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IN THIS ISSUE

INVESTMENTS

German-owned company to build a €50m plant in Lithuania for assembly of tanks

PROCUREMENT

Lithuania to buy CAESAR Mk II self-propelling howitzers for €252m

ESTONIA AND GERMANY

Thirty-two Estonian defence tech companies make a high-level visit to Berlin, promote direct ties

DRONE DEFENCE

DefSecIntel Solutions to start strategic partnership with Germany's TYTAN

RAIL INFRASTRUCTURE

Baltic prime ministers: Rail Baltica will be completed on time

MILITARY BASE

Lithuanian, Estonian construction companies to build military base for the German brigade in Lithuania for €1 billion

INNOVATION & TECHNOLOGY

Latvia's LMT Group transforms from telco operator to tech company

INSIGHT

Founder and investor: Estonian defence sector is much larger than what is publicly known

VENTURE CAPITAL

US VC firm: we are looking for suitable defence tech startups from Estonia



KNDS, Rheinmetall to assemble Leopard 2A8 tanks in Lithuania

Lithuania Defense Services, a joint venture between German defence industry leaders **KNDS Deutschland** and **Rheinmetall Landsysteme**, will invest almost €50m in the assembly of Leopard 2A8 main battle tanks in Lithuania.

It will be one of the largest defence sector investments in Lithuania and will significantly expand the capabilities of the Lithuanian defence industry. The production is scheduled to start in 2028.

According to Minister of Defence of Lithuania, **Robertas Kaunas**, this investment not only strengthens the country's defence potential, but also creates a real industrial base capable of servicing the German brigade in Lithuania and providing services to other allied countries.

Page 2

ALSO IN THE NEWS

NATO chief Mark Rutte: we are Russia's next target

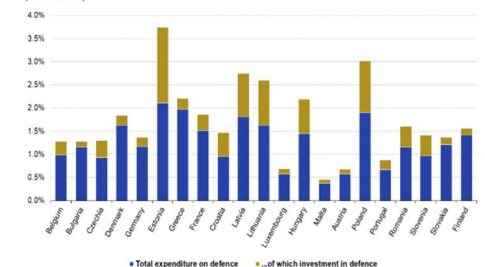
NATO chief Mark Rutte this week urged allies to step up defence efforts to prevent a war waged by Russia, that could be "on the scale of war our grandparents and great-grandparents endured".

In a speech in Berlin, Rutte said too many allies of the military alliance did not feel the urgency of Russia's threat in Europe and that they must rapidly increase defence spending and production to prevent a war on the scale of that seen by past generations.

"We are Russia's next target. I fear that too many are quietly complacent. Too many don't feel the urgency. And too many believe that time is on our side. It is not. The time for action is now. Conflict is at our door. Russia has brought war back to Europe. And we must be prepared," he added.

Russia could be ready to use military force against NATO within five years, Rutte said.

Expenditure on defence in 2024 (in % of GDP)



Note: data not available for Ireland, Spain, Italy, Cyprus, the Netherlands and Sweden
Source: Eurostat (online data code: gov_ev)

INVESTING IN BALTIC DEFENCE German-owned company to build a €50m plant in Lithuania for assembly of Leopard 2A8 tanks

Lithuania Defense Services (LDS), a joint venture between German defence industry leaders **KNDS Deutschland** and **Rheinmetall Landysteme**, will invest almost €50m in the assembly of Leopard 2A8 tanks in Lithuania.

It will be one of the largest defence sector investments in Lithuania and will significantly expand the capabilities of the Lithuanian defence industry.

The plant will be located in the Kaunas Free Economic Zone and create about 100 new high-skilled jobs.

In addition, the two German partners have agreed to allocate a 25.1 percent holding in LDS to the Lithuanian state-owned energy group **Epsos-G Invest**.

EPSO-G Invest is already implementing a significant 155 mm artillery ammunition factory project in Lithuania.

The final terms of the cooperation between **KNDS Deutschland**, **Rheinmetall Landysteme** and **EPSO-G** will be agreed in 2026.

The establishment of the plant will allow Lithuania to assemble some of the world's most modern Leopard 2A8 tanks, which Lithuania is acquiring.

It is planned that the first tank assembled in Lithuania will roll out of the factory at the beginning of 2028, and the rest by the end of 2030.

LDS will also be responsible for long-term technical maintenance, repairs and combat readiness of the tanks.



