

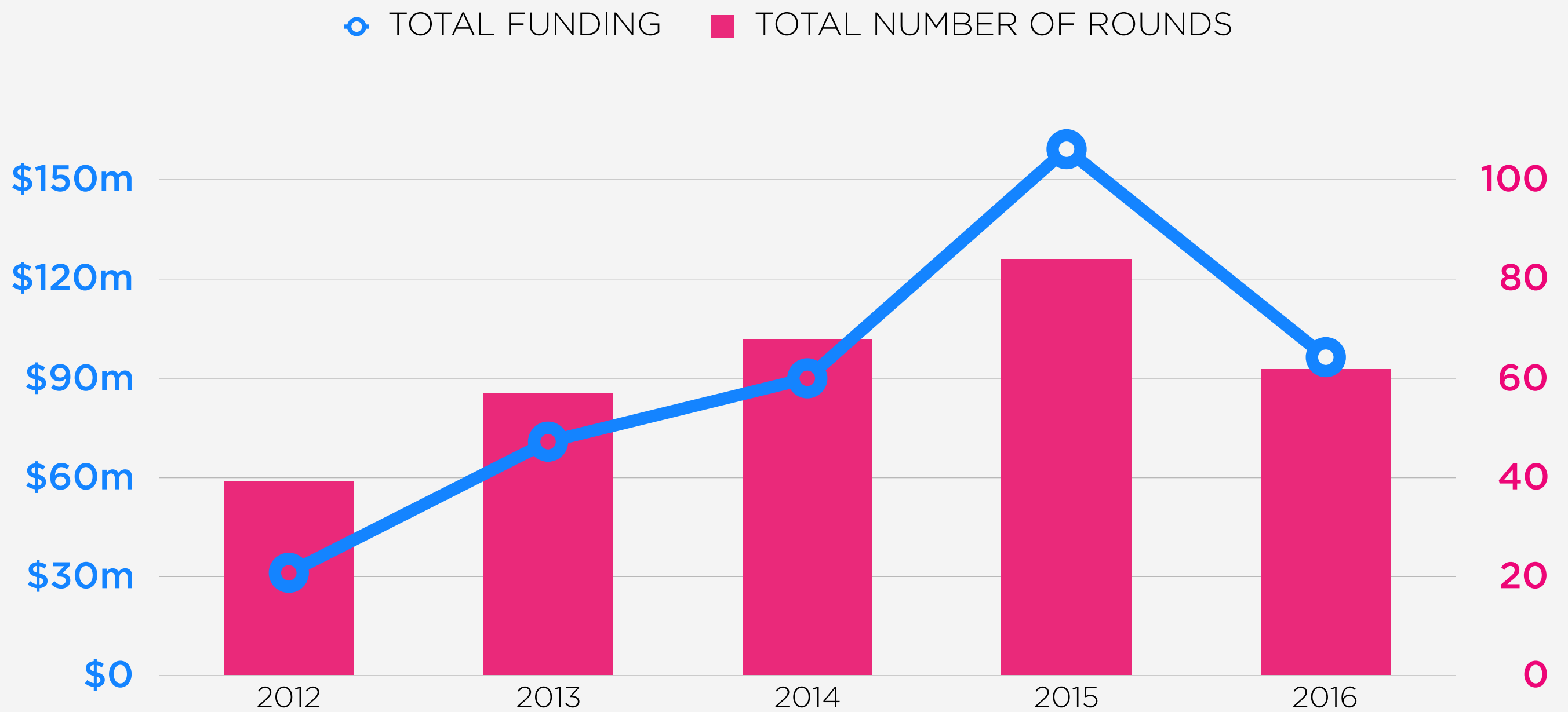


STARTUP INVESTMENT REPORT: ESTONIA

funderbeam

TOTAL FUNDING AND ROUNDS

IN ESTONIA SINCE 2012



REPORT BY **funderbeam**

READING THE CHART

The amount of **total funding** of Estonian startups yearly is represented by the blue line.

The pink bars show the **total number of funding rounds** in Estonia since 2012.

