

A Guide to Cross-border Investing in Early-Stage Startups in Estonia



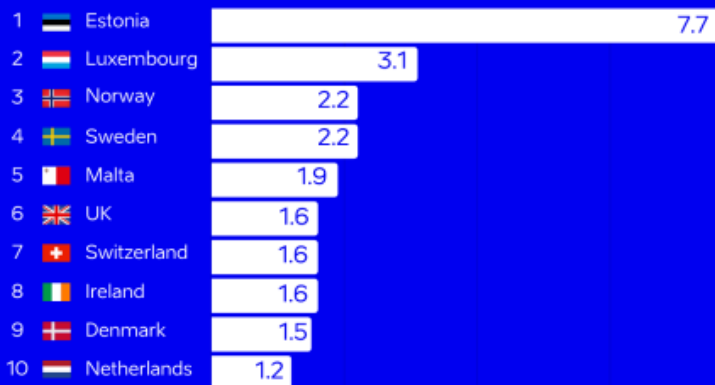
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1. Estonia – the Land of Unicorns

Estonia is a small country with a big heart for startups. On a global scale, the chance for a startup to become a unicorn is very low, estimated at 0.00006%. In Estonia, home to for 10 unicorns and 1,500+ startups, this chance is 13,000 times higher. This makes Estonia a standout in Europe for having a lot of successful startups compared to its size.

Estonia leads Europe in unicorns per capita



Sources: Dealroom.co & Invest Estonia

Estonia's startups are attracting a lot of investment thanks to their innovative technology and government support. Programs like the Startup and Scaleup Visa make it easier to bring in foreign founders and bring in the valuable IT talent that might be lacking. Estonia is also open for international investors with the help of Invest Estonia - which makes it easier for investors from around the world to get involved. These investors are mostly drawn to fields such as financial technology, cybersecurity, and health technology because of their potential for growth and innovation.*

What makes Estonia special is its close-knit startup community. The country's small size means everyone in the startup world can easily meet, share ideas, and help each other out. If there's one word that captures the essence of Estonia's startup ecosystem, it would be "speed." With a culture steeped in curiosity and efficiency, Estonia offers a friction-free path to launching a startup primed to tackle the world's greatest, most complex problems. It is a place where being open, genuine, and working together is valued. This environment helps startups think big from the start, aiming to reach global markets.

*source: <https://estonianworld.com/business/estonian-startups-secure-nearly-e150-million-in-funding-over-three-quarters/#:~:text=238;Estonian%20startups%20raised%20€147.3%20million%20in%20the%20first%20three,one%20million%20euros%20were%20made>.

Estonia is also very welcoming to entrepreneurs from around the world. Programs like the Startup Visa make it easy for international founders to set up shop in Estonia. Plus, with most government services online, running a business has been made super smooth. The country's digital-first approach, including things like e-Residency, allows entrepreneurs to manage their businesses from anywhere.

The culture in Estonia's startup ecosystem is dynamic and supportive. There's a shared goal to use technology to solve big problems and make a positive impact globally. This attracts a diverse group of people, including many international founders and an increasing number of women-led startups, adding to the ecosystem's richness.

Throughout the year, Estonia hosts lots of events for startups, investors, and tech enthusiasts. These gatherings highlight the energy and innovation of Estonia's startup scene and its role as a global hub for entrepreneurs.

In short, Estonia offers a supportive and efficient environment for startups, marked by a strong sense of community and a digital-first government. Its success in helping innovative companies and attracting global talent makes it an exciting place for anyone looking to start a business and make a big impact.