The Leopard 2A8 marks the first new, from-the-ground-up build for Germany's Bundeswehr in decades, signaling a renewed focus on high-intensity armored warfare in Europe.

It is also expected that LDS will be able to ensure services to the German Brigade stationed in Lithuania in the future as well, and to extend that to a wider armored vehicle fleet from other countries.

Minister: major significance for Lithuanian defence industry

According to Minister of National Defence of Lithuania, **Robertas Kaunas**, this investment not only strengthens the country's defence potential, but also creates a real industrial base capable of servicing the German brigade in Lithuania and providing services to other allied countries, paving the way for the wider development of armoured equipment servicing and production competencies.

"This agreement is a milestone in strengthening Lithuania's defensive capabilities. For the first time in history part of the cutting-edge equipment of NATO standard will be assembled in Lithuania, while the infrastructure developed in parallel will support its technical readiness in the long-term. This improves Lithuanian Armed Forces capabilities and facilitates growth of the Lithuanian defence industry," said Kaunas.

The partners have also signed a memorandum on industrial cooperation. The project will be completed at a more efficient pace thanks to the major investment project statuses granted by the Ministry of the Economy and Innovation.

Production to start in early 2028

"In our estimation, the first tank assembled in Lithuania should be released in early 2028, while the remaining will be manufactured as agreed in the Memorandum – by the end of 2030," said chairman of the LDS board of directors **Markus Schmidt**.

This marks a milestone in the implementation of a strategic project of the Lithuanian MoD of local defence industry capability support by enabling military equipment assembly, manufacturing and long-term maintenance infrastructure development.

Lithuanian Minister of the Economy and Innovation **Edvinas Griškās** added: "The investment shows once again Lithuania as a reliable and strategically consequential point for significant defence industry projects. It strengthens our cooperation with the German leaders of defence industry and integrates Lithuania close in joint European projects," said Griškās.



Photo from signing ceremony of the contract for assembly of Leopard 2A8 tanks in Lithuania.
Source: MoD

PROCUREMENT



Lithuania to buy CAESAR Mk II self-propelling howitzers from KNDS France for €252m

Lithuania will procure 30 CAESAR Mk II self-propelled howitzers from France's leading defence industry company **KNDS France**. The purchase makes Lithuania the second largest user of the of CAESAR Mk II system after France.

Next generation CAESAR Mk II 155 mm 6×6 wheeled howitzers are seen as one of the most advanced artillery platforms in the world, and tested on a real battlefield in Ukraine.

The system will enhance Lithuania's combat power and battlefield mobility.

"It is an important step in strengthening Lithuania's defence and a clear signal of a developing cooperation with France. This advanced system will add mobility and fire power to the Lithuanian Armed Forces, while closer partnership with the French defence sector will strengthen our ties with an Ally," said the Lithuanian minister of national defence **Robertas Kaunas**.

KNDS France will also invest €12m in a maintenance and repair facility constructions and preparation in Lithuania.

ESTONIAN-GERMAN TIES Thirty-two Estonian defence tech companies make a high-level visit to Berlin, promote direct ties

This week the Estonian defense industry including representatives of 32 defence tech companies organised a high-level visit to Berlin, aimed at strengthening cooperation between the Estonian and German defense sectors.

The visit was attended by 32 Estonian defence tech companies, making it the largest Estonian defense industry delegation to date.

Headed by Estonian Defence Minister **Hanno Pevkur** the two-day visit began with a B2B seminar between representatives of **Rheinmetall** and Estonian defense industry companies.

This was the first event of its kind for the Estonian defence industry between Estonia and Germany, creating a strong foundation for the formation of direct industrial partnerships.

On the second day, an Estonian-German defense industry seminar took place. The seminar was attended also by representatives of 31 German defence industry companies.

Over 100 bilateral meetings also took place over the two days.

"Summing up the two-day experience, it can be said that there is great interest in the defence industry opportunities offered by Estonia in Germany, as the solutions provided meet even the most demanding international standards," said Pevkur, adding that Estonia's goal is to increase the annual export volume of our defence industry to 1.4 billion euros by 2030.



Kalev Koidumäe, head of the Estonian Defence and Aerospace Industry Association, speaking at the Berlin forum. Source: Private

"The state supports the local defence industry in several ways, including helping to open doors and establish contacts with Germany's major defence industry companies," he added.

