

Practica Capital 

# Baltic Startup Funding Report

**Firstpick**

A view on the  
Baltic startup  
ecosystem  
in 2025



# Introduction

This is our annual report on early-stage startup funding in the Baltics, drawing on original data collected by FIRSTPICK, Practica Capital and Change Ventures (2019-2024).

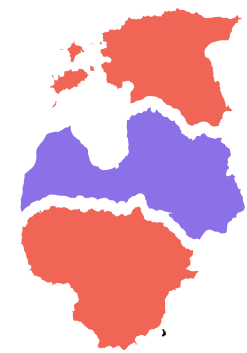
Throughout the year, we stay close to the market. We track every pre-seed and seed round across the Baltics and work directly with founders to gather key round terms - shared with us in confidence. The report covers companies headquartered in Lithuania, Latvia and Estonia, as well as startups with primary operations in the region but HQs elsewhere.

The result: transaction-level data from more than 62% of all pre-seed and seed rounds closed in the region over the past 6 years. That's 741 rounds with real numbers behind them - and a growing set of new datapoints that allow us to go beyond snapshots and start showing clear trends over time, which we'll continue to build on in the years ahead.

We're excited to share what we're seeing on the ground and offer a sharper, more honest view of how early-stage funding really works in the Baltics.



# This report covers



## Baltic Ecosystem

A high-level overview of the Baltic startup landscape, its scale, strengths, and key shifts.



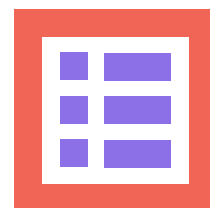
## Funding Trends

How capital flows across stages and sectors, including volumes, round sizes, and graduation rates.



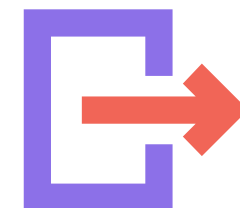
## Founder Profile

What are the main traits of the Baltic founders and their teams that successfully raised funds.



## Investor Profile

Who is backing Baltic startups, how investor behavior is changing, and where capital comes from.



## Exits

The evolving exit landscape, highlighting key deals, country breakdowns, and long-term trends.

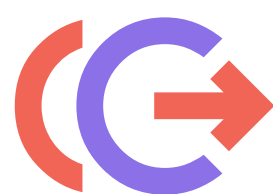


# 2025 Highlights



## Rounds

Early-stage funding (pre-seed to Series A) increased year-over-year, despite only a marginal rise in deal count. This confirms a continued shift toward **fewer rounds with materially larger average ticket sizes**. Growth-stage funding remained episodic, concentrated in fewer but materially larger rounds.



## Investors

Investor activity concentrated around a core group of Baltic funds, angels, and syndicates. Foreign investors participated in 43% of all deals, reinforcing the region's **increasing integration into cross-border VC capital flows**.



## Founders

Funded Baltic founders are largely **experienced operators**. Most build within their prior domains, have leadership experience, and half are serial founders - **reflecting investor preference for proven, domain-expert leaders**.



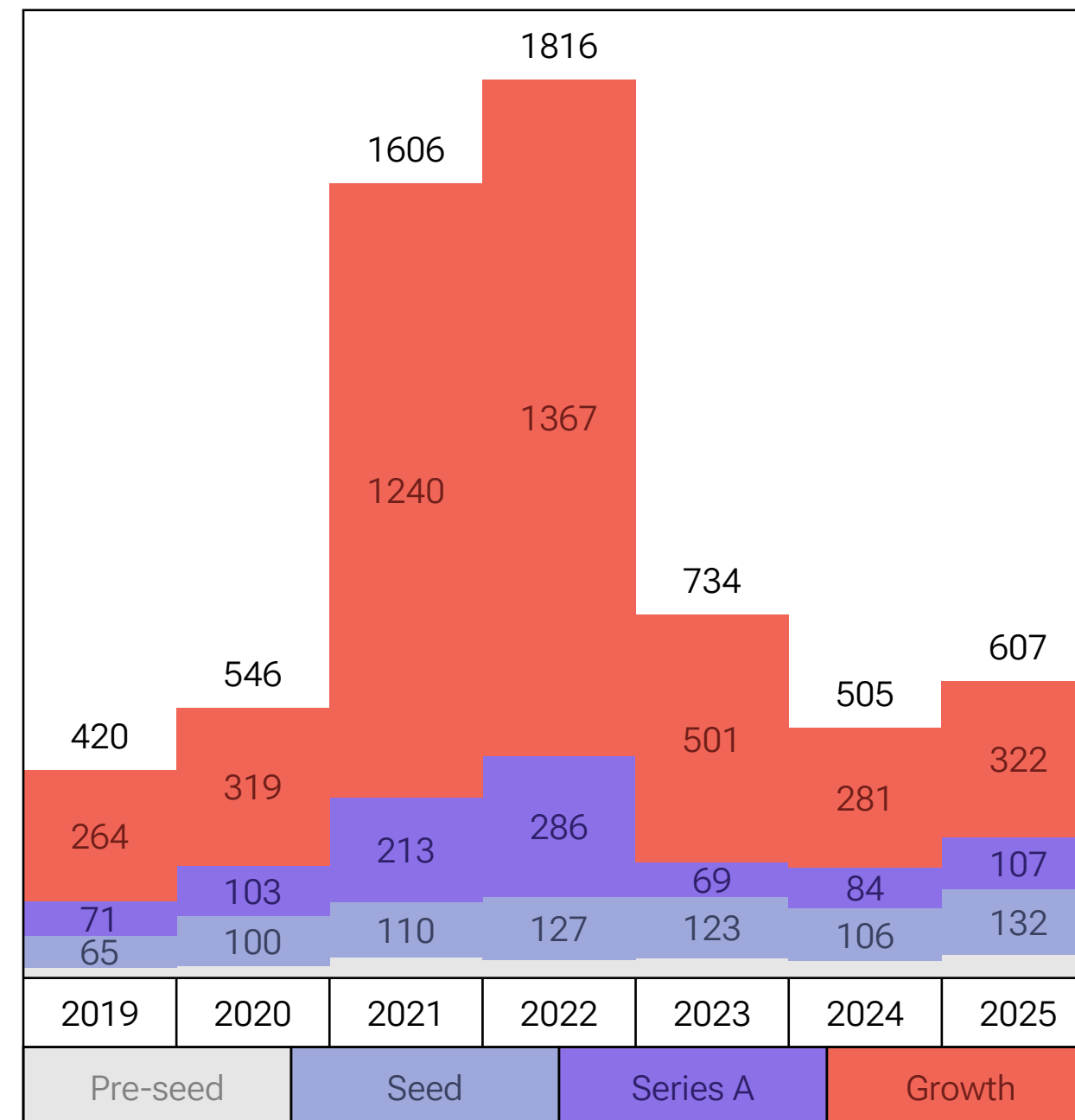
## Trends

AI dominated capital allocation across all stages. Defence, energy, and infrastructure-adjacent technologies gained weight. The market also shows **clear capital concentration, wider valuation dispersion, and longer exit timelines**.



# Baltics in the context

Total capital deployed by stage, million euros, 2019-2025



**Capital rebounded.** Baltic startups have raised more capital in 2025 than in 2024, following a global trend<sup>1</sup>.

Average profile of the funded Baltic founder

78%

Founders build startups within their prior domains

77%

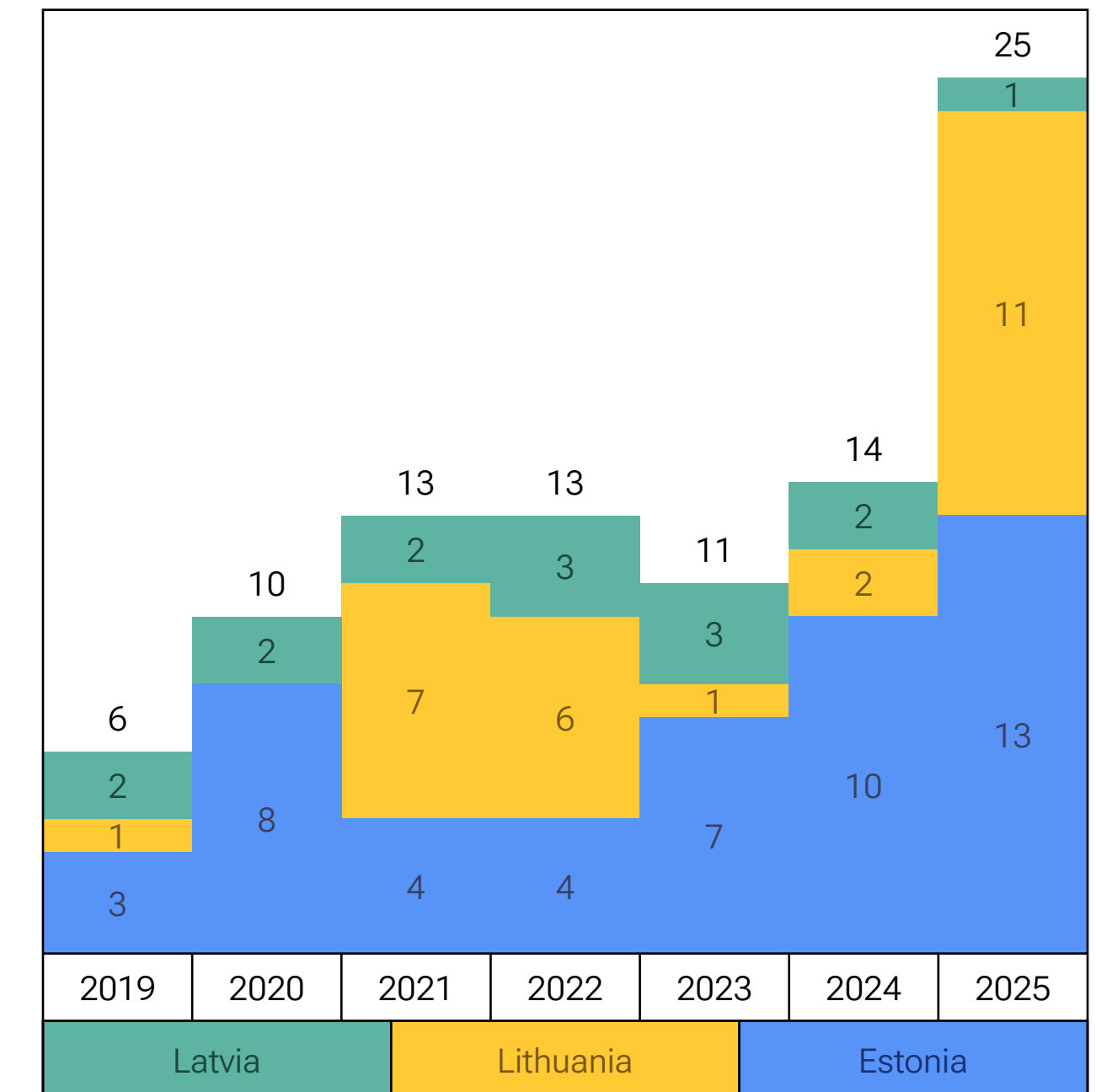
Founders have prior team lead experience

50%

Founders have previously founded a startup

**Average funded founder.** For the first time, we collected data on the typical profile of a funded founder in the Baltics.

Number of exits by country, 2019-2025



**Exits surged.** The number of exits in 2025 doubled, driven mostly by Lithuanian startups.

1. Source: [Pitchbook](#)



# Baltic Ecosystem





# Overview

In 2025, the Baltic startup ecosystem showed **clear signs of structural maturation**. Capital flowed more deliberately, prioritizing **quality over volume**, with investors concentrating resources into fewer opportunities. This marked a departure from prior years defined by broad-based activity, signaling a market increasingly shaped by quality thresholds rather than capital availability alone.

