


Report for 2020



# Belarus Startup Report 2021

CIVITTA :bulba

# Foreword Bulba Ventures



## ANDREI AVSIEVICH

CO-FOUNDER AND GP, BULBA VENTURES

*“Dear friends, I am pleased to welcome you to the Belarus Startup Ecosystem report for 2020. Its purpose is to share our observations and conclusions about the ecosystem and to open up promising industries and projects from Belarus for you. In this challenging period for the world, it is essential to support each other. We want to contribute to the development of the Belarusian startup community by making the Belarusian ecosystem more transparent and understandable for everyone interested.*”

*The world is developing faster and faster. Labour productivity, share and value of intangible assets and intellectual property in the global economy are increasing. The generations are changing faster. New generations’ worldview, goals, and focus of the efforts are very different.*

*The free time that has arisen because of COVID has shifted the interests further into self-development, well-being and life balance, social responsibility, and in general, has helped to make a step toward meeting the needs of higher orders. This creates a need for ways of solving the problems that new generations pose to society. Startups are the fastest to address them. And while Belarusian startups work less with the global challenges of humanity compared to their EU peers, already 30% of them are helping to meet the UN's sustainable development goals. Interestingly, 28% of the founders of the Belarusian startups surveyed are women, which is noticeably higher than the average 18% for the CEE region.*

*For Belarus and the Belarusians, 2020 was a dual challenge. COVID and political turbulence strongly affected the Belarusian startup ecosystem. Startups and generally developers of innovative products in today's world are extremely mobile and choose the places and jurisdictions where they can deliver results and compete for global markets most effectively. Intellectual property knows no boundaries.*

*As a result, the Belarusian startup ecosystem became even more decentralized, and belonging to it has become characterized by people rather than geographic location. Belarusians have established contacts and formed communities worldwide and actively support each other; most Belarusians abroad perceive Belarus as a space for potential future development of themselves and their projects. Unfortunately, in 2020, Belarus has dramatically lost its attractiveness for innovation. But I still hope that this attractiveness will be restored over time. Belarusians, the main asset of the Belarusian startup ecosystem, have changed and will continue to change the world either "thanks to" or "in spite of".*

*I believe that even now, great ideas of new startups are being born in the heads of Belarusians, and this potential will eventually be transformed into world-famous projects. For our part, we will try our best to support this transformation and give you more information about Belarusian projects in this report. I hope you will find it interesting and we would be happy to discuss it to make our next report even more informative.*

*Regards and enjoy the reading."*



## ANDREI PALUNOSIK

INVESTMENT MANAGER, BULBA VENTURES

*“The year 2020 was exceedingly tricky for Belarusians due to the pandemic of COVID-19, subsequent global economic slowdown and deep political crisis in the country. In Bulba Ventures, we questioned ourselves whether there is any sense in preparing our annual startup ecosystem report this year? Whether the figures for 2020 will be comparable and any relevant? And whether there is a need for the publication from the ecosystem stakeholders who in current conditions understandably are focused on personal security and saving their organisations and teams. And we answered 'yes' to all these questions because, since the very start, our primary goal with this report is to provide reliable data and our vision of the processes taking place in the ecosystem so that every stakeholder can make more balanced fact-based decisions.*

*This year we slightly update the structure and content of our report. Firstly, we are adding a chapter where we introduce our vision and definition of the Belarusian startup ecosystem, ensuring that the reader and we are talking the same language. Secondly, our colleagues from Civitta conducted an interesting startup survey in early spring 2021, and we are highlighting some insights from the research here. Thirdly, we are presenting Top 10 rising star startups from Belarus – companies that have not yet raised round A but have the prominent potential for growth, in our opinion. And finally, we made a short update on how the startups mentioned in the previous report are doing.*

*We are committed to the constant improvement of this report and will appreciate your feedback.*

*Have an excellent read!”*

# Foreword CIVITTA



## SIAMION ZLOBICH

CEO, CIVITTA

*“For the third year in a row, we have prepared a startup ecosystem report in partnership with Bulba Ventures. We believe this has already become a good tradition – one which we hope to maintain in the future.*