KEY TAKE-AWAY

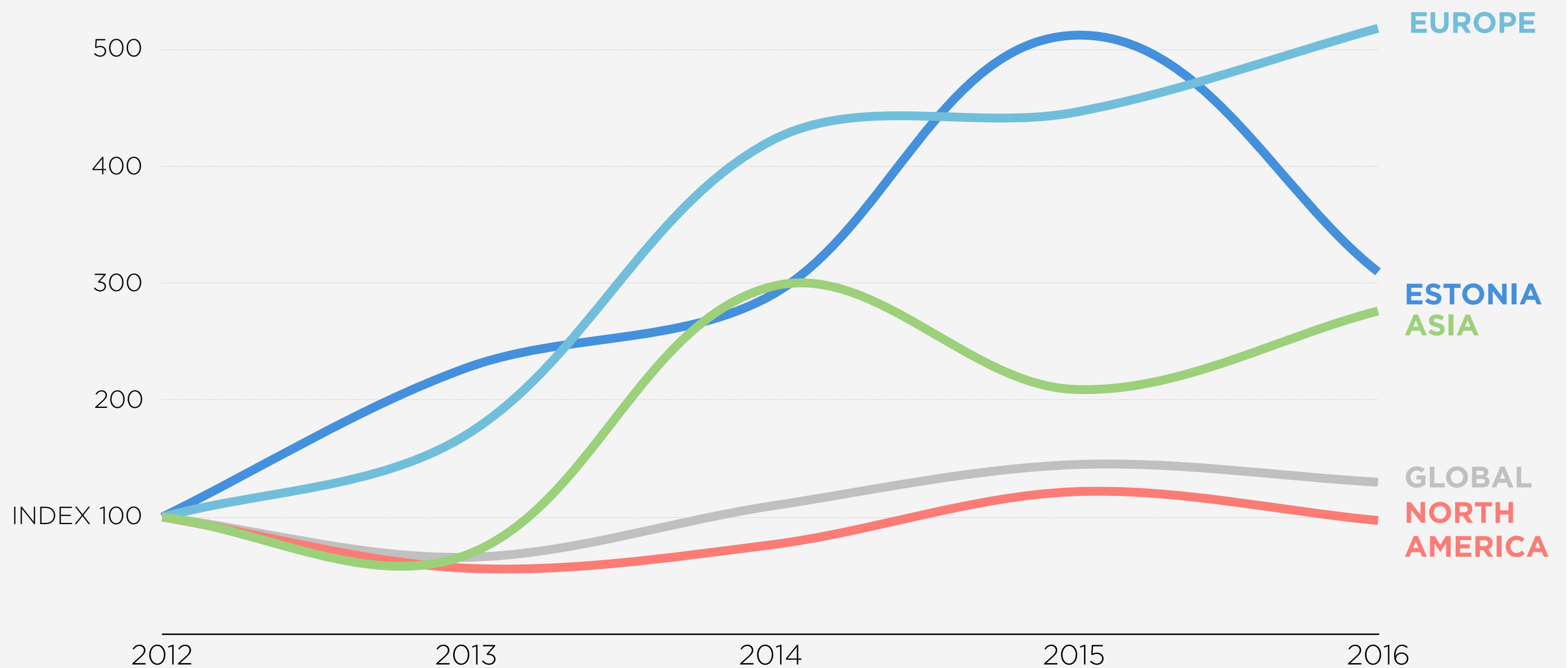
Total funding in Estonia **increased gradually** until it peaked in 2015 at \$160m, as did the number of funding rounds.

The round-sizes have followed the same pattern of moderate increase until **a drop in 2016**.

Another important note is, total global funding followed a similar trend in 2016. You can access our Global Funding Report on funderbeam.com.

FUNDING IN ESTONIA COMPARED TO REGIONS

INDEXED TO 2012



REPORT BY **funderbeam**

READING THE CHART

Each line on the chart represents the **total funding** of startups in the chosen regions and Estonia, indexed to 100 in 2012.

This makes it possible to compare the different regions and Estonia despite big differences in total funding.

For definitions of regions, please see **definitions**.

