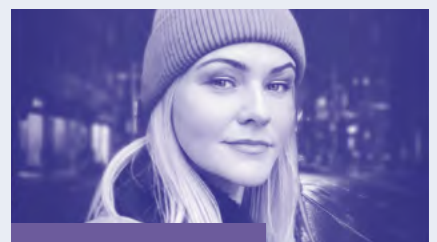
MINDLETIC (EX ACT ON CRISIS)

an app for supporting mental health through various exercises and community support, and has received widespread media and industry attention.

TAUT (EX HOMESTUDY)

an app to make it easier for teachers to mark students' hand-written homework remotely. It was recently rebranded and launched, and is used around the world.

” The Hack the Crisis movement and The Global Hack were both carried by true community spirit. Started here in Estonia by AccelerateEstonia and Garage48, the movement quickly grew thanks to other volunteer-led teams in the region – Latvia, Lithuania, Finland, Poland – and then all across the world resulting in 70+ crisis hackathons. The heart of this movement was each and every organiser, participant and mentor willing to put in hours of their time to make this happen. The Global Hack was covered everywhere from CNN to Voice of America taking the message of hope to millions of people. Our voice was amplified through the likes of Garry Kasparov, Brad Feld, Samantha Cristoforetti and many more. In the times of crisis, it was incredible to see everyone coming together with one goal in mind – how to help the people in need. I think it is truly spectacular what the global community can achieve when joining forces.



Kai Isand,
Head Organiser of The
Global Hack

EVENTS PLANNED FOR 2021

With the experiences of 2020 under our belts, various events have taken the optimistic path of announcing that their events with in-person participation will be held in 2021. It must be noted that nothing in these times is certain, and details are subject to change. That being said, here are some of the major events that are currently confident in opening their doors to attendees.

Fintech Inn

Vilnius, Lithuania

28-29 April

A centralized Fintech industry event in a country that prides itself as a Fintech mogul to discuss the topics “du jour” of the industry – ranging from digital banking to cybersecurity and blockchain. The event is organized by the governmental sector, with both the Ministry of Finance, as well as that of Economics and Innovation as joint organizers. Apart from the main program, the conference also has a Fintech startup pitch battle, startup expo, and workshops.

Highlighted topics: digital banking, payments and remittance, lending, insurtech, compliance, digital identity, cybersecurity, blockchain, digital assets

Best for: startups, investors, associations, policymakers, corporate finance reps

Format: hybrid, adapting to online if necessary

This year, TechChill and Latitude59 are scheduled in the same month. Block off May for an intense start-up ecosystem experience!

The close dates may also increase the likelihood of international guests – as they can arrive in the Baltics, endure the necessary quarantine period, but enjoy two events for the traveling “price”

TechChill

Riga, Latvia

30 April – 21 May

The largest Latvian startup and technology conference and networking event, moving for the first time ever to May! Each year, the festival handpicks leading visionaries, game-changers, and tech-heads to deliver you the new and the unexpected. For startups, TechChill is the place to meet the most relevant investors, learn about the industry trends, and gain visibility within and beyond the Baltics.

Highlighted topics: green new world, knowledge for growth, digital transformation

Best for: the Baltic startup community – startups, corporations, investors, tech enthusiasts

Format: virtual

of one. While other events are sure to happen over the course of the year, they have not yet announced dates. One such event is Startup Fair in Lithuania, which periodically hosts various events dotted throughout the year.

Latitude59

Tallinn, Estonia

27-28 May

The flagship startup and tech event of e-Estonia – the world’s first digital society connecting investors with startups. A cosy, yet influential startup festival that focuses on the future of tech, education, humanity, ethics, government, living environment etc.

Highlighted topics: not yet announced

Best for: startups, entrepreneurs, investors, digital governance enthusiasts

Format: not yet announced

sTARTUp Day

Tartu, Estonia

25-27 August

The biggest early-stage business festival in the Baltics bringing together startups, investors, executives, world-class experts, and media. The event has grown organically out of the Tartu startup and student ecosystem. Alongside loads of hands-on seminars, there are world-class speakers and a pitching stage where young talents unveil their big ideas.

Highlighted topics: smart leadership, smart city, smart factory, smart organization, sustainability

Best for: entrepreneurs, business executives, startups, investors

Format: hybrid in-person/online



sTARTUp Day Publicity Photo

” 2020 has played an important role in the acceleration of event-tech. The concept of virtual & hybrid events initially predicted to hit the market by 2025 at the earliest became the only option as Covid-19 made in-person meetings impossible. In spring this year, there were little to no platforms (except Hopin) to support this new type of meeting, and most event agencies had little idea how to work with this concept.

10 months later, we are far better off. There are several truly progressive event tech companies – event platforms – including Talque, ImpromptMe or Pine Tool, who are pushing the limits of how virtual or hybrid events look & feel – especially in terms of networking & sponsorship opportunities.

In 2020 we saw primarily virtual events, but as 2021 unfolds, we expect to see far more hybrid concepts (attendees attending both physically AND virtually). Some event platforms are ready to support these concepts already and now it's primarily the job for event agencies & event planners to take full advantage of the tools out there and to come up with the creative formats, which will be as valuable for physical participants as for virtual attendees. The game is on.



Andrea Knopová,
co-founder of ImpromptMe

HOW HAVE EVENT TECH STARTUPS BEEN ADJUSTING?

Talque

EVENT INTERACTION & MANAGEMENT PLATFORM

” The corona epidemic has affected us in multiple ways. At first, our revenue was dropping to zero within only two to three weeks as everybody was canceling or postponing their onsite events. This seemed like a catastrophe to us, an app for onsite events, but then it came to our minds that we are a digitalisation platform for events already. So we worked day and night for about 4 months in order to add everything that was needed to also host purely digital events on our platform. To cut it short: it worked and it was a great success! Since then, sales inquiries to us have increased tenfold and we are now increasing the team by a factor of four. Really crazy, but we think that the digitalisation will also continue once corona will be defeated, maybe not that fast anymore, but even more sustainable.



Tassilo Ott,
Founder

Catchbox

THE ENGAGEMENT MICROPHONE

” Like so many other companies, Catchbox was faced with unprecedented upheaval when the pandemic began. Across the globe, offices were being closed and live events were being cancelled en masse. Yet as the situation developed, we began to explore new applications for our products. We realised our Catchbox Plus system – which combines the audience mic with a hands-free presenter microphone – is ideal for use blended learning and flipped teaching scenarios. By helping educators create 'hybrid classrooms', Catchbox has also found a way to overcome some of the initial challenges posed by the pandemic.



Sam Beattie,
Marketing Lead



TechChill Publicity Photo

DIVERSITY IN THE BALTIC STARTUP ECOSYSTEM

According to the European Institute for Gender Equality (EIGE), the Baltic region boasts above EU-average marks for gender equality in terms of labor market participation, tertiary education attainment is increasing among both men and women, and the financial situation has improved for everyone across the board.

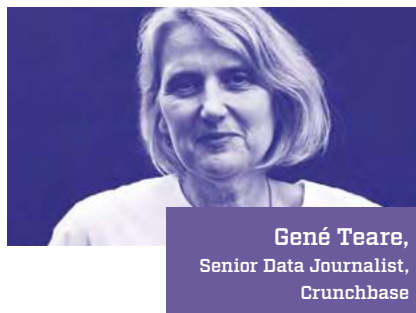
At the same time, this win for diversity isn't necessarily reflected in the Baltic startup ecosystem. For such a critical factor in developing competitive ideas as well as attracting and retaining talent, diversity as a topic is lacking proper analysis and data, at least in the startup context in the Baltics and often is evaluated through a rather narrow gender balance lense.

We've partnered with Crunchbase to gain as much insight as possible into the diversity aspects of the Baltics, alongside surrounding regions. That being said, we recognize that the topic of diversity is much broader than represented in this section. We hope that this will act as a stepping stone to recognize the need for not only more support of diverse founders, but also for more tracking in this area for future improved analysis.

” In 2015, Crunchbase added gender-based parameters to its dataset, which made it possible to measure funding received by teams according to gender. Over the last decade, we have seen the percentage of newly-funded companies with at least one woman founder increase from 10% in 2009 to over 20% in 2020.

As part of our Diversity Spotlight initiative in 2020, Crunchbase added race and ethnicity company-level tagging for U.S. headquartered companies indicating whether a company is founded or led by a diverse founder or CEO.

One of our findings so far is that, since 2015, only 2.4% of venture dollars in the U.S. have been invested in Black and Latinx founders.



SOCIAL MAKEUP

At first glance, the Baltic countries seem to be a relatively homogeneous society. While it's true that there is little visual diversity, the Baltics are home to a variety of different nationalities, cultures, and other minorities.

These various nationalities, with varying cultural backgrounds, languages, and religions, live together in the small Baltic countries, which are home to just a little over 6 million inhabitants. The social makeup of the countries can be seen as a direct result of historic influences as well as evident migration from neighbouring countries.

It must be noted that while these small populations do host a wide variety of different nationalities, the majority of them are not visual minorities. As a result, the populations as a whole have not experienced much exposure to those who look different from themselves.

TOP 5 NATIONALITIES PRESENT IN THE BALTIC COUNTRIES

ESTONIA



LATVIA



LITHUANIA



Sources: European Commission, Ministry of Foreign Affairs of Estonia

LANGUAGE PROFICIENCY

The average Baltic inhabitant speaks three languages fluently – a result of living in a small, multilingual country. In each country, the national language is most spoken, followed in all cases by Russian – which was the national language of the Soviet Union, of which all three Baltic states were part of for 50 years.

English takes third place as the language most fluently spoken, having become the lingua franca of the international community, and due to many sources of entertainment being delivered in English.

We see that, when observing the younger segment of society, which also correlates to the average age category of startup founders and employees, English proficiency significantly increases compared to older generations. This jump is particularly evident in Latvia, while less exaggerated in Estonia. Interestingly, Lithuania is the only country that sees a re-ordering of most spoken languages of the youth, with German overtaking the Polish language – which has deep historical ties with Lithuania.

TOP 5 LANGUAGES FLUENTLY SPOKEN BY THE INHABITANTS OF BALTIC COUNTRIES

ESTONIA



LATVIA



LITHUANIA



TOP 5 LANGUAGES FLUENTLY SPOKEN BY 15-34-YEAR-OLDS IN THE BALTIC COUNTRIES

ESTONIA



LATVIA



LITHUANIA



Source: languageknowledge.eu



sTARUp Day Publicity Photo



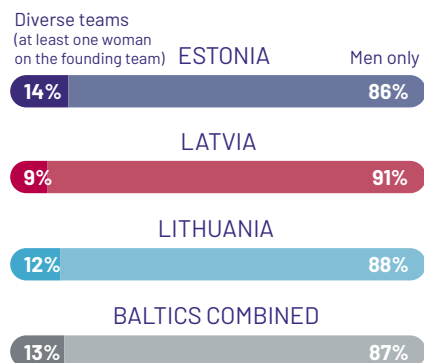
TechChill Publicity Photo

GENDER REPRESENTATION

The business case for gender inclusion is clear – a 2018 study by the Boston Consulting Group found that having women on the board increases profitability by 19%. Having a more varied set of experience at the table makes for improved decision making, approaching problems from various perspectives, as well as increased compassion towards clients.