Beneath this shared direction, **the three Baltic markets evolved along different structural paths**. Each ecosystem addressed a distinct constraint within the regional funding cycle, ranging from company formation to scaling capacity, resulting in a more balanced, though still uneven, regional setup. The combined effect was greater functional specialization across the Baltics rather than uniform growth.

At the same time, **the technological focus of the region sharpened**. Horizontal platforms gave way to problem-driven innovation, with increased emphasis on complex, regulation-heavy, and mission-critical domains. More exits and quality founders are making it clear how each Baltic country fits into the broader startup ecosystem.







# Lithuania

11

Volume of exits (record!)

€77m

Attracted in aggregate with pre-seed and seed rounds (record!)

€238m

Funding raised by startups in total

**Early-stage deployment showed diverging dynamics**, with pre-seed and seed funding being at all-time highs, while Series A+ performance rebounding from 2024 lows. Looking ahead, capital deployment is still expected to increase further, supported by new funds launched in 2025 and additional vehicles potentially launching in 2026. On the liquidity side, Lithuanian startups recorded the **highest annual volume of exits in the ecosystem's history**.

From a sector perspective, funding patterns broadly mirrored global trends. **AI-driven startups attracted the largest share of capital**, spanning application-layer GenAI (nexos.ai, Sintra.ai), infrastructure (Cast AI) and AI-enabled biotech ventures (Atrandi Biosciences).

Alongside these outcomes, ecosystem stakeholders stepped up efforts to strengthen long-term ecosystem fundamentals, with **particular focus on next generation founders**. Activity intensified across multiple fronts, including a higher frequency of hackathons, the opening of new hacker spaces (Basedspace, Lost Astronaut).







# TOP 3 LT startups to watch

**kopla** AI

An AI agent platform for e-commerce that analyzes stores end-to-end and automates growth tasks - from marketing campaigns to inventory forecasting and competitive insights - to accelerate online revenue.



 **Ovoko**

An online marketplace aggregating millions of used automotive parts from hundreds of European suppliers, making it fast and convenient for customers to find and order the right car components with delivery across the EU.



**ACE WAVES**

An enterprise AI agent platform that automates customer support at scale with 24/7 intelligent digital workers, reducing support costs and improving customer experience through human-like interactions.



Local VC funds were asked to vote for founders within their respective home countries.

Those highlighted received the highest number of votes, reflecting peer recognition from active investors in each local market.





# Latvia

## 3

New funds opened

## €60m+

New dry powder available for startups

## €76m

Funding raised by startups in total



Early-stage deployment in Latvia marked a clear structural shift in 2025. This shift was driven by the launch of new early-stage funds (Outlast, BADideas, Buildit) alongside active syndicates, which materially improved capital access at the pre-seed and seed stages. While capital remained concentrated in fewer rounds, **first-cheque availability increased meaningfully, easing a long-standing bottleneck in Latvian ecosystem.**

From a sector perspective, funding broadly mirrored global trends, with **AI-driven and data-centric startups attracting the majority of capital.** While late-stage funding remained limited and episodic, early-stage sector diversity increased, supporting healthier deal flow at inception and seed.

In parallel, ecosystem fundamentals strengthened. Latvian startups expanded their economic footprint, growing in turnover and materially increasing tax contributions. Builder-led initiatives such as Shipyard further reinforced long-term capacity building, laying foundations for a more sustainable early-stage pipeline heading into 2026.



# TOP 3 LV startups to watch



A deep-tech startup that has built a biometric palm-scan platform enabling users to pay, verify age, and activate loyalty rewards in physical stores using a single wave of the hand - without cards, phones, apps, or QR codes.



A professional work chat platform that separates business conversations from personal messaging while enabling communication with WhatsApp contacts in a focused, encrypted environment designed for teams and project collaboration.



An AI-driven platform that monitors competitors' radio ads in real time and automatically generates sales leads and contact insights, helping broadcasters and media sales teams find new advertisers and grow revenue.



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# Estonia

+2x

YoY growth in pre-seed investments

73%

Of all Baltic Series A rounds are done by Estonian startups

€293m

Funding raised by startups in total



**Early-stage funding in Estonia remained capital-heavy but selective in 2025.** While round count declined, Estonia captured a disproportionate share of seed and growth capital, driven by fewer but significantly larger rounds (Pactum, Blackwall, Starship). Pre-seed activity rebounded after a weaker 2024, and Estonia continued to lead the region in average seed round size.

**Sector allocation increasingly tilted toward defence, energy, and hardware-adjacent software** (Frankenburg, Wayren, LendurAI). Deep tech and dual-use companies accounted for the significant share of deployed capital, reflecting Estonia's structural strength in mission-critical technologies alongside application-layer software.

Strong revenue growth, experienced founding teams, and continued M&A activity supported ecosystem maturity, while builder-led initiatives sustained a pipeline of technically complex, scale-ready companies.



# TOP 3 EE startups to watch



A telemedicine platform that provides on-demand digital healthcare, connecting users with licensed medical professionals for consultations and prescriptions within minutes.



A B2B sales automation platform that uses AI to automate sales outreach and engagement, enabling teams to generate and convert leads more efficiently with data-driven workflows.



A leader in agent-based AI for procurement automation, helping enterprises negotiate, transact, and optimize contract outcomes autonomously at scale.



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# Funding



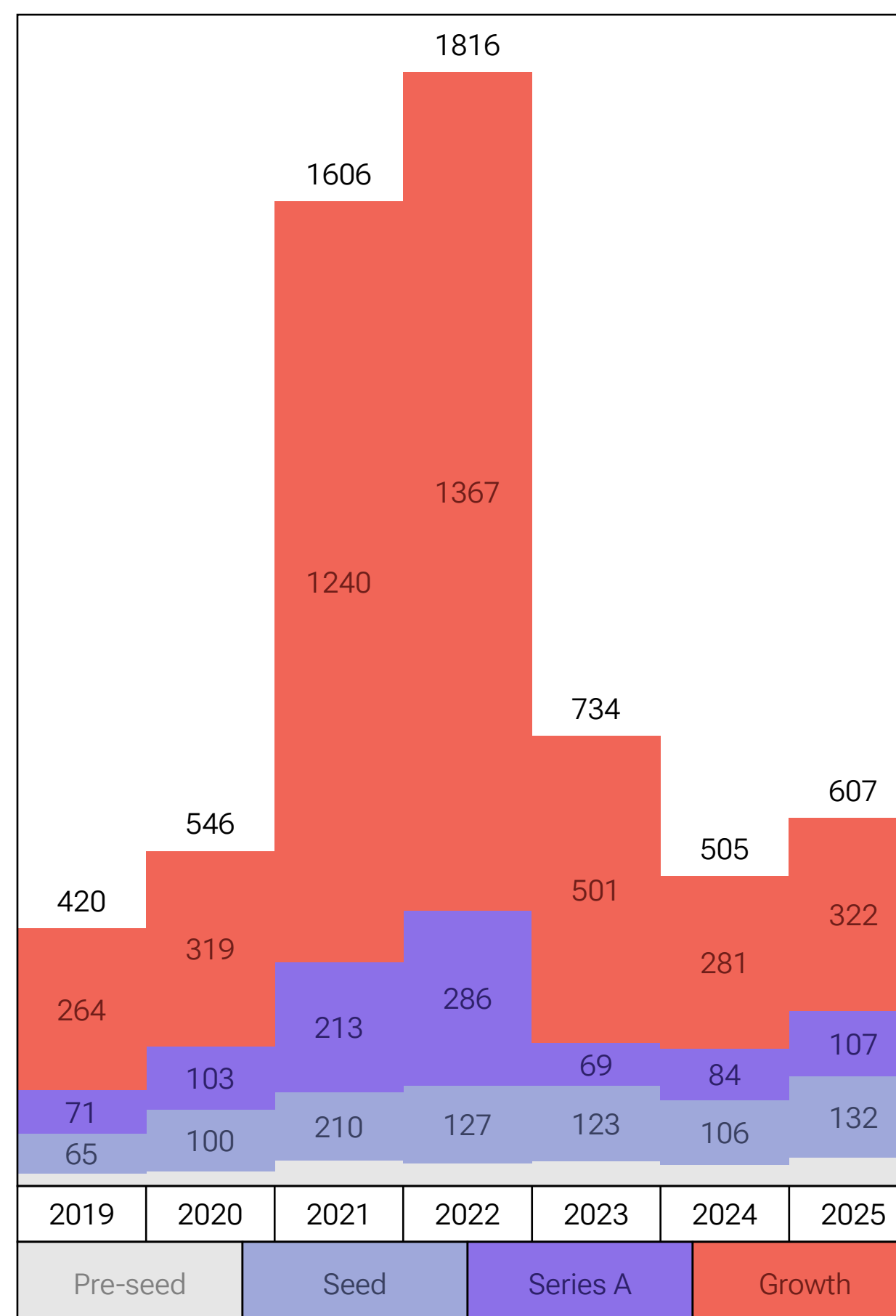


# Overview

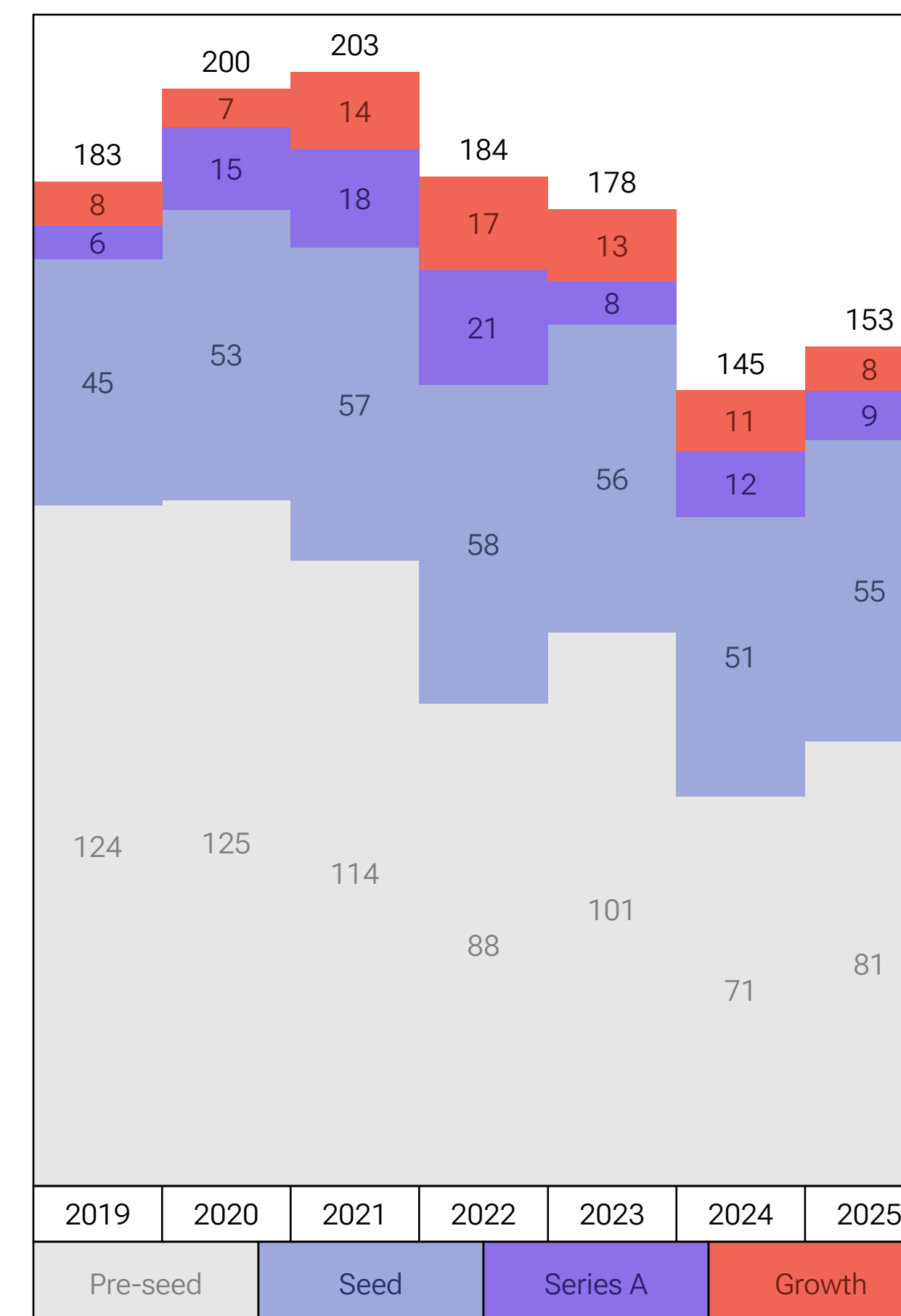
- Early-stage capital deployment increased versus 2024 despite only a marginal rise in round count. In aggregate, it signals larger average round sizes and higher capital concentration, which mirrors global VC trends.
- Deal activity recovered modestly year-over-year but remains below pre-2024 levels, indicating a prolonged contraction in transaction volume and persistent selectivity by the funds at early-stage.
- Seed-stage activity remained structurally constrained, characterized by fewer but larger rounds, reflecting ongoing pressure at the pre-seed to seed transition and higher investor expectations.
- Growth-stage funding increased YoY but total deployed capital remains significantly below 2021–2022 levels, reflecting limited late-stage liquidity and extended exit timelines.