Estonia's ambassador to Germany, Marika Linntam added: "The Estonian embassy in Berlin sees a continuously growing interest in cooperation between Estonian and German defence industry companies and we are fully prepared to support this. This week's defence industry seminar, which brought together representatives from more than 60 Estonian and German defence industry companies, is proof that the embassy's business center is a valuable platform for our companies to promote bilateral relations,"



Defence minister Hanno Pevkur at the networking event in Berlin.

Estonian companies attending Berlin:

Frankenburg Technologies * Defsecintel Solutions * Nortal * SensusQ * Threed Systems * MDC Max Daetwyler Eesti * Lendurai * Wayren * UForce Estonia * Nitrotol * Forecr * Rantelon * Lindante * Front42 * Semetron * Maru * Cybernetica * Toci * C2Grid * 5.0Robotics * XW Production * Hevi Optronics * Nefab Packaging * Thistle * Harmet * Jotel * PowerUP Fuel Cells * Interconnect Product Assembly * Nordic Titanium Micro-Fix * Lainisalo Industrial Painting * Plastok * Milworks.

€1.4b

will be the annual export volume of the Estonian defence industry by 2030, Estonian defence minister Hanno Pevkur said in Berlin.

DRONE DEFENCE

DefSecIntel Solutions to start strategic partnership with German counter-drone specialist TYTAN

In the framework of the **Estonian Defence Industry Forum** held in Berlin this week, Estonian defence technology company **DefSecIntel Solutions** and German counter-drone specialist **TYTAN Technologies** started a long-term strategic industrial partnership for combining highly mobile, AI-driven surveillance and C2 architectures with precise, cost-effective, autonomous kinetic interception systems to turn fragmented airspace protection into integrated, joint defence.



The MoU was signed by CTO and Co-founder of TYTAN Technologies, Batuhan Yumurtaci, and CEO of Defsecintel Solutions Jaanus Tamm at the presence of Estonia's Ambassador to Germany and Estonian Minister of Defence. Source: DefSecIntel Solutions

Now that the German Armed Forces are stationing a combat brigade in the Baltic region and building the necessary infrastructure for it, the partnership between TYTAN Technologies and DefSecIntel Solutions is another step to underscore the alignment of Germany's and the Baltic states' security interests, further strengthening the connection between the Baltic nations and Western Europe.

"Defence cooperation between Germany and Estonia is strong. This partnership represents an important step forward for European security as it brings together two complementary strengths: Estonia's combat-proven agility and Germany's industrial scale and innovation," said Minister of Defence **Hanno Pevkur**. "By integrating our mobile surveillance and C2 systems with TYTAN's autonomous interceptors, we are creating capabilities that Europe urgently needs. The threats Europe faces today require strong partnerships — and together with TYTAN, we are committed to strengthening both Germany and our region as a whole," added **Jaanus Tamm**, CEO & Co-Founder of DefSecIntel Solutions

RAIL INFRASTRUCTURE**Baltic prime ministers:
Rail Baltica will be
completed on time**

At a meeting held in Riga on December 12, the prime ministers of Lithuania, Latvia and Estonia assured that the **Rail Baltica** project will be completed on schedule.

Latvian PM **Evika Siliņa**, Estonian PM **Kristen Michal** and Lithuanian PM **Inga Ruginiienė** said they will secure the highest possible level of European funding for the project.

Speaking at a joint press conference held after the meeting, the Baltic PMs said that the three countries are committed to linking the three Baltic states with the rest of Europe stronger than ever.

Estonian PM Kristen Michal emphasised that the Rail Baltica project must be completed by 2030.

“Our entire route in Estonia is under construction on a 155-kilometre section, and a third of the route is already being built. As Estonia will chair Baltic and Nordic cooperation next year, Rail Baltica is one of our most important projects,” said Michal, adding that the project will bolster both national defence and economic development.

Lithuanian PM Inga Ruginiienė said: “This is very important for us as Lithuania, because we have two very important directions, Poland and the North. These two directions will ensure even greater security and economic attractiveness for us.”

She added that she expects construction to proceed on time and to meet quality standards.



Rail Baltica tracks being laid in the Jona district in Lithuania — one of the fastest-progressing sections of the project. Photo by the Lithuanian Ministry of Transport

While Latvia has faced slower progress than Lithuania or Estonia, Latvian PM Evika Siliņa said that Rail Baltica remains a top priority in Riga and that her government is working to cut costs.