For this reason, we're looking at gender-diverse startup teams as a benchmark for gender inclusivity. We've identified total gender representation in startup teams since 2000, as well as for the past 2 years to observe the tendencies of our times.

GENDER REPRESENTATION IN BALTIC STARTUPS FOUNDED FROM 2000 UNTIL 2020. Data set 1059 startups.



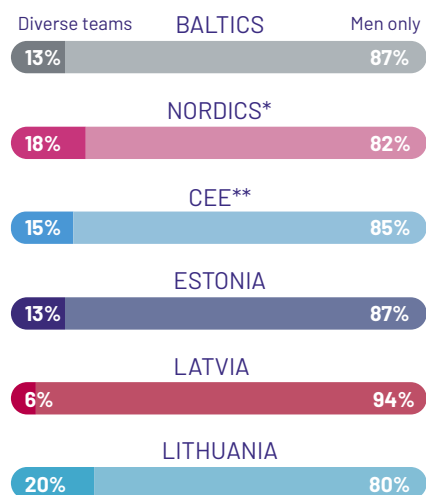
Source: Crunchbase

Looking at the data available from a little over 1050 Baltic startups founded over the last 20 years, Estonia is leading the pack with 14% of startups founded by teams with at least one woman representative. Lithuania is not far behind, with notable startups such as Vinted, the country's only unicorn, as a particularly visible example for other women. However Latvia lags behind, with only 9% of founding teams being diverse.

Looking at data from the past 2 years, the Baltics have the same 13% diversity ratio as for the past 20 years, indicating that little to no progress has been made in improving the diversity of founding teams.



GENDER REPRESENTATION IN BALTIC, NORDIC, AND CEE STARTUPS FOUNDED IN 2019-2020



Source: Crunchbase

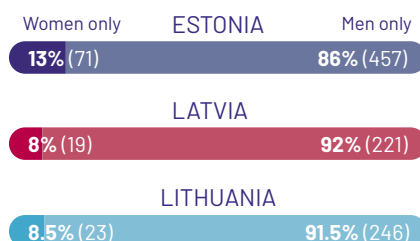
*Nordics: Denmark, Iceland, Finland, Sweden, Norway

**CEE: excluding Baltics CEE here is represented by: Albania, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia

Upon closer inspection, Lithuania has grown their coefficient of diverse teams, jumping to 20%, while Estonia has seen a slight reduction, and Latvia has fallen from 9% diverse to showing only 6% diverse teams among startups founded since 2019.

The Nordics have the most diverse teams, with an 18% ratio. While it isn't surprising that the Nordics are leaders in this dataset, as they have generally higher rates of gender equality, 18% does seem comparatively little. Meanwhile,

TOTAL FOUNDER PROFILES BY COUNTRY FROM 2001-2020



Source: Crunchbase

CEE is at 15% diverse teams, which is higher than the Baltics.

Here we see a total of all-time founder profiles by country. We see Estonia leads in women participation with 13% of all time founders identifying as female, while Latvia and Lithuania are similar, around the 8% mark.

For Estonia and Latvia, these rates are significantly higher than their two-year counterparts, as seen earlier. This shows us that the past two years have not been favourable in terms of participation by women in the startup ecosystem. This can be partly attributed to the effect of the pandemic, which has been shown to have disproportionately affected women, who have borne the brunt of increased childcare responsibility at the expense of their professional lives.

At the same time, this data stretches as far back as 2019, when the pandemic was not a factor. Startup ecosystems would have to look inward for a more detailed look at why women have had a lower participation rate than men.

The first Baltic startup with diverse founders in the Crunchbase database is Robotex. It was founded in Estonia in 2001 by Ave Laas who remains the CEO almost 20 years later.

Fun fact

” Women are a minority in STEM worldwide, but they are even less represented among startup founders. This is due to heritage from historical attitudes and a prevalent stereotypical mindset. On the flip side – lack of talent is one of the top issues both startups and big tech companies are facing today. If we have half of the population growing up uninterested or afraid of the tech industry, we are cutting that available talent in half. Global tech giants are already acknowledging that and introducing diversity-supporting policies and we see this topic coming up more on the agenda for media and investors too.

In 2020, Riga TechGirls – an NGO aimed at attracting more girls and women to the IT industry – have organized 300 free-of-charge programming training opportunities together with Accenture Latvia, as well as launched the “Discover tech” education program together with Google and the Lithuanian “Women go Tech” program. More than 3700 participants took part in this, and possibly due to Covid-19 effects on the workforce – the age range was from students to 50+-year-olds taking the first steps in tech, understanding the career opportunities, and hopefully breaking some of those stereotypes that “tech or entrepreneurship is not for me”. We see that NGOs like us can play an important role and more initiatives are necessary to inspire and encourage women and girls to be brave and become startup founders!

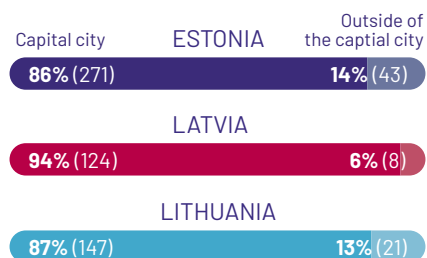


Anna Andersone,
Riga TechGirls, Chief
Empowerment Officer and Mentor

FOUNDER BACKGROUND

Background plays an important role in the development of a founder. We take a look at ecosystem support, education, and international experience as factors that shape ambitious local entrepreneurs.

FOUNDER ORIGIN



Source: Crunchbase

Looking at where startup founders come from, we're able to comment on the disparity between capital cities and the rest of the country. While all countries have a large portion of their founders originating from the capital city, Latvia has the highest rate.

Estonia and Lithuania have more founders from different cities, while Latvia is a leader with 94% of founders from Riga. This could be a reflection of the available resources in the country, with Latvia having a more centralized business center, while Estonia and Lithuania have other cities with strong startup ecosystems, such as Tartu and Kaunas. Riga, for example, hosts 44% of the population of Latvia, while Vilnius hosts 19.5% of the Lithuanian population and Tallinn is home to 32% of the Estonian population.

EDUCATION

Education is a diverse topic in and of itself, with countless opportunities and where paths rarely overlap. We took a look at the available data to see any tendencies on the impact of education on startups and diversity. Of 1043 founders, only 403 had registered their educational experience. While this naturally leads to data gaps based on the founders' willingness to share, it also highlights an equally important aspect – that not all startup founders seek formal education before founding a startup.

Some Baltic superstar founders like Markus Villig from Bolt have been rather open about dropping out of university to pursue the startup journey. There has also been an increase in various alternative entrepreneurial education platforms like the online pre-accelerator by Startup Wise Guys (launched 2 years ago), recently launched "Ükssarviku Kool" (Unicorn school) by Superangel and Talifornia, and others.



Startup Wise Guys Publicity Photos

TOP 10 POST-SECONDARY INSTITUTIONS ATTENDED BY BALTIC FOUNDERS

1. University of Tartu
2. Tallinn University of Technology
3. Vilnius University
4. Estonian Business School
5. Stockholm School of Economics (Riga)
6. Kaunas University of Technology
7. University of Latvia
8. Riga Technical University
9. Tallinn University
10. Stockholm School of Economics (Stockholm)

Source: Crunchbase

”

In order to start a successful business, you need to have innovative ideas. Today, these ideas emerge at the intersection of different disciplines. Herein lie our two secrets. Firstly, the University of Tartu distinguishes itself as a true universitas, i.e. an intellectual powerhouse which combines liberal arts, sciences, and medicine. Secondly, it operates in a town that values good ideas. Where a fertile ground has been prepared for students of history and medicine to exchange ideas, something new is likely to be born. And of course, we just like horses with horns.



Kristel Reim,
Head of Centre for Entrepreneurship and
Innovation, University of Tartu

WHAT FOUNDERS STUDY

TOP 3 PROGRAMMES STUDIED BY MEN:

1. Computer science
2. Business
3. Engineering

TOP 3 PROGRAMMES STUDIED BY WOMEN:

1. Economics
2. MBA
3. Business

Source: Crunchbase



We see that the majority of founders that are men have chosen STEM programmes, while women founders focus on business programmes. Based on the amount of startup founder profiles available, it can be observed that startup founders benefit from technical know-how, which it seems women are pursuing less frequently.

This highlights the importance of instilling STEM knowledge in girls at an earlier age, thus shining a light on the necessity of programs such as She Goes Tech by Accenture, Riga Tech Girls, Vilnius Girls Code, Tech Sisters, etc.

FOUNDERS WITH AN INTERNATIONAL EDUCATION

31%

ESTONIA

37%

LATVIA

34%

LITHUANIA

Source: Crunchbase

Interesting fact

According to QS World University Rankings, the University of Tartu is the highest-ranking Baltic university, coming in at 301 in 2020, globally.

On average, a third of Baltic founders have had an international post-secondary education. The international experience can bring new insight for necessary solutions and business opportunities, while, evidently, it is not a must-have for Baltic founders to establish a startup.

TOP 5 COUNTRIES FOR STUDYING ABROAD

United Kingdom

United States

Sweden

Russia

Denmark

Source: Crunchbase

The data is indisputable. Businesses do better when there are more diverse participants involved – gender, age, nationality, education, origin, sexual orientation all provide different insights to build the best product and service possible. And startups are no exception.

We see that the Baltics, in terms of gender representation, are relatively on par with its surrounding regions. But the situation could be better. We also see disparity in startup founders from cities vs outside of them, which garners questions about education, opportunities, and resources outside of capital cities.

All in all, the Baltics are in a position to develop diverse participant engagement. This report is only a first step but, as Peter Drucker famously said, “what gets measured gets managed”.



STARTUPS
TO WATCH

In the beginning, it was Skype's success in Estonia that kicked off accelerated startup growth in the region. Fast forward to present day, and the Baltics are celebrating their 6th unicorn - Pipe-drive. Last year, Lithuania honoured its first tech unicorn - Vinted, who raised €128M. Bolt, TransferWise, Playtech are notable unicorns in the region that keep climbing the growth path with follow-on investment rounds, scaling teams, and new markets. Evidently, this is fertile ground for growth.

This is the third year we're taking a deeper look into Baltic Startups to Watch, listing the 150 startups that have caught our attention. Our content partners Crunchbase have provided additional data for a more in-depth analysis, and our set of experts and partners have helped create this curated list.

INSIGHTS FROM 150 STARTUPS

Out of the 6 verticals featured in this report, B2B and SaaS dominate with 36 startups to watch. Estonian startups are dominating the B2B SaaS and Cybersecurity vertical, Latvian startups are taking the lead in Hardware, IoT and Robotics, Medtech and Sustainability, whereas Lithuanian startups remain strong in the Extended Fintech vertical, with a strong foothold in the Transportation, mobility, and logistics vertical.

Almost 70% of startups featured are less than four years old, and 26% have been founded either in 2019 or even in 2020. More seasoned startups can be found in verticals such as Transportation, Hardware, and Medtech, which comes as no surprise due to the scale of R&D required for the verticals.

When it comes to teams and diversity, 15.3% of listed startups have at least 1 woman founder. Interestingly, we see the most diverse teams in B2B SaaS, followed by Medtech and Sustainability.

