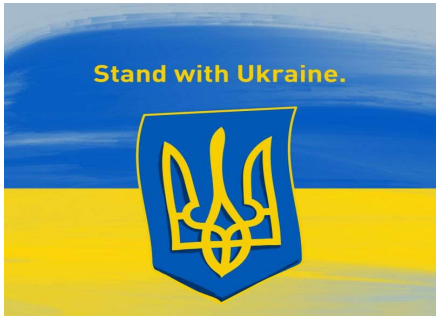
Covering the defence industry of **Estonia, Latvia, Lithuania** and the wider **Baltic Sea region** since June 2024

# Baltic Defence Weekly

**No. 64** | **5 – 11 January 2026** | www.balticdefence.ee | Editorial office: Laeva 2, Tallinn, Estonia




## IN THIS ISSUE



# Baltic states should learn from Finland how to build air defence

In choosing their air defence solutions, Baltic states should look towards Finland, which is acquiring the David's Sling air defence system from Israel, says **Shachar Shohat**, retired Brigadier General and former commander of the Israel Air Defence Forces.

Finland plans to procure David's Sling, one of the world's top-rated air defence systems from Israel.

Jointly developed by Israel and the US, Da-vid's Sling is a medium-range air defence system capable of intercepting targets at distances from 40 to 300 km and with the minimum operational altitude of 15,000 meters.

The system will be supplied to Finland by Rafael Advanced Defense Systems. The contract value, excluding VAT, is approximately €316m.

## ALSO IN THE NEWS


Estonian Minister of Defence Hanno Pevkur in his video invitation to attend the SSD 2026. Image: Explonaut

### Less than 150 days to go until the kick-off of the Supply, Security & Defence Expo 2026 in Tallinn

The second Supply, Security & Defence Expo 2026 (SSD2026) will be held in Tallinn on 10-11 June 2026.

Companies interested in showcasing their solutions at the SSD 2026 are encouraged to secure their exhibition space fast as the availability is quickly eroding - more than 50% of the floorplan is already booked, remaining stand locations are limited and demand is accelerating.

COLLABORATION

## Estonia's Frankenburg Technologies partners with UK defence giant Babcock International Group

UK defence and naval systems provider **Babcock International Group** and Estonia's defence tech startup **Frankenburg Technologies** have signed a Memorandum of Understanding to explore joint development of a new and affordable air defence system.

Babcock is a FTSE 100 defence and naval systems provider with over 135 years of experience delivering complex military capabilities and a world leader in designing and manufacturing maritime launch systems.

Under the MoU, Babcock will develop a cost-effective, containerised platform for launching Frankenburg's new low-cost missiles, specifically to defend against one-way attack drones.

The collaboration combines Babcock's expertise in naval and weapons platforms with Frankenburg's affordable, mass-manufacturable interceptor missiles, advancing scalable, deployable air-defence capabilities across land and sea, and addressing the growing need to protect forces and critical infrastructure in NATO and allied countries.

With Frankenburg's engineering function led from the UK, the relationship will provide both organisations with the opportunity to develop a new sovereign capability, creating skilled employment in the UK and providing Babcock and Frankenburg with global export opportunities.


**David Lockwood**, CEO of Babcock, said: "Defence has entered a new era with the rapid development of drone warfare and industry needs to respond to this growing threat. We work with the brightest start-ups on defence's most critical challenges, and we're pleased to be working with Frankenburg Technologies on the development of an innovative maritime counter-drone air defence system."

**Kusti Salm**, CEO of Frankenburg Technologies, added: "Frankenburg Technologies' mission is clear: to bring affordability and scale to modern air defence. The drone threat has changed the character of warfare, and every layer of defence now needs to be designed for mass and speed from the outset. Partnering with Babcock, a recognised leader in maritime defence, allows us to combine rapid innovation with proven naval and industrial expertise, accelerating the delivery of an operational maritime capability."

### About the partners

- **Babcock** is a FTSE 100 international defence company, operating in the UK, Australasia, Canada, France, and South Africa with exports to additional markets. The company delivers complex support and product solutions to enhance customers' defence capabilities and critical assets driven by our purpose: to create a safe and secure world, together.

- **Frankenburg Technologies** is a defence technology company founded in Estonia.
- It operates in UK, Estonia, Latvia, Lithuania, Denmark, Germany, Poland and Ukraine.
- A third of the company's engineering function is based in the UK. The company is developing next-generation interceptor missiles for short-range air defence and counter-UAS. Systems are designed to protect armed forces and critical national infrastructure from large-scale aerial threats. Designed to be fast, lightweight, and mass-manufacturable, Frankenburg's missile systems drastically lower intercept cost and complement existing layered air defence architectures.

## European rearmament brought a record year for the British defence industry

The year 2025 is shaping up to be a record year for the United Kingdom's defence industry – the UK government has signed defence contracts worth nearly €23 billion, the highest level in the last 40 years.

Among the largest deals is a contract worth 11.5 billion euros with Norway for the construction of at least five frigates, and an 9.2-billion-euro deal with Turkey for the sale of 20 fighter jets, according to the British Ministry of Defence.

The Minister for Defence Readiness and Industry and Member of Parliament **Luke Pollard** noted that, in addition, 12 C-130 aircraft will be sold to Turkey—a deal with a total value for the MoD and **Marshall Aerospace Group** exceeds 635 million euros.