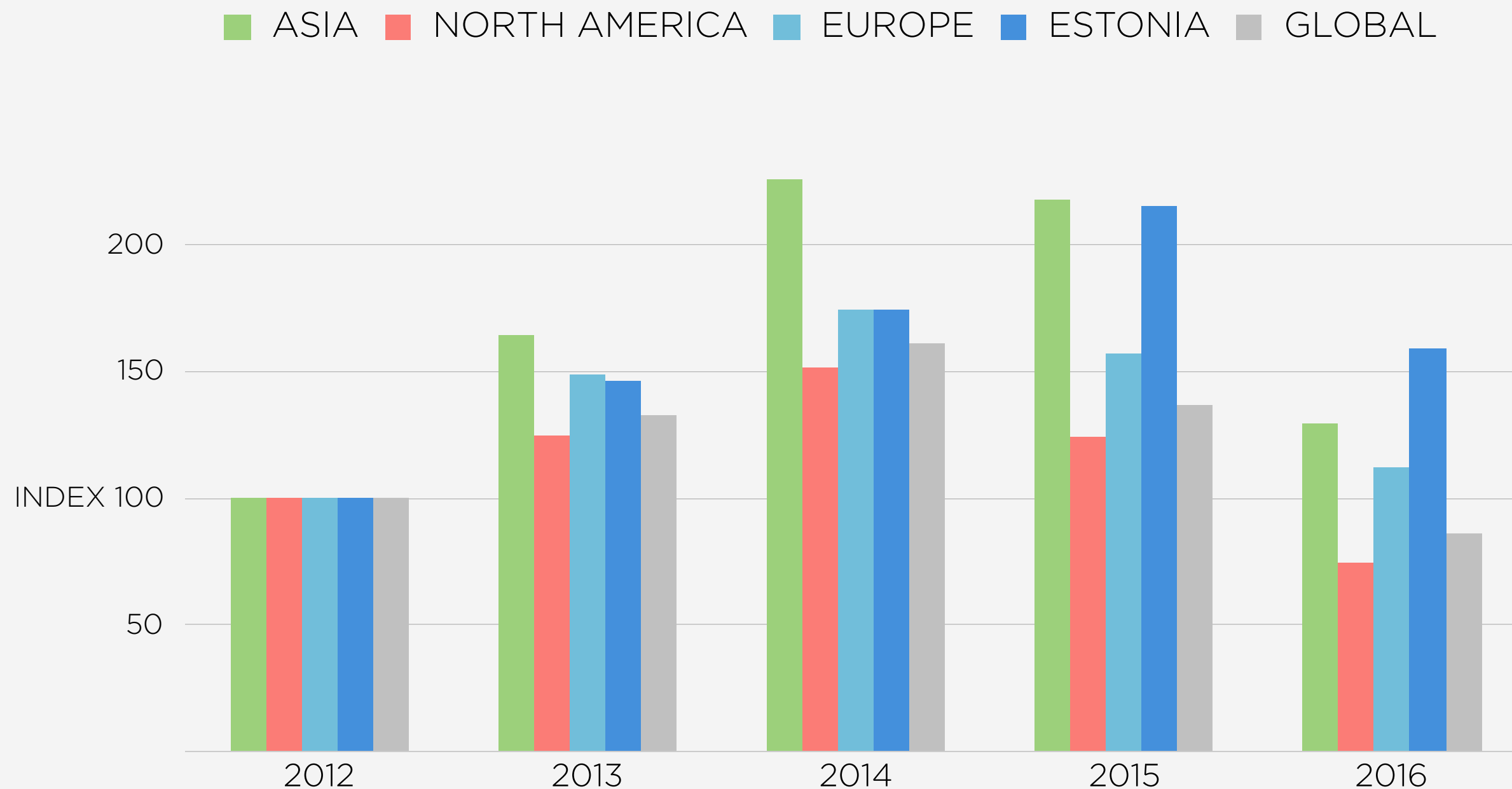
KEY TAKE-AWAY

Regarding total funding, Estonia and Europe have been **outperforming** other regions in the recent years.

Funding in Estonia **peaked in 2015**. The funding dropped significantly in 2016. Europe is growing at a much faster rate than other regions, while Estonia is slowing down.

NUMBER OF ROUNDS COMPARISON

INDEXED TO 2012



REPORT BY **funderbeam**

READING THE CHART

Each bar is colored by region and grouped by year of funding. All numbers are indexed to 100 in 2012.