METHODOLOGY

The Startups to Watch section is a curated, non-exhaustive list of the startups we believe to be most promising from the region, at a variety of stages in their development. It has been compiled by the Startup Wise Guys team, investors, experts, partners, and ecosystem collaborators, considering factors ranging from objective data such as funding, team size, startup age, and founding team composition, to subjective factors such as innovation, visibility, and potential to disrupt.

With data provided by Crunchbase and individual research, we've added various indicators to each startup - team size, startup age, diversity of the founding team.

STARTUP AGE



2019-2020

Founded in the last 2 years



2014-2018

3-6 years old



2014 and older

More than 6 years old

TEAM



First employees

1-10



Growing the team

11-50



Scaling the team

51 and more

DIVERSITY



At least one woman on the founding team

SPOTTED



Startups that have gone on to raise an additional 1-5M EUR in funding after being featured in the report



CATEGORIES

This Startups to Watch list is meant to give an insight into the most exciting startups in the Baltic ecosystem. Startups were only compared within their respective industry and categorised into 6 verticals and 3 categories – Usual Suspects, On the Radar, and Hidden Treasures.



Startup Wise Guys Publicity Photo

USUAL SUSPECTS

Usual Suspects are the ones that don't need much introduction. They've made headlines and are role-models in their countries. Those are startups that have raised from 1M to 5M eur in the period, are growing or even scaling their teams, and are steadily growing or expanding to other markets. That being said, we have excluded unicorns and extraordinarily fast-scaling startups – they already receive enough attention. Startups that have raised above 5M are listed in the Biggest deals section, whereas the ones that have previously been listed and have gone on to raise additional funds can be found in the Spotted startups section.

Funding: recent activity in funding between 1M–5M eur

Additional criteria: steady growth, MRR, traction, expanding market share, scaling teams

ON THE RADAR

The startups that have already made a mark in the market and ecosystem. Startups in this category have raised between 100k–1M eur, launched their product, attracted paying customers, and have moved outside of their home market. These startups have a significant media presence and/or have received noteworthy awards.

Funding: recent activity in funding between 100K–1M eur

Additional criteria: product launched, paying customers, entering new markets, media presence, noteworthy awards

HIDDEN TREASURES

In the Hidden Treasures category, we have included early-stage startups that have raised less than 100K eur, launched in their home markets, are showing great potential, but might not have any significant traction just yet. Some of the startups listed in this category have traction but lack visibility in the market and ecosystem. This category was curated by market insiders with insight into the hot potential of these up-and-coming startups.

Funding: recent activity in funding up to 100K eur

Additional criteria: MVP stage or above, hackathon winners or participants, launched in home markets

STARTUPS TO WATCH GOES DIGITAL!

This year, the list of 150 "Startups to Watch" is also available in digital format with additional startup data.

Download the list for eased overview and analysis.

STARTUPS:

If you spotted a mistake in your data or want to update us on your progress, please reach out to baltic.report@startupwiseguys.com

B2B AND SAAS

In 2020, B2B SaaS has continued to grow beautifully, as expected. There are increasingly more large companies in this category, and B2B SaaS has definitely become mainstream – almost all companies now use some kind of SaaS solution, and the vertical's revenue share is growing. Some of the largest SaaS companies like Shopify, Salesforce, etc., now have market capitalization in the hundreds of billions, and as we have seen, haven't been particularly hard-hit by Covid-19.

If we look at overall trends, then mobile-first and customer-centric mindsets are even more prevalent, as employees are performing increasingly more tasks on mobile. Customer experience has become the key and no one wants to work with clunky, old enterprise SaaS products. We're also seeing the same trends in business models, with more usage-based pricing models emerging, which are certainly more customer-friendly.

Another trend we're seeing is that verticals are becoming narrower, with SaaS companies able to specialize. This makes sense as the whole market is growing and the pie is getting bigger, but it can also be attributed to the customer-driven trend as customers want software that addresses their specific needs. There is also more of an emphasis on APIs, as the products get narrower and need to work seamlessly with other SaaS products.

These trends are reflected in the Startups to Watch list. In the Usual Suspects category, Spotted Startups have continued to grow nicely despite the effects of Covid-19. We also saw many of them raise significant rounds in 2020 to pour more fuel into the fire. Klaus raised 5.4M eur, Giraffe360 4.5M eur, Pactum 3M eur, Katana 2.7M eur, Outfunnel 1.3M eur.

We're seeing promising new B2B SaaS companies, listed in the On The Radar category, such as Adact, Cenos, Multiorders, and some real hidden treasures

like Zeew, which has continued its exponential growth. Covid-19 has been a real tailwind for this online ordering company, creating more demand than they can handle.

Overall, the Baltics are a good birthbed and test-ground for B2B SaaS companies, in light of the region's small, innovative economies and a populace that's responsive to new solutions. Equally important is the accumulated critical mass of SaaS companies and experienced founders who have already built companies, are excited, and already investing and building new companies. Notably – the amazing success of Pipedrive, which proves that large global SaaS companies can be built in these small Baltic countries. We now have 40-50 new angel investors and entrepreneurs who will start investing and building new companies and continue that trajectory of growth.



Startup Wise Guys Publicity Photo

THE USUAL SUSPECTS

WHATAGRAPH

● Lithuania

Marketing analytics and social media reporting

EDDY TRAVELS

● Lithuania

An AI travel assistant for finding the best hotel deals in seconds

GIRAFFE360

● Latvia

Subscription product for real estate companies to streamline professional quality photographs and floor plans

TIMBETER

● Estonia

Digital timber measurement solution

TEAMSCOPE

● Estonia

AI-driven talent analytics platform for executive search professionals

SNACKABLE

● Estonia

Content discovery engine for the audio-first world

OUTFUNNEL

● Estonia

A sales-centric marketing automation tool

PIXEVIA

● Lithuania

AI-driven retail automation and analytics

QOORIO

● Lithuania

A social network for skill and knowledge sharing

ZOOMCHARTS

● Latvia

Dynamic and interactive graphs optimized for touch-screen devices and web applications

FRACTORY

● Estonia

Online marketplace for sheet metal fabrication services

DASHBIRD

● Estonia

Serverless monitoring and debugging platform

WOLF3D

● Estonia

3D avatars of people for VR/AR communication and games using a smartphone

INTERACTIO

● Lithuania

Zero-hardware, real-time translation and interpretation solution on the mobile phone

JURO

● Latvia

Automation platform to create, execute, and monitor routine contracts at scale

KLAUS

● Estonia

A conversation review tool that improves customer service quality

KATANA MRP

● Estonia

Modern manufacturing and inventory software for scaling businesses

PACTUM

● Estonia

AI-based system for personalized, commercial negotiations at scale

MEETFRANK

● Estonia

Talent recruitment app

ON THE RADAR

ATTENTION INSIGHTS



● Lithuania

AI heatmaps with predictive eye-tracking technology for gaining user engagement insights

REDTRACK



● Lithuania

Ad tracking and conversion attribution platform

BILLO



● Lithuania

User-generated video platform with product reviews turned into Facebook Ads

OROCON



● Latvia

Construction site management software

EZIIL PRODUCTION INTELLIGENCE



● Estonia

Solution to eliminate inefficiencies in manufacturing via automation and big data visualisation

TURING COLLEGE



● Lithuania

A remote data-driven IT college that offers ISAs to cover tuition fees

OVEO



● Lithuania

Management and monitoring solution for company SaaS costs

DSERVE



● Lithuania

Digital ordering solutions for any type of restaurant

FOODDOCS



● Estonia

Virtual food safety specialist that helps to create and maintain food safety systems

MULTIORDERS



● Lithuania

All-in-one e-commerce business management solution

TASKER



● Lithuania

Mobile service automation for managing tasks, processes, and employees working in fields

CENOS



● Latvia

Engineering simulation software for production plants and SMBs

ADACT



● Estonia

Personalized gamification for lead generation campaigns

THE HIDDEN TREASURES

WATALOOK



● Lithuania

Online marketplace for booking freelancers in the beauty industry

FJORDHUB



● Latvia

Planning, attendance control, and interaction platform for employees in retail and manufacturing

EXCELIFY



● Latvia

Service for Shopify stores for integrating, migrating, and managing data in bulk

VITS



● Estonia

Virtual health and safety specialist

ZEEW



● Estonia

White label online ordering platform for food, grocery, single store businesses

EVENTORNADO



● Estonia

Solution for running hackathons more efficiently and with no hassle

MEDTECH AND SUSTAINABILITY

We could say that in many ways 2020 has become a tipping point for several verticals, encompassing the many sub-verticals in the Sustainability and Medtech spheres. What was once considered for many investors a nice-to-have aspect for investment, or a vertical that has too long of a horizon to wait, has now for many investors become apparent as a day-to-day issue that needs resources, talent, and solutions today.

The health crisis brought on by Covid-19 exposed the EU health systems' lack of real-time data of availability, queue management, triage, or remote medicine. The need for end-to-end processes where human physical contact was not an option exposed many medical professions that were running on century-old techniques. These risks and inadequacies have finally prompted governments to kick off large-scale infrastructure digitization projects, and for the first

time in decades, establish an ongoing and active communication channel between the public sector (made up of both governments and hospitals) and startups. While startups lack scale, they proved ready to get involved in these new processes, as became evident in the numerous Hack the Crisis hackathons. This is proven by examples like the Shield48 project, where an expert 3D printing team from Latvia developed face shield prototypes, and within weeks were able to ship hundreds of thousands of units and then publish certified, open source instructions for others to use. This movement and execution wouldn't have been possible in pre-Covid times.

The second major trend coming out of this crisis in 2020 is the emergence of online education solutions. While Edtech for years was almost a cursed vertical where access to public schools and

the lack of digital transformation in the sector needed a revolution that never came, Covid-19 created a burning need within weeks, where suddenly all classes needed to be conducted online.

The emergence of dozens of Edtech startups in the region is clearly a sign of the need, but also of a change in mindset within schools and the overall education sector at different levels of government.

We expect these trends not only to continue to grow, but to accelerate, when combined with a much stronger drive from investors to invest in sustainability startups. In fact, the emergence of sustainability-focused VCs is here to stay and likely will boom within the coming 5 years, thus creating a large pool of opportunity in the region.