“We really need this connection – not only so that our residents can travel to each other’s countries, but also because it is important for us to maintain the connection with Finland, where we have many partners, and for NATO and security matters,” Siliņa said.

Latvia is also considering continuing portions of the project through a public-private partnership, she said.



Chart of Rail Baltica’s would-be routes.

Source: Rail Baltica

MILITARY BASE**Two Lithuanian, Estonian
construction companies to
build military base for the
German brigade in Lithuania
for €1 billion**

Merko Statyba, Lithuanian subsidiary of the Estonian construction giant **Merko Group**, and Lithuanian joint venture **UAB Rudina** formed by **Conres LT** and **Fegda** have won the contract for building the second phase of the Rūdninkai military base.

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 Rudina with a bid of €348.3m, while 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.

Contracts to be signed in Dec

Lithuanian Ministry of Defence said this week that contracts with the selected contractors for the second phase are expected to be signed before the end of the year.

The first phase contract worth €125 million was won by construction company Eika Construction.



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

EIB lent Lithuania €540m for base

Baltic Defence Weekly reported in June that 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

€1.8b

is the value of the contracts won by Merko Statyba and UAB Rudina for building the second phase of the Rudninkai military base.

INNOVATION & TECHNOLOGY**Latvia's LMT Group transforms from telco operator to tech company, unveils IoT Shortcut**

Latvian mobile innovator **LMT Group (LMT)** this week announced its transformation from a telecom operator to a tech company.

LMT has long ceased to be just a mobile network operator, and is rather an ICT company offering exportable solutions. It has evolved from Latvia's leading mobile communication operator, LMT, into a technology innovation leader and a multi-sector technology company ecosystem.

Now, LMT is purposefully shifting into a multi-sector technology company ecosystem – the **LMT Group** comprising of **LMT, LMT IoT, LMT Defence, LMT Systems, LMT Retail & Logistics, LMT Finance, LMT Innovations** and **Santa Monica Networks**.

LMT Group's strategic diversification is firmly rooted in its historical engineering DNA, which originated with the founding team from Latvia's largest and oldest radio electronics company. With this move, LMT Group embraces its new identity as a broad-range innovations and technology company.

This capability led the company to launch innovation projects across verticals like defence, IoT, and mobility.

The result of this proactive strategy is a substantial change to the company's portfolio – communications now accounts for 50% of total business volume, with the other half generated by these new strategic directions.



Ingmārs Pūķis, VP & board member of LMT. Source: LMT

IoT Shortcut – world's smallest mobile data module for sensors

On December 9 LMT Group presented the latest newcomer to its product and solutions suite – **IoT Shortcut**.

“Being a telecommunications operator in a relatively small European market limits the number of customers available. Thus, LMT's growth depends on diversification,” explained **Ingmārs Pūķis**, VP & board member of LMT.

Pūķis added: “A seminal moment was the introduction of 5G. There were significant industrial promises about its capabilities, yet no one had actually seen it deployed. This gap became the biggest driver of our innovation strategy. Today, we find ourselves moving beyond 'soft' services and IT integrations toward physical products. We repeatedly encounter critical unmet market needs that force us to build the solutions ourselves. This was the exact challenge that led to our IoT shortcut.”

The latest LMT Group product –IoT Shortcut – is the smallest mobile data module in the world for sensor equipment, offering universal connectivity options for any manufacturer's IoT devices worldwide.

IoT Shortcut enables quick integration of a mobile data connection across a wide range of sensor equipment. A significant added value is the software created by the LMT Group, which automates data processing, integration, and connectivity, and provides cloud data services with a customizable customer platform and application. The module also features very low energy consumption, ensuring the sensor device's battery lasts up to 10 years.

The module is currently being tested, and confirmed partners include the wireless sensor manufacturer **SAF Tehnika**, the bark beetle activity monitoring software **Spruceful**, and the construction monitoring specialist **Adventum Tech**.



IoT Shortcut is world's smallest mobile data module for sensors. Photo: LMT

The IoT Shortcut team is also in negotiations with Europe's largest chip manufacturer, German concern **Infineon Technologies AG**. Planned cooperation involves integrating the LMT module into Infineon Edge AI solutions. The technology allows local, on-device AI data processing, significantly reduce data transmission volume, improve reaction speed, and extend battery life for IoT sensor devices.