*Each year, we strive to make our report better by diving deeper into the analysis. Of course, this is not achievable without the contributions of the larger startup ecosystem. One of the main achievements for this year was the launch of a startup survey which helped us significantly to learn of new startups in the market (including their teams and founders) and to understand how startups evaluate their macro-economic environments as well as their target markets.*

*Our survey showed that startups agree with this contention: 3 of 4 startups claim that it is possible to be a part of the Belarusian innovation ecosystem without being located in the country. Whilst a crowded market offers many opportunities for both networking and the integration with other ecosystems, it also influences the perceptions and positioning of the local companies. Meaning, most companies have Belarusian founders and local teams, yet many of them are not considering Belarus as an important market and thus are not ready to position themselves as Belarusian companies.*

*Over the past year we have navigated intersecting crises – a global pandemic, economic uncertainty – all in an increasingly polarized political environment on both a local and a global scale. Despite these challenges, the Belarusian ecosystem maintained its growth trajectory this past year with new opportunities borne out of the crises. In total, we counted more than 300 existing startups – which is a growth of 30%, as compared to the last year. Meanwhile, the capital has continued to be poured into the region and many top-performing companies are still on track for hitting further performance records.*

*At the same time, 80% of startups point out that the crisis has influenced them significantly. The most widespread indirect consequence is quoted as the decrease in motivation and productivity of personnel. However, many other, more serious aftermaths are connected to forced emigration or relocation, arrests of employees and pressures inflicted on founders.*

*We are hoping that despite all the challenges, the ecosystem will prevail, remain prosperous, and provide us with more startup success stories in the future.*

*Please, enjoy reading 2020 chapter of the Belarus Startup Report!"*

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# DEFINITION & VISION OF THE BELARUSIAN STARTUP ECOSYSTEM





# The general perception of the ecosystem

Startup ecosystems are usually defined by the network of interactions among people, organizations and their environment. Previously, we have mostly discussed startup ecosystems as they are restricted by cities or national boundaries. However, nowadays, dynamic startup ecosystems breed companies that create jobs, attract international talent and draw foreign direct investments. In the new non-linear, digital, and globally networked world these ecosystems have become largely dispersed. Furthermore, the pandemic of COVID-19 has further accelerated the development of remote ecosystems, resulting in a post-COVID era that is likely to comprise hubs which aren't contained to a physical space at all.

## SCHEME OF A CLASSIC STARTUP ECOSYSTEM\*



\* - According to Startup Commons

## THE DISPERSED NATURE OF THE BELARUSIAN STARTUP ECOSYSTEM

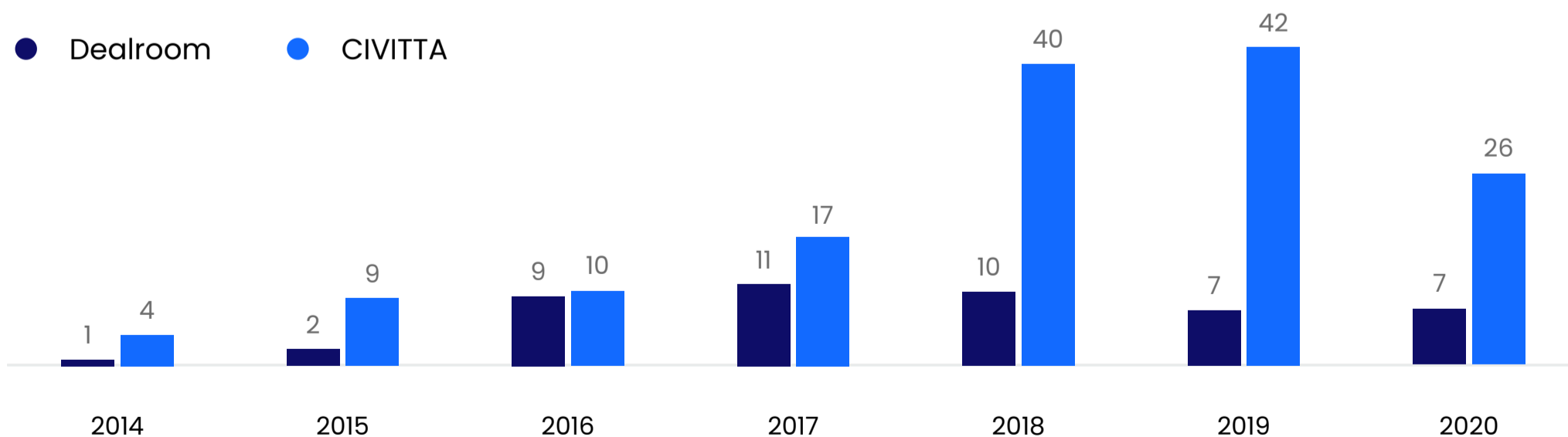
By our definition, Belarusian ecosystem is a network of startups, support organizations (incubators, accelerators, co-working spaces, etc.), R&D, funding organizations and service providers linked to Belarus in any meaningful way. In this report, we, first and foremost, consider startups that are founded and registered in Belarus to be key members of the country's startup ecosystem. Moreover, we include startups having a team located in Belarus or having at least one founding member from Belarus.