THE USUAL SUSPECTS

OXIPIT ⌚ ⌚ ⚙️ ⚙️ 👁️

● Lithuania

A computer vision software specialized in medical imaging

EDURIO ⌚ ⌚ ⌚ ⚙️ ⚙️

● Latvia

Web-based tools for education quality improvement

EAGRONOM ⌚ ⌚ ⚙️ ⚙️

● Estonia

A farm management system allowing farmers with a low tech skill to plan, manage, and analyze their activities

VIVEO HEALTH ⌚ ⌚ ⚙️ ⚙️

● Estonia

End-to-end healthcare platform providing virtual appointments

TRANSFORMATIVE AI ⌚ ⌚ ⚙️

● Estonia

Predictive patient monitoring software

SYNCTUITION ⌚ ⌚ ⌚ ⚙️ ⚙️

● Estonia

Advanced relaxation program with 3D sounds and binaural beats

ON THE RADAR

COGASTRO ⌚ ⌚ ⚙️ 🤝

● Lithuania

Management system for edible insect farms

LIGENCE ⌚ ⚙️

● Lithuania

AI-powered automated heart ultrasound analysis system

PVCASE ⌚ ⌚ ⚙️ ⚙️

● Lithuania

Solar PV design tool

AGROPLATFORMA ⌚ ⌚ ⚙️

● Latvia

B2B marketplace to connect grain growers, grain buyers, and the stock market

ALTERNATIVE PLANTS ⌚ ⌚ ⚙️ 🤝

● Latvia

Production of cosmetic ingredients from plant stem cells

EXONICUS ⌚ ⌚ ⚙️

● Latvia

Leading global provider of trauma training technologies for military and civilian organizations

CASTPRINT ⌚ ⌚ ⚙️

● Latvia

3D printed medical casts

KORA ⌚ ⌚ ⚙️ 🤝

● Latvia

Reward system for people and companies for performing sustainable activities

POWERUP ENERGY TECHNOLOGIES ⌚ ⌚ ⚙️ ⚙️

● Estonia

Portable generators for professional and leisure use based on hydrogen fuel cells

99MATH ⌚ ⌚ ⚙️

● Estonia

E-sports tournaments for kids to practice math



THE HIDDEN TREASURES

BEEESAGE ⌚ ⚙️

● Latvia

Monitoring system that provides real-time data to beekeepers

SPIRULINANORD ⌚ ⌚ ⚙️ ⚙️ 🤝

● Latvia

Innovative, closed photobioreactor for spirulina cultivation indoors

SOLFEG.IO ⌚ ⌚ ⚙️ 🤝

● Latvia

An interactive app for learning and teaching music

FERTEREX ⌚ ⌚ ⚙️

● Latvia

Home treatment device which helps infertile couples

VIGO ⌚ ⌚ ⚙️

● Latvia

Personalized digital therapy for stroke patients

HEROVET ⌚ ⚙️

● Latvia

Contact certified Latvian veterinarians via video/chat

PAGERR ⌚ ⚙️ 🤝

● Estonia

Zero waste solution that turns unused potential of printing houses into additional business utilising unused paper

TAUT ⌚ ⚙️

● Estonia

Solution for teachers to better interact with students' homework

RINGY ⌚ ⚙️

● Estonia

Simple and paper-free warranty holding management platform

First Wise Guys Sustainability batch launch



EXTENDED FINTECH

Fintech, Fintech, Fintech – over the last couple of years, everyone in the Baltics is talking about Fintech. And there's a reason why. Thanks to improvements in regulation and the PSD2 directive, Fintech became as hot as ever and VCs could be seen as having "Fintech fetishism", and investing large amounts of money. Many monster Fintech deals later, we've arrived at year 2020, which has been both good and bad for Fintechs.

THE USUAL SUSPECTS

DAPPRADAR ⌚ ⌚ ⚙️ ⚙️

● Lithuania

Marketplace for exploring and analyzing the best decentralized apps

PLANET42 ⌚ ⌚ ⚙️ ⚙️

● Estonia

A vehicle rental solution offering rent-to-buy service for private clients

FUNDERBEAM ⌚ ⌚ ⌚ ⚙️ ⚙️ 🤝

● Estonia

The global investing and trading platform for investors to buy and sell equity stakes in private companies

The Fintech vertical was not part of the general trend of decreasing number of seed rounds – it has generally followed the market, which was first scared from the effects of Covid-19, and later reverted back to investing.

However, as any other challenge, it opened up many new areas for Fintechs to step in. In particular, an increase in startups dealing with lending and debt (debt collection, debt management, emergency loans, mortgage refinancing), wealth management, Insurtech (cyber insurance and underwriting, employee insurance), Regtech (customer data privacy, digital identifications and biometrics), and SMB finance (tax return management, cash flow forecasting and management, employee benefits). Startups that have managed to jump in with these services emerged as winners in Q1 and Q2 of 2020. Add to this an increasing trend of sustainable finance and finance for specific societal subsections (such as the ageing population, kids, unbanked

individuals) and we have a number of new Fintechs being launched even under the eyes of a pandemic.

Most importantly, Fintechs are now becoming increasingly embedded, i.e. financial technology is being used as an ingredient to a business rather than a primary business model. Thus, it is becoming difficult to differentiate between a Fintech vs. a software company with financial consumer products or features.

The Fintech space has been changing not only in terms of "what's hot". The sector is also experiencing more maturity in terms of what is expected from usually monstrous Fintech budgets and sales cycles. Investors are expecting improvements in services speed, a reduction of typically lengthy sales cycles in the B2B sector, and more paying accounts on the B2C super-apps. All this to prevent runways decreasing at a massive pace.

NORDIGEN ⌚ ⌚ ⚙️ ⚙️

● Latvia

Account data analytics helping banks and lenders with credit decisions

CACHET ⌚ ⌚ ⚙️ 🤝 👁️

● Estonia

A usage-based insurance platform and a personal wallet for gig economy service providers

ASKROBIN ⌚ ⌚ ⚙️ ⚙️

● Estonia

A free financial search engine and a credit marketplace for the underbanked

ESTATEGURU ⌚ ⌚ ⌚ ⚙️ ⚙️ 👁️

● Estonia

A cross-border marketplace for short-term and mid-term property loans



ON THE RADAR

HASLLE

● Lithuania

Company spending management solution

HODL FINANCE

● Lithuania

Crypto-backed lending as a service

CONSORTO

● Estonia

Deal sourcing and real estate management software

NINJA LENDER

● Estonia

Marketplace where lending companies can buy and sell rejected loan applications

EVOESTATE

● Lithuania

Marketplace with access to P2P real estate deals

OKREDO (EX. ABALT)

● Lithuania

Information system that provides easy-to-grasp company information backed by experts and updated daily

MODERAN

● Estonia

Commercial real estate lease lifecycle management software

SPARQ

● Estonia

Community-based personal finance platform

KEVIN.

● Lithuania

A licensed payment institution that provides infrastructure for payments and account information based on PSD2 directive

JEFF APP

● Latvia

Solution connecting borrowers and lending institutions

MONTONIO

● Estonia

Financing solution where credit offers can be compared

THE HIDDEN TREASURES

OOONIQ

● Lithuania

Mobile phone insurance

FLIPFUL

● Latvia

A tool that enables companies to provide their employees a flexible salary pay-out at anytime before payday

PROPERENTY

● Lithuania

Rent management software

VIALET

● Latvia

Financial service management tool

HEAVYFINANCE

● Lithuania

Investment marketplace in loans backed by heavy machinery

FORPEEPS

● Estonia

Payment and mobile credit card platform

CYBERSECURITY AND VERIFICATION

As remote work and communication became the norm, the global pandemic accelerated the digital transformation of businesses and societies, bringing the vertical of cybersecurity into unprecedented relevance. That being said, there's more than Covid-19 contributing to this relevance. With countries actively rolling out 5G and bringing about industry 4.0, IoT poses novel challenges due to distributed, software-defined digital routing and an exponentially higher attack surface. On top of that, you have existing threats becoming smarter and increasingly focusing on less protected devices, such as smartphones. In short, there are many new challenges for cybersecurity. Baltic startups are taking advantage of these opportunities.

2020 saw the healthy growth of privacy compliance, remote working, and cyber training companies. Most have capable founders, however, face go-to-market challenges. A surge of stay-at-home cybersecurity professionals also led to a greater advisory and early founder groups. Cybersecurity has traditionally and naturally, encountered trust challenges, which is a hurdle for startups when it comes to acquiring first customers. And having strong, respected advisors and technical teams has resulted in a lot of these startups overcoming this barrier in 2020.

Another challenge for this vertical has been funding. Most investors have limited experience investing in startups where due diligence is challenging. As a result, most cybersecurity startups have found it difficult to secure their ide-

al investors. Here, again, having a great advisory board or industry founders has helped get those first investments in.

New threats, besides the usual cybersecurity ones, have cropped up as well. Deep fakes, fake news, and identity management have become hot topics. New startups are emerging and aim to combat the security problems of today and tomorrow through innovative technological solutions. It is a uniquely fertile time for such startups given the pandemic-induced digital shift requiring cybersecurity to keep up, while still finding better ways to solve more traditional threats. For now, focus must be put on easier go-to-market routes and investor upskilling for this vertical.



Startup Wise Guys Publicity Photo

THE USUAL SUSPECTS

SALV ⌚ ⌚ ⚙️ ⚙️ 🤝 👁️

● **Estonia**

An anti-money laundering, crime-fighting platform

SENTINEL ⌚ ⚙️

● **Estonia**

AI-driven platform for detecting disinformation campaigns, synthetic media and information

ON THE RADAR

ONDATA

● Lithuania

Photo and real-time video remote customer identification and KYC services

INLABLE

● Latvia

A secure and unclonable – physically or digitally – authentication verification system at a nano-structure level

TRAPMINE

● Estonia

Next-generation endpoint protection platform

SENSUS SEPTIMA

● Estonia

Intelligent decision support software that fuses real-time multi-source information

IDENFY

● Lithuania

Identity verification through smartphone or any computer device

AUTOM8

● Estonia

Next-generation adaptive security tools powered by deep learning

KEYSTROKE DNA

● Estonia

Cross-platform behavioural biometric authentication service

NOTAKEY

● Latvia

Modern identity and access management

CYBER STRUGGLE

● Estonia

Intense multidisciplinary cyber security training and certification

WEBARX

● Estonia

A web application security platform protecting from plugin vulnerabilities

THE HIDDEN TREASURES

IDBLENDER

● Lithuania

Secure network solutions made easy for organizations

IDYLLUM LABS

● Estonia

Testing solution for website security features, data safety, and vulnerability to spam

HIVE.ID

● Estonia

Platform that combines the most advanced identity verification and user authentication methods

EDOKS (EX. LAHDES)

● Latvia

Digital document flow and signature solution

CYEX

● Estonia

AI-based tool for personalized cybersecurity exercises

SPECTX

● Estonia

Analytics platform for processing unlimited amounts of machine data scattered across different locations

CHEMCODE

● Latvia

Solution for protecting brands and products, securing traceability, authenticity, and responsibility

EID EASY

● Estonia

eID and eSignature development tools

HARDWARE, IOT, AND ROBOTICS

We continue to see a reluctance in the region to invest in hardware startups, at least from angel investors. Despite this reluctance, as both IoT and Robotics verticals become increasingly mainstream with many R&D efforts having been heavily supported by EU grants, we're starting to see some of the startups reach sufficient maturity to approach seed and series A investments.

We see numerous developments of these verticals in Latvia in particular. This is due to several factors, including a strong focus from local universities on these fields, as well as the only hardware accelerator in the region, Buildit, being now based out of Latvia. With mentorship, pre-seed funding, and ecosystem support, it comes as no surprise that we're seeing more initiatives come from Latvia.

We're also seeing the legacy of a Latvian focus on drones – a trend that was touched upon in the first Baltic Startup Report and is continuing in the same vein with startups such as Aeronos and Fixar. Meanwhile, Estonia is dreaming big – serving major utilities industries, with HeptaAirborne and GridiO.