Eighteen transport vehicles are being sold to the Czech Armed Forces.

The MoD does not release defence industry data annually.

For comparison, in 2023, the United Kingdom received defence orders worth 16.75 billion euros, compared to 11,2 billion euros in 2022—a nominal increase of about 49 percent, according to MoD statistics.

This was the largest amount of export orders since 2013. The growth came mainly from new contracts in Europe.

**Typhoon at RAF Coningsby in Lincolnshire. This year, the UK signed an 9.2-billion-euro deal with Turkey for the sale of 20 Typhoons**
Photo: Joe Giddens / Reuters / Scanpix

PRODUCTION

## First 155mm artillery modular powder charge plant in Baltic states gets cornerstone in Latvia

This week Latvia's **State Defence Corporation VAK** began the construction on the modular powder charge assembly plant for artillery ammunition in Iecava.

The new factory will produce artillery shells known as modular shells that can be used in a wide variety of artillery systems.

Construction works are scheduled to be completed in the fall 2026. The factory will be producing around 50,000 shells per year and have a staff of up 25 people

In addition to VAK, the partners of the Rollo project include Italy's **KNDS Ammo** as the leading partner, **NAMMO** from Norway and Finland, and another KNDS group company from France.

Latvian state will invest €26m in the project and the European Commission is investing €41m.

"The Rollo project is a strategic step in strengthening the security of Latvia and the whole of Europe. Work on the production facility is proceeding according to plan," said Defence Minister **Andris Sprūds**, adding that the Rollo project will contribute to increasing the production capacity of modular powder charges in Europe.

**Ingrīda Ķirse, board member of VAK.**

**Latvian state will invest €26m in the Rollo project, with €41m coming from the European Union.** Photo: VAK.

### Other projects to follow

The Rollo project will be followed by others, says **Ingrīda Ķirse**, member of the board of State Defence Corporation.

"We are working also on other potential projects in the same ammunition context, other ammunition classes, and we also with potential projects in the anti-mobility solutions section," said Ķirse.

According to Andris Spruds, in addition to shells, production of mines and anti-tank equipment may also begin in Latvia in the future. These plans depend on government decisions and possible procurements.

### About State Defence Corporation (VAK)

- Latvia established VAK in November 2023 to develop the defence sector in the long term, manage it, and establish an ammunition factory to supply the National Armed Forces, to promote development of the national defence industry and the continuity of supply chains, as well as the attraction and acquisition of international financing,.
- VAK is a 100% state-owned.

> The Rollo project is a strategic step in strengthening the security of Latvia and the whole of Europe."
> **Defence Minister Andris Sprūds**

## Construction of the Latvian ammunition plant of Rheinmetall to begin in spring

German defence giant **Rheinmetall** is investing €275m in Latvia to build a modern 155 mm artillery ammunition plant.

Construction of the plant will begin in spring 2026, with the first shells scheduled for production by 2027. At full capacity, the factory will produce tens of thousands of shells annually and create at least 150 new jobs.

"This is a strategic decision—by investing in the defence industry, we are investing in the security and the future of our people," said Latvian Prime Minister **Evika Silina** during the signing of the plant plans in Hamburg in autumn 2025.

The new factory will be built in cooperation with Latvia's State Defence Corporation *Valsts Aizsardzibas Korporacija* (VAK).

According to the partnership model, Rheinmetall owns 51 percent and the Latvian side 49 percent of the shares in the company that will operate the plant.

**Latvian PM signed the agreement to establish the plant with Rheinmetall in September last year.** Photo: Rheinmetall AG.


## Lithuania already broke ground on its Rheinmetall plant

Latvia's southern neighbor Lithuania has already started the construction of its Rheinmetall plant.

The cornerstone for the 155 mm artillery ammunition plant in Baisogala was laid in November.

The Lithuanina plant will cost €300 million, and production is set to begin at the end of 2026 or the start of 2027, depending on the volume of orders.

Lithuanian President **Gitanas Nauseda** has called the plant the largest defence industry investment in the country's history.

"This is not merely an industrial project but the building of deterrence capability as a precondition for peace," the Lithuanian president said.

Rheinmetall is expanding even further in Lithuania—in addition to ammunition production, a new center of excellence for propellants will be established, enabling the production of modular charges by the hundreds of thousands each year.

Rheinmetall's growth strategy is driven by ever-increasing defence spending in Europe. According to the company's third-quarter 2025 data, its defence order portfolio has expanded to a record €64 billion.

According to Rheinmetall CEO **Anton Papperger**, Rheinmetall is currently building or expanding 13 factories in Europe, including in Latvia, Lithuania, and Bulgaria. The goal is to become a key player in all areas of defence: on land, at sea, in the air, and in the future.

BALTIC AIR DEFENCE

# Baltic states should learn from Finland how to build air defences, says former Commander of Israel Air Defence Forces

In choosing their air defence solutions, Baltic states should look towards Finland, which is acquiring the David's Sling air defence system from Israel, says **Shachar Shohat**, retired Brigadier General and is former commander of the Israel Air Defence Forces, in a recent interview to Postimees.