Total capital deployed by stage, million euros, 2019-2025

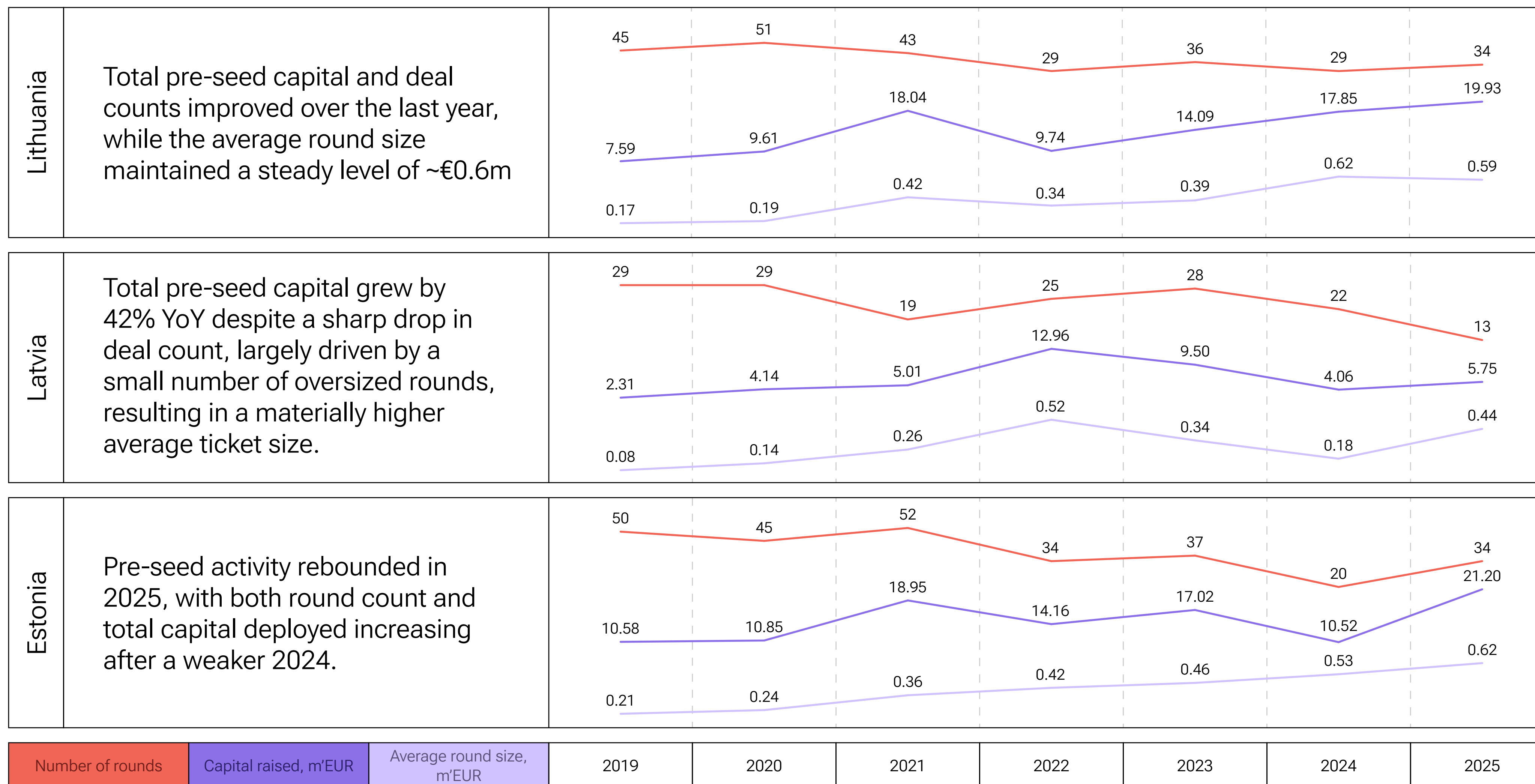


Number of rounds per stage, 2019-2025



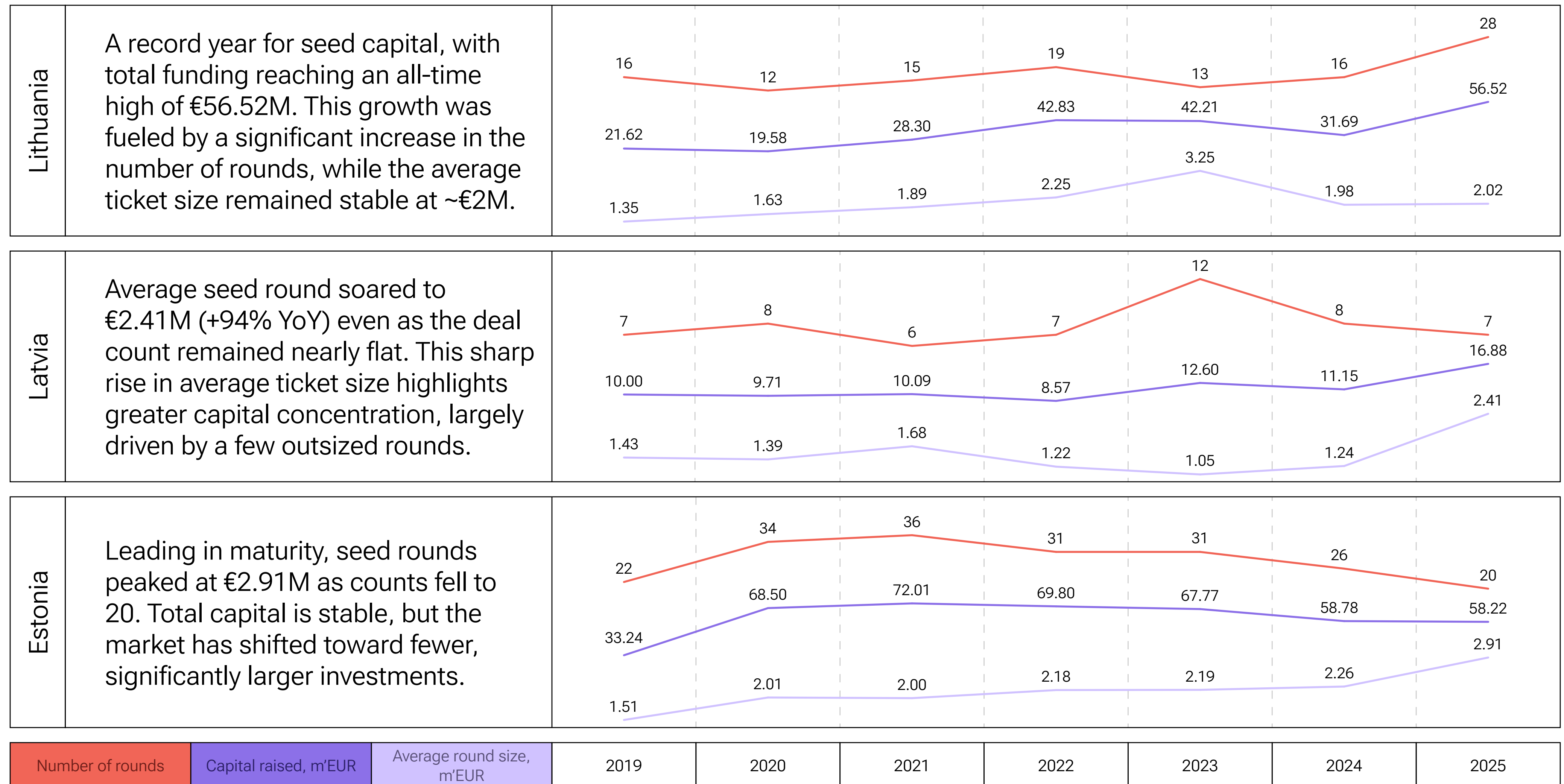


# Fundraising: Pre-seed



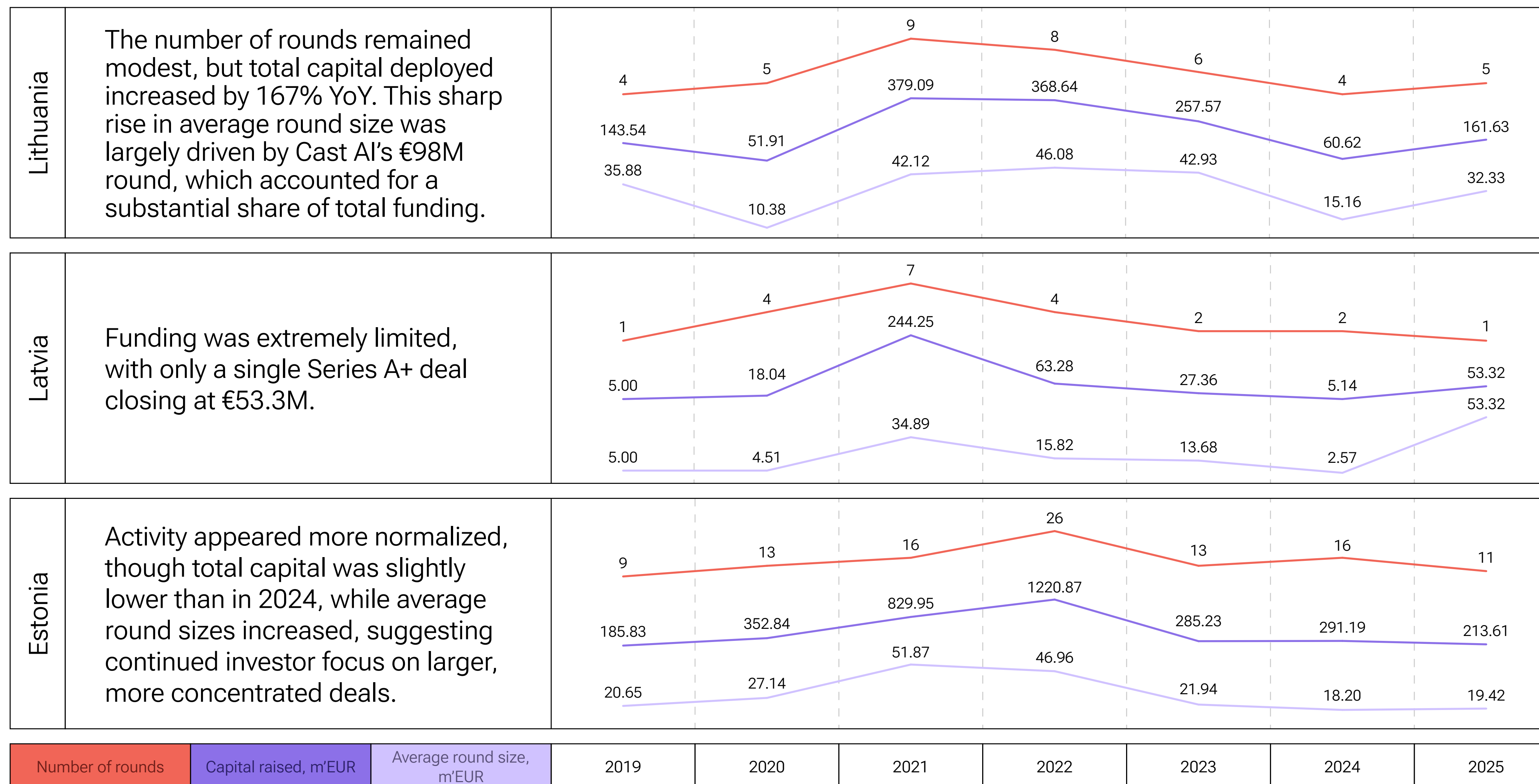