One trend that's opening the doors to major opportunities is the growing need by mainstream tech consumers for software that compliments or adds on to existing software. Like how the IoT industry spurred the need for the Cybersecurity industry, or how robotics retrofitting software is needed by the ageing of existing industry robots and legacy equipment. In fact, we see one of the biggest opportunities in developing solutions that upgrade or modernize already existing solutions. This is because corporate budgets for upgrades and renewals are expected to shrink in the next few years as a result of pandemic-related austerity measures.



sTARTUp Day Publicity Photo

THE USUAL SUSPECTS

INTEGRATED OPTICS

● Lithuania

A manufacturer of ultra-compact lasers and integrated optical devices

INTEGRATED FIBER OPTICS

● Lithuania

Innovative ultra-fast fiber lasers and components

AERONES

● Latvia

Automated robotic technology for wind turbine maintenance services

ON THE RADAR

INION SOFTWARE

● Lithuania

Monitoring of solar plants and production line

VSIGHT

● Lithuania

Industrial augmented reality software platform

SQUAD ROBOTICS

● Latvia

APMS and indoor sensors for manufacturers of cleaning machines

GAMECHANGER AUDIO

● Latvia

A distributor of music electronics

WINMILL

● Latvia

Robots helping hockey players to train

GRIDIO

● Estonia

A platform that allows homeowners to make money with their electric devices

HEPTA AIRBORNE

● Estonia

Aerial inspection and surveying using Unmanned Aerial Vehicles (UAVs) and Manned Aerial Vehicles (MAVs)

CALIDITY (EX. SMARTVENT)

● Estonia

Data collection and monitoring software add-on for existing building automation systems

THE HIDDEN TREASURES

VIEZO

● Lithuania

Converts vibrations into usable electricity

XTIMER

● Latvia

Automated timing system for measuring and tracking the performance of athletes

FIXAR

● Latvia

FIXAR uses in-house research and development data to manufacture the most technologically advanced UAVs on the market

ROBOEATZ

● Latvia

Fully automated food service system that cooks and serves hot custom meals without human help

POMABRUSH

● Latvia

Electric toothbrush designed for those on the move with a need to charge only 3 times a year

PULSE & FIDELITY

● Latvia

Development and production of high-end audio systems

BABBIT

● Latvia

The world's first hi-fi speaker that suits the whole family

TRANSPORTATION, MOBILITY, AND LOGISTICS

Transportation and mobility is a sector that has seen explosive growth in 2020, as made evident by the vertical being the second-most represented in the Biggest Deals section of the Report, second only to SaaS. We've seen the rise of peer-to-peer mobility, vehicle sharing (including everything from bikes and scooters to cars), and the scooter takeover of most cities across the globe.

These trends in mobility were already present pre-lockdown. In fact, one of the region's leaders in alternative mobility, Bolt, is an influential unicorn in the region. However, Covid-19 accelerated the trend as public transport and car-sharing were no longer perceived as safe alternatives, and especially stimulating the growth of logistics-based startups as people increasingly lean on home deliveries.

Lockdowns accelerated demand for an already steadily growing ecommerce market, which drives demand for deliveries – both long-distance and last-mile. Meanwhile, the transportation sector is

one of the largest contributors to CO2. This coupling has led to a trend in sustainable transit and logistics, one that can be seen by observing the rise of electric transit, urban hubs, cargo bikes, and more. In the Baltics, we see Estonia dominating the hardware transit market with startups such as Comodule, Bikeep, Ampler Bikes, and Vok bikes, while Lithuania leads with new platform services, such as ZITICITY, GoRamp, Citybee, Spark, and Freidesk.

THE USUAL SUSPECTS

ZITICITY ⌚ ⌚ ⚙️ ⚙️ 👁️

● Lithuania

Same-day and even 1-hour delivery solutions for businesses

COMODULE ⌚ ⌚ ⌚ ⚙️ ⚙️ ⚙️

● Estonia

IoT solutions for shared mobility operators and bicycle manufacturers

RUBBEE ⌚ ⌚ ⌚ ⚙️

● Lithuania

Wireless, expandable modular battery making bikes electric

CITYBEE ⌚ ⌚ ⌚ ⚙️ ⚙️ ⚙️

● Lithuania

Carsharing for vans, passenger cars, and scooters



Latitude59 Publicity Photo

SIXFOLD● **Estonia**

Real-time logistics visibility platform

UPSTEAM● **Estonia**

Mobile car wash allows ordering a car wash within minutes to a preferred location

SUPERVAISOR● **Estonia**

Deep learning technology to improve safety in traffic

HIGH MOBILITY● **Estonia**

Insurance, charging, maintenance and fleet management service

BIKEEP● **Estonia**

Commercial bike racks and bicycle parking systems

AMPLER BIKES● **Estonia**

Light electric bikes producer

ON THE RADAR**SPARK**● **Lithuania**

Fully electric and self-driving car sharing solutions

GORAMP● **Lithuania**

Logistics platform to optimize supply chain workflow and communication between cargo senders and carriers

CARGURU● **Latvia**

Car sharing service in Latvia offering short term car rentals with insurance, fuel, and parking costs included in the fee

ATOM● **Latvia**

Tools to help entrepreneurs launch micro-mobility business into the market

SPEYS● **Estonia**

Logistics automation platform remodelling modern freight logistics

BARKING● **Estonia**

Mobile parking by cross-using already existing parking facilities

THE HIDDEN TREASURES**AKO TRIKE**● **Lithuania**

Developing unique three-wheeled electric vehicle – trike

TRAXLO● **Lithuania**

Data powered retail workforce forecasting, planning, and rewarding decisions

SPEIZ● **Lithuania**

Warehouse solution that enables suppliers to generate more revenue

ARTUSYSTEM● **Latvia**

Universal alternative fuel retrofit for diesel common-rail engines

ZELTINI● **Latvia**

Tiny electric camper that incorporates the functions of a home, a boat, and a trike

FORKNAV● **Latvia**

Automation solution for problematic forklift operations

PRECISION**NAVIGATIONS SYSTEMS**● **Estonia**

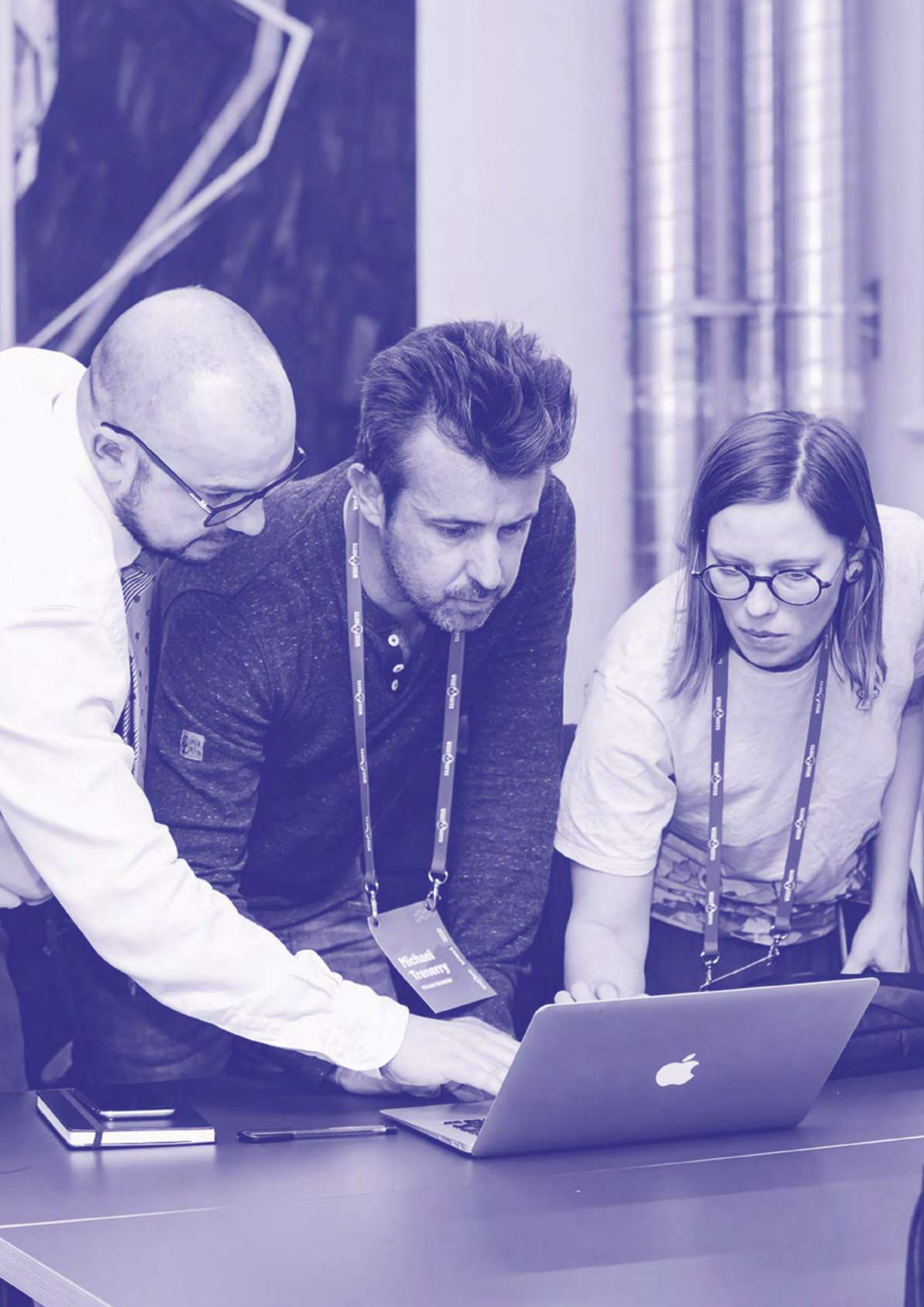
Software and hardware solutions for precise GPS positioning and navigation

NUTIPARKLA● **Estonia**

Car parking analytics and business intelligence platform

AUVE TECH● **Estonia**

Development and deployment of driverless vehicles and autonomous systems



DEEP DIVES

HYBRID WORK: IMPROVING WORK-LIFE BALANCE AND OPENING DOORS

Full or partial remote work has been a growing trend in the past decade. Baltic startups, like Mozello and HodlHodl, have already been working remote-first long before the Covid-19 pandemic paralyzed the world. But these were exceptions rather than the norm.

Covid-19 has accelerated this tendency and fast-forwarded us to a new reality - one where remote work is no longer just a lifestyle choice or a perk offered by flexible employers. Now, most startups are working at least partially remotely due to safety reasons and aiming to stop the coronavirus from spreading.

If previously remote work could also mean working from cafes, working while traveling or going on team workations, today's reality is less fun - most knowledge workers stay within the safe confines of their homes. What are the implications of this new reality for the startup mentality? We had to find out.

HYBRID WORK SETUP = BETTER WORK-LIFE BALANCE

To learn where and how startups operate in pandemic times (and how they feel about it), we set up a survey for the Baltic startup ecosystem, including startup founders, ecosystem partners, and investors.