Belarusian startup ecosystem has traditionally been highly-dispersed – with many players located abroad but still connected to the ecosystem through networks. Belarus is a small country with a population of 9.5 million and a GDP of 63BN USD. Due to its relatively small economy and limited capacity, most of the local startups are geared towards the external markets. Furthermore, the country has always been regarded as a “white spot” by previous startup reports and studies, which has significantly reduced its foreign investment attractiveness, while the local investment culture is underdeveloped as well.

The dispersed nature also leads to an underrepresentation of Belarus in the global reports. Our research shows that the number of investment deals included in this report significantly differs from the number of deals published in other reports. We believe that the main reason for said difference is the methodology. For instance, the majority of Dealroom’s reports are based on the HQ principle; whereas we analyzed startups founded and registered in Belarus or those with Belarusian founders and decision-making team based in Belarus, as mentioned previously. Our criteria sheds a light on many deals that are usually invisible to foreign observers. For example, the 2020 deal of the PandaDoc startup would not normally be considered Belarusian, since the company has its HQ in San Francisco; yet it was founded in Belarus by Belarusians, it has large office here and nobody will argue that it plays an important role in the community.

In consideration of this, the key challenge for the Belarusian ecosystem is to become more open, transparent and visible, thereby strengthening its brand. This report serves that purpose, among others. For startups in general, but especially in the case of the Belarusian ecosystem, distributed teams add value through opportunities for new contacts, networking, and the integration with other ecosystems (such as, other countries and cities). The recent political crisis has further escalated the dispersed nature of the Belarusian ecosystem as startups are actively relocating their teams.

## NUMBER OF INVESTMENT DEALS OF BELARUSIAN STARTUPS\*, 2014-2020



\* - We researched all public deals with Belarusian startups announced in 2020. A separate section will be dedicated to the investment deals

# The connection to and the representation of Belarus

From the information collected in our survey (105 startups participated), it is evident that startups largely agree on the dispersed nature of the ecosystem: 3 of 4 startups claim that it is possible to be a part of the Belarusian innovation ecosystem without being present in the country. However, a smaller margin of participants (50%) believe that they are actively participating in the life of Belarus' local innovation ecosystem.

It is possible to be a part of Belarusian innovation ecosystem without being in the country



Most Belarusian startups prefer to register the headquarters abroad or at least have a foreign branch or overseas representative. This also leads to shifts in how the local companies are both perceived and positioned in the market. While the majority of companies have Belarusian founders and local teams, many of them are not considering Belarus as an important market and are not ready to position themselves as Belarusian companies.