# Fundraising: Seed





# Fundraising: Series A+





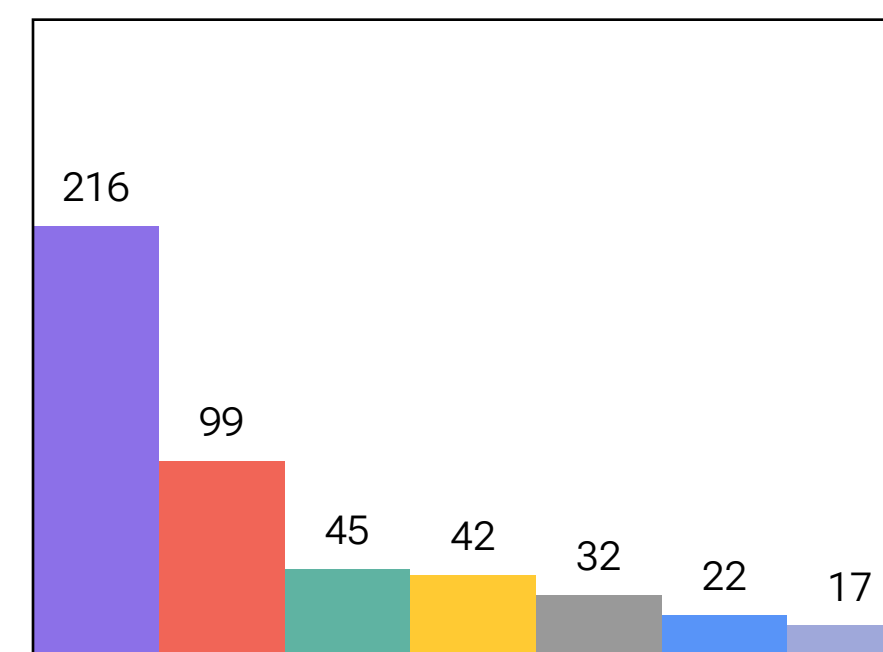
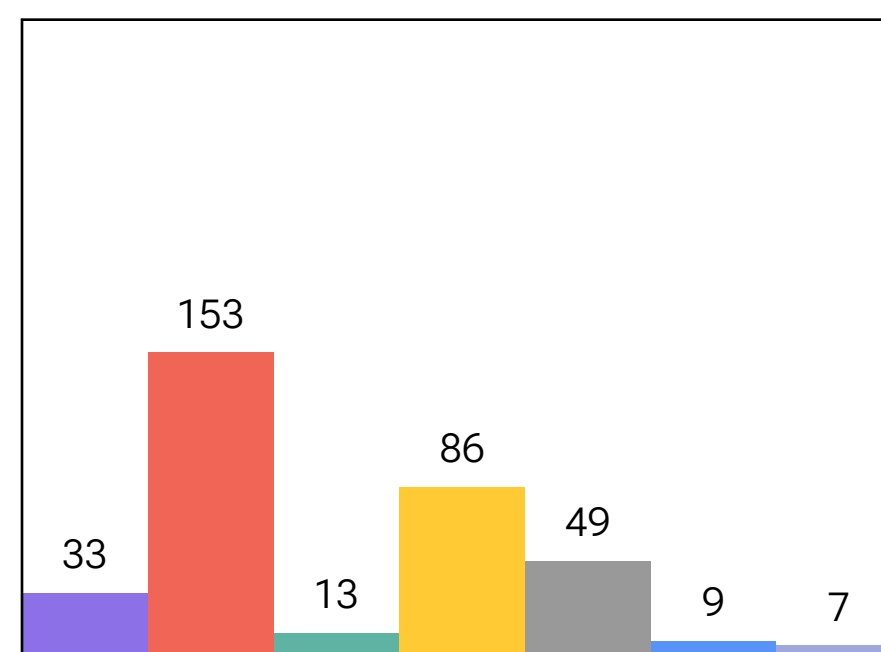
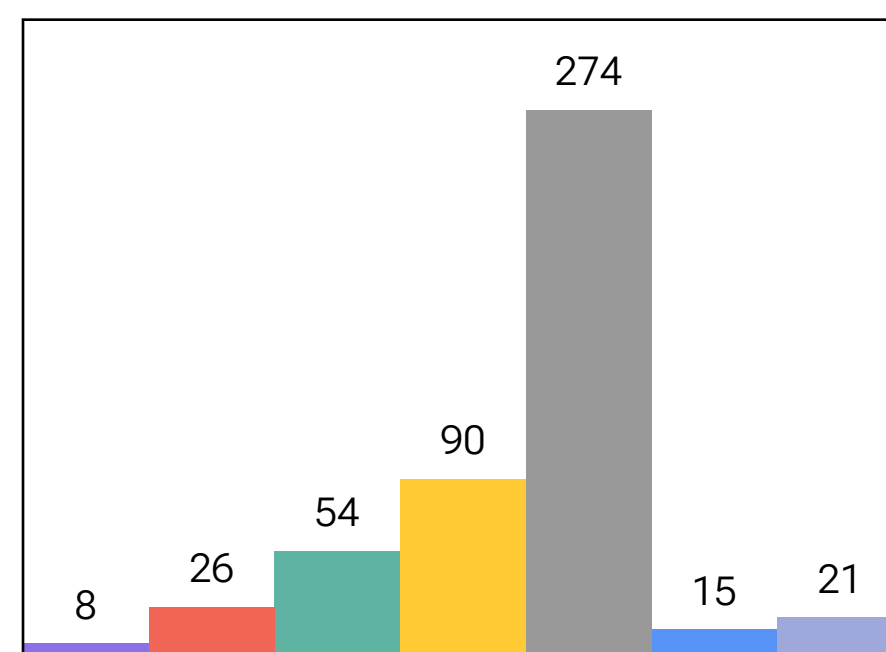
# Top verticals

2023

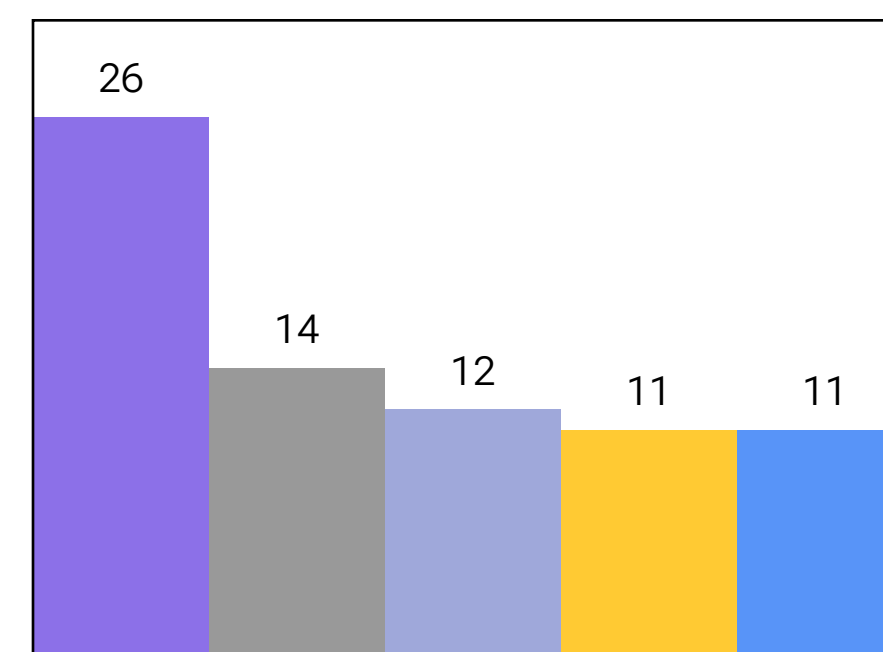
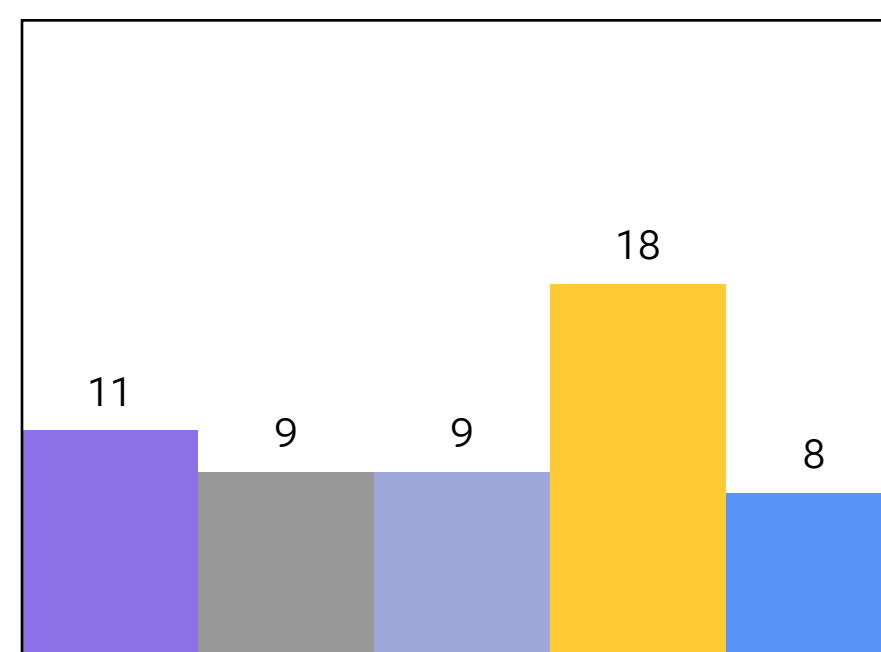
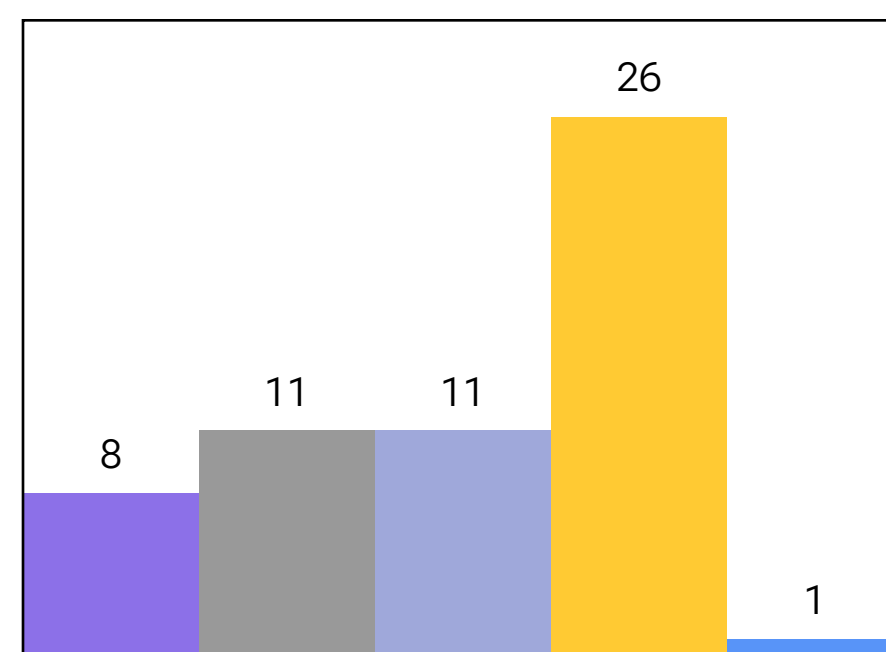
2024