We found out that 82% of all surveyed participants work remotely to some extent (56.2% have a hybrid work setup and 25.8% work entirely from home). Some, like the Fintech startup TWINO, have gone hybrid by organizing office day shifts among different teams to achieve a bigger cross-functional mix while having fewer people at the office. Others are using a registering system with a maximum number of employees allowed at the office. And some are simply forced to work remotely because they are not able to travel freely to meet with their international team.

Survey respondents rated their work-life balance in 2020 slightly above average (6.5 on a scale of 1 to 10). **Here we noticed an interesting trend - startup founders who have hybrid work setup rate their work-life balance higher than those who are working only from home.** To be precise, 41% of hybrid workers rate their work-life balance 8 and above compared to almost 25% of those who work only from home.

These results show that live human interaction is still essential for our overall well-being. Could we be as bold as to say that the ultimate answer to work-life harmony lies in the ability to balance flexibility of working from home while still being able to meet colleagues at the office?

CHALLENGES OF REMOTE AND HYBRID WORK

Most startups admit facing challenges in the remote work approach. The most common issues mentioned in the survey were lack of team spirit and social interaction, together with less effective communication within teams in general. Interestingly, very few startups indicated that they feel less productive working remotely.

We have grouped the most common challenges mentioned in the startup survey.

Survey insight

Most startups report missing social interaction with their team, but very few complain about lower productivity.

56% Hybrid: working from home and the office

25% Working only from home

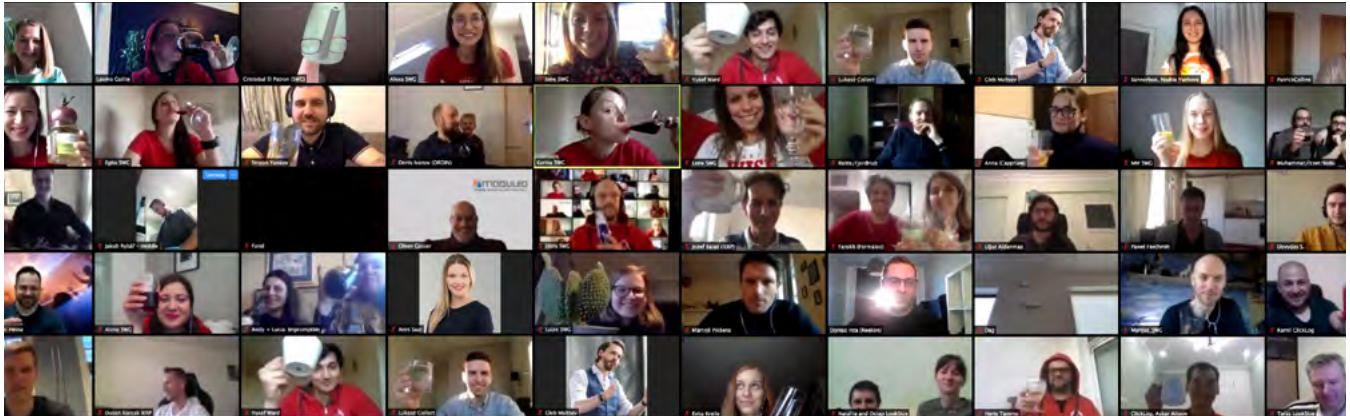
10% No change compared to 2019

6% Working only from the office

1% Other

Source: Baltic Startup Report Survey 2020

Startup Wise Guys SaaS Batch 18 Launch Party



1. Communication

” I miss communication and relationship building with co-workers, partners, and employees. You can't fully substitute the random spontaneous talk by the coffee machine.

The remote approach has made us accustomed to asynchronous communication (Slack, Google Docs comments). Still, startups report misinterpretations of written communication, slower decision making, and also feeling tired of “zooming”.

That said, there are some benefits to communicating via text, like employees being more ready to share early-stage ideas and plans than they would be in more formal live team meetings.

2. Maintaining company culture

” Losing culture. It feels like I'm not part of a team, but rather some kind of freelancer (which I am not).

Many startups report missing the informal part of communication, like jokes, reactions, and the overall feeling of team spirit.

Startup culture is a crucial part of being a startup. It's, therefore, not surprising that in these separation times people report loneliness and feeling disconnected. This social and professional isolation from colleagues and the company itself can be most severe in workplaces where some employees regularly work at the office while others don't.

3. Onboarding

” I have never met more than 50% of my team, or any new hires since March. Culture and productive onboarding has been hard.

Even with the best quality video calls, it's difficult to onboard new employees remotely. During training, it's harder to see if the new recruit understands you and feels motivated. The training process itself is much more challenging remotely, especially for technical positions where you have to demonstrate how software works on multiple screens or other specialized devices. Another challenge is evaluating the initial performance of employees and establishing long lasting work relationships.

4. Management

” Building product early-stage is considerably harder with a remote team. Same goes for ensuring the team's efficiency in general.

All the management tools in the world are not enough when a “freshly baked” founder wants to share his inspiration and lead his team remotely. How to know if your employees are sharing your enthusiasm and working as hard as you expect them to? Some employers resort to using productivity monitoring tools risking caging the free startup spirit. Others are hoping that this very spirit will keep the company going without team controlling tools, but the progress can be slow.

5. Separating work and private life

” Living space is under-dimensioned when I'm working from the kitchen table with my family around. Distractions and attention span are an issue.

Even if overall startups reported a positive work-life balance in a remote or partially remote work approach, several survey respondents mentioned difficulties in drawing a line between work and personal life. Others mentioned distractions like kids playing or simply being in the home environment as a demotivating factor.

HOW TO MAKE THE BEST OUT OF THE SITUATION?

For some more time, we are stuck with remote work whether we like it or not. Meanwhile, most startup founders are searching for ways to manage their teams effectively. The CEO of cloud manufacturing startup Fractory Martin Vares says:

” We've had to make many fixes to the way we operate, for example, set up routine calls among departments and introduce new internal processes to keep close track of individual progress.

Articles and even books are already written on how to manage and motivate remote teams. But at the end of the day, each startup founder has to find the right formula for leading and “feeling” their team virtually. An honest conversation with each employee (or a survey if the company has many employees) is a good start for measuring the team’s satisfaction and detecting potential issues.

For smaller teams, remote team building activities like a weekly happy hour or virtual board game sessions are enough to keep up the camaraderie. Others are going the extra mile and relying on technology to help facilitate virtual watercooler talks and “planned randomized interactions,” whereby someone in the company schedules groups of employees to chat online. Some companies even use VR platforms like VirBELA to create a place for distant team members to gather in avatar form.

Survey insight

When the shift to WFA happens, the Baltic States will be ready to embrace it and become an important hub for remote or hybrid work.

“WORK FROM ANYWHERE” - THE MODEL OF THE FUTURE?

As soon as the Covid-19 traveling restrictions become lighter, and with this new remote work experience on our hands, people might be increasingly interested in the “Work From Anywhere” (WFA) model.

Flexible work allows people to choose to move closer to family, to better climates, greener, calmer areas, or to places with a lower cost of living. Reducing the need to commute daily and physically attend business meetings will also be a huge favor to the environment.

For companies, the WFA model means reducing real estate costs and also being able to source employees from a wider pool of international talent. On the risky side, companies will have to work harder to protect corporate and customer data.

The digitally savvy and well-connected Baltics have a significantly lower cost of living than most European startup hubs and thus can be a lucrative spot for startup founders pursuing global business experience at a moderate cost.



Startup Wise Guys Publicity Photo

THE IMPACT OF COVID-19 ON STARTUPS

The coronavirus pandemic has impacted all industries and business models, and startups are no exception. But, compared to more traditional businesses, startups may have a more optimistic view on the current events and how the pandemic has affected their operations.

In light of how the pandemic has impacted startups, sources around the world report very diverse effects, from “risk of a mass extinction event for startups” (The Global Startup Ecosystem Report 2020) to having almost no negative impact (Quartz). A study by researchers at Harvard, Stanford, the University of Chicago, and the University of British Columbia has found that 52% of startups have not felt any negative effects of the Covid-19 crisis on their business. On the other hand, 38% of companies said they have been negatively affected, and 10% even very negatively. The study included 572 startups in the US and 381 elsewhere.

To see how Covid-19 impacted startups in the Baltics, we surveyed startup representatives, investors, and other startup ecosystem members, asking them how the pandemic affected them and what their view of the future is.

Similarly to the study mentioned above, our survey found that a slight majority of startups are positive or neutral about the effects of the pandemic. However, there are also quite a few startups reporting negative effects. Let’s look at the results in more detail.

STARTUPS ARE OPTIMISTIC

Our survey respondents have different views on whether Covid-19 has had an overall positive or negative impact on the startup scene. 36.5% of startup founders or employees believe the effects are positive, while 34.9% have been negatively impacted.

It’s not surprising since such conclusions largely depend on the industry of the startup. For example, not many startups from the hospitality or travel sectors could say they are doing well in these times.

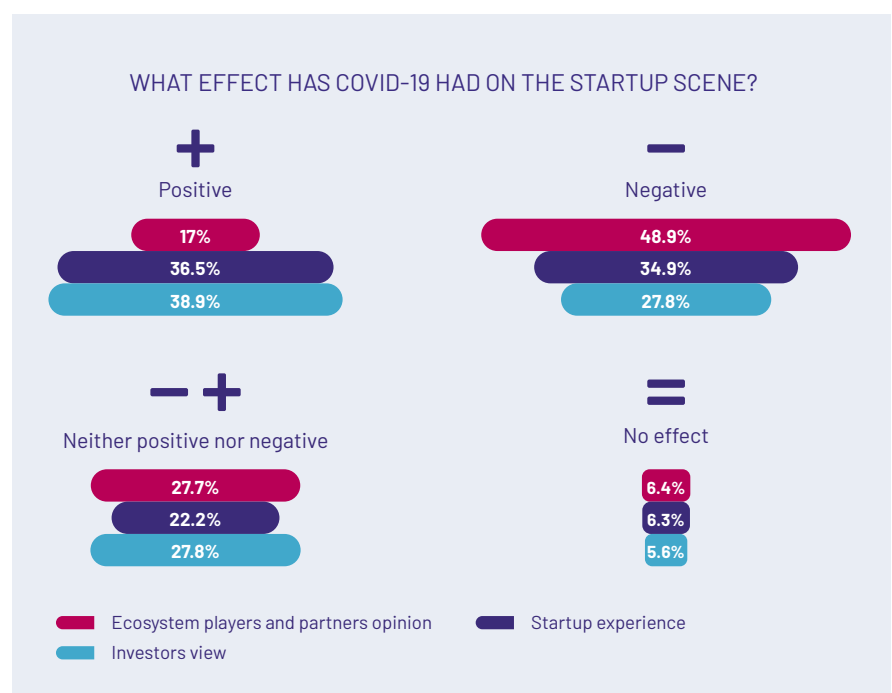
Similarly, investors see both sides of the coin, with a positive impact prevailing slightly over the negative.

For startups, Covid-19 might be just another bump in the road instead of a major roadblock or a dead-end.

Survey insight

Interestingly, members of the startup ecosystem who do not represent a particular startup have a less optimistic view of the situation. Namely, 48.9% of respondents believe that the pandemic has hurt startups, and only 17% said the impact has been positive.

We can conclude that “insiders” see things differently from those not directly involved in a startup’s daily operations. This optimism could be a part of the startup mindset – a dynamic business model that is used to changes, pivots, and failures.