About LMT Group

► LMT Group has evolved from Latvia's leading mobile communication operator, LMT, into a technology innovation leader and a multi-sector technology company ecosystem.

ENERGY SUPPLY SECURITY

Hertz 1 is the first of two energy storage parks of Baltic Storage Platform. Photo: Evecon

French-Estonian joint venture completes its energy storage park in Estonia

Baltic Storage Platform, a French-Estonian joint venture of Estonia's energy company **Evecon**, French energy group **Corsica Sole**, and French investment fund **Mirova**, has completed building Hertz 1, an energy storage park in Kiisa, south of Tallinn,

A second energy storage park Hertz 2 will be completed in 2026 in Aruküla.

Together, Hertz 1 and Hertz 2 will deliver a total of 200 MW of power and 400 MWh of storage capacity, making them one of the largest battery parks in continental Europe.

Nordic Investment Bank has signed a €27.7m loan to finance the construction of both energy storage parks.

Including financing from NIB, Baltic Storage Platform has borrowed a total of €85.6m from the **EBRD** and the **French Edmond de Rothschild Asset Management**.

The energy storage park will help regulate electricity frequencies to balance the grid and ensure a balanced and stable power system across Baltics.

INSIGHT

Founder and investor: Estonian defence sector is much larger than what is publicly known

A particular feature of the defence industry is that not all activities are made public, which means that this sector in Estonia is much larger than what public figures indicate, says Estonian founder and investor **Ragnar Sass**.

Sass said in an interview to Äripäev that in addition to publicly known funding deals, Estonian defence firms have closed more than five investment transactions that have not been disclosed.

The growth of startups operating in Estonia's defence industry is being driven by the ongoing war in Ukraine and strong international interest in innovative solutions.

Sass who is founder of Darkstar, a coalition of defence sector investors and founders, pointed out that while Estonia's startup sector previously focused on financial technologies, attention has shifted to the defence industry since the Ukraine war began.

"Three years ago, there were only about a dozen defence industry startups in Estonia, but now we're talking about at least a hundred. The innovation created in Estonia is a contender at the international level as well," he said.

Defence industry is the new flagship of the startup sector

The defence industry is now the new flagship of the Estonia's startup sector.

"It's no longer a question of if, but when the next international success story will come from here," he noted.

Ragnar Sass says that innovation in the defence field is critically important.

"The defence industry has to be constantly one step ahead. That's why we created Darkstar — to bring together people and organisations with the broadest possible experience, and to bring the capability of developing ultra-fast innovation into the defence sector so we can also break through internationally," he explained.

Sass says that development in the defence industry is being boosted by the interest of major international and institutional investors who have revised their investment strategies.

He added that the defence sector, once seen as a niche, is now a rapidly developing and essential sector.

Startup Estonia: turnover and funding growing rapidly

Startup Estonia reports that Estonian defence tech startups are making a strong contribution to the growth of the local startup sector.

Both the turnover and funding of Estonian defence industry startups have grown explosively in recent years.

The three largest employers in the defence sector are **Milrem Robotics** with 342 employees, followed by **Threod Systems** (187 employees) and **DefSecIntel Solutions** (110 employees).

The combined turnover of these three companies in the first nine months of 2025 exceeded €80m.



"There have been more than 5 investment transactions in the Estonian sector that have not been disclosed publicly," says founder and investor Ragnar Sass. Photo: Liis Teimann

In the first 9 months of this year, turnover of Milrem Robotics amounted to over €29m, representing a 155% increase over the same period last year.

Unmanned aerial vehicles and observation equipment manufacturer Threod Systems had a turnover of €28m, while DefSecIntel Solutions which produces mobile and autonomous surveillance platforms and AI-powered anti-drone solutions generated €23m.

Turnover of the three largest defence tech companies in Estonia (9 months 2025)

Company	Turnover €m
Milrem Robotics	29
Threod Systems	28
DefSecIntel Solutions	23

The top three were followed by **Defendec** (€14.7m) and **KrattWorks** (€7.9m).

In funding, **Wayren** raised the largest investment this year, securing 7.9m from investors in April.

In June, **Lendurai** raised 5.6m, including 0.48m from Estonian investors. **Frankenburg Technology** raised 4m in March, **Defensphere** raised 0.65m in April, and **C2Grid** secured 0.3m in September.