2. Startup Ecosystem in Estonia

Although small in size, Estonia has emerged as a powerful player in the startup and VC scene, not only in the CEE region but also throughout Europe. Many of us have likely used products or services that originated in Estonia and can recognize the names of prominent startup giants such as Skype, Bolt, or (Transfer)Wise. Estonia's startup ecosystem is defined by more than just entrepreneurial energy; it encompasses a comprehensive network. The country is home to over 110 partner organizations and more than 140 business angels and mentors. Additionally, numerous incubators and accelerators nurture this vibrant scene, which also enjoys substantial venture capital investment.*

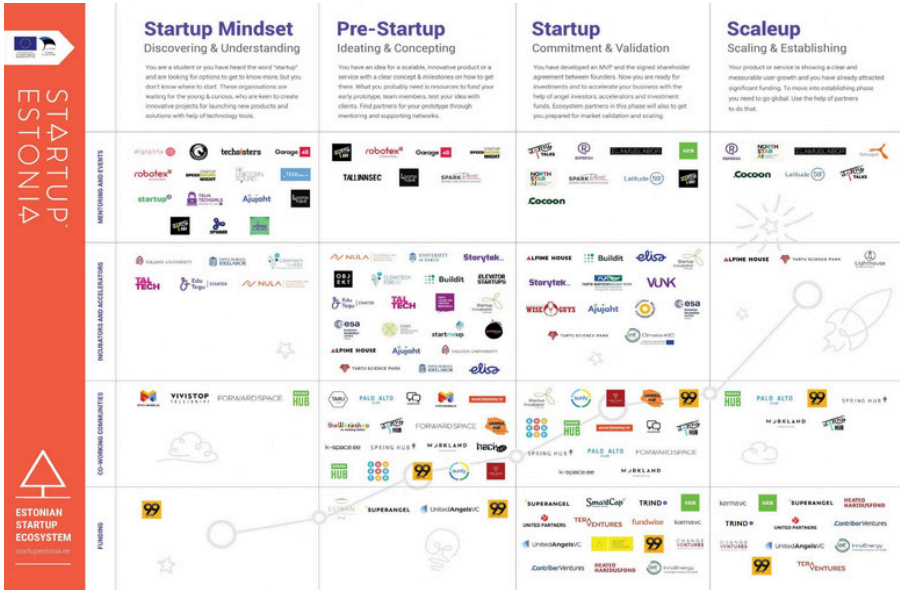


Image source: <https://ega.ee/wp-content/uploads/2019/11/Brazilian-delegation-Estonian-startup-ecosystem-10th-Nov-presentation.pdf>

List of VC funds

The investment scene in Estonia is diverse, with a mix of local and international venture capital firms. According to 2021 data from Invest in Estonia, about 94% of all venture capital funding in Estonia is sourced from foreign investors, highlighting their active participation in the market.*

*source: <https://www.vestbee.com/blog/articles/estonian-startup-and-vc-ecosystem-report>

List of the active funds

[Superangel](#) focuses on early-stage investments in the Baltics and Nordics, with a portfolio that includes 100+ startups and four unicorns. Their second fund aims to invest €50M in transformative technology creators, introducing tokens to reward contributors to startup success.

[Tera Ventures](#) invests in digital startups at an early stage, with a €45 million fund. They prioritize a founder-friendly approach, providing extensive support beyond financing to foster industry-leading companies.

[Trind VC](#) specializes in seed-stage ventures with a consumer or community element. They invest across Northern and Central Europe in motivated teams developing software solutions for end-users.

[Change Ventures](#) offers pre-seed capital and hands-on support to startups, focusing on the Baltic region and its diaspora. They target early-stage tech investments in ambitious teams, especially in the B2B sector.

[Specialist VC](#) provides investments from pre-seed to Series A, targeting sectors like B2B, SaaS, and deep tech.

[Karma VC](#) focuses on late seed and Series A investments in ICT startups across Europe and the Baltics, particularly in the deep tech sector.

[Metaplanet](#) backs mission-driven founders working on disruptive deep technologies in sectors like AI and biotech.

[Startup Wise Guys](#) is an active accelerator and VC, targeting technical B2B founders in underserved markets through their acceleration program and follow-on investments.

[Thorgate Ventures](#) invests in scalable B2B solutions, offering funding and mentorship to early-stage companies.

[The Better Fund](#) focuses on promoting ESG principles and supporting female founders and gender-balanced teams in the BaltiNordics and CEE region.

[Plural](#), a partnership between Taavet Hinrikus and Sten Tamkivi, has significantly influenced the Estonian tech scene, contributing to various startups and VC funds.