2025

Top 7 2025 verticals by total capital raised, million euros, 2023-2025



Top 5 2025 verticals by number of deals, 2023-2025



**AI dominated 2025**, with a sharp rise in both deal activity and total capital, supported by larger average round sizes.

**Fintech continued to normalize**, with deal counts and funding declining further from peak levels.

**Defense gained momentum**, driven by increased early-stage activity; total capital remains moderate given the pre-seed/seed skew.

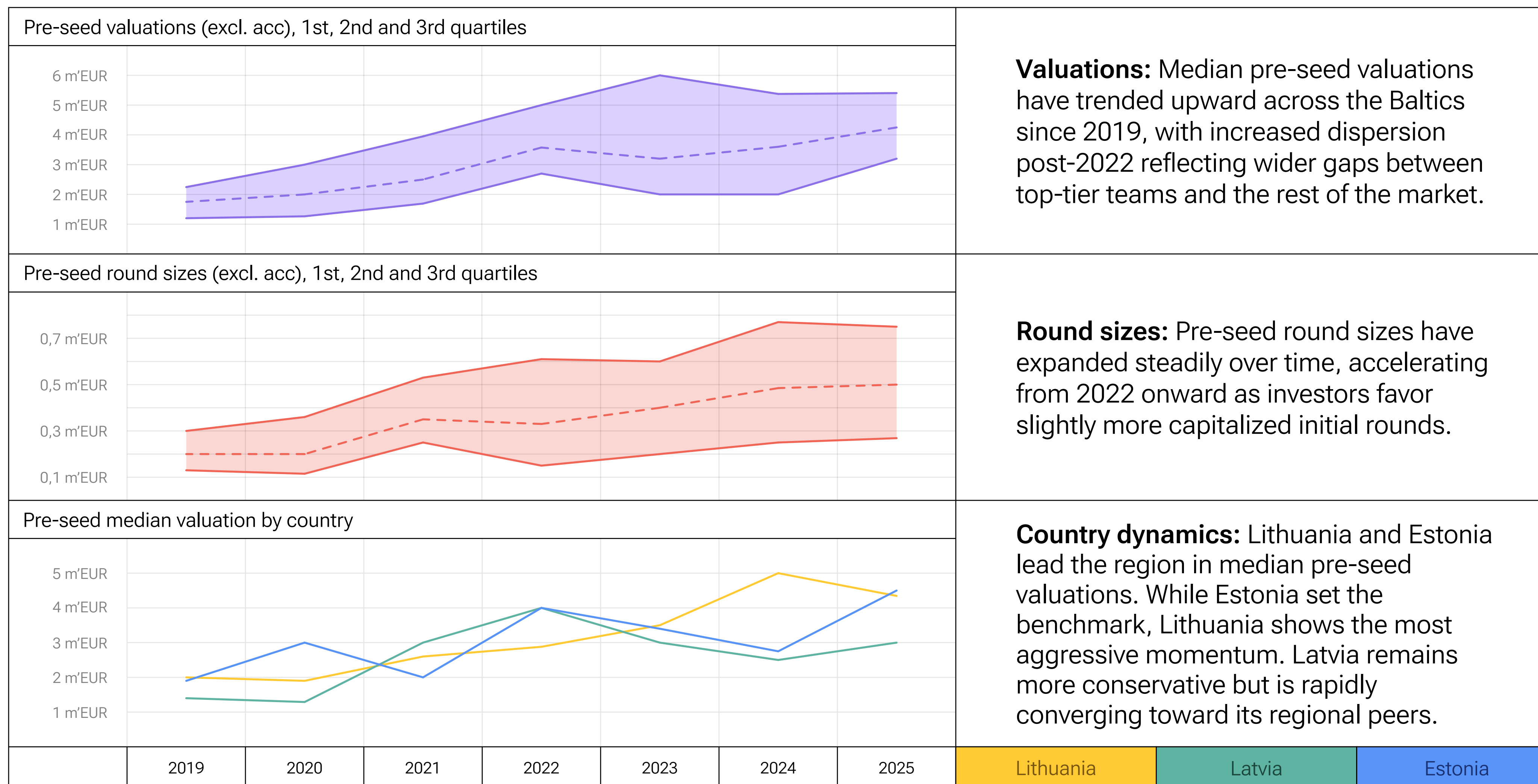
**Hardware, robotics, and cloud funding was concentrated**, with totals driven by a few large, growth stage rounds.

**Energy and health saw high activity but smaller checks**, reflecting earlier-stage focus.





# Pre-seed: valuations & round-sizes







# Seed: valuations & round-sizes







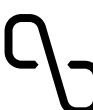

Seed valuations, 1st, 2nd and 3rd quartiles								<b>Valuations:</b> Seed valuations rebounded strongly in 2025 after a period of volatility, with a clear step-up across all three Baltic markets, led by Latvia and Estonia.		
20 m'EUR										
15 m'EUR										
10 m'EUR										
5 m'EUR										
Seed round sizes, 1st, 2nd and 3rd quartiles								<b>Round sizes:</b> Median seed round sizes continued to expand, reinforcing the shift toward fewer but materially larger seed financings.		
3.5 m'EUR										
2.5 m'EUR										
1.5 m'EUR										
0.5 m'EUR										
Seed median valuation by country								<b>Country dynamics:</b> Estonia shows the sharpest valuation uplift in 2025, while Latvia follows a steadier upward trajectory.		
15 m'EUR										
10 m'EUR										
5 m'EUR										
	2019	2020	2021	2022	2023	2024	2025	Lithuania	Latvia	Estonia





# Highlight: highest rounds per country per stage\*

\* Data includes only publicly announced deals

* Data includes only publicly announced deals									
Pre-seed	Lithuania		Latvia		Estonia				
	Hardware			Platform			AI		
		1.5 m'eur Round size	firstpick Lead investor		1.1 m'eur Round size	42   CAP Lead investor		2.9 m'eur Round size	E1 Episode one Lead investor
Seed	AI			AI	TRACE. SPACE		Defense		
		6.8 m'eur Round size	Index Ventures Lead investor		4.0 m'eur Round size	CHERRY Lead investor		7.9 m'eur Round size	SCYTALYS Interoperability Systems Lead investor
	Series A+	AI			Hardware	AERONES		AI	PACTUM 
98 m'eur Round size			 Lead investor	53.1 m'eur Round size		Activate capital Lead investor	47.3 m'eur Round size		Expedition Lead investor





