

THE WEEK / CAPITAL FOR GROWTH

BRIEFING

Capital for growth, pressure on margins

Blackwall's rise to unicorn status put Estonia's technology sector in the spotlight. Across the region, businesses gained backing for industrial expansion, energy and small-business lending. Growth plans are advancing, while farmers' demand for credit and pressure on restaurant margins show how difficult day-to-day trading remains.

QUOTE OF THE WEEK

"The web is becoming more automated, more distributed and more complex, but the infrastructure that powers it remains highly fragmented."

- Nikita Rozenberg, co-founder and CEO of Blackwall, announcing the company's \$100 million funding round on 20 October.

Source: [AVP announcement](#)

01 Blackwall becomes the latest Estonian unicorn

Estonian cybersecurity company Blackwall raised \$100 million at a \$2.2 billion valuation in a round led by AVP. It sells website protection and traffic management through hosting and cloud providers, and plans to expand internationally and develop tools for managing AI-agent traffic.

Management also plans further engineering and product hiring in Estonia. For the local economy, the value of the round extends beyond the unicorn label: an international software business is financing its next stage of growth while retaining development work at home.

[AVP](#) · [ERR](#)

02 Neo advances the Estonian magnet industry

Neo Performance Materials was selected for up to €126 million in EU Innovation Fund support for its approximately €400 million Estonian expansion. The project would connect rare-earth separation, metal production and magnet manufacturing.

It offers Estonia a larger role in supplying European wind energy, electric vehicles and industrial equipment. Selection brings the project closer to financing; the grant agreement and final investment decisions still lie ahead.

[Neo announcement](#)

THE WEEK IN NUMBERS

\$2.2 billion - Blackwall's valuation following its \$100 million funding round. [AVP](#)

Up to €126 million - EU Innovation Fund support selected for Neo's Estonian magnet project; the final grant agreement is still pending. [Neo](#)

More than €1 billion - investor orders for Ignitis's €300 million European Green Bond. [Ignitis disclosure](#)

48 MWh - storage capacity of the battery opened at Sunly's Raba site, alongside a 45 MW solar plant. [Raba](#)

€93.7 million - loan applications from Lithuanian agricultural and aquaculture businesses, against a programme allocation of €65 million. [Agriculture Ministry](#)

CAPITAL FOR GROWTH

03 Investors back Ignitis and Finbee expands lending capacity

Ignitis attracted more than €1 billion in orders for a €300 million, five-year European Green Bond carrying a 4.5% coupon. Settlement is scheduled for 27 October. The issue supports refinancing, with an equivalent amount allocated to eligible green expenditure. Strong demand gives the energy group room to manage its debt alongside its investment programme.

At the smaller-company end of the market, Pollen Street increased its credit facility for Lithuania's Finbee Verslui from €35 million to €55 million. That adds €20 million of capacity for business lending. The practical measure of its impact will be the financing that reaches borrowers.

[Ignitis disclosure](#) · [Finbee CEO](#)

04 Lithuania takes another step into defence manufacturing

State-owned Giraitės ginkluotės gamykla presented its first assembled automatic rifles, working with EMTAN. Previously focused on ammunition, it is developing assembly and maintenance capabilities; domestic component production is a longer-term goal.

The business significance is the gradual acquisition of skills and production capacity in Lithuania. Training, testing and preparation still precede industrial-scale assembly.

[Lithuanian Ministry of Finance](#)

IN BRIEF

05 Biuro Baltic. Lithuania's Competition Council authorised Blue Flight Workforce to acquire up to 85.4% of Biuro Baltic and take sole control of its subsidiaries across the three Baltic states. The group provides temporary staffing services and administers the Workis online platform. [Source](#)

06 Lithuanian business finance. The Economy Ministry and ILTE proposed reallocating €77 million within existing financing programmes and improving loan conditions. The changes remain subject to coordination, with new terms planned from 6 November. [Source](#)

AGRICULTURE AND FOOD

07 Farm demand outstrips the enlarged Lithuanian loan programme

Lithuania added €15 million to its concessional lending programme for agricultural and aquaculture businesses, bringing the allocation to €65 million. Changes effective from 19 October widened access for weather-damaged farms and raised the maximum combined borrowing per recipient to €300,000.

By 23 October, applications sought €93.7 million, while signed contracts totalled €40 million. The demand points to substantial pressure on working capital. Repayable loans can help farms maintain operations, but the expanded allocation may still leave some eligible demand unmet.

[Lithuanian Ministry of Agriculture](#)

08 Baltic livestock exporters test a route to Central Asia

Two trial flights carried 240 young cattle from Estonia through Riga Airport to Tashkent. The operation tested live-animal handling and the veterinary, customs and cargo procedures needed for further shipments. Latvian farmers have booked flights for early November.

For farms, this opens a practical export option after the closure of land transit through Russia made deliveries to Central Asia more difficult. Its commercial value will become clearer as trial operations turn into regular shipments.

[Riga Airport](#)

09 Food businesses invest in storage and export products

Estonia's Nõo Lihatoöstus signed a €4.7 million construction contract for a cold store, due for completion in September 2027. Lithuania's Akola increased its stake in OMG Bubble Tea to 51%; the producer exports about 97% of its output.

These are two different routes to growth: investment in physical capacity and greater ownership of an export business. They show food companies committing resources beyond the immediate pressures facing farms.

[Nordecon disclosure](#) · [Akola announcement](#)

ENERGY PROJECTS AND NETWORK CHARGES

10 Raba opens as Estonia debates battery charges

Sunly opened the Raba battery facility on 21 October. The site combines 45 MW of solar generation with 21 MW / 48 MWh of batteries, sharing one connection to Elering's grid. It allows solar electricity to be stored for use later.