69%

of startups have most of the team located in Belarus

71%

of startups have at least one Belarusian founder

60%

of startups are not positioning themselves as Belarusian

70%

of startups do not consider Belarus as an important market



## ALEXANDER CHEKAN

BOARD MEMBER, PALTA (EX-HAXUS)

*"I see the Belarusian startup ecosystem as a community of people linked to Belarus, living here or abroad, working on developing disruptive IT technologies. It is a global trend that the perception of a national identity is changing, borders are vanishing. Therefore, startups' ecosystems are uniting, but this is of particular relevance for small countries just like Belarus. In my opinion, this is rather a positive phenomenon as distributed ecosystem helps the local economy to be better integrated into the global ecosystem.*

*Another positive factor is that Belarusian entrepreneurs living abroad contribute to the development of the ecosystem by reinvesting in local startups, providing mentorship and establishing a network with other ecosystems."*

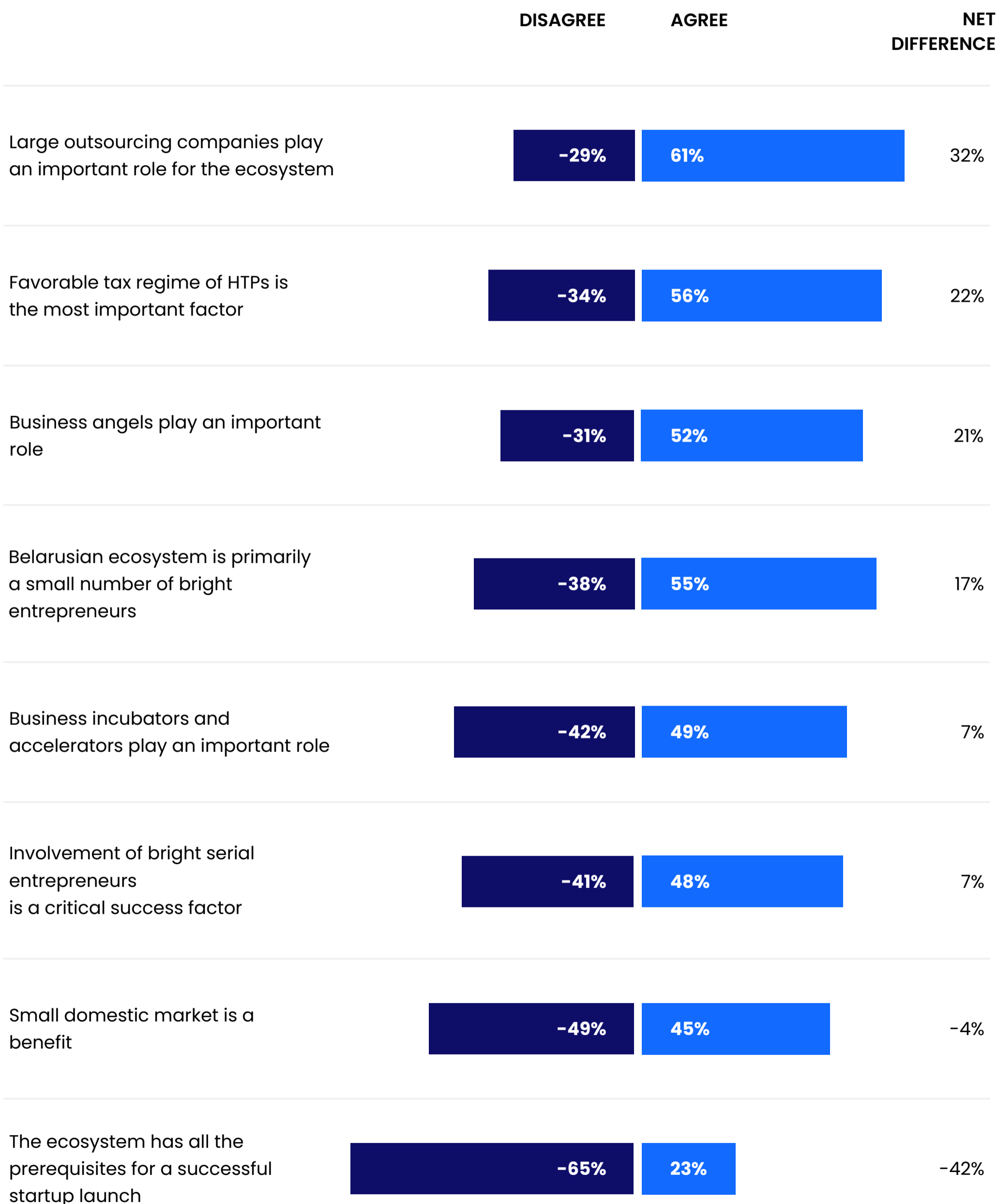


# The general perception of the ecosystem

Generally, people in startups agree that large outsourcing companies and business angels play important roles in the local industry. The significant legacy of Belarus' outsourcing and IT sectors is also acknowledged by the people within the industry. Approximately 80% of the startup founders are alumni of IT companies.