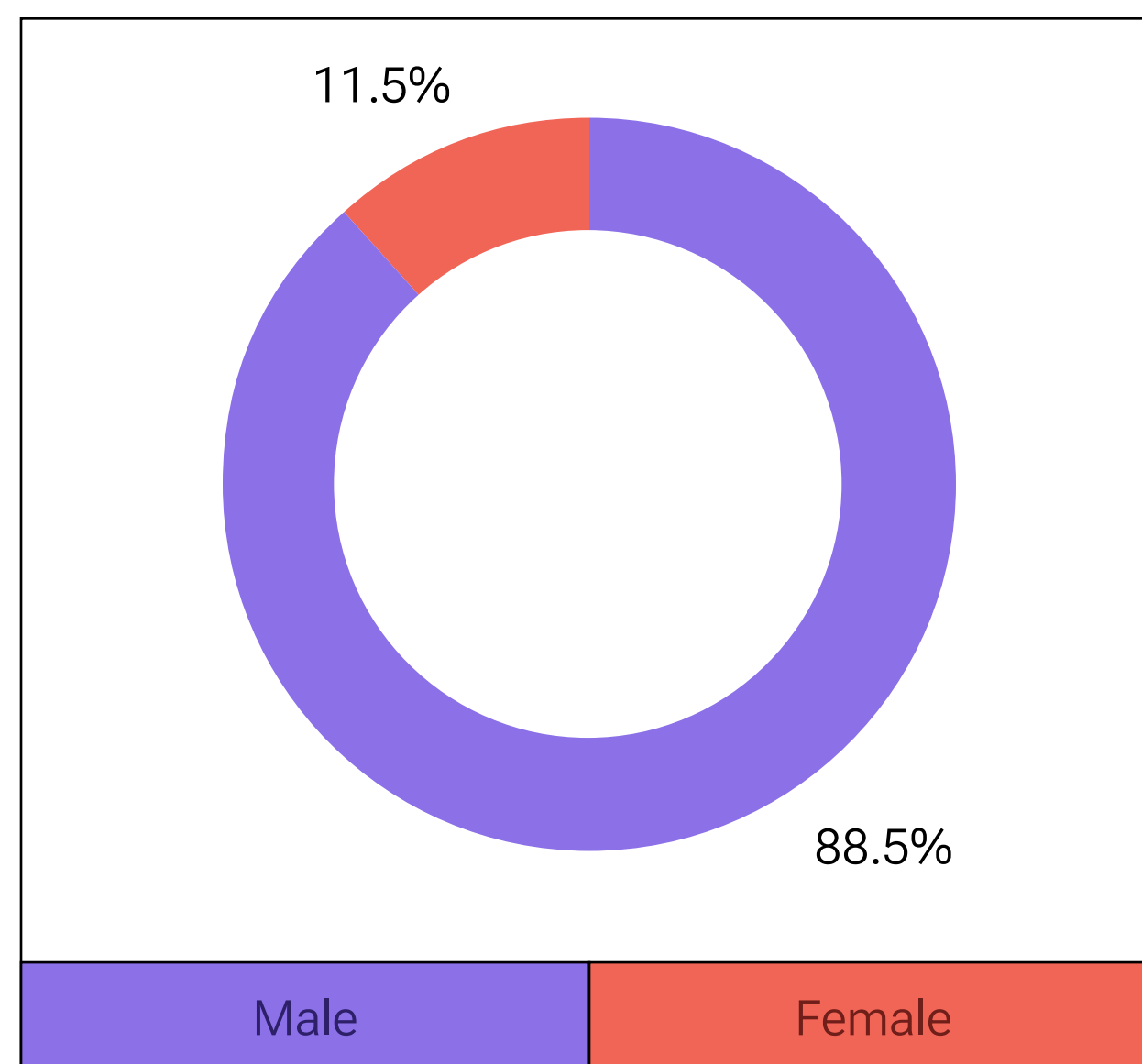
Founders



# Founder profile

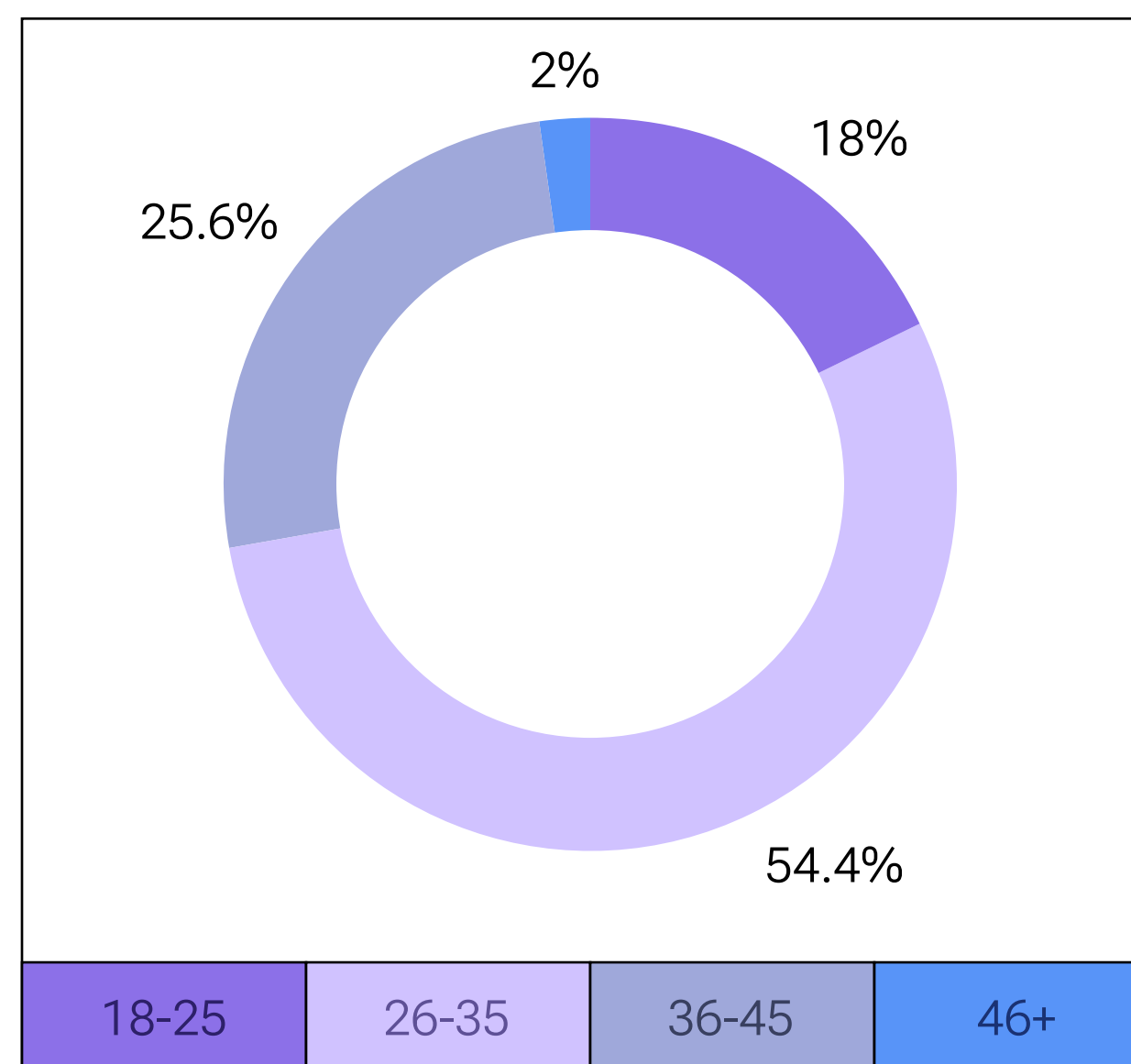
## *Demographics*

Gender



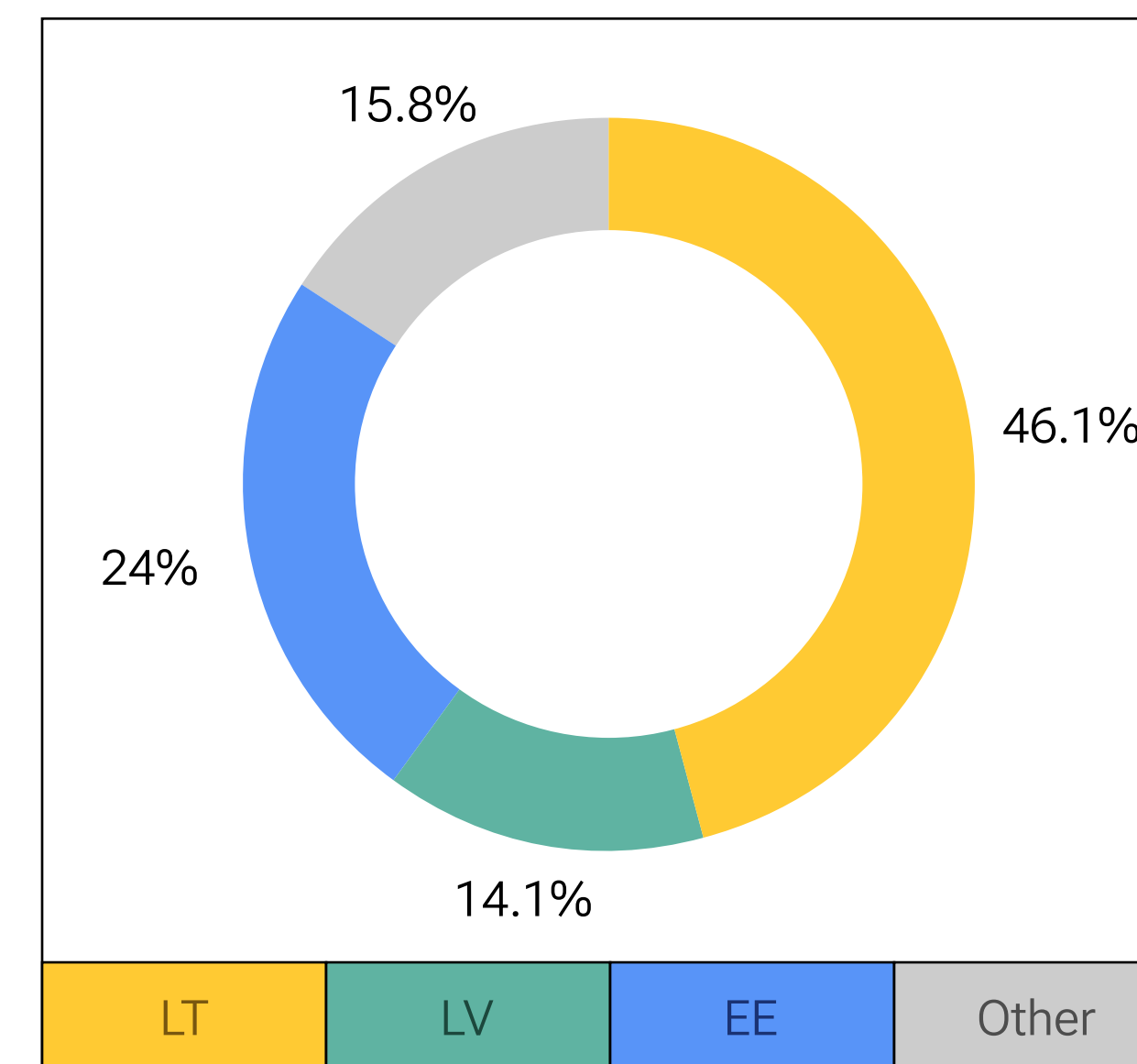
**Gender imbalance:** As usual in the broader world, founder sample in the Baltics is still significantly dominated by men. Approximately 90% of the founders are men.

Age



**Millennials dominate:** VC funds flow mostly to founders aged 26-45, while the youngest and oldest age cohorts are underrepresented.

Nationality



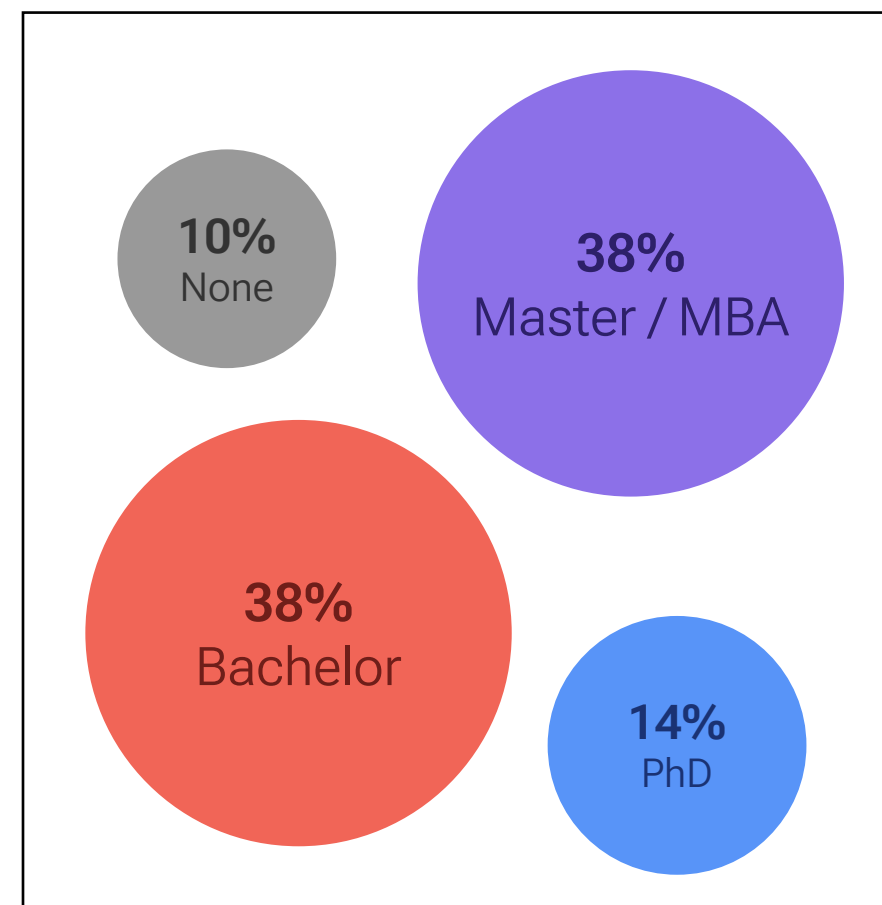
**The founder base remains largely Baltic,** yet international founders now outnumber Latvians, pointing to rising ecosystem openness and global talent inflow.