Shohat who on December 31 stepped down as Vice President for Strategy and Business Development at Israel's leading defence industry company **Rafael Advanced Defense Systems** says that that David's Sling can cover a large area and also handle very different types of targets.

Rafael Advanced Defense Systems led the development of the world-famous Iron Dome and David's Sling.

## Modern warfare has changed

Shohat emphasizes that modern warfare has changed significantly. It is no longer enough to just monitor helicopters or aircraft, nor are ballistic missiles the only fast-acting threat, from inexpensive attack drones to hypersonic maneuverable missiles capable of changing direction.

"There is no single magic wand against all threats, even though everyone would wish for one. These are completely different types of threats, and this requires a combination of various solutions. We call this a multi-layered system," said BG Shohat.

**Last spring, the Israeli Ministry of Defence tested the Iron Dome against new threats, including drones and supersonic missiles. Recently, Finland also acquired such an air defence system.** Photo: Israel Ministry of Defence / ZUMA / Scanpix

## Should we defend borders or the capital?

One of the most complex questions is always where to deploy a limited number of air defence systems. Shohat believes that protecting only critical strategic assets (power plants, air bases) is not enough.

It is very important to protect the entire population, as the mental resilience of society gives people the ability to defend themselves," believes the Brigadier General. "If the civilian population is unprotected and suffers, this has a severe emotional and psychological impact on the battlefield."

## Lasers as cost-effective solution

One of the biggest current challenges in air defence is so-called "cost-effectiveness": how not to waste a million-euro ultra-expensive missile on a drone that costs only a few thousand? This is where lasers come into play as a new solution.

Rafael's Drone Dome system has already proven itself in initial battles, showing it can destroy drones with a laser beam.

When asked if these advanced Israel systems, mainly created for desert conditions, work in our local fog and snow, Shohat said that this technology is "all-weather ready" and has been thoroughly tested in Finland.

"In our interceptor missiles, we use not only optical sensors but also active radar seekers that work in all weather conditions. In Israel, we have demonstrated the ability to fight 24/7, even through clouds and rain, over the last two years."

However, lasers are still subject to the laws of physics and require a direct line of sight. Thick fog inevitably disperses and weakens the "death ray."

**Lasers will become part of the multi-layered air shield, providing protection in the final phase, where the distances are already very small**. Photo: Israel Ministry of Defence / ZUMA / Scanpix

## AI and development pace: daily updates of software

The new era of air battles unfolds in seconds. Human reaction speed may no longer be sufficient. Shohat explained that, for example, Rafael has already been using deep machine learning and AI in its systems for some time to detect and distinguish all kinds of threats—be it an enemy weapon or a civilian drone delivering pizza.

**Former Head of the Israel Air Defence Forces, Brigadier General Shachar Shohat.** Photo: Rafael

## Finland procuring David's Sling

Finland plans to procure David's Sling, one of the world's top-rated air defence systems from Israel and take its air defence to a new level.

This is the first time Israel has exported this solution, highly effective at shooting down various airborne targets.

Jointly developed by Israel and the US, David's Sling is a medium-range air defence system capable of intercepting targets at distances from 40 to 300 km and with the minimum operational altitude of 15,000 meters.

The air defence system will be supplied to Finland by Rafael Advanced Defense Systems. The contract value, excluding VAT, is approximately €316m.

"With this procurement, we are providing the Finnish Defence Forces with a completely new capability to eliminate high-altitude targets. At the same time, we continue the ambitious and long-term development of Finland's defence capacity in the new security environment," said Finnish Defence Minister **Antti Kaikkonen**.

The air defence system, introduced in 2017, is suitable for intercepting short-range ballistic missiles, aircraft, drones, cruise missiles, and large-caliber artillery munitions. Up to 12 interceptor missiles can be launched from the launcher, which initially head toward a predicted collision course. As they approach the target, a so-called dolphin-nosed warhead separates, guiding itself accurately to the target based on various sensor and radar data.

In addition to the launcher and missiles, the system also includes a radar and a command center housed in a transportable container.

DEEP TECH

## Tech world abuzz as little-known Finnish-Estonian firm claims it invented revolutionary solid-state superbattery

Little-known Finnish-Estonian company **Donut Lab** made headlines this week after it claimed to have developed a revolutionary solid-state superbattery, Äripäev reported this week.

Donut Lab announced the breakthrough at the world's largest technology fair CES held in Las Vegas in January.

According to the company, the battery has energy density of 400 Wh/kg, charges fully in five minutes, and lasts up to 100,000 charge and discharge cycles—even under extreme weather conditions.

If true, this would mean that the battery's lifespan could be measured in millions of kilometers, allowing electric vehicles to travel much further than cars with an internal combustion engine ICE and charge rapidly.

### The Holy Grail

Solid-state batteries are called the Holy Grail of electric vehicles, as they could solve multiple problems at once: they do not wear out and do not require environmentally harmful metals in manufacturing.

"If Donut Lab's claims are true, it means almost everything involving batteries is about to undergo a revolution," said US-based PhD engineer **Ryan Inis Hughes**, who runs the Ziroth technology channel on YouTube.

Donut Lab's CEO **Marko Lehtimäki** promised to begin mass production of the battries already in Q1 2026.

### Tech developed by Nordic Nano

The technology behind Donut Lab comes from its partner, **Nordic Nano Group**, a company founded a few years ago in Imatra in Finland.