For definitions of regions, please see **definitions**.

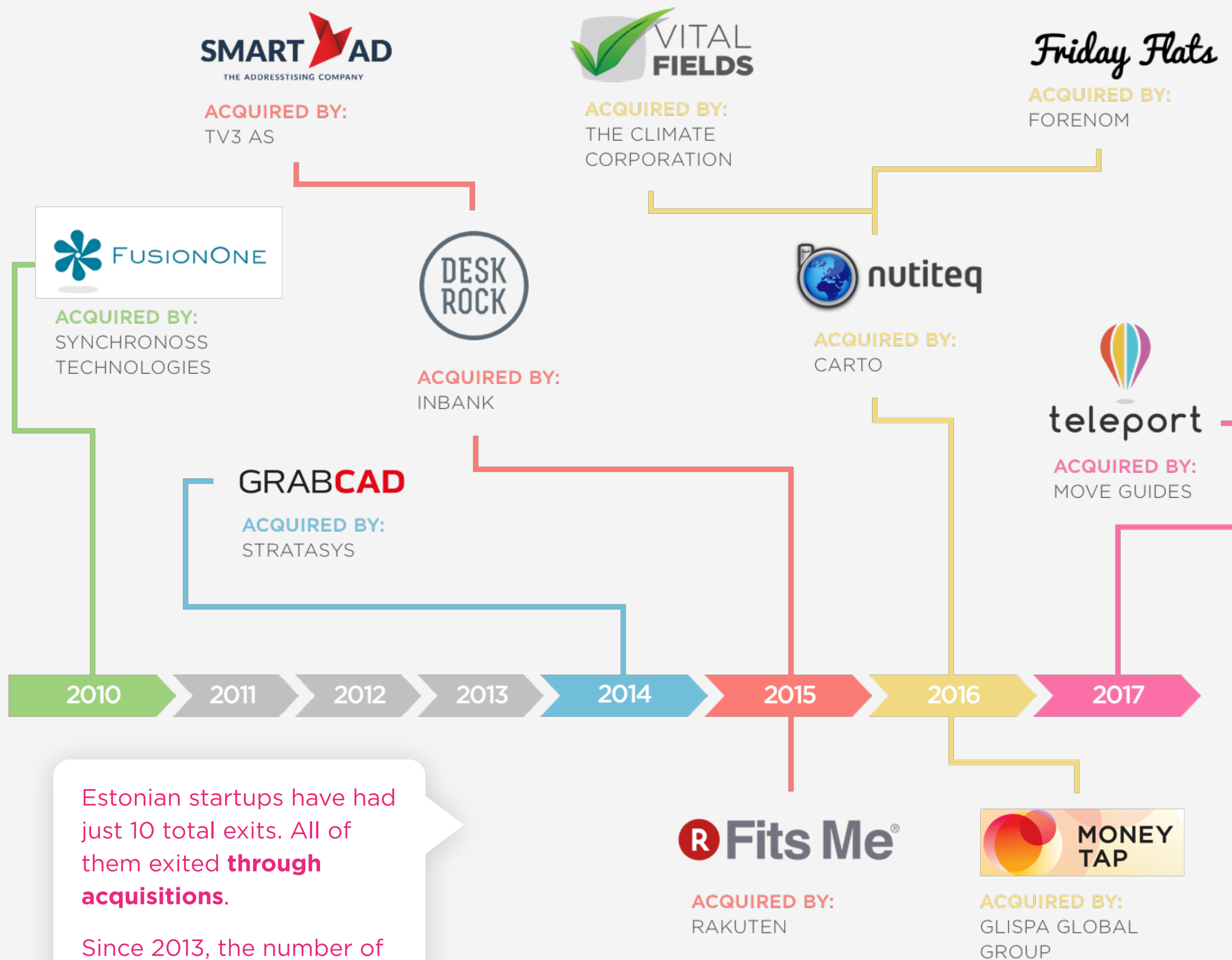
KEY TAKE-AWAY

Based on the number of rounds, Estonia has been **slightly behind** other regions which all reached their peak in 2014 and started declining afterwards.

Estonia reached the **highest number of rounds** in 2015 and has been declining since.