Kuldar Väarsi, CEO of Milrem, Estonia's defence industry company that is backed by major investors from Germany and the UAE. Photo: Andras Kralla.

VENTURE CAPITAL**Partner of US VC firm: we are looking for suitable defence tech startups from Estonia**

US venture capital firm **Bessemer Venture Partners** is seeking in Estonia suitable defence tech startups for investments.

Speaking to Äripäev at SLUSH, Bessemer partner **Alex Ferrara** said that, among others, the company is interested in **Frankenburg Technologies**, an Estonian defence tech startup that is developing low-cost counter-drone missile defence capabilities.

“Innovative defence technology is a priority for countries bordering Russia. That’s why it’s easier for Estonian startups to test new technologies than in Western Europe, where authorities don’t grant permissions for, say, airspace testing as readily. Additionally, Estonian founders have strong ties with Ukraine. Hopefully this gives Estonian founders a competitive advantage,” explained Ferrara.

When the ongoing war in Ukraine changed the nature of warfare completely—high-value targets are now being destroyed by inexpensive drones, it prompted Bessemer to seek opportunities to invest in defence technology across Europe.

One factor driving Bessemer to actively seek investment opportunities in the defence industry is NATO’s new goal for member states to increase defence spending to 5% of GDP which is creating a significant opportunity for startups.



For countries bordering Russia, innovative defence technology is a priority, confirmed Bessemer partner Alex Ferrara. Photo: Bessemer Venture Partners

Ferrara admitted that reaching this target may not be straightforward or may not materialize at all if some governments change their focus.

There is also no certainty that national defence procurement systems will become favorable enough for startups.

“I think governments are now giving small startups a chance alongside big top companies and the procurement system is becoming more flexible. But there’s a risk that this won’t happen quickly enough and some of these startups won’t be able to generate the necessary revenue,” said Ferrara.

“Perhaps another risk is that these startups may have to participate in tenders in many different NATO countries. Convincing all these different governments to commit to defence spending is truly challenging. And understandably, every government wants to promote its local businesses and jobs. Improving defence capability requires greater cooperation between governments, as well as between large corporations and startups,” he said at SLUSH.

Alex Ferrara does not see a possible end to the war in Ukraine as a risk from the perspective of investing in the defence industry.

“If the war in Ukraine ends, that would be wonderful for society, but I don’t think it changes the fact that Russia remains a threat to other countries, to NATO countries,” he noted.

Therefore, Ferrara expects defence technology to remain a focus in European countries for a long time, and that’s why they are pursuing promising startups in the sector from the seed stage.

“We would like to invest early. The media usually reports on us at later investment stages since those are bigger, but most of our time is actually spent focusing on the earliest investment stages. We want to find companies as soon as they start, or in the first or second round,” he said.

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We want to find companies as soon as they start, or in the first or second round.”

Alex Ferrara

It should be added that it was Ferrara who led Bessemer’s investment ten years ago in the sales process management startup **Pipedrive**, which in 2020 became Estonia’s third unicorn. Ferrara was also involved in Bessemer’s investment in the early 2000s in **Skype**, the foundation of Estonian startup success.

5 areas to ensure Europe’s ability to defend itself by Bessemer’s “Roadmap: European resilience”

► **Physical autonomy**

Europe needs systems of air, maritime, and land drones that can operate even without GPS or communications, coordinate attacks, and ensure logistics.

► **Aerial defence**

Europe needs cheaper, AI-based solutions that eliminate the current cost asymmetry, where expensive missile defence systems have to neutralize attacks mounted with low-cost means.

► **Command and control systems (C2)**

Europe needs AI-based platforms that connect the battlefield, aggregate data from different sources, analyze threat patterns, and provide real-time prioritized recommendations.

► **Space technology**

As a critical axis for security and economic competitiveness, Europe needs sovereign access to, and protection for, satellites that provide communications, navigation, and intelligence.

► **Industrial manufacturing**

Europe needs manufacturing innovation that reduces reliance on foreign materials and can compete with countries massively ramping up defence.