Until now, the company has focused on nanotechnological solutions for collecting and storing solar energy. The partnership between the two firms was confirmed to journalists by a representative of Nordic Nano.

### No comments yet

Finnish dailies Helsingin Sanomat and Ilta-Sanomat contacted Nordic Nano CEO **Esa Parjanen** who refused to explain the technology in detail.

"But it is true, it exists and is ready for production," Parjanen said.

Nordic Nano's head of public relations, Pia Erkinheimo, also refused to provide more details, including whether the technology is a battery or a capacitor, and whether a patent application has been filed.

"Right now, we have a competitive edge in terms of both Finnish and European competitiveness. At the moment, it's just a matter of being careful not to disclose these details," said Erkinheimo.

> From microelectronics to defence, from drones to supercharging infrastructure, the Donut Battery is a universal, general-purpose platform, ready to power the next generation of technology."
>
> **Donut Lab**


### Battery experts waiting for proof

The news of the miracle battery is making waves in the international technology community. However, most battery experts remain skeptical.

**Ronald Väli**, head of cell and stack testing at **Stargate Hydrogen**, said that Donut Lab is unknown in the international battery science community.

"My colleagues from Canada started writing to me, saying, 'Hey, there's some Estonian company—do you know about it?'" Väli told Äripäev, adding that battery experts' community knows each other, but he has never heard about Donut Lab.

Finnish battery expert **Juho Heiska** from Seinäjoki University of Applied Sciences in Finland, said that if Lehtimäki's claims about the miracle battery announced in Las Vegas are true, the next Nobel Prize in chemistry should go to the battery's inventor.

**Anu Adamson** who has a PhD in battery engineering and works at German startup **Litonia** told Äripäev that several of the claimed features of the miracle battery contradict what is currently known in battery science.

For example, the claimed energy density would only be possible in lithium-based systems, but Donut Lab's battery supposedly contains no lithium.

Additionally, Donut Lab claims its battery lasts up to 100,000 cycles, but testing that many cycles would take at least two years, said Adamson, adding: "CATL, the world's largest battery manufacturer, reached mass production around 15 years after its founding. Both Donut Lab and Nordic Nano Group were founded only 1-2 years ago."

"Most advanced lithium-ion batteries have an energy density of, at most, 300 Wh/kg even in the most optimistic scenarios. Even that would be considered very high—a more realistic range is 200–250 Wh/kg," she added.


**Donut Lab's battery at CES.** Photo: Steve Marcus/ Reuters/Scanpix.

## Estonian Centre for Defence Investments set to finally get a new general manager

Former **Estonian Police and Border Guard Board (PPA)** director general **Elmar Vaher** confirmed this week that he is running for the position ofgeneral manager of the **Estonian Centre for Defence Investments (RKIK)**.

Vaher is the only remaining candidate for the job which has been vacant for six month after Magnus-Valdemar Saar stepped down in July.

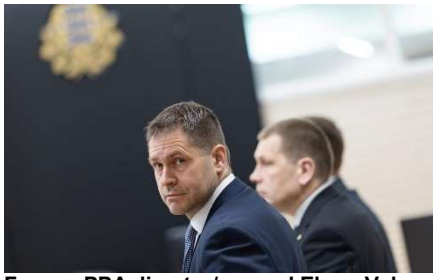
RKIK general manager's position is one of the most important positions in Estonian national defence sector. The institution's mission is to make purchases and developments for the Estonian Defence Forces EDF to the tune of a billion euros a year. Next year, the sum will increase by nearly half, to two billion.

### Supreme Court removes last hurdle

The final obstacle separating Vaher from the job was removed at the start of January when the Supreme Court acquitted him and another two former senior police officials, finding no criminal wrongdoing in a case involving a colleague's police pension.

The case involved Elmar Vaher and senior officials Eerik Heldna and Aivar Alavere, centering on Heldna's police pension.

After the ruling of the Supreme Court, Vaher told ERR that, in his opinion, the Prosecutor's Office had treated him unfairly during the proceedings.



**Former PPA director/general Elmar Vaher was acquitted by the Supreme Court and is set to become the new head of RKIK for the next five years.** Photo: Siim Lõvi/ERR

"Being removed from office as a police chief for a corruption offense is a very serious matter and difficult to go through," Vaher said.

He added that he hopes the government will do everything in its power to ensure that such incidents never occur in Estonia again.

### Did Defence Minister Hanno Pevkur give the job to his friend?

Estonian media has reported that the actions of the Estonian Defence Minister **Hanno Pevkur** in the selection of the new general manager for RKIK raise major questions as Pevkur and Vaher are close friends.

"We know each other for thirty years," Pevkur told Eesti Ekspress daily. "But if you ask me whether he is my friend, I would ask you to define friendship. We have been in sauna together, but not fishing."

Vaher said: "Yes, I have been in the home of Hanno Pevkur and he has been in my home. We don't meet every day."

But Pevkur's decision to delay the selection process by a month and a half, allegedly for meeting the candidates was exactly what Vaher needed – ie acquittal by the Supreme Court – although at the same time RKIK, the billion-euro agency, has been without a director general for half a year and RKIK's deputy head **Katri Raudsepp** will also step down in January.