EXITS IN ESTONIA

TIMELINE OF ALL-TIME STARTUP EXITS

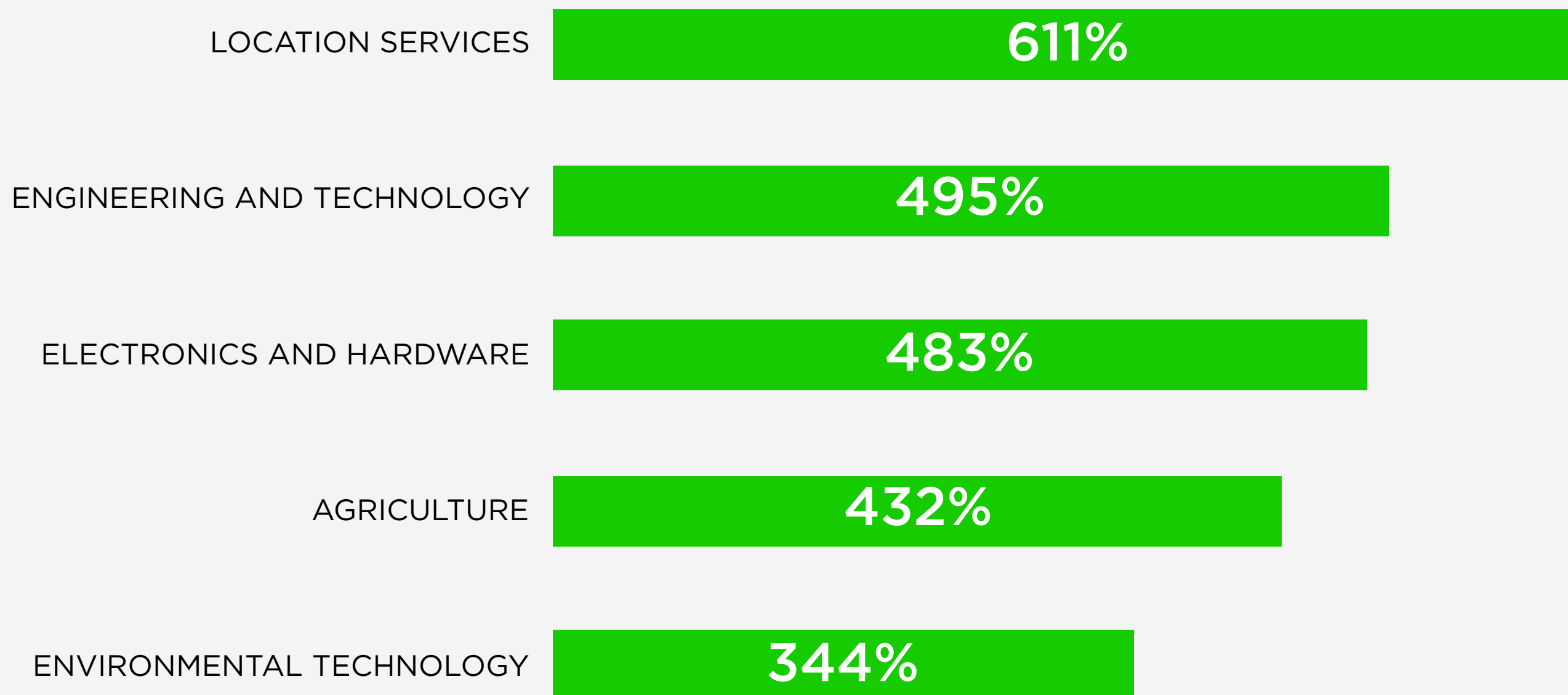


Estonian startups have had just 10 total exits. All of them exited **through acquisitions.**

Since 2013, the number of startups exiting has been on the rise.

TOP INDUSTRIES IN ESTONIA

DIFFERENCE BETWEEN INDUSTRY FUNDING IN ESTONIA AND GLOBALLY



READING THE CHART

This chart represents the **comparison** between how much of the **global** total startup funding goes to one specific industry, and how much of the total **Estonian** startup funding goes to the specific industry.

Note that a startup can be **associated with several industries**.