However, opinions on many other matters are polarized. For instance, startups tend to disagree on whether Belarus' small market is a benefit, how important incubators and accelerators are, and whether the involvement of bright serial entrepreneurs is a critical success factor. Contrastingly, the question on whether Belarus' ecosystem has the prerequisites for a successful startup launch saw mostly negative responses, with 2 out of 3 startups' representatives not believing that it does.

# OPINION OF STARTUPS ON BELARUSIAN STARTUP ECOSYSTEM



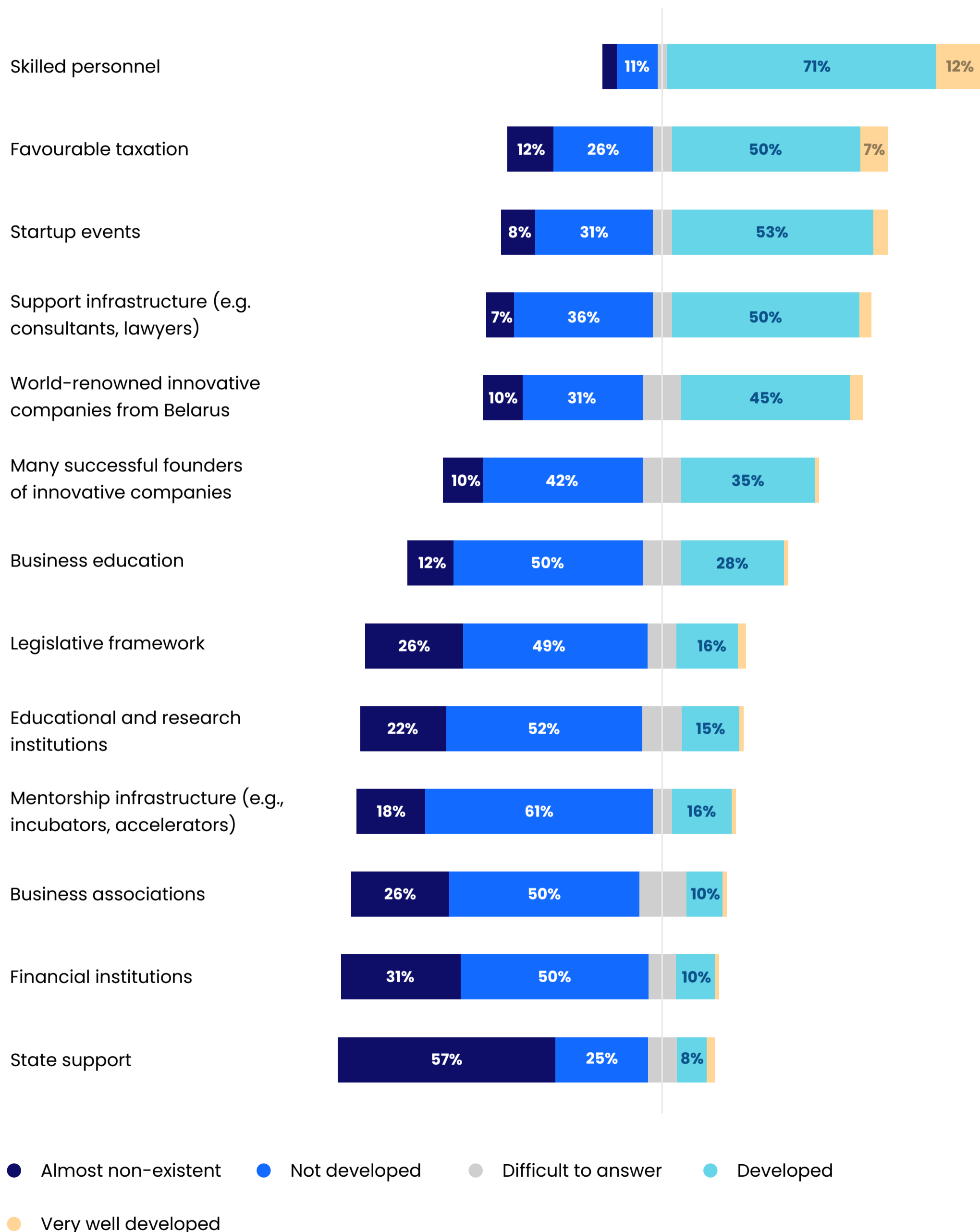


# Development of key success factors

Why do founders believe that the ecosystem does not help raising a successful startup? Besides the implicit challenge of becoming more visible, Belarusian entrepreneurs have named other significant issues as well. Whilst 83% agree that the personnel in Belarus is skilled enough, and many feel that the taxation is favorable too, there are many underdeveloped areas such as financial institutions and governmental support, as argued by respondents.



# DEVELOPMENT OF SELECTED COMPONENTS OF THE BELARUSIAN STARTUP ECOSYSTEM



### **Skilled personnel**

The country has historically had a strong STEM education system, which has vast pools of technically trained specialists who engage in a variety of IT activities. 80% of founders graduated from local, non-foreign universities.

### **Legislative framework**

Although significantly improved after the adoption of the Decree No.8 on Development of Digital Economy, most funds and angels prefer to structure deals abroad due to the low level of trust in local judicial system.

### **Successful founders**

Successful founders contribute to the ecosystem development by reinvesting in local startups and providing mentorship. For 66% of the founders, their current startups were not the first ones. This partly offsets weak mentorship systems and limited funding infrastructure.

### **Funding institutions**

There are limited VC funds available in Belarus, as their investment capacity is a mere 1-2 deals per annum. The funding gap is especially pressing at the early stages when startups struggle to compete for foreign funding.