[Siena Secondary Fund](#) provides liquidity for early investors, founders and employees of high growth startups from the CEE & Nordics. We target companies which are usually post series A, have solid business model and are still in high growth phase (YoY growth +30% or more).

[Iron Wolf Capital](#) is an early-stage VC fund from the Baltics investing in teams with a global mindset creating disruptive technologies.

[Inventure](#) is a generalist investor focused primarily on the Nordics and Baltics. Since 2005 we've backed over 90 companies across deep tech, consumer, healthtech, AI, B2B SaaS.

[Practica Capital](#) is a dedicated Baltic VC focusing on investments in the Baltic and Baltic-origin ventures in Europe.

[Lemonade Stand](#) is a VC fund that focuses on early stage B2B investments in Baltic and East European founders no matter the HQ location.

Ecosystem supporting organizations

[Estonian Business Angels Network](#) (support organization) unites investors looking for opportunities in Estonia and nearby, aiming to improve the quality and quantity of seed-stage investments.

[Startup Estonia](#) aims to create a favorable environment for startups in Estonia, supporting them with resources, community connections, and a supportive regulatory framework.

[Estonian Private Equity and Venture Capital Association](#) (support organization) focuses on enhancing the PE and VC sectors' growth in Estonia, by helping with professional development and international cooperation.

[Estonian Investment Agency](#) (governmental organization)- EIA offers comprehensive, one-stop investment consultancy services, free of charge, which are always tailored to meet potential and existing investors' precise needs.

[Cocoon](#) (accelerator) offers a year-long self-discovery and company growth program, guiding startup founders to link their personal development with business challenges.

[Estonian Founders Society](#) (support organization) strengthens the local startup community, facilitating connections between entrepreneurs and advocating for a conducive business environment.

[Science Park Tehnopol](#) (incubator) supports technology startups with resources, product development assistance, incubation programs, and a global network.

[Latitude59](#) (flagship event) is Estonia's premier tech event, uniting the tech ecosystem in the Baltics, Nordics, and Northeastern Europe for learning and networking.

[sTARTUP Day](#) (flagship event) -startup tech event that is bringing together 3500+ startup-minded people to celebrate entrepreneurship in the smart city of Tartu.

[Accelerate Estonia](#) (governmental organization)- Launched by the Ministry of Economic Affairs and Communications and Science Park Tehnopol, AccelerateEstonia fosters collaborative efforts between the private and public sectors to enhance the business and regulatory environment, enabling the more efficient creation of new business models, products, and services.

[Tartu Science Park](#) (support organization), the innovation hub of South Estonia, is dedicated to nurturing start-up companies and propelling them into a global success. With a 25-year track record, they actively support business innovation by fostering strong networks with universities, public, and private sectors, locally and globally.

Accelerators and Incubators

[Startup Wise Guys](#) - Founded in 2012, Startup Wise Guys has helped over 800 founders elevate their startups. The accelerator manages programs in SaaS, Fintech, Cyber, Sustainability, Extended Reality, PropTech, and Web3. Startups can receive up to 100K EUR convertible investment and benefit from a hybrid program with 2 onsite modules.

[Buildit](#) is an accelerator that is based in Latvia but is very active also in Estonia. It focuses mainly on groundbreaking hardware ideas that are going to shape the future, from the fields of IoT, mobility, smart living, health tech, or energy.

[Ajujaht](#) is the leading non-equity startup accelerator & TV show that admits 20 teams from various sectors every year to help them develop their ideas with boot camps, training, experience stories, personal mentoring, and social events that allow participants to get to know the startup ecosystem a little better.

[Prototron](#) - The main goal of Prototron is to turn untraditional and innovative ideas into phenomenal prototypes and then grow them into successful businesses. The program itself is very inclusive as it allows both individuals with ideas as well as businesses with established projects to apply.

[Tehnopool Startup Incubator](#) - The Tehnnopol incubation program provides six months of support to early-stage technology startups in Estonia, from the idea level to MVP. The program is free of charge for selected startups, but it requires 2% equity from each team to foster strong relationships between mentors and founders.