Source: Baltic Startup Report Survey 2020

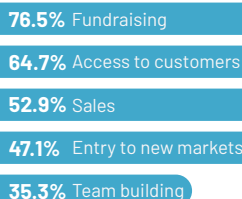
WHICH ARE THE MOST AFFECTED AREAS?

Our survey shows that sales and fundraising are the areas most harmed by the pandemic. However, different members of the startup ecosystem highlight different primarily affected areas. Startups themselves say that sales is the most affected area, followed by fundraising and access to customers. Meanwhile, the majority of investors surveyed (76.5%) believe that fundraising is the most affected area, and access to customers and sales come after.

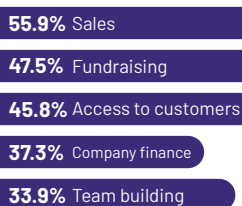
On the other hand, competition and product development seem to be the domains least harmed by the pandemic.

TOP 5 MOST AFFECTED STARTUP BUSINESS AREAS ACCORDING TO THE AUDIENCE

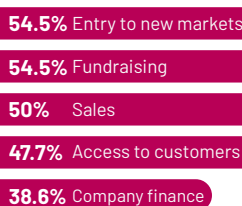
Investors view



Startup experience



Ecosystem players and partners opinion



Source: Baltic Startup Report Survey 2020

Survey insight

According to startups, sales and fundraising are the areas most affected by Covid-19.

” Startups have had to find a way to adapt their sales processes. Remote selling has always been important but showing empathy and understanding how Covid has impacted their customers has had to develop quickly. Traditional sales channels such as cold calling have had to adapt and an increase in LinkedIn and Email marketing has taken over. Where there is a problem there is always a solution and sales teams will need to be creative to continue to get companies to commit to their product in times of uncertainty ahead.



Patrick Collins,
Head of Growth at
Startup Wise Guys

KEEP CALM AND CONTINUE INVESTING

2020 has also brought changes in the way people invest in startups. However, the extent of this change should not be exaggerated. In fact, most startups (74.6%) believe that the investment scene has changed, but not a lot (marked changes 5 to 8 on a scale of 1 to 10). Startups report that from their experience investors are mostly focusing on follow-on investments followed by expanding their focus to other verticals.

Investor opinion is more varied, with 33.4% saying they haven't noticed any change (0 to 3), and 66.7% admitting to seeing changes (6-8). The majority of Venture Capital representatives believe that the investment scene has changed (7 to 8 rankings) and that this impact has been mainly positive.

Meanwhile, most business angels have a neutral look at recent events reporting no change or little change. They also responded that the impact on how they invest has been neither positive nor negative. We also found out that the Baltic business angel networks estimate having a similar investment activity in 2020 compared to the same period (Q1-Q3) last year or even moderate growth.

Nobody knows what the future will look like, but one thing is sure - investors will be on the lookout for startups that present clear solutions to modern challenges in the Covid-19 era. Sectors such as Fintech, e-commerce, Biotech, and cybersecurity software have all been cast into the spotlight.



sTARTUp Day Publicity Photo

STARTUP ECOSYSTEM IS UNDER PRESSURE

When asked exactly how their business was affected, 50% of startup ecosystem members (associations, accelerators, consultants, media, and others) said they have transitioned their operations fully online and 47.7% admitted to having done budget cuts. A remarkable 45.5% said they have launched new Covid-19-related business initiatives and 43.2% said they have generally pivoted their business model.

HOW HAVE THE BUSINESSES OF STARTUP ECOSYSTEM MEMBERS BEEN AFFECTED?



Source: Baltic Startup Report Survey 2020

Overall, 40.4% of ecosystem members feel that the pandemic has left a negative impact on their business. 31.9% are neutral in this regard, and only 23.5% see positive effects. It seems that the startups themselves are weathering the storm better than organizations and businesses that work with startups or are linked to them in another way.

Survey insight

An impressive 45.5% of startup ecosystem representatives have launched new business initiatives related to Covid-19.

Covid-19 has made investors refocus their investments into their existing portfolios (making follow-on investments).

Survey insight

STARTUPS ADJUST TO UNSETTLING TIMES

The startup world has certainly not been immune to the global impact of the new coronavirus pandemic. But despite the massive scale of the disruption, many startups have learned to adapt and even discovered new and inventive ways to work. Also, the transfer of operations online hasn't been an issue for most digitally-savvy Baltic startups.

It would be nice to have a crystal ball that could give us a glimpse into the future and how long Covid-19 will keep impacting the global economy. Generally, startups have a bright view of the future, with 77.7% responding that they have a positive or even an excited outlook on startup profitability for the next three years. As for the rest, they will need to stay resilient and continue developing their product and searching for funding within these unpredictable circumstances.



TechChill Publicity Photo

OUTLOOK AHEAD

The Baltic startup scene's outlook ahead is, in one word, positive. Baltic startups are agile, resilient, and ready to embrace the global volatility by evolving, adapting, and pivoting to continue to do what they do best - innovate and provide solutions to real and present needs. While it may be difficult to predict what the upcoming years have in store for the Baltic scene, and the world in general, it is clear that startups and investors are ready to meet challenges head-on and expect to come out on top, pandemic or not.

INVESTORS

83.3%

have already invested in Baltic startups

2 in 3

look to invest in Baltic or other startups

1 in 3

looks to invest specifically in Baltic startups

STARTUPS

46%

generate revenue, have traction, and/or employ people

33.3%

have a prototype, established a team, and/or have established a running business

4.8%

are establishing new offices, raising a series of rounds

Note: the survey results are a snapshot view into the Baltic startup scene. Though they aren't an absolute reflection of the startup community, they can point toward meaningful tendencies.

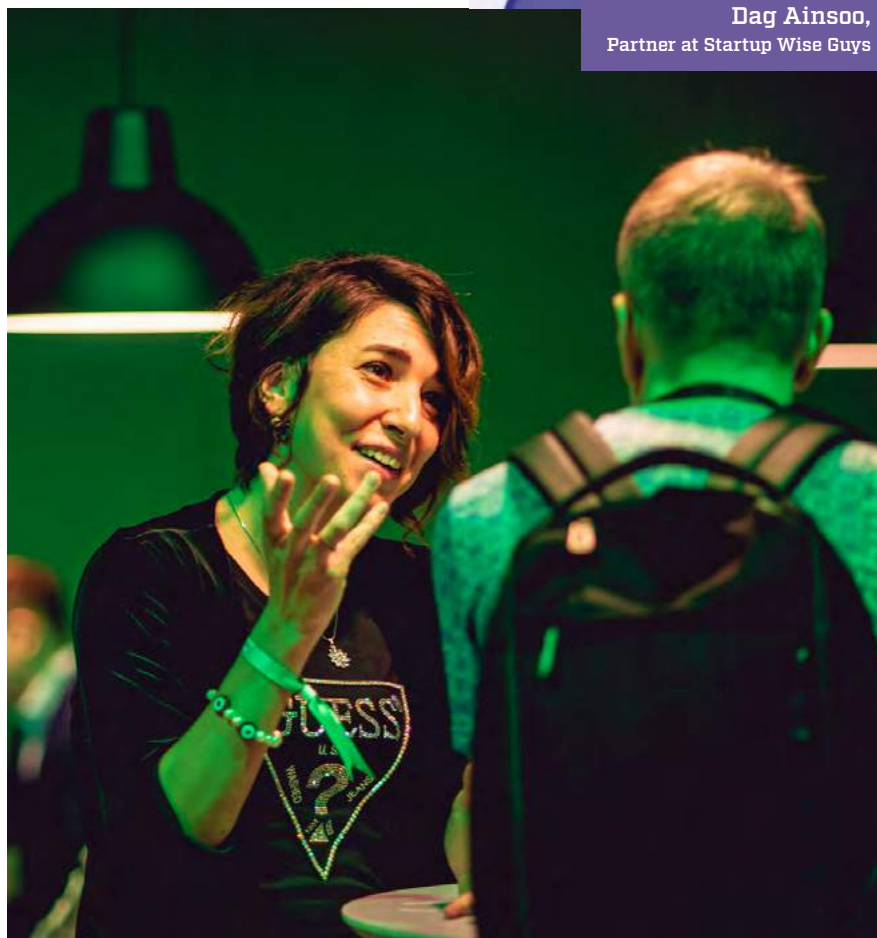
Optimism about the future is prevalent among startups, as well as investors. Looking at the 3 years ahead, 58.7% of startups have a positive outlook on profitability. More than that, a further 19% of startups report excitement about future prospects. 4.8% have expressed concern and only 1.6% have a negative outlook, showing startups as financially unruffled by the pandemic and ready to capitalize on the opportunities ahead.

Investors are similarly optimistic - none of those surveyed have a negative outlook and only 1 in 10 are concerned. The majority of investors (33.3% - positive, 22.2% - excited) expect the Baltic startup scene to thrive. That said, caution is more prevalent among investors than startups, with 33.3% and 15.9% respectively reporting a neutral outlook on future profitability.

When Covid-19 hit, many investors were hoping to see lower valuations, but that has not happened. It seems that startups have become more cautious on cash flow and aim for profitability, whereas in the past it was not so much in vogue. Correspondingly, they still seem to have similar expectations on their valuations as they had pre-Covid, and being cashflow positive for many would give a different negotiation power in the fundraising process. Having too many investors with lots of "dry powder" and looking for deals in the market is actually supporting the growth in valuations.



Dag Ainsoo,
Partner at Startup Wise Guys



Survey insight

3 out of 4 surveyed Baltic startups have a positive outlook on startup profitability in the next 3 years.

It's the other startup ecosystem players that are the most cautious and even so their sentiment is largely positive, albeit more tempered – while the majority (42.6%) have a positive outlook, only 4.3% have expressed excitement. 1 in 3 remain neutral, whereas 17% are concerned and 6.4% have a negative outlook.

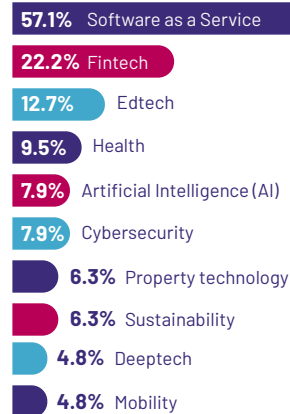
THE VERTICALS OF TODAY AND TOMORROW

SaaS and Fintech are the most popular verticals among startups and investors who have participated in the survey. Third place is where two diverge with Edtech for startups (5th for investors) and AI for investors (5th for startups). There's also a notable disparity in the mobility vertical between investors and startups, ranking 4th and 7th respectively.



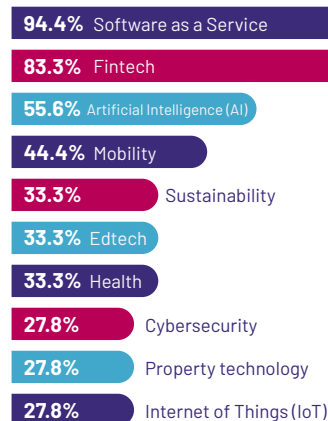
Our research on Covid-19's impact showed that Fintech, AI, and cybersecurity startups were the most likely to report a positive impact from the pandemic, correlating closely with investor focus and the growing importance of these verticals in a world that's more digitally-inclined than it was a year ago.