Fact

420

startups belong to Bessemer’s portfolio including Skype, Pipedrive, Twilio, Canva, Anthropic, Perplexity, Pinterest, LinkedIn

LITHUANIA**Lithuanian Defence and Security Industry Awards announced**

Lithuanian defence and security industry awards 2025 went to unmanned reconnaissance system **FORECASTER** that won the product of the year award, to the first Lithuanian flying ammunition **X-Wing** that won the innovation of the year award and to **NT Service** that won the title of company of the year award.

FORECASTER is an advanced drone system developed by **Unmanned Defence Systems** for military intelligence, surveillance and situational awareness tasks. The platform features fast set-up, modular design, and long flight time, making it easily adaptable to a wide range of operational tasks. The development of the system focused on the needs of modern military operations.

The first Lithuanian flying ammunition **X-Wing** is adapted for mass production, developed and manufactured by **Granta Autonomy**. This year, it was tested and evaluated by the Armed Forces of Ukraine. Vertical take-off technology allows you to abandon the launch infrastructure, and integrated Lithuanian communication and controlled camera modules ensure target detection and accurate neutralization at a distance of 50 km even in the event of intense interference.

Winners of eight categories

Breakthrough of the Year Award went to **Luna Robotics**, for developing night vision cameras for drones and other technological solutions for defence.



Winners of the Lithuanian Defence and Security Industry Awards,

The Export of the Year Award went to **RSI Europe**, a company that develops and exports remote initiation systems, drones and related equipment, significantly contributing to the awareness of Lithuanian defence technologies in international markets.

The autonomous drone station **DBOX** (IT logic) won the Public Safety Decision of the Year Award. It allows drones to take off, land, load and carry out continuous monitoring independently without human intervention. This solution enables 24/7 real-time monitoring of territories, faster response to incidents and significantly expands situational vision. **DBOX** is currently being tested in the UAE, and is also being tested by the Lithuanian Armed Forces, the Prison Department, and border guards.

Winner of the Infrastructure Solution of the Year Award is **TEC Industry**, for implementing the development projects of the Rukla logistics park and Šiauliai Airport and is designing the Rheinmetall ammunition factory in Baisogala. The company employs more than 90 specialists.

Innovation Agency was recognized as the Public Sector Leader of the Year for its sustainable partnership with the country's defence and security industry.

NATO**NATO Defence Accelerator selects 150 companies in record cohort**

NATO's Defence Innovation Accelerator for the North Atlantic (NATO DIANA) announced its largest cohort to date, selecting 150 companies from 3,700 applications to participate in its 2026 programme.

The 4% acceptance rate represents the third consecutive year of expansion for DIANA, which launched in 2023 with 44 companies from 1,300 applications. The 2024 cohort comprised 75 companies, while 72 companies were selected from 2,600 applications in 2025.

Selected companies will receive €100,000 in non-dilutive funding for a six-month Phase 1 development period, with access to more than 200 NATO test centres across 32 member nations. Companies advancing to Phase 2 secure an additional €300,000. Based on 2024 data, approximately 23 per cent of Phase 1 participants progress to the second phase.

DIANA operates across 16 accelerator sites throughout NATO member states. The geographic distribution aims to build defence technology capacity beyond traditional hubs in the US, UK, France and Germany. The 2024 cohort included 10 companies from Central and Eastern European nations.

More than 230 defence technology companies have launched in Europe since 2022, according to industry data.

Previous cohort participants from Estonia, including companies such as **GaltTec** and **Goldilock**, have cited accelerated access to military procurement officials as a primary programme benefit beyond direct funding.

By mid-2026, NATO will select companies advancing to Phase 2 based on technical feasibility demonstrations and military utility assessments.



Source: Brolis

NEWS IN BRIEF**Brolis secures large contract to supply Danish Army**

Lithuanian defence tech company **Brolis** has signed a major contract with the **Danish Army** to supply its advanced Brolis LP5X laser aiming devices and Brolis WL5X flashlight modules, with deliveries scheduled for completion within 2026.

This agreement marks one of the largest international contracts in Brolis history, further strengthening the company's position as one of the leading providers of dismounted soldier electro-optics in the NATO market. Contract covers delivery of 30 000 systems.

Since its introduction in 2023, the LP5X has become one of the most widely fielded new generation laser aiming devices in NATO, with over 40,000 units delivered to multiple armies and law enforcement units in Europe, Canada and Australia.

Founded in 2011, Brolis is emerging as the number one choice for NATO militaries in dismounted electro-optics, serving 38 countries world-wide.