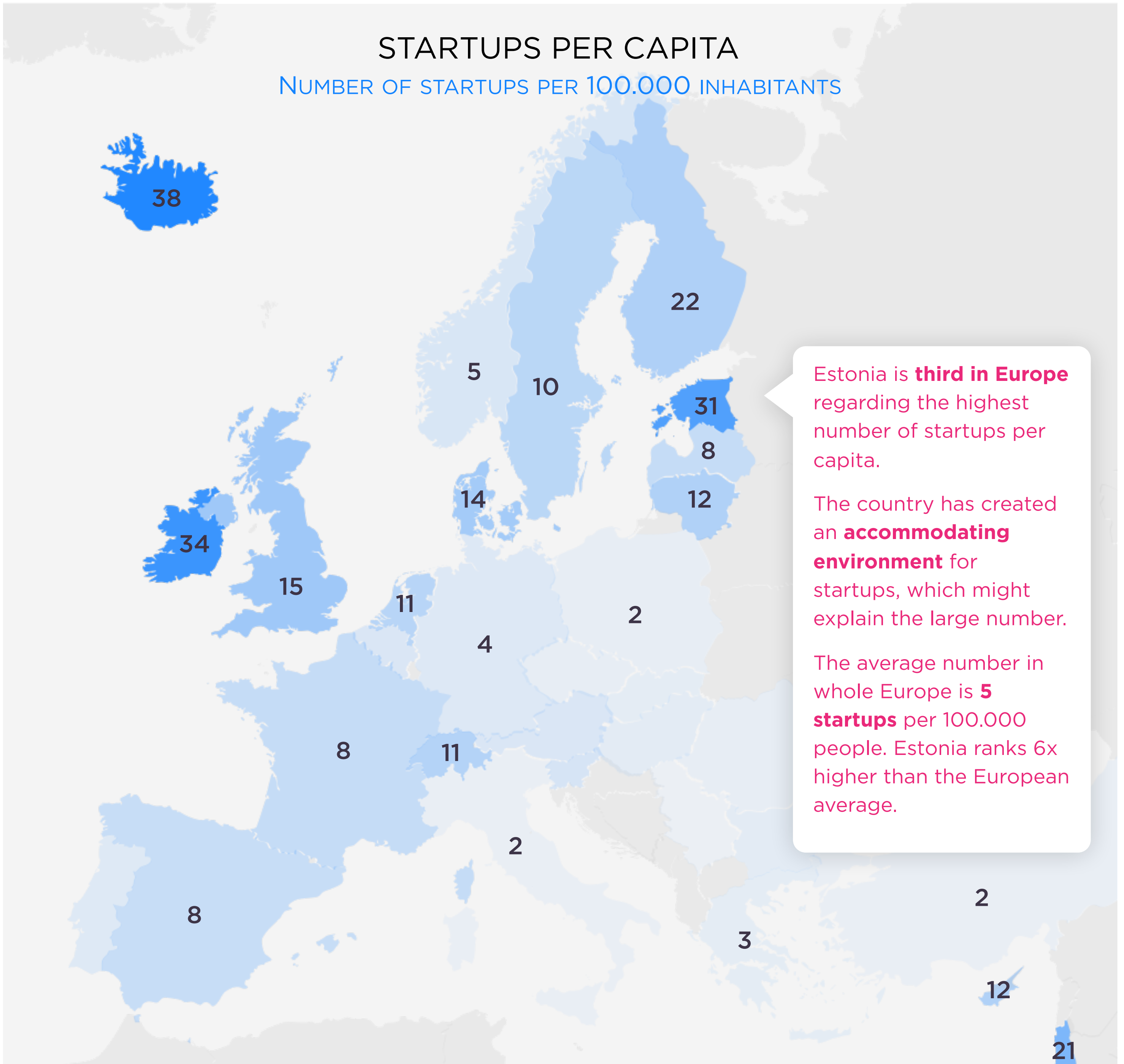
KEY TAKE-AWAY

The total funding in Estonia going to the **Location Services** industry is more than 6x larger when compared to global funding. This is primarily due to **Teleport** raising around \$2,5m in funding.

The **Engineering and Technology** industry is doing well, mainly because of startups like **Skeleton Technologies** and **Starship Technologies**.