# Founder profile

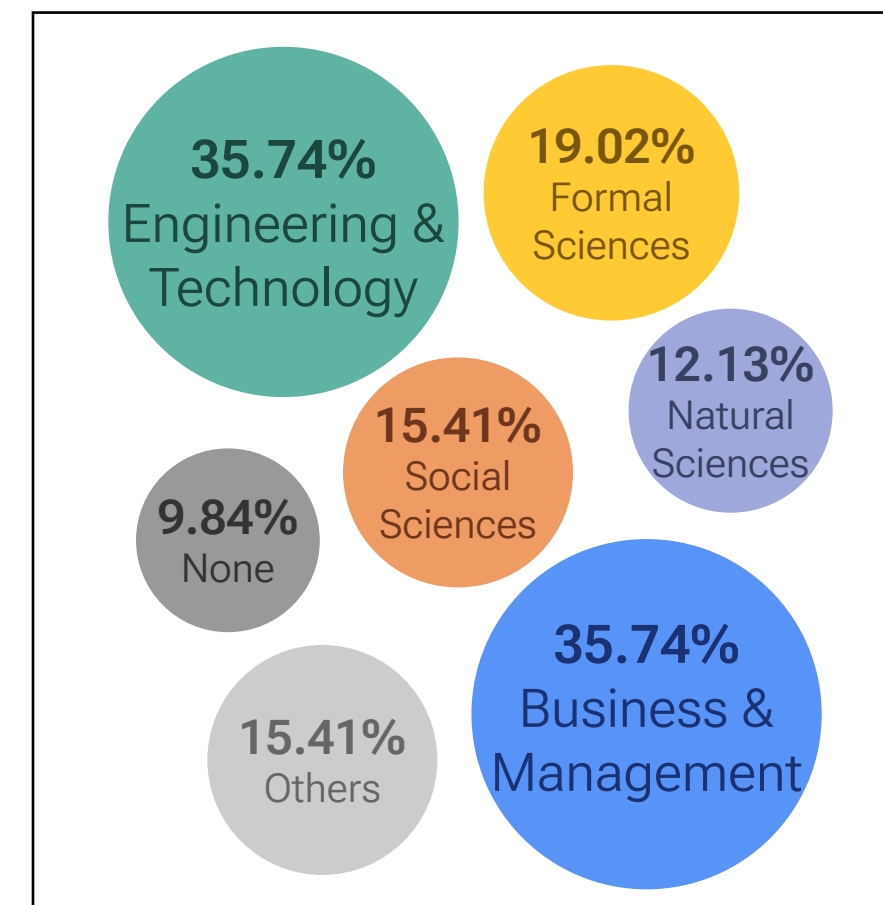
## *Education*

Founder's highest degree



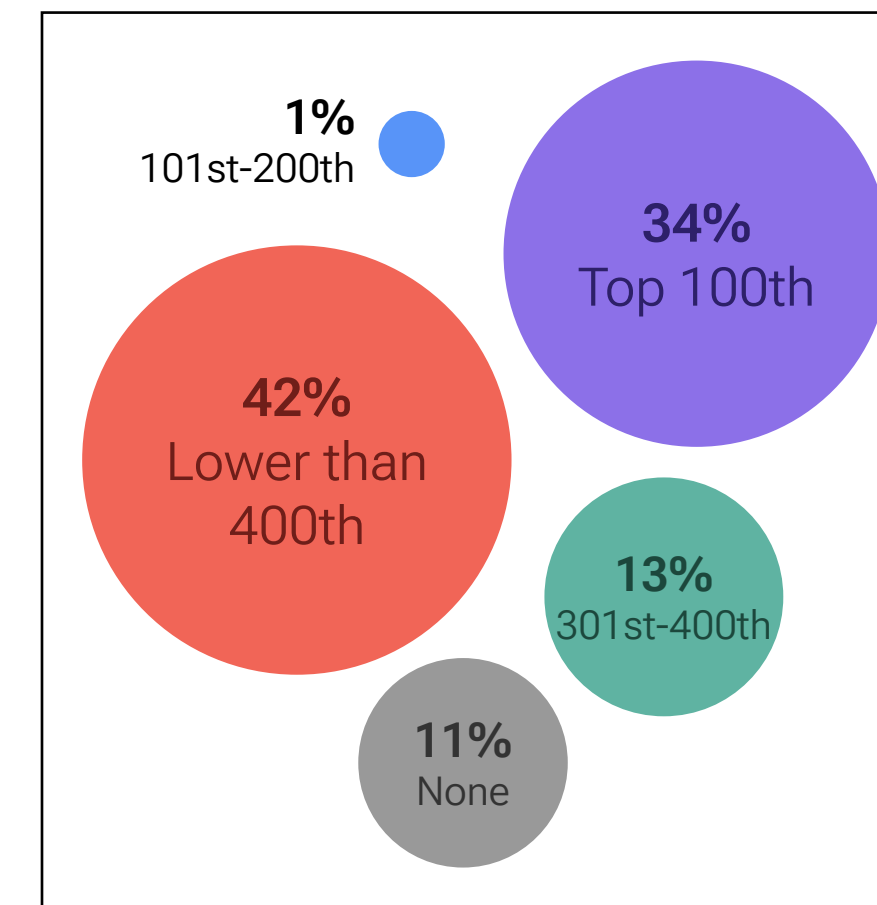
**Most founders have higher education:** about 90% of the founders have at least bachelor degree.

Founder's degree fields



**Business and engineering degrees dominate:** about 70% of all founders have degrees in Business & management or/and engineering & technology.

Ranking of attended university



**The dominance of universities ranked below 300th reflects geography rather than quality,** as many founders were educated at strong local Baltic universities with lower global rankings.

40%

Founders have **degrees in multiple fields**

36%

Founders have **studied abroad**



# Founder profile

## *Work experience*

19%

Worked at a unicorn

**Unicorn-level work experience is rare:** 19% of the founders have prior work experience in a unicorn startup.

50%

Founded a startup before

**Half of the funded are serial-founders:** 50% of the founders have previously founded a startup. The statistic aligns with the 52% noticed in the reports using global sample<sup>1</sup>.

12%

Exited a startup before

**A lot have founded but not a lot have successfully exited:** only 12% of the founders have successfully exited the startup before.

78%

Startup and prior work experience field align

**Founder domain alignment is strong:** 78% of the founders had prior work experience in the same field as their startup, indicating VC's strong sentiment for such founders.

77%

Prior team lead experience

**Most founders bring prior team leadership experience:** 77% of all founders had led teams before founding the current startup.

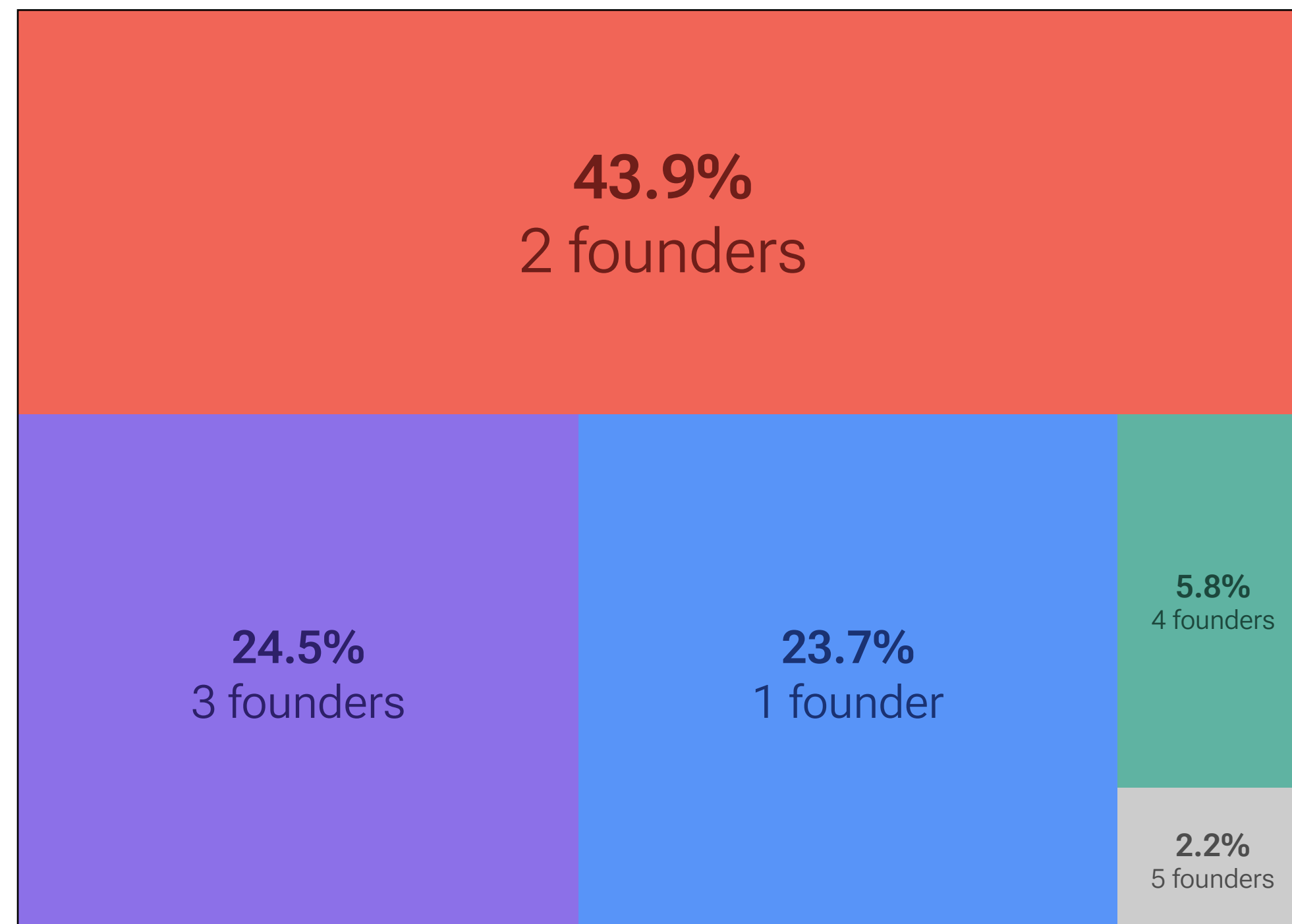
1. Source: [Onstage VC findings from 4000 funded startups batch.](#)





# Founding team profile

Number of founders per startup



**Co-founding is strongly favored by VCs:** around 76% of funded startups have at least two founders, compared to roughly 24% that are solo-founded.

**77%** Startups with technical founder

**Technical expertise is still preferable:** 77% of VC-funded startups include at least one technical co-founder, while 23% operate without one.

**36%** Co-founders worked together before

**Most founding teams are newly formed:** despite investors' preference for prior collaboration, only 36% of funded teams had worked together at the same company before founding the current one.

**23%** Startups with at least one woman co-founder

**Women remain underrepresented among founding teams:** 23% of VC-backed startups have at least one woman co-founder, slightly above the 2025 global average of 20%<sup>1</sup>, while 77% are all-male teams.

1. Source: Atomico's The State of European Tech Report 2025




# Hacker houses delivering new founders

Environments where technical builders live, ship, and form companies together. Unlike accelerators, they focus on repeated execution - turning builders into founders through fast team formation, real products, and early revenue or funding.

Lithuania	
	
HQ Vilnius	<a href="#">↗</a>
<b>Launched:</b> December 2024	
<b>Community size:</b> 73 builders in full-time IRL rotations; 273 in the virtual community	
<b>Company formation:</b> 42 teams formed across IRL rotations (12 inside the house)	
<b>Outcomes:</b> 6 teams fundraised; 7 generating revenue (€3k–€30k MRR)	
<b>Ambition:</b> Build infrastructure to impact 1 million builders globally over the next decade	







Estonia	
	
HQ Tallinn	<a href="#">↗</a>
<b>Launched:</b> September 2025 (pilot cohort October 2025)	
<b>Community size:</b> 30 builders	
<b>Company formation:</b> 11 teams	
<b>Outcomes:</b> 2 teams raised pre-seed rounds; 7 acquired paying customers	
<b>Ambition:</b> Serve as the launchpad for the next wave of exceptional Estonian builders	

Latvia	
	
HQ Riga	<a href="#">↗</a>
<b>Launched:</b> Hackathon in Nov 2025; first batch started Jan 2026	
<b>Community size:</b> 42 builders	
<b>Company formation:</b> 17 teams	
<b>Outcomes:</b> Early stage; outcomes still forming	
<b>Ambition:</b> Build a non-accelerator, peer-driven environment with weekly shipping cycles, designed to pressure-test teams until useful products emerge.	