### Vaher benefited from easing of requirements

Another issue is that also the requirements to candidates were eased in the long selection process which benefited Vaher.

After the previous head of RKIK, Magnus-Valdemar Saar, resigned in July, the top management selection committee at the Government Office made its first attempt to find his replacement.

Seven applications arrived, interviews were conducted with three candidates, but at the last moment, State Secretary **Keit Kasemets** canceled the entire competition.

According to the Chancellor of the MoD, **Kaimo Kuusk**, they simply didn't have suitable candidates.

Kuusk said that the original requirements had been too low.

Instead of experience leading a structural unit, RKIK that has over 400 employees needed a leader experienced with large organizations, said Kuusk.

At the end of August, a new competition was announced. This time, with the added requirement of experience with managing large organizations while two other requirements including English language proficiency requirement were notably eased which was also favourable for Vaher.

"It has absolutely been out of the ordinary," one source told Eesti Ekspress on how the competition for the top manager of RKIK had evolved.

"This hasn't been a usual process for us, and it's causing some discomfort for the selection committee as well," admitted Maria Kütt, head of the top managers' competence center.

**About RKIK**

- Estonian Centre for Defence Investment (RKIK) is the central procurement body within the Ministry of Defence's area of administration, responsible for the availability of materials and services, ensuring the functioning and safe infrastructure required for national defence.
- Its goal is to enable organisations involved in national defence to focus on their core activities by reducing their administrative burden and ensuring the most effective development of Estonia's defence capabilities.
- RKIK's mission is to ensure that every euro invested in defence yields the maximum possible defence capability.
- The volume of investments and special defence procurements within the Ministry of Defence's area of administration has multiplied. In 2010, the volume of investments and defence-related procurements in the field of national defence amounted to €57.3 million, whereas in 2023, defence expenditures exceeded the €1 billion mark for the first time. Since 2023, defence expenditures have accounted for more than 3 percent of GDP, remaining close to €1.5 billion in the coming years.

TENDER

## Lithuanian MoD to investigate tender where politically connected firm with one employee won a contract worth 22 million euros

Lithuanian Defence Minister **Robertas Kaunas** this week ordered an internal review after **Eksplosita**, a company that started production only last year and has one employee, won a 22.8m euro contract to supply anti-tank mines.

"Robertas Kaunas has instructed the Defence Ministry's Corruption Prevention and Investigation Department to immediately conduct a review into the circumstances surrounding information that has emerged in the public domain related to the transparency of the selection of suppliers participating in the procurement of anti-tank mines," the Lithuanian MoD said in a statement.

### Political connections

Delfi reported that **Eksplosita** is controlled by **Milsa Group**, one of Lithuania's largest dolomite and granite producers, and is a shareholder of the **Fegda Group**.

Fegda is claimed to have ties to the ruling Social Democratic Party since the party's current leader, **Mindaugas Sinkečicius**, is former commercial director of Fegda.

Opposition politicians say this casts a shadow over the project.

"Given the links between this company and the Social Democratic Party, these results undoubtedly put a shadow over this huge strategic project," said **Laurynas Kasčiūnas**, leader of the opposition Homeland Union (TS-LKD).

**Rūdninkai military base will cover 170 ha and is located about 35 km from the Belarus border.** P. Peleckis / BNS

Fegda was also involved in another scandal involving a faulty construction of a road at a military base.

Recently, **UAB Rudina**, a joint venture including Fegda, won a tender over €300m for the construction of the second phase of the Rūdninkai base.

Moreover, in 2024 Fegda was not granted a State Security Department (VSD) clearance to allow access to classified information, and last year received clearance to handle only restricted information.

Delfi reported that Eksplosita began developing explosives and ammunition production only last year.

In November Eksplosita had been put forward as a potential mine manufacturer by one of the defence industry associations (Eksplosita became member of the **Lithuanian Defence and Security Industry Association – LDSIA** in September 2025 – ed.)

### A joint venture co-owned by Fegda wins 340m euro tender

Lithuanian joint venture **UAB Rudina** formed by **Conres LT** and **Fegda** is one of the two bidders that won the contract for building the second phase of the Rūdninkai military base, the other bidder being **Merko Statyba**, Lithuanian subsidiary of the Estonian construction giant **Merko Group**.

The second phase is valued at around €1.8 billion and was divided into three parts.

According to Lithuanian business daily Verslo Žinios, Part 1 was won by UAB Rudina with a bid of €348.3million.

Parts 2 and 3 were won by Merko Statyba with offers of €280.4 m and €322.8m, respectively.

Competitors for Part 1 included **Eika Group**'s subsidiary **PPP1**, which proposed €361.4 million.

Bids for Parts 2 and 3 were submitted also by **Eika Group, Narest, Veikmės Statyba** and **YIT Lietuva**, with bids ranging from €354.7 million to €389.6 million for Part 2 and €359.9 million to €436.7 million for Part 3.

In June Lithuania borrowed €540m from the **European Investment Bank** to build the Rudninkai military base.

The EIB backing for the base will help spread the costs of the project, easing the burden on Lithuanian finances and on companies involved in an initiative that takes the form of a public-private partnership (PPP).

**About Rudninkai military base**

- Located in Šalčininkai district south of Lithuanian capital Vilnius.
- The base is about 35 kilometers from the Belarusian border and covers 170 ha.
- The project includes construction of 11 kilometers of roads and approximately 150 buildings.
- The base will house around 4,000 German soldiers and 750 civilians.