[Beamline Accelerator](#) is one of the only accelerators in the region with a laser focus on cleantech. Their 3-month industry-specific mentorship-driven growth program provides startups with an in-depth business foundation, a worldwide cleantech network & 25K€ cash. reality by connecting startups with further potential investors.

Coworking spaces

[Spring Hub](#) offers a flexible workspace and community for like-minded entrepreneurs, providing meeting rooms, a café, a lounge, and separate silent and teamwork areas.

[Lift99](#) founded by active ecosystem member and co-founder of Pipedrive Ragnar Sass is aimed at startup founders, freelancers, nomads, and entrepreneurs.

[Palo Alto Club](#) offers more than just a coworking space; it caters to startups and freelancers by providing private rooms, hot desks, and meeting rooms. Interestingly, Palo Alto Club was founded by several startups that received support from the esteemed Estonian VC firm, Superangel.

[Workland](#) centers can be found all across the Baltics. Located in the old town or business districts in Tallinn, Riga, Vilnius, and Kaunas, each center has its own atmosphere and style. There are five Workland offices in Tallinn: Hobujaama, Vabaduse, Maakri 19, Maakri 25, and Fahle.

[Kompanii HUB](#), located in Tartu, forms a close community of over 100 people with office spaces for IT and technology startups, established companies, and entrepreneurship supporting structures.

[Forwardspace](#) is a coworking center in Pärnu Keskus, which provides entrepreneurial people a place to work in a modern office.

3. Finding deal flow and creating connections with local investors

Navigating Estonia's startup ecosystem to find deal flow and creating connections involves engaging with a variety of organizations and events tailored to different stages of a startup's lifecycle. The ecosystem is rich with over 100 organizations, including both public and private entities, helping to create a culture of collaboration and deal-sharing among community members.

Investors seeking early-stage opportunities can dive into the scene of local events and flagship conferences, which are great platforms for discovering new startups and connecting with local investors.

Additionally, there is a growing number of early-stage support organizations, which offer opportunities to invest in their teams.

The following list highlights organizations that offer an opportunity to source new deal flow and make connections:

[EstBAN](#) - Estonian Business Angels Network (EstBAN) serves as an umbrella organization, uniting business angels and groups seeking investment opportunities in Estonia and its neighboring regions. With over 10 years of experience in growing the local startup ecosystem, EstBAN's mission is to expand the quantity and quality of seed-stage investments. Its members consist of angel investors, entrepreneurs, and business leaders. Supported by an extensive network of partners, including local and international business angel organizations, venture capitalists, startup ecosystem key players, and advisory services providers, EstBAN focuses on supporting seed and early-stage startups in sectors like Fintech, Business Software & HR, HealthTech, CleanTech, DeepTech, or SpaceTech.

They provide investment capital ranging from 20k€ to 500k€ and seek passionate teams with disruptive new ideas, excellent growth potential, and a clearly articulated exit strategy. Being a member of EstBAN allowing participating in monthly pitch events, community gatherings and study trips.

“The setup of EstBAN is very good. Every month, they record the pitching sessions and given that I'm abroad, It's easy for me to view these and get access to the deal flow”

-Hugues Flament, angel investor and member of EstBAN

[Lift99](#) - community is offering various contacts for both investors and founders. Community itself is also organizing events where often early-stage teams are fundraising.

[FFF.vc](#) - fff.vc provides a community and software platform to learn about wealth management. Membership provides also an opportunity to visit networking events that are made privately for members

[Startup Wise Guys](#) offers an opportunity to become an LP to invest together to early-stage team that have passed their incubation program. SWG are holding also many demo days and networking events for community.

[HealthFounders Accelerator](#) - Accelerators with a focus on Medtech. Offers to invest into the teams in the batch and organizes demo day events with the opportunity to meet with other ecosystem players.

[Tenity](#) - one of the newest ecosystem players in Estonia. Owned majorly by the Swiss Stock Exchange, Tenity is organizing acceleration programs for early-stage startups in FinTech and InsurTech. Tenity keeps an active relationship with investor communities by organizing community events and demo days where they are presenting their batches.