### **World-renowned IT companies from Belarus**

Belarus is home to world-famous IT firms such as EPAM, Wargaming, etc. They not only serve as examples of the ecosystem's success rate, but also act as a source of potential startup founders & employees.

### **Mentorship infrastructure**

There is a limited number of accelerators and incubators in the country. Besides, all of the existing infrastructure is based in Minsk, which leads to an absence of real startup activity outside of Minsk.

### **Favorable taxation**

Innovative companies (incl. startups) in Belarus are eligible for the Hi-tech park membership (a favourable tax regime), which allows them to keep operating (esp. staff) costs relatively low.

### **State support**

There is no government-based startup funding or acceleration programs in Belarus (such as HORIZON 2020 in the EU or Skolkovo in Russia).

# Ecosystem development challenges and influence of Belarus' political crisis

The most valuable part of Belarus' startup ecosystem is its people, which comprises both the talented entrepreneurs and the skilled personnel. This study's involved founders also mention favorable taxation; however, in 2021 the Belarusian government increased income taxes for HTP members.

Moreover, 40% of startups are not planning to become a Hi-tech Park resident. The main downsides mentioned are the lack of governmental support and funding institutions: them being named as the most problematic areas correlates with the difficulties of finding investment and weak government interest being among the most important ecosystem problems.

2020 Belarusian political crisis impacted all areas of its economy and society – the startup industry has not been an exception. 11 out of 12 startups claim that the political tension is detrimental for the innovation ecosystem in Belarus. Furthermore, 3 out of 4 startups claimed that the crisis influenced their own business activities. The most widespread indirect consequence, as reported, was a decrease in motivation and the productivity of personnel.

Nevertheless, many other, more serious aftermaths are connected to emigration or relocation, arrests of employees and pressures exerted on the founders. For instance, approximately 2 out of 5 of startups experienced an employee being arrested and half of the startups are planning a full or partial relocation.