FACT

**€348m**

is the value of the contract won by UAB Rudina that is co-owned by Fegda Group for building the second phase of the Rudninkai military base

## BROLIS to supply advanced optical systems to Armed Forces of Belgium

Lithuanian defence tech company BROLIS has been selected by Belgian Defence as the winning supplier in a competitive procurement for advanced optical systems for the dismounted soldier.

The contract covers the delivery of thermal clip-on sights and low-power variable optics (LPVO) equipped with miniature red dot sights (MRDS).

The total contract value is multimillion euros, with quantities undisclosed.

Deliveries are scheduled to take place during 2026–2027.

Belgian Armed Forces have been using BROLIS laser aiming devices since 2023.

Since 2014, BROLIS has been supplying advanced electro-optical solutions for dismounted soldiers, serving armed forces and security organizations in 38 countries worldwide. The company's systems are currently in service with multiple NATO armies.

MARINE

# Orderbooks of Estonian workboat manufacturer Alunaut full for 2026

**Alunaut**, a small Estonian manufacturer of specialized aluminum workboats based on the Saaremaa island, has in recent years grown into one of Estonia's most successful producers of specialized workboats. In an interview to Aripaev, founder and CEO, **Mark Muru**, says that the needs related to security and infrastructure protection have brought in work for years ahead.

**For Alunaut, the end of the year has been exceptionally busy. You've traveled several times around Western Europe, delivering specialized boats to various countries. Did you feel like Santa Claus?**

I really did feel like Santa Claus. Honestly, we hadn't planned it that way.

The end of the year was extremely hectic. "Crisis" isn't quite the right word for the current situation. 2026 is already completely sold out, mainly towards Germany, so in that sense, we can move forward calmly.

**You often deliver products to clients yourself. Is this because it's cheaper or is it part of the company's business culture?**

It's a bit of both, and partly just a necessity. We often sell motorboats along with trailers, since the main size class of our products is towable boats. If, for example, each of three boats had to be shipped separately by truck, plus the trailers and cranes at the destination, it would be very expensive.

**Alunaut's CEO and founder, Mark Muru, personally test-drives every boat before it's sold.**
Photo: Epp Hunt

**Is the industry in downturn?**

Honestly, not at all. In 2019, we won a major Dutch contract that provided us with work for years and also brought in more orders. Because of the war in Ukraine, countries are investing more in internal security, and there are plenty of tenders. With the German police, protection of critical underwater infrastructure is everywhere a major topic. Nord Stream was blown up—that's a fact. All of this fuels our sector, and we haven't felt any crisis whatsoever.

**How does a small company from Saaremaa manage to win large public contracts?**

There's no single secret. Experience is certainly important, but it's not enough on its own. You need a product that essentially sells itself by word of mouth, so you're looked forward to in tenders. If you're respected, no one is looking for flaws in your bid to knock you out. That's the result of consistent work. Our original business idea was actually to focus more on the private market, but since I come from a workboat background, public tenders were a more familiar environment. At one point, I decided to see whether there was work to be done in our size class—and it turned out there was plenty. For the past five years or more, most of our tenders and boats have been connected with the police, rescue services, or other government clients. A large part of our boats now have blue lights on them.

**How much of your turnover comes from exports?**

About 90 percent, sometimes a bit less, sometimes even 100 percent. It definitely stays in the 90–95 percent range.

**Has your turnover grown?**

About the same scale—around 2.5 million euros. In 2024, our workload was almost entirely for the Dutch navy. This year, about half of our production went to Germany, and I already know that next year, more than three-quarters will go to Germany. Additionally, for the first time in a while, we'll also be sending boats to Switzerland.

**What are your company's biggest challenges?**

Labor. As everywhere, the situation is very tense, even tough. But we've decided to operate as a local business and use a local workforce, not temporary hires or people from third countries. This brings the challenge of maintaining quality, especially with new workers, but these are problems you just have to deal with as they come.

**You personally test every boat.**

Yes, even though I'm not involved on the factory floor every day anymore. I have a lot of experience and can immediately assess whether a boat is good or if there are shortcomings in its handling. Often, small adjustments are enough to turn a good boat into a great one. That's why I personally test every boat.

**How would you most broadly define Alunaut's products?**

It's complicated, but I would say that Alunaut's boats are mostly custom-made. Even with public contracts, usually only one or two boats are bought, and the bid process requires starting from scratch and designing each boat from the ground up.

## About Alunaut

- The customers of Alunaut aluminium speedboats are mainly military, law enforcement and rescue organisations.
- Customers include the Finnish, Dutch and Belgian navies, German and Norwegian rescue organisations, the German and Swiss police, the Latvian border police, the European Union's border and coast guard agency Frontex, etc.
- From product development to certification of the finished product, delivery and user training, all stages are carried out in-house.


## Less than 150 days to go until the kick-off of the Supply, Security & Defence Expo 2026 in Tallinn

The second **Supply, Security & Defence Expo 2026** (SSD2026) will be held in Tallinn on 10-11 June 2026.