# Rising stars

Lithuania	Latvia	Estonia
Justinas Baranovskis	Roberts Levics	Kaarel Kotkas
 <b>Ovoko</b>	 Spotwise	<b>veriff</b> 
Juozas Nainys	Martins Lasmanis	Martin Sökk
<b>Atrandi</b> BIOSCIENCES	 <b>supliful</b>	<b>Lightyear</b>
Kristijonas Šidlauskas	Jānis Stirna	Gabriel Ferraz
<b>siñtra</b>	 <b>handwave</b>	 <b>CREEM</b>

Local VC funds were asked to vote for founders within their respective home countries.













Those highlighted received the highest number of votes, reflecting peer recognition from active investors in each local market.



Investors








# Most active investors in Baltics

	Pre-seed	Seed
Baltic VC funds	<div>Practica Capital </div> <div> <b>Firstpick</b> </div>	<div> <b>OUTLAST FUND</b> <b>SMART&gt;CAP</b></div> <div><b>Firstpick</b>  <b>specialist<sup>VC</sup></b></div>
Accelerators & Syndicates	<div> <b>Teniry</b> <b>EstBAN</b></div> <div>  </div>	<div>  <b>ENGL</b></div>
Foreign VC funds	<div><b>SUPERHERO CAPITAL</b> <b>icebreaker</b> <b>DIG.</b> ventures</div>	<div><b>inovo<sup>VC</sup></b>  <b>MARKET ONE CAPITAL</b></div>

\* Funds were selected based on number of deals they have led or participated in during 2025



# Top funds that invested in Baltics in 2025

 Index Ventures	<b>earlybird</b>	<b>dawn.</b>	Balderton.	<b>LU+</b>	<b>Activate</b> capital
EVANTIC 	<b>plural</b> 	<b>CHERRY</b>	   CAP	<b>20VC FUND</b>	 <b>ANTLER</b>

43%

Of all deals had at least 1 foreign investor in 2025

+23 p.p

versus 2020, where only 20% of deals had foreign investors

→ Top international VCs are increasingly active in the Baltics, especially in larger Series A+ and growth rounds.



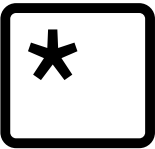


→ **43% of deals now include at least one international investor**, up from 20% in 2020.

→ They often lead these rounds, bringing larger checks, credibility, and global networks.





# Baltic funds raised in 2025

Lithuania	Latvia	Estonia	International*
 aneli capital	<b>BADideas</b> <b>.fund</b>	 DARKSTAR VC	 VENDEP CAPITAL
 Iron Wolf Capital	<b>OUTLAST</b> <b>FUND</b>	 Archangel	<b>SUPERHERO</b> <b>CAPITAL</b>
<b>65</b> m'EUR	<b>60</b> m'EUR	<b>55</b> m'EUR	<b>120</b> m'EUR

→ In 2025, VC managers with a Baltic focus raised 9 funds, bringing €300m of fresh capital to the region.

→ Lithuanian funds account for €65m, Latvia €60m, and Estonia adds €55m; international funds with an active Baltic presence contribute a further €120m.

→ This influx of capital significantly reinforces early-stage and follow-on funding capacity across the Baltics.

\* Funds with team members located in the Baltics and actively investing in the region.

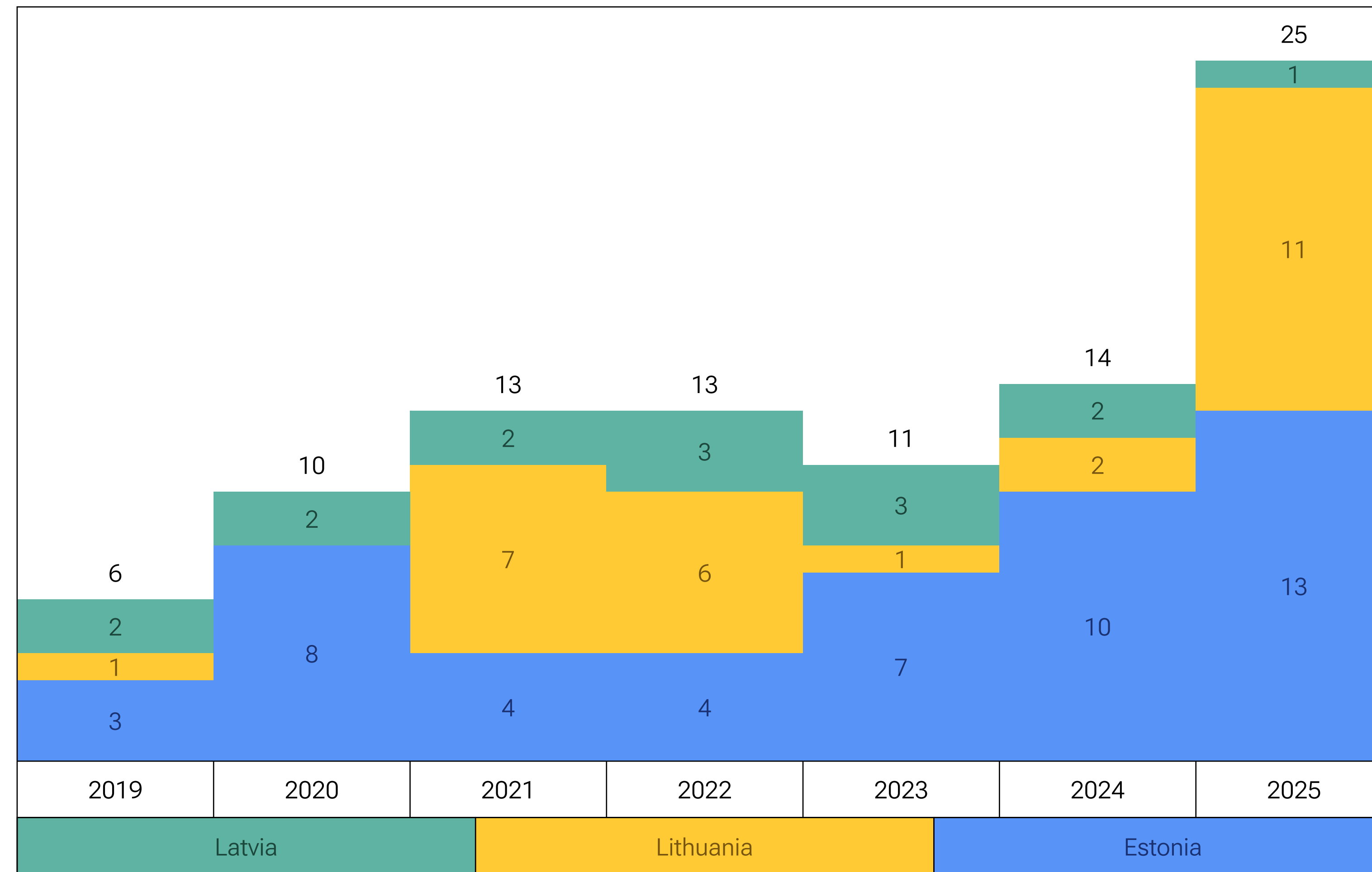


Exits



# Exits: historical data

Number of exits by country, 2019-2025





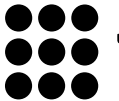




→ Exit activity peaked in 2025, making it the strongest year in the period, driven primarily by an increase in M&A transactions.

→ Estonia remained the most consistent contributor, while Lithuania recorded a noticeable step-up in exits in 2025, signalling improving exit maturity.

→ Latvia's exit activity stayed limited and episodic, reflecting a smaller late-stage pipeline.



# Exits in 2025

Lithuania	
 ArcaPay	untu
 amberlo	 tellq
 CREDITONLINE LENDING TECHNOLOGIES	Trafi  >>
 whitebit	 doclogix
 U_C_S IT SOLUTIONS FOR HOSPITALITY	DexterLab
Loctax	


Latvia
 TestDevLab


Estonia	
 READY PLAYER ME	 DEFENDEC
 striga	RANGE FORCE
 AMB CRYPTO	CLEVON
 VGI Video Game Insights	RIDANGO »
 adact	 FIIZY
Parceiſea	Promoty
 saltoX	






# Exit highlights

Lithuania
 <b>ArcaPay</b>
Acquired by: <b>Ebury</b>
<b>Vertical:</b> International money transfer and FX platform
<b>Previous Investors:</b> N/A

Latvia
 <b>TestDevLab</b>
Acquired by: <b>xoriant</b>
<b>Vertical:</b> Software testing & quality assurance services
<b>Previous Investors:</b> none

Estonia

Acquired by: <b>NETFLIX</b>
<b>Vertical:</b> Cross-game digital avatar platform for games & virtual worlds
<b>Previous Investors:</b> a16z, Plural, Konvoy, Endeavor (+ gaming angel investors)





# Methodology & Data Credibility





# Methodology

## Data sources

The report analyses venture and tech investment activity across the Baltics, including startups headquartered elsewhere but with a dominant operational base in Estonia, Latvia, or Lithuania.

The dataset combines systematically tracked public funding information with confidential inputs provided directly by founders and investors active in the region.

## Limitations

While coverage is broad, the dataset does not capture all funding activity. Certain transactions remain undisclosed, and early-stage or privately negotiated rounds may be underrepresented. Some figures rely on self-reported information provided in confidence by founders and investors.

We are grateful for the trust placed in us by contributors and remain committed to handling all sensitive data responsibly, anonymously, and with appropriate care.

## Data collection, processing, coverage

Data collection followed a two-step process. First, the author funds continuously tracked funding rounds announced across public databases, media, and ecosystem sources. Second, founders and/or investors behind the identified 2025 funding rounds were approached directly to validate transactions and, where possible, share additional details in confidence.

All data was used exclusively for aggregated analysis, focusing on market trends, averages, and medians.

The report covers tech and VC-backed funding rounds across all stages completed during calendar year 2025. Out of 175 identified funding rounds across the Baltics in 2025, the report includes detailed data on 109 deals, representing 62% coverage. In addition, 305 founding team member profiles from 139 companies that raised capital in 2025 were analysed to support founder-level insights.

The report transitioned from a semi-annual to an annual publication, with the next edition expected in Q1 2027.





# Authors

## Report authors

The Baltic Funding Report 2025 is authored by **FIRSTPICK** and **Practica Capital**.

**FIRSTPICK** is a high-speed VC fund backing tech startups in the Baltics. The fund invests €100k–€500k at inception and pre-seed in top Baltic founders building for global markets. FIRSTPICK portfolio companies gain early market access, impactful partnerships, and hands-on early-stage expertise.

**Practica Capital** is a leading Baltic VC fund investing in technology companies from early stage to growth, currently deploying Fund III. With a long-standing presence across the region, Practica Capital supports founders in building category-defining businesses with global ambition.

## Report partners

We acknowledge **Change Ventures** for their foundational contribution in originating the Baltic Startup Funding Report and building the underlying dataset between **2019 and 2024**, which continues to serve as an important reference point for this analysis.

We also thank the founders and investment teams across the Baltics who trusted us with confidential information. Their willingness to share sensitive data makes this report possible and allows for a more accurate and meaningful view of the regional venture market.

Practica Capital 

**firstpick**