## MAIN PROBLEMS FACING BELARUSIAN STARTUP ECOSYSTEM

**78%**

Challenges in attracting funding

**73%**

Low government interest in the ecosystem development

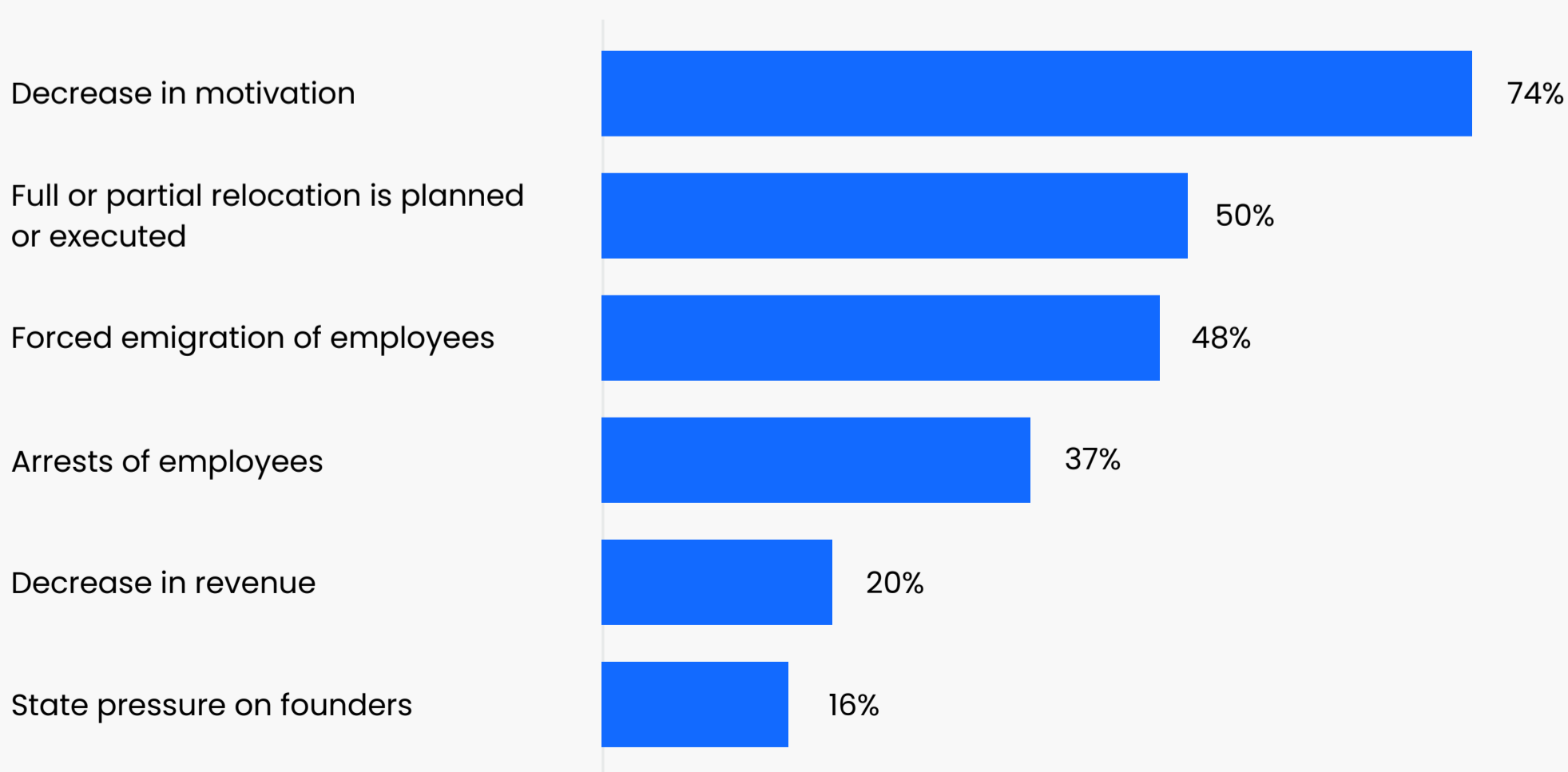
**73%**

Insufficient level of interaction between business and government

**61%**

Legislative restrictions / regulation

## INFLUENCE OF POLITICAL CRISIS





# CLOSER LOOK AT BELARUSIAN STARTUPS