In his video greeting, the Estonian Minister of Defence, **Hanno Pevkur**, is inviting all interested parties to attend this landmark event which this year will be held in Eesti Näitused (Estonian Fair Centre) at Pirita tee 28 in Tallinn.

Companies interested in showcasing their solutions at the SSD 2026 are encouraged to secure their booths fast as the availability is quicky eroding - more than 50% of the floorplan is already booked, remaining stand locations are limited and demand is accelerating.

So act now to secure optimal placement and visibility before remaining spaces are allocated.

SSD 2026 is building on the success of the inaugural 2025 expo which attracted over 1,600 professional participants and 87 exhibitors.

There is no doubt that SSD 2026 will exceed this numbers with hands down.


FINANCING DEFENCE

## Nordic Investment Bank to lend €109m to Saab AB to finance R&D

**Nordic Investment Bank NIB** has signed a 9-year loan agreement with Swedish defence services and solutions provider **Saab AB** to f inance research and development investments.

The €109.4m loan will co-finance Saab's research and development investments in defence technologies done in the Nordic countries.

Saab collaborates with customers and partners to drive innovation in future capability areas, including autonomy, AI-based command and control systems, distributed sensors and advanced weapons.

**André Küüsvek**, NIB President and CEO, said: "As Europe strengthens its defence in response to the heightened geopolitical uncertainty and growing security needs, long-term investment in critical capabilities and innovation is essential. This is our largest loan to a private sector defence company to date, underlining NIB's commitment to supporting regional resilience and preparedness."

In July 2025, NIB revised its Sustainability Policy Exclusion List to permit the financing of conventional weapons and ammunition. The decision followed a request by the Nordic and Baltic owner governments for NIB to strengthening the region's security and defence capabilities.

NIB is the international financial institution of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden.

**Saab GlobalEye Airborne Early Warning & Control aircraft flying in formation with a Saab Gripen fighter jet.** Image: Saab

NIB finances projects that improve productivity and benefit the environment of the Nordic-Baltic region.

It is headquartered in Helsinki with a regional hub in Riga. NIB has the highest possible credit rating, AAA/Aaa, with S&P Global Ratings and Moody's.

> This is our largest loan to a private sector defence company to date, underlining NIB's commitment to supporting regional resilience and preparedness."
>
> **André Küüsvek**, NIB President and CEO

**About Saab**

- Saab is a defence and security company that designs, manufactures and maintains advanced systems in aeronautics, weapons, command and control, sensors and underwater systems
- The company is headquartered in Sweden and has operations all over the world.

BY INVITATION

# How AI might help to overcome gender bias in science and could it attract more women to scientific careers?

According to UNESCO statistics, young women make up just 35% of the STEM (Science, Technology, Engineering and Mathematics) student population worldwide (and 32% in France). At a time when we're facing huge scientific and engineering challenges, the world (and France in particular) is continuing to deprive itself of a significant proportion of its available talent, writes **Patrice Caine**, Chairman and CEO of **Thales**.

## "Do you play Go?"

Oddly enough, this question is almost certain to give away the gender of the person who responds.

The reason is that the Go community, just like certain scientific disciplines and academic programmes, is very much male-dominated.

This gender imbalance is largely the result of social and cultural factors, as it is in the world of science.

But it probably hasn't always been that way throughout the game's long history.

Indeed, there is strong evidence to suggest that the way the game of Go is passed down from generation to generation – just like the way sciences are taught in school – plays a truly big part in keeping this startling inequality alive (ref. 1).

**Patrice Caine, Chairman and CEO of Thales.** Source: Thales

## AI vs humans: who teaches Go better?

The way how Go is passed down from generation to generation plays a truly big part in keeping this startling inequality alive, demonstrated two researchers from the University of Hong Kong in a 2022 research paper (ref. 2) in which they compared the outcomes of two methods of teaching Go.

In their five-month experiment, one group of players was taught by human teachers, while the other group learned to improve their technique from a friendly little character powered by artificial intelligence.

And the results were plain to see – the group trained by AI achieved better outcomes than the other group, and, importantly, there was no difference between boys and girls. In the group being taught by human teachers, the pre-existing gender gap persisted.

## Why would that be?

Most likely answer is because certain stereotypes perpetuated by the teachers, often unconsciously, were sending involuntary signals (letting one person answer a question rather than another, congratulating or encouraging boys more than girls, etc.) that were picked up and amplified by the students.

When the girls were trained by an unbiased artificial intelligence – a quality that needs to be proven beforehand – and had no interaction with their classmates, they were not influenced by these implicit negative cues.

It's tempting to transpose the results of this experiment to the broader world of education. But are they sufficient proof that AI has a meaningful role to play in our schools and universities? I think not. On the other hand, I'm firmly convinced that AI's potential to address gender bias in scientific education warrants further investigation.

The instructional value of AI is a complex subject that sociologists and education experts will no doubt be debating for many years to come. From outright rejection to the improbable and clearly unrealistic scenario where the technology completely replaces humans, opinions differ tremendously. It remains to be seen how principled use of AI in the classroom can effectively provide students with personalised supervision to back up the role of their teachers.

We need to ensure that the models used by generative AI, which still produce unpredictable results and use reasoning that is not readily explainable, are not themselves poisoned by gender bias.

A number of recent cases, in particular when AI has been used in recruitment, have shown that the technology can actually be counterproductive, reinforcing or amplifying the discriminatory practices that already exist.

