Promoting Support Policies for Innovative, High-Growth Enterprises in Eastern Europe and South Caucasus, 15.09.20

The Estonian Startup Ecosystem
Estonian Startup Scene in Numbers

- **1053** startups, of which **200+** startup visa founded (21%)
- Startup founders: 28% foreigners, 15% women, average age 35 years old
- **6000+ new jobs** created, 36% women, 27% foreigners
- Startup sector growth **30% a year**!
- Raised over **€1.8B** in the last 12 years (90% foreign funds)
Global Top for Unicorns per Capita

On their way to unicorn status

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Startup community in Estonia has proved not only that great ideas that transform our thinking are born here but also that startups drive our economic growth, which is quite remarkable.

VILJAR LUBI – MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS
What is Startup Estonia?

Startup Estonia is a governmental initiative aimed to supercharge the Estonian startup ecosystem in order to be the birthplace of global success stories.

The pilot programme was initiated in 2011 and in 2015 the Startup Estonia as we know it today was launched.

A 6-person team was to reach ambitious goals:

- Increase number of startups to 1000 in 5 years;
- Increase the number of employees, revenues, and employment taxes of sector to prove its place in the (future) economy;
- Offer training programs for startups as well as investors to attract more smart money to the region;
- Monitor the startup sector, collect and provide solid data to induce informed decision-making and policies;
- Act as intermediary between policy makers and startup sector.

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Join the liveliest startup community in Europe

More info: [https://startupestonia.ee/visa](https://startupestonia.ee/visa)
Startup Estonia is **supercharging** the Estonian **startup ecosystem** to create more international success stories.

- **Estonia has good and collaborative startup ecosystem**
- **Estonia has 1000 startups**
- **Legislative environment is clear & gives incentives for startups & investors**
- **Funding is accessible for startups**
**Estonian Startup Community organisations**

**Startup Mindset**
Discovering & Understanding

You are a student or you have heard the word “startup” and are looking for options to get to know more, but you don’t know where to start. These organisations are working for the young & curious, who are keen to create innovative projects for launching new products and solutions with help of technology tools.

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<thead>
<tr>
<th>Estonian Startup Ecosystem</th>
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**Pre-Startup**
Ideating & Concepting

You have an idea for a scalable, innovative product or a service with a clear concept & timelines on how to get there. What you probably need is resources to fund your early prototype, team members, test your idea with clients, find partners for your prototype through mentoring and supporting networks.

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**Startup**
Commitment & Validation

You have developed an MVP and the signed shareholder agreement between founders. Now you are ready for investments and to accelerate your business with the help of angel investors, accelerators and investment funds. Ecosystem partners in this phase will also get you prepared for market validation and scaling.

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**Scaleup**
Scaling & Establishing

Your product or service is showing a clear and measurable user growth and you have already attracted significant funding. To move into establishing phase you need to go global. Use the help of partners to do that.

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Attracting talent (since January 2017):

- **founders** from non-EU countries
- **new talent** to Estonian startups

Altogether **2300+ individuals** have relocated or granted the right to move to Estonia!

- TOP countries for founders: **Russia, Iran, Turkey, India**
- TOP countries for employees: **Brazil, India, Russia, Ukraine**
”We made a matrix listing many jurisdictions, and crossing taxes, regulation and costs. Plus, because of our idea of approaching the EU market in the future, Estonia jumped to the top of the list.”

– Edilson Osorio Jr. (Brazil)

Availability of Capital

Growth companies are financed through **equity investments**, not grants.

Since 2010, Baltic Private Equity and Venture Capital sector has demonstrated **rapid growth** with EUR **1.3B of new capital** raised.

2019 was a record year with EUR **490M** raised. The majority of capital raised (EUR 800M) is still available for investments.

14 new funds started their activities in 2019, the majority of which with **Pan-Baltic focus**.

Funding raised by **Estonian-focused funds amounted to EUR 37M**.

[startupestonia.ee #startupestonia]
Investments to Estonian startups 2008-2019
# The Estonian Startup Database

<table>
<thead>
<tr>
<th>Startup</th>
<th>Sector</th>
<th>Business model</th>
<th>Employee count 2Q</th>
<th>Employment taxes 2Q</th>
<th>Turnover 2Q</th>
<th>Year founded</th>
<th>Webpage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolt</td>
<td>Transportation &amp; Logistics</td>
<td>B2B2C</td>
<td>547</td>
<td>€ 2.6M</td>
<td>€ 47.8M</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>Pipedrive OÜ</td>
<td>Business software &amp; HR</td>
<td>B2B</td>
<td>386</td>
<td>€ 2.4M</td>
<td>€ 18.4M</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Adcash</td>
<td>AdTech &amp; Creative Tech</td>
<td>-</td>
<td>64</td>
<td>€ 336.1K</td>
<td>€ 7.4M</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Syntuition OÜ</td>
<td>HealthTech, Life sciences &amp; Wellness</td>
<td>B2C</td>
<td>18</td>
<td>€ 46.8K</td>
<td>€ 6M</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Cobalt Engine</td>
<td>Business software &amp; HR</td>
<td>-</td>
<td>6</td>
<td>€ 15K</td>
<td>€ 3.7M</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Ridango</td>
<td>Transportation &amp; Logistics</td>
<td>-</td>
<td>83</td>
<td>€ 473.8K</td>
<td>€ 3.5M</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>Starship Technologies</td>
<td>DeepTech &amp; SpaceTech</td>
<td>-</td>
<td>119</td>
<td>€ 355.2K</td>
<td>€ 3.5M</td>
<td>2014</td>
<td></td>
</tr>
</tbody>
</table>

[https://startupestonia.ee/startup-database](https://startupestonia.ee/startup-database)
What Next?

- Moving to the **globalisation phase** as an ecosystem.
- Currently **no 14 in the rising ecosystems list** (Startup Genome).
- **New strategy** for 2021-2027 ready to be launched.
- **Main goals:**
  1) Keep the steady **growth rate at 30%** annually and to produce 15% of the GDP (together with IT sector) by 2025;
  2) Focus on growth in number of startups and support organisations, leading to **greater spillover effect**;
  3) Attract new diverse **talent and investments**;
  4) Provide even **better data**;
  5) Focus on **deep tech and science commercialization** across sector;
  6) Lobby work to support **favourable regulations**.

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Startup In Estonia podcasts

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