STARTUPS PER CAPITA

NUMBER OF STARTUPS PER 100.000 INHABITANTS



Estonia is **third in Europe** regarding the highest number of startups per capita.

The country has created an **accommodating environment** for startups, which might explain the large number.

The average number in whole Europe is **5 startups** per 100.000 people. Estonia ranks 6x higher than the European average.

MOST FUNDED STARTUPS

ALL TIME IN ESTONIA

| Name | Bio | Funds raised |
|---------------------------------------|---|---------------|
| Transferwise | TransferWise is an money transfer service allowing private individuals and businesses to send money abroad without hidden charges. | \$116,371,338 |
| Skeleton Technologies | Skeleton Technologies is the global leader in ultracapacitor-based energy storage. | \$51,042,162 |
| Adcash | Adcash is an international online advertising network focused on delivering high-performing advertising solutions to online publishers and brand advertisers. | \$49,941,332 |
| Pipedrive | Pipedrive is a CRM platform that helps small- to medium-sized businesses sell more. | \$31,343,662 |
| Starship Technologies | Starship Technologies develops self-driving delivery robots. | \$17,200,000 |
| Monese | Open a UK current account without a UK address or credit history in 120 seconds. Monese is the mobile app alternative to a bank. | \$16,000,000 |
| ANF Technology | Developing aluminium oxide nanofibers. | \$11,822,654 |
| ZeroTurnaround | ZeroTurnaround provides JRebel, a JVM plugin that eliminates the build and redeploy phases of the J2E development cycle. | \$11,000,000 |
| Guardtime | A real-time integrity platform for data, systems and networks. | \$10,318,516 |
| Fortumo | Fortumo is a mobile payments company enabling carrier billing in 90+ countries through 350+ mobile operators to over 130,000 merchants. | \$10,000,000 |

Discover more here:
startupestonia.ee/startups

MOST ACTIVE INVESTORS

RANKED BY THE NUMBER ESTONIAN STARTUPS THEY INVESTED IN

| Name | Country | Number of startups invested in | Top 5 notable Investments |
|---------------------------|---------|--------------------------------|---|
| SmartCap | EST | 19 | Fits.me, Monese, GrabCAD, Lingvist, Jobbatical |
| Startup Wise Guys | EST | 19 | VitalFields, Investly, Cloutex, Shipitwise, Sorry as a Service |
| Jaan Tallinn | EST | 10 | Lingvist, Click&Grow, Funderbeam, Teleport, Plumbr |
| Ambient Sound Investments | EST | 9 | Guardtime, Clifton, Celecure, United Dogs, Inkspin1 |
| GameFounders | MYS | 9 | TIME PLUS Q, X3M Games, Jump or Fall, Stormbringer Studios, Dev9k Games |
| Mobi Solutions | EST | 9 | Fortumo, Click&Grow, Teleport, Taxify, Plumbr |
| Seedcamp | UK | 8 | Transferwise, Monese, GrabCAD, Teleport, Sportlyzer |
| Buildit Accelerator | EST | 6 | FlipFlic, Huntloc, Sonocase, SprayPrinter, Toona Technologies |
| CEED Tech | ESP | 5 | Sorry as a Service, Hashtago, EstateGuru, SyncUI, MRPEasy |
| Ivo Remmelg | EST | 5 | Sportlyzer, Inzmo, Ridango, Satrian, Helpific |

ABOUT FUNDERBEAM

Funderbeam is creating a world where companies are funded and traded across borders.

Companies can raise funds through syndicated equity crowdfunding, raising from 100's of investors globally, and only adding one contact point to their cap table. All investments are tradable on the blockchain, so investors can choose when to return on investments instead of waiting +5 years for an exit. On top, Funderbeam has free data on +180k startups and investors, helping both groups make smarter investment and business decisions.

Funderbeam consists of 3 parts:

- Data: Free world-class data intelligence for investors and founders.
- Funding: Private/crowd syndicates for equity funding.
- Trading: All investments are instantly tradable; investors choose how long to keep investment. All trades are secured by blockchain.

To get started, go to Funderbeam.com.