Meanwhile, six energy companies challenged network charges due from January 2027, warning that they could weaken the economics of storage. Elering says battery operators should contribute to network costs. Raba makes the stakes tangible: developers are building assets that use existing connections more flexibly, while tariff decisions will influence their returns and future investment.

[Project participant Verston/Smartecon](#) · [ERR on network charges](#)

EMPLOYMENT AND BUSINESS CONDITIONS

11 airBaltic secures a financing framework as job cuts approach

A US court approved airBaltic's financing framework of up to €350 million, LSM reported; further tranches remain conditional. Separately, the airline said collective dismissals would begin soon after efforts to agree a broad reduction in working hours failed.

The financing provides a path through restructuring, while the employment decision shows its immediate consequences. New routes will need to be assessed alongside the company's efforts to reduce costs and stabilise operations.

[LSM on financing](#) · [Latvijas Radio on employment](#)

12 Latvian restaurants describe a squeeze on margins

Restaurateurs interviewed by LSM/LTV reported rising food and wage costs alongside more cautious customers and smaller bills. Delivery platforms bring orders, but their fees also affect profitability.

These accounts point to a difficult operating balance: raising prices can protect margins while putting demand at risk. They are a warning from businesses in the sector, rather than evidence of a fall across the entire Baltic consumer market.

[LSM/LTV](#)

CITIES AND NEW CAPACITY

13 Vilnius brings fleet renewal closer to passengers

Vilnius presented its new 18-metre Solaris trolleybuses on 25 October, ahead of their planned introduction to passenger service later in the month. The 81-vehicle order will replace older trolleybuses.

Larger vehicles and the ability to travel short distances without overhead wires give the city more flexibility on busy routes and during diversions. Fleet renewal is reaching the stage where its benefits can become visible in everyday journeys.

[JUDU](#) · [Public presentation](#)

14 Tallinn adds housing and film infrastructure to its pipeline

Liven started new phases of its Regati and Iseära developments: 179 homes under construction contracts worth about €42 million excluding VAT, with completion planned in 2027-28. At announcement, 24% and 34% respectively had been sold or reserved.

Tallinnfilm Studios also launched an international tender for a studio complex in Paljassaare, targeting completion in 2028. Housing construction is moving into delivery, while the studio project is seeking a builder for infrastructure intended to attract international productions.

[Liven disclosure](#) · [ERR on Tallinnfilm Studios](#)

IN BRIEF / ACROSS THE BALTICS

In brief

15 SAFE defence funding. Lithuania submitted its first €1.06 billion payment request under the EU's SAFE defence-loan programme. The expected new transfer is about €905 million after deducting pre-financing, subject to European Commission approval. [Source](#)

16 Green methanol in Riga. The Freeport of Riga, South Korea's ECOMETHANOL and Latvia's AE Risinājumi signed a memorandum to explore green methanol production and marine-fuel supply. It covers three years of project preparation. [Source](#)

17 Ignitis gas plant proposal. Ignitis is exploring a gas-fired power plant of up to 200 MW near Tartu, including the ability to help restart the electricity system after a blackout. Planning and final investment decisions remain ahead. [Source](#)

18 Gas protection for food producers. Lithuania backed proposed changes giving more livestock farms and food processors protection during gas supply restrictions. The proposed start date is 1 February 2027. [Source](#)

19 Foreign workers in Lithuania. Unions and anti-trafficking organisations warned of exploitation of foreign workers, while employers called for greater access to overseas labour. LSM reported the competing concerns, citing Lithuanian broadcaster LRT. [Source](#)

20 Estonian state forests. Estonia approved five-year limits for regeneration felling in state forests. RMK may carry out such felling on up to 8,445 hectares in 2027, broadly in line with this year. [ERR](#)

21 Latvian buckwheat. Growers reported good yields and favourable purchase prices, but waterlogged fields were delaying harvesting and could leave some of the crop uncollected. [Source](#)

22 Latvia's oil reserves. Saeima removed fixed annual minimums for purchases of state-owned oil reserves. The target of full state ownership of the required reserves by the end of 2028 remains. [Source](#)

23 Latvia's credit rating. Fitch reaffirmed Latvia's sovereign rating at A- with a stable outlook. [Source](#)

24 220.lv delivery refunds. Latvia's consumer regulator ordered 220.lv to end a practice that improperly denied some customers refunds of delivery costs when returning online purchases. [Source](#)

25 Ports. Klaipėda's cargo grew 5% year on year in January-September, while Riga's fell 2.3% and Ventspils's declined 21.2%. Our analysis examines the different cargo profiles and exposure to shrinking eastern transit flows. [Read the Baltic Focus port analysis](#)

26 Mobile data. Latvia and Lithuania led the OECD in monthly mobile data use per subscription in 2025. Latvia's result was strongly influenced by SIM cards used for home broadband. [Read the Baltic Focus telecom analysis](#)

27 Rail Baltica. Estonian officials said a longer construction timetable could ease technical pressure while increasing exposure to inflation and funding uncertainty. A possible 75% EU funding share remains a proposal. [ERR](#) · [ERR](#)

WHAT TO WATCH

airBaltic's first Ljubljana-Tenerife flight is scheduled for 30 October. It extends the airline's activity between markets outside the Baltics. Further livestock export flights from Riga are planned for early November.

[Ljubljana Airport](#) · [Riga Airport](#)