Be that as it may, we urgently need to build on the Go example and conduct further experiments. As things stand today, according to UNESCO statistics, young women make up just 35% of the STEM (Science, Technology, Engineering and Mathematics) student population worldwide (and 32% in France). At a time when we're facing huge scientific and engineering challenges, the world (and France in particular) is continuing to deprive itself of a significant proportion of talent.

With all the buzz surrounding AI, there's no shortage of possible use cases for the technology: some are gaining traction, while others will turn out to be fanciful, inappropriate or unsustainable. But if this particular idea could help us quickly move the needle on the staggering inequality that continues to limit the careers and contributions of women in science, then it would strengthen the case for using AI in our schools, and the impact on our societies over the long term would be undeniably positive.

References

1. As shown by the recent surge in popularity of the game of Go among South Korean women inspired by the success of the female title-holder Choi Jeong.
2. Huang, Difang and Lin, Chen, Can Artificial Intelligence Improve Gender Equality? Evidence from a Natural Experiment (August 27, 2022). Management Science, Forthcoming, HKU Jockey Club Enterprise Sustainability Global Research Institute.

NEWS IN BRIEF

## Lithuania announces Rail Baltica tender for Latvian border section

LTG Infra, the infrastructure company of the LTG Group responsible for the implementation of the Rail Baltica project in Lithuania, has announced an open international tender for design services for the northernmost railway section from the city of Panevėžys to the Lithuanian-Latvian border. The total length of this section is approximately 54 km.

In 2025, LTG Infra signed contracts for the construction of the 114-km section from Kaunas to Panevėžys. Preparatory and construction works are already underway on this section, including the construction of the railway superstructure on the most technically advanced nine-kilometer section. At the same time, design work is also underway on the section between the Lithuanian-Polish border and Kaunas, where almost 100 km of railway are planned to be modernized.

"LTG Group has been entrusted with ensuring the effective and smooth implementation of the Rail Baltica project in Lithuania. This project is a strategic priority for both Lithuania and the entire Baltic region. The European standard gauge railway line from Panevėžys to the Latvian border will significantly strengthen regional transport connections, improve connectivity with Western Europe, increase strategic resilience and promote economic cooperation," said Deputy Minister of Transport and Communications **Roderiks Žiobaks**.

**Fact**

2030

the year when the construction of Rail Baltic rail network must be complete and the network must be ready for operation.

## Latvia hands over command of NATO's Standing Mine Countermeasures Group One to Poland

Latvia this week transferred the command of Standing NATO Mine Countermeasures Group One to Poland.

During the ceremony, Latvian Navy Commander **Jānis Auce** formally transferred authority to incoming Polish Navy Commander **Kacper Sterne**.

Under the Latvian leadership, SNMCMG1 carried out extensive mine countermeasure and maritime security operations throughout the Baltic Sea region.

In total, the group detected 57 historical sea mines and four pieces of unexploded explosive ordnance (UXO), including five Danish MK25 mines.

They successfully neutralised and destroyed 40 of the historical mines, all five MK25 mines, and all four UXO, significantly enhancing navigational safety and supporting maritime freedom.

SNMCMG1 actively participated in a series of multinational exercises - including Sea Breeze 25, Sandy Coasts 25, Northern Coasts 25, Estonian Historical Ordnance Disposal Operations (HODOPS) 25, Finnish HODOPS 25, and Freezing Winds 25 - further enhancing interoperability and operational readiness among Allied naval forces.

SNMCMG1 is one of four standing NATO maritime groups providing continuous maritime presence and readiness in peacetime, crisis and conflict.

## Finnish defence company FORCIT to invest €70m to expand production capacity

Finnish defence company **FORCIT** will invest approximately €70 million to significantly expand its production capacity.

The majority of the investment will be directed to FORCIT's existing production facility in Hanko in Finland, where the expansion will substantially increase capacity and improve flexibility and responsiveness to growing European demand.

FORCIT anticipates that the effects of the investment will come on stream in steps during 2027.

The company's Defence's portfolio focuses on area-denial systems for both land and naval applications, and the company is experiencing steadily increasing demand for its systems and products.

Commenting on the decision, **Joakim Westerlund**, CEO of FORCIT, says: "Europe urgently needs a stronger defence and a much more credible deterrence against aggression. The European defence industry plays a critical role in this. At FORCIT, we have been a decisive frontrunner in taking on this responsibility, and this investment is yet another demonstration of how seriously we approach our role."

This investment represents a key milestone in FORCIT's long-term strategy to support European security and to ensure that its defence business remains agile, scalable, and responsive to the evolving needs of its customers.

Through continued investment in capacity, technology, and innovation, FORCIT is further strengthening its position as a trusted partner in Europe's defence landscape.

**About FORCIT**

- FORCIT was founded in 1893 and has its head office in Hanko, Finland. The company is a privately owned and independent player with a strong Nordic value base.
- FORCIT consists of three business areas: **FORCIT Explosives** – the leading partner for civil explosives and related services. **FORCIT Consulting** – the consulting services partner offering a wide range of expertise, services and training for construction and excavation. **FORCIT Defence** – a trusted partner for high class insensitive munitions-based defence systems for global markets.
- The company's turnover is appr. €220m.