DEFINITIONS

Regions

Evaluating funding trends and aggregating numbers on a global scale can be misleading. Due to the sheer difference in funding activity in different regions, global sums may not tell the full story. For example, a moderate increase or decrease in funding activity in North America might overpower a significant increase or decrease in European funding activity simply because of a rift in the absolute funding amount within each region. To reduce the effect of these powerhouses on emerging regions, we've split the data into four different regions so funding trends can be evaluated on a more appropriate basis. Those regions are as follows:

North America: Canada, The US, and Mexico.

Europe: Europe including Israel and Russia.

ASIA: All countries in Asia.

RoW: Rest of world consists of all countries not included in the other three regions.

RoW groups together countries like Australia with Middle Eastern, African, and South American countries. These are not related, but from 2012 until today, they only constitute about 2.5% of global funding, so for meaningful comparison of the other three regions, we've grouped these three together.

Industries (Tag clusters)

Grouping startups by industry can be a tricky process. Due to the prevalence of tech startups, along with the inherently disruptive nature of innovative companies, it's difficult to draw clear boundaries between industries. Classical industry classifications are too broad to capture the essence of the startup world, but allowing each startup to populate its own space would make any comparison of trends meaningless.

To address this, we've used thousands of descriptive tags and clustered them into 52 industries that capture the diversity of the startup world while maintaining meaningful comparability. This way, patterns and trends in funding across different industries can be evaluated over time.

Stages

With the exception of a few companies that burst onto the scene with a multi-million dollar VC round, most startups follow a fairly straightforward funding journey. They start off with angel and seed funding as they develop their product and find their place in the market. Afterwards, they progress through the alphabet of Series funding leading with A and moving forward. That being said, more and more startups are opting to crowd fund their early development.

For the purposes of this report, we divided funding into 10 stages. **Angel, seed,** and **crowdfunding** generally indicate an early round of capital that doesn't usually involve large VCs. This can come from angels, accelerators, and syndicates. **Series A, Series B,** and **Series C+** are later stage rounds that usually come (at least partially) from VCs and may include existing angel investors. The same applies for **Series ?**, but we don't have specific information on where in the Series pipeline it came from.

Grant and **debt** are somewhat less common ways for startups to raise capital. Grants are popular among university spin-offs and startups heavily involved in fields that require significant amounts of research (such as biotech). Debt is a way of raising capital that doesn't generally dilute outstanding shares (as no new shares are issued).

Undisclosed indicates that we're aware of a funding event taking place, but we don't have sufficient information to distinguish the stage of the round.

DATA SOURCES

Funderbeam data

Powering a data platform as large as Funderbeam's requires an extensive amount of both automatic and manual work. In order to piece together an accurate picture of the startup environment globally, we collect data from a wide variety of sources, clean it and structure it, and then run it through a number of fine-tuned algorithms to bring out the story behind the numbers.

Collecting the Data

Data is collected from a combination of public sources, strategic partnerships, and the crowd.

Sources include social media profiles such as Facebook, Twitter, and LinkedIn as well as media outlets such as TechCrunch, FinSMEs, and PE HUB. The webpages of the startups themselves also provide valuable data.

Partners include CrunchBase and regional partners across Europe.

Structuring the Data

The amount of data available on startups has increased dramatically over the last few years to the point that too much data is an equal issue to the lack of it. In order to find and make use of the data it must be cleaned and structured.

To address this, we use both automatic processing and manual verification to update our data.

Data coming from different sources is cross-checked for validity. In cases where the same data from different sources are in conflict with each other, a thorough series of algorithms is run to determine which data is most likely to be correct.

In addition, data on our platform is constantly being maintained by dedicated data administrators and analysts. Every suggested edit to the data by the crowd only makes it to the platform once it's been manually verified by our team.

Analyzing the Data

The data is run through a number of machine learning algorithms that have been tuned and statistically analyzed using hundreds of thousands of data points. These algorithms give insight beyond the amount of funding a startup has raised and the number of Twitter followers they have.

Natural language processing is also leveraged to extract meaningful data from news articles, allowing machines to process thousands of articles in the time it would take a human to read one.

The data in this version of the report is extracted from our database on the 2nd of October 2016, and rounds are still coming in, so final numbers may vary slightly later.