[Beamline Accelerator](#) - one of the only accelerators in the region with a laser focus on cleantech. Their 3-month industry-specific mentorship-driven growth program provides startups with an in-depth business foundation, a worldwide cleantech network & 25K€ cash.

[Latitude59](#) is one of the flagship events in Estonia, offering a large variety of speakers and stage programs. The conference brings together more than 3000 participants with the opportunity to have matchmaking with various investors and startups.

“There was a panel, and in one hour, there were four unicorns on stage. And then you go for a coffee and suddenly you speak with the CEO of the unicorn. Wow.”
-Hugues Flament, EstBAN angel investor

STARTUp Day is a three-day business festival with a marvelous stage program, effective matchmaking, hands-on seminars, a demo area full of innovation, and vibrant side events. The inspirational-educational program consists of various topics. Event brings together more than 3500 participants and offers opportunities to have speed dating for startups and investors.

Prototron - The main goal of Prototron is to turn untraditional and innovative ideas into phenomenal prototypes and then grow them into successful businesses. The program is organizing demo day events to present startups that have passed the batch.

Tehnopol Startup Incubator - The Tehnopol incubation program provides six months of support to early-stage technology startups in Estonia, from the idea level to MVP. Program is organizing different community gatherings and demo day events together with other Estonia's ecosystem players.

4. Cultural aspect & differences

In general, Estonians are reserved people. Expect Estonians to have the typical Northern European-sized interpersonal space bubble - about an arm's length between people in business situations, whether standing or seated. Estonian jokes are for the most part ironical and disguised. It is not recommendable to use the term Baltic province, as Estonians, Latvians and Lithuanians are three culturally and historically different nations.

The mentality of Estonians is combined with strong scepticism. That is the reason why Estonian businessmen might need days to mull over and analyse a problem. Indeed, an Estonian does not like feeling rushed. Thus, negotiating an agreement is likely to take longer than it would for example in Western Europe to make sure about the deal's quality and the success over it. The key to succeed in doing business with Estonians is politeness combined with competence.

In Estonia, business culture is marked by a blend of Scandinavian values and local etiquette. Physical contact is kept to a minimum, with a handshake being the common form of greeting. Punctuality is highly valued, reflecting the importance of respect in professional interactions. Conversations often start with neutral topics like the weather but quickly move to business or politics, steering clear of personal matters.



Image source: <https://tradewithestonia.com/estonian-food-innovator-thormi-prepares-for-a-breakthrough-beyond-borders/>

“The ethics are great and when the founders promise something, I know that they will do it. I've never had problems with somebody lying to me. In Estonia, startups have a great habit of reporting on a monthly or quarterly basis, about what they are doing and if they're making progress or not. It's super important to me and it's kind of been the reason number one to invest in Estonian startups even more because I know everyone will keep me updated and if something is wrong, I have time to help and react”

-Hugues Flament, member of EstBAN

English is widely spoken, alongside Finnish, German, and Russian, providing a broad linguistic bridge for international business. An appreciation for Estonian language and culture is always well-received and can serve as a significant advantage, reflecting an openness to understand and integrate with local customs and values.*

5. Strengths & Challenges

Estonia stands out globally for its technological innovation and entrepreneurial culture, exemplified by milestones like the development of Skype in the 1990s. This history has laid the groundwork for a vibrant startup ecosystem, making Estonia a preferred destination for both tech giants and budding entrepreneurs.

When it comes to starting a business, Estonia offers a supportive environment thanks to its robust digital infrastructure. With nearly all public services accessible online, the country demonstrates its dedication to efficiency and transparency. Despite the challenges startups face, Estonia's strengths help pave the way for success.

Challenges

1. Limited Funding: Securing funding, particularly in the early stages, remains a significant hurdle for startups.
2. Regulatory Complexity: Navigating regulations, especially in regulated sectors like finance and healthcare, can pose challenges.
3. Intense Competition: With a bustling startup scene, standing out amidst competition can be daunting.

Strengths

Estonia's digital infrastructure serves as a magnet for tech startups. The ease of processes such as company registration and tax filing streamlines business operations, fostering a conducive environment for entrepreneurship.