STARTUPS*: WHAT IS THE FOCUS OF THE STARTUP?



*Representation of startups that have participated in the Startup Scene survey

INVESTORS: IN WHICH VERTICALS DO YOU INVEST?



Source: Baltic Startup Report Survey 2020

Survey insight

All surveyed investors are considering investing in Baltic startups in the coming years.

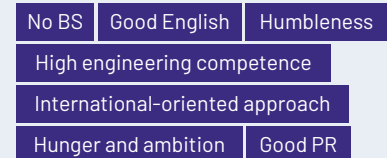
DOUBLING DOWN ON WHAT WORKS

Speaking of investor focus, 1 in 3 investors are looking to invest specifically in Baltic startups and the other two-thirds are considering both Baltic and other startups in the coming years, with 83.3% of those surveyed already having invested in the region.

This is positive news for the scene because, as covered earlier in the report, 88.9% of Baltic startups plan to raise money in the next 3 years, with the go-to choices being Venture Capital (78.8%), Business Angels (40.4%), and corporate partnerships (26.9%).

We asked investors why they choose to invest in the Baltics. This is what they said:

WHAT INVESTORS LOOK FOR IN STARTUPS:



WHY INVESTORS APPRECIATE THE REGION:



Source: Baltic Startup Report Survey 2020

All startups, regardless of age, are equally eyeing Venture Capital investments. However, startups of under 1 year are particularly keen on corporate partnerships, possibly seeing such partnerships as a more solid foundation for business longevity, than, for example, a one-off funding round, sizable as it may be. Startup accelerators remain popular among 1-to-3-year-old companies which is unlikely to raise any eyebrows.



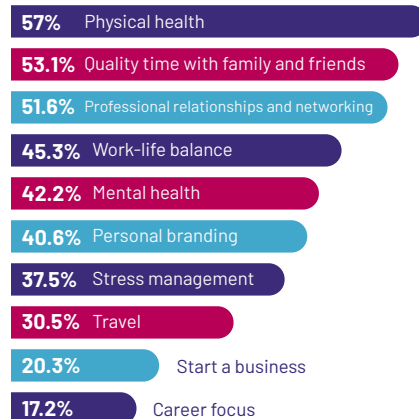
Startup Wise Guys Publicity Photo

HEALTHIER, HAPPIER, AND BETTER-CONNECTED

On a more personal note, we asked all our Baltic startup ecosystem survey participants (startups, investors, and ecosystem partners) which 4 areas of their life they're looking to improve over the next 3 years. Being in the eye of the pandemic, surrounded by uncertainty, and having to adapt to new working conditions, we expected Physical health, Stress management, and Mental health to take the top spots, however, the results paint a different picture.

Yes, unsurprisingly, Physical health is the top priority for all participants, however, Quality time with family and friends and Professional relationships and networking come in as the second and third areas of focus respectively.

IF YOU COULD IMPROVE 4 AREAS OF YOUR LIFE IN THE NEXT 3 YEARS, WHICH WOULD THEY BE?



Source: Baltic Startup Report Survey 2020

The relatively low scores for Stress management and Career focus reinforce the prevalent sentiment that the Baltic startup scene isn't acutely worried about the pandemic's impact on the professional facet of their lives. People are primarily concerned with adapting to the new reality in a sustainable way and, more than that, prioritizing their personal well-being going into the future.

Almost all startups (96.8%) identified work-life balance as a focus area, compared to 63.6% of investors, showing that the new remote working models are taking some getting used to. That said, everyone's cognizant of the challenges and opportunities presented by these models and, as the survey results suggest, ready to do what it takes to make them work.

FINAL REMARKS

In these turbulent times, it's difficult to plan for the future. Yet, the Baltic scene remains unphased, seeing an unprecedented opportunity in solving the novel challenges of today and tomorrow.

Relying on its unique resilience, its track-record of success, its focus on the most important verticals of the coming decade, and its human capital, the Baltic startup scene has borne unicorns, solved some of the world's most pressing challenges, and turned top investors into return customers.

METHODOLOGY

This report is created as a collection, comparison, and analysis of publicly available information, combined with data and insights from 75+ stakeholders and contributors from the Baltic startup ecosystem (startup organisations, VC funds, Business angel associations and individual investors, accelerators, startups, support organisations, governmental entities and opinion leaders), as well as from the insight provided by responses to the survey.

The new addition to this year's methodology – the Startup Scene Survey – provided data-driven insights to the topics relevant to startup founders and employees, investors (ranging from angel investors to VC funds), and ecosystem participants such as hubs, coworking spaces, media, corporate partners, etc. The anonymous survey over the span of 2 weeks has received 128 responses covering 29 nationalities. Survey insights have been used as an inspiration to dive deeper and perform further analysis on selected topics and identified trends. Survey insights do not represent the Baltic population as a whole and are not a quantitative representation of the demographic.

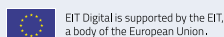
A major contribution to the report has been partnerships – all partners have provided additional insight, data, and expertise, to shed light on relevant topics and to provide a first-hand, credible perspective not only to validate research, but to ensure a more informed analysis.

Data about Baltic countries has been benchmarked against other regions, cities, and countries to provide a unique angle in startup ecosystem analysis. Both quantitative and qualitative methods have been used in the research process. In some cases, data has been interpreted and analysis offered through the lense of the joint EIT Digital and Startup Wise Guys perspective. A variety of data sources has been used to provide the most accurate and credible overview. That includes data from Dealroom, Crunchbase, Change Ventures, as well as the Baltic countries' respective startup associations.

As the data used mostly relies on publicly available information, a possibility exists that the data does not reflect a comprehensive and definitive status of the topic at hand. With these limitations in mind, analysis has been made to the best of report authors' ability and taking the most trustworthy raw data available. Though the data may contain gaps in information, it does not diminish the report's ability to point to tendencies.

CREDITS

This report is a result of the joint efforts between EIT Digital and Startup Wise Guys. These efforts have been supplemented by ecosystem and content partners, who have been essential in the report's research and creation. It could also not have been completed without the help of various organizations and individuals who have participated by providing their insight, knowledge, and perspectives that shaped this report.



DATA SOURCES

Crowdsourced data (Estonia, Latvia, Lithuania)
Baltic Startup Scene Report 2017/2018
Baltic Startup Scene Report 2018/2019
Baltic Startup Scene Survey 2020
Baltic Startup Funding Report by Change Ventures
Crunchbase
Study of the Latvian start-up ecosystem by Ministry of Economics of Latvia
The Baltic Review European Startup Heatmap
European Innovation Scoreboard
Google Public Data
Dealroom
Startup Estonia
Startup Lithuania
Investment and Development Agency of Latvia (LIAA)
Latvian Startup association Startin.lv
EstBAN
LatBAN
LitBAN
Startup Visa Lithuania
Ministry of Foreign Affairs of Estonia
Startup Denmark
Ny i Denmark
Italia Startup Visa
Ukrainian Venture Capital and Private Equity Association (UVCA)
Gov.uk
LaFrench Tech
European Commission
Flightsfrom.com
languageknowledge.eu
Numbeo.com
Worldometers.info

OTHER INFORMATION SOURCES:

70Ventures
Baltic Sandbox
Black Pearls VC
Buildit Latvia
Change Ventures
Commercialization Reactor
Icebreaker VC
Inventure
Kaunas Startups
Overkill Ventures
Revo Capital
Speedinvest
Superangel
Superhero Capital

CONTRIBUTORS

- Adel Salah, Portal365
- Alexandra Balkova, Startup Wise Guys
- Andrea Knopova, ImpromptMe
- Andris Berzins, Change Ventures
- Anna Andersone, Riga Tech Girls
- Claes Mikko Nilsen, NordicNinja VC
- Dag Ainsoo, Startup Wise Guys
- Egle Plentiene, CreditOnline
- Emils Darzins, Investment and Development Agency of Latvia (LIAA)
- Emre Tinaztepe, Binalyze
- Gene Teare, Crunchbase
- Georgij Zelenkov, Multiorders
- Ibrahim Bashir, Dillali Tech
- Ingmar Roos, Lux Express
- Janis Putnins, Flipful
- Jesper Hojberg Christensen, DanBAN, bootstrapping.dk
- Kai Isand, The Global Hack
- Kalev Kaarna, Superangel
- Kalev Karpuk, Adact
- Konstantin Siniushin, Fixar-Aero
- Kristaps Banga, Accenture Latvia
- Kristel Reim, University of Tartu
- Liva Perkone, Latvian Startup Association Startin.lv, Techchill, Helve
- Maarja Pehk, Latitude59
- Maksims Jegorovs, Accenture Latvia
- Martin Gauss, airBaltic
- Martin Vares, Fractory
- Martin Villig, Bolt
- Mikus Opelts, Giraffe360
- Moonika Mallo, Startup Estonia
- Olga Maksimova, VatCompliance
- Oliver Gasser, Moduulo
- Patrick Collins, Startup Wise Guys
- Sam Beattie, Catchbox
- Sigvards Krongorns, CastPrint
- Tadas Stankevicius, Kaunas IN
- Tassilo Ott, Talque
- Tiina-Maria Araja, UK Trade & Investment
- Vaida Karaliunaite, NanoAvionics
- Vattan PS, Founderly

OTHER NOTABLE CONTRIBUTORS

- Agne Randyte, Startup Lithuania
- Aiga Kalbjonoka, LatBAN
- Alona Belinska, Startup Wise Guys
- Anu Oks, EstBAN
- Arta Abasina, OverKill
- Davids Stebelis, ALINA
- Diana Lace-Davidova, Latvian Startup Association Startin.lv
- Egita Polanska, Startup Wise Guys
- Ellen Ehrsam, Crunchbase
- Erin Kelly, Crunchbase
- Ernests Stals, TechHub Riga, Techchill
- Farid Singh, Startup Wise Guys
- Herty Tammo, Startup Wise Guys
- Jone Vaituleviciute, Startup Wise Guys
- Jurate Dagiene, UK Trade & Investment
- Justinas Pasys, LitBAN
- Jekaterina Molotkova, EstBAN
- Katrina Zelle, Investment and Development Agency of Latvia (LIAA)
- Klaudija Budreikaite, 70Ventures
- Laimonas Noreika, Ziticity
- Liisi Org, Startup Estonia
- Luize Sila, Startup Wise Guys
- Maris Dagis, Selffy
- Martins Lasmanis, Imprimatur Capital
- Matiss Brunavs, Squad Robotics
- Matiss Neimanis, Buildit Latvia
- Nina Labkovich, Belarus Business Angels Network
- Roberta Rudokiene, Startup Lithuania
- Rudolfs Neimanis, Buildit Latvia
- Sander Sillavee, Startup Estonia
- Sander Soorumaa, Lux Express
- Sandra Golbreich, Baltic Sandbox
- Sara Usinger, Swisscontact
- Sigita Zuloniene, Startup Lithuania
- Tim Li, Crunchbase
- Toby Moore, Imprimatur Capital
- Voldemars Bredikis, Commercialization reactor
- Yrjo Ojasaar, Change Ventures
- Zane Kalnina, Accenture Latvia