Furthermore, Estonia's supportive policies and a skilled workforce contribute to its status as a startup hotspot. Key sectors such as IT, cybersecurity, and AI continue to attract investments from renowned venture capital firms including Sequoia Capital, Accel, and Andreessen Horowitz, propelling the growth of the startup ecosystem.

The Estonian government, alongside the local entrepreneurial community, has written down clear goals and action plans to support the growth of deep-tech startups. Regulatory frameworks have been streamlined to facilitate the establishment and expansion for startups, making it easier for international investors to engage with the local market. The validation of Estonian tech companies by global top VCs underscores the international appeal and credibility of Estonia's tech scene.

Top industries in Estonia include business process software, cybersecurity, AI, and electronics. New funds focused on climate impact, defense innovation, and deep tech are also becoming more and more popular, looking for partnerships and opportunities to invest in Estonia's promising future.

Estonia's story is one of ambition and innovation, from its advanced digital governance to its thriving startup scene. With its digital-first culture, supportive environment, and global outlook, Estonia is a magnet for entrepreneurs and investors. As it continues to innovate, Estonia's impact on the tech world grows, offering exciting opportunities for those who want to join its digital success story.*

6. Good to know about legal, taxation, and local bureaucracy

Estonia is renowned for its business-friendly environment, offering efficient processes for setting up businesses that have attracted global entrepreneurs. The country's unique e-Residency program enables anyone in the world to easily start and manage an Estonian company online, reflecting its innovative approach to business and governance. Detailed guidance on choosing the correct form of business for your activities is readily available, making the decision-making process as straightforward as possible.

The process of setting up a business in Estonia is straightforward and fast. One can register a company online and have it up and running within a few hours. In addition, many service-providing companies can help you set up your business, provide an address, and do your accounting.

Firms like Companio, Xolo, 1office, Clevver, Enty, and Estonia-company are at the forefront of offering these essential services to new businesses, ensuring a smooth transition into the Estonian market.

“In 2022, the e-Residency program welcomed its 94,892nd e-resident, making the number of Estonian e-residents surpass the population of Tartu, the second-largest city in Estonia.”

Merlin Salvik, Managing Partner at Hedman Law

The legal framework in Estonia supports business operations efficiently, with clear regulations outlined in the Commercial Association Act, Commercial Code, and General Part of the Civil Code Act. This robust legal foundation ensures businesses operate within a transparent and efficient regulatory environment.

Estonia's tax system is another significant advantage, featuring a straightforward and favorable structure. The flat-rate income tax, VAT (22%), and social taxes (33%) are designed to be easy to understand and manage, contributing to Estonia's reputation for having one of the world's best tax systems. The Estonian Tax and Customs Board provides comprehensive information and support for businesses navigating the tax landscape.

For legal documentation, Startup Estonia and EstVCA, in collaboration with leading law firms, have developed standardized legal documents to facilitate various business activities. These resources are invaluable for ensuring that businesses comply with legal requirements while minimizing bureaucratic hurdles.

Trusted local partners like Triniti, Ellex Raidla, Eversheds Sutherland, Cobalt, TGS Baltic, Hedman Partners, Sorainen, Fort Legal, and Njord offer expert legal assistance, ensuring that businesses can navigate the Estonian legal landscape with confidence. Their expertise is critical for both establishing new ventures and ensuring ongoing compliance and legal integrity.

Estonia's ecosystem is designed to support and encourage business growth, from its innovative e-Residency program to its supportive legal and tax frameworks. By leveraging the resources and partnerships available, entrepreneurs and investors can successfully establish and grow their ventures in this dynamic and forward-thinking environment.

7. What to keep in mind as an international investor in Estonia

If you're considering investing in Estonia as a foreigner, there are several important factors to keep in mind:

Shares

Understanding the structure of shares in Estonian private limited companies is crucial for foreign investors. In Estonia, each shareholder typically owns one share of the same class, with differentiation based on the nominal value of shares. This differentiation often comes into play when founders and investors hold varying percentages of ownership. It is common practice to create multiple classes of shares, such as preferred shares for investors and common shares for founders, particularly in the early stages of equity rounds.

Governing Bodies/Committees

The governance structure of Estonian startups may differ from what foreign investors are accustomed to. Most Estonian startups operate solely with a management board, comprising individuals who represent the company and make decisions on its behalf. While supervisory boards are not mandatory, they may be considered for more established startups. Committees, such as salary or option committees, are typically not utilized in Estonian startups, with decisions often made by the management or supervisory board, or shareholders.

Notarization

Understanding the notarization requirements for issuing shares in Estonian private limited companies is essential for foreign investors. Unlike some jurisdictions where notarization is mandatory, in Estonia, transferring funds to the company's bank account suffices. After the funds have been transferred, the company can proceed to register the new share capital with the commercial register, streamlining the process for investors.

Signing Requirements

In investment rounds involving foreign investors or shareholders, attention should be paid to signing requirements. Electronic signatures, facilitated by platforms like DocuSign, are commonly used and accepted in Estonia. This method offers convenience and efficiency, allowing agreements to be signed remotely and expediting the investment process for all parties involved.

By understanding and adhering to these key considerations, foreign investors can navigate the investment landscape in Estonia effectively and ensure a smooth and successful investment experience.*

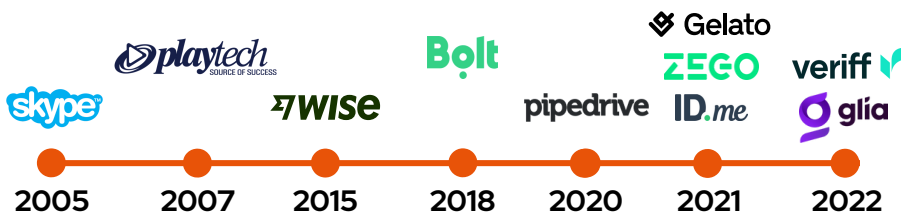
Learn more about how to:

1. [To Start a business as an e-resident](#)
2. [What are the different legal forms](#)
3. [Comparison of each form of business](#)
4. [Establish a private limited company \(OÜ\)](#)
5. [Establish a public limited company \(AS\)](#)
6. [Establish a general partnership \(TÜ\) and limited partnership \(ÜÜ\)](#)

8. Success Stories of Estonia

Estonia has a world-class track record in building unicorns. So far, Estonia has been the birthplace of 10 unicorns. That's 7.7 unicorns per million per capita. And even though the newest report counts only half of that, it still makes Estonia the leader in unicorns per capita in Europe.

Estonian unicorns



According to Atomico's findings, Estonia plays a major role in building \$1B+ companies. The closest competitor is Luxembourg at 3.1 unicorns per million inhabitants, while the UK is at 1,6 and Germany near the EU average of 0,6.*

While Estonia's tech landscape has produced 10 global unicorns, Skype and Bolt stand out as flagbearers of the country's innovation. The term "Estonian Mafia" gained traction after Skype's success, reflecting Estonia's growing influence in the tech world. Today, Bolt mirrors this path by contributing to the local and global ecosystem. These two giants have significantly altered Estonia's global image, showcasing the country as a tech powerhouse.

Skype: changing the calls – and the game

"The co-founder of Wise, Taavet Hinrikus told in an interview to CNBC a few years back that he sees the founding of Skype as one of the pivotal chapters in Estonia's digitalization as well as its rebirth as a haven for tech startups and entrepreneurs. The influence of Estonia's first unicorn, as well as its numerous alumni is visible throughout Tallinn's bustling startup scene and by now, in many other parts of the economy. It is one of the early hugely successful foreign investments in Estonia's startup ecosystem. Niklas Zennström and Janus Friis could have gone almost anywhere with their idea, but they chose Estonia where bright minds, Ahti Heinla, Priit Kasesalu, Jaan Tallinn and Toivo Annus among others, helped to make their idea a reality.

*The sum of 2.6 billion U.S dollars that Skype Technologies was sold to Ebay for, was huge – especially in the context of Estonia in 2005. Today, almost everybody knows what Skype is and its current owner Microsoft still has a part of its team working on messaging and video conferencing software in Estonia.”**

Bolt (previously Taxify)

“Bolt (formerly known as Taxify) is a ride-sharing platform that operates in 40+ countries in Europe, Africa and South America with thousands of drivers and millions of passengers signed up.

In 2012, Markus’s brother and other co-founder of Bolt, Martin Villig, was organising an event in Kyiv, Ukraine, and tried getting a taxi online, which turned out to be quite a hassle. He then came up with the idea of how to make ride-sharing much easier.

Markus picked the idea up and plunged into it. According to his own account, he discovered he had a lot of time on his hands during his high school final exams, so he decided to build a platform to ‘get this taxi business in order in Tallinn’. There were 30+ taxi companies in Tallinn at the time, all operating old school call centers, with an operator, often misogynistically referred to as ‘a Kitty’, mediating the rides.

*source: <https://estonia.ee/from-the-production-lines-of-the-unicorn-factory-estonia-is-the-champion-in-founding-billion-dollar-startups/>

*The early start was quite promising. Markus did a Google Docs survey in his school to which he received 600 answers, 90% out of which responded that there is an acute need for a new taxi platform. Nobody had even heard of Uber yet. Markus started going through the taxi stops and things started going a bit astray: "Of course I had no platform to show yet and being a 19-year-old kid disturbing the drivers from reading their newspaper..." 8 out of 10 taxi drivers would yell at him to get the hell out of their cars. Also, he soon realised that his initial budget of 200 euros was simply not feasible to actually develop an online platform. A developer he had found 'somewhere from the city' was asking for 7,000 euros just for a prototype... The bumpy road continued, finally taking the company to a unicorn status. "My ambition from the very beginning has been building one of the biggest technology companies in Europe," Markus Villig was not shy to announce after the big announcement was finally made. And Bolt's ambition does not stop there – be it in making the services more user-friendly, safe to use and provide, or sustainable. "**

9. Emerging Trends and Future Outlook – what to keep an eye on

Estonia's startup landscape, particularly within the DeepTech and CleanTech sector, has shown remarkable performance in 2023, breaking new ground with its achievements. The nation's commitment to leveraging scientific advancements for entrepreneurial success has led to significant growth, highlighted by a record turnover of €227.2 million for DeepTech companies. This represents a 14% increase from the previous year, alongside a substantial contribution of €45.1 million in labor taxes, indicating a 20% increase year-on-year.*

Looking ahead, Estonia has set a goal by aiming to significantly bolster the DeepTech ecosystem by 2030. The objective is to foster the growth of over 500 startups, with a special focus on ensuring that 75 of these ventures reach scale-up status.

This plan underscores Estonia's intent to position itself as a global nexus for research- and technology-intensive entrepreneurship.*

The global investment community has already recognized the potential within Estonia's startup ecosystem, as evidenced by substantial funding, including €254 million in financing deals directed towards DeepTech companies. The startup sector as a whole has witnessed robust growth in jobs, investments, and the emergence of new companies, with DeepTech startups positioned as key drivers of societal and economic impact.**

For individuals interested in exploring the dynamic and innovative environment of Estonia's tech scene, or those contemplating investments in the next wave of technological innovation, Estonia offers a promising array of opportunities. The nation's proactive approach, coupled with a nurturing ecosystem and strategic initiatives for DeepTech development, paints a bright future for tech entrepreneurship in Estonia. For deeper insights and opportunities in investing in Estonia's tech landscape, resources like Invest in Estonia provide valuable guidance and support through their e-Consulting services.

*source: <https://investinestonia.com/estonia-lays-down-an-action-plan-to-reach-500-deeptech-startups-by-2030/>

**source: <https://investinestonia.com/estonian-startup-sector-finds-its-new-triumph-in-deeptech/>



This guide is part of the 4NGELS project, which is an international programme organized by four business angel networks: Estonian Business Angels Network (EstBAN), Finnish Business Angels Network (FiBAN), Business Angels of Slovenia, COBIN Angels. The programme is coordinated by Civitta. We bring together investors from Estonia, Finland, Slovenia and Poland to strengthen the level of cross-border investment between our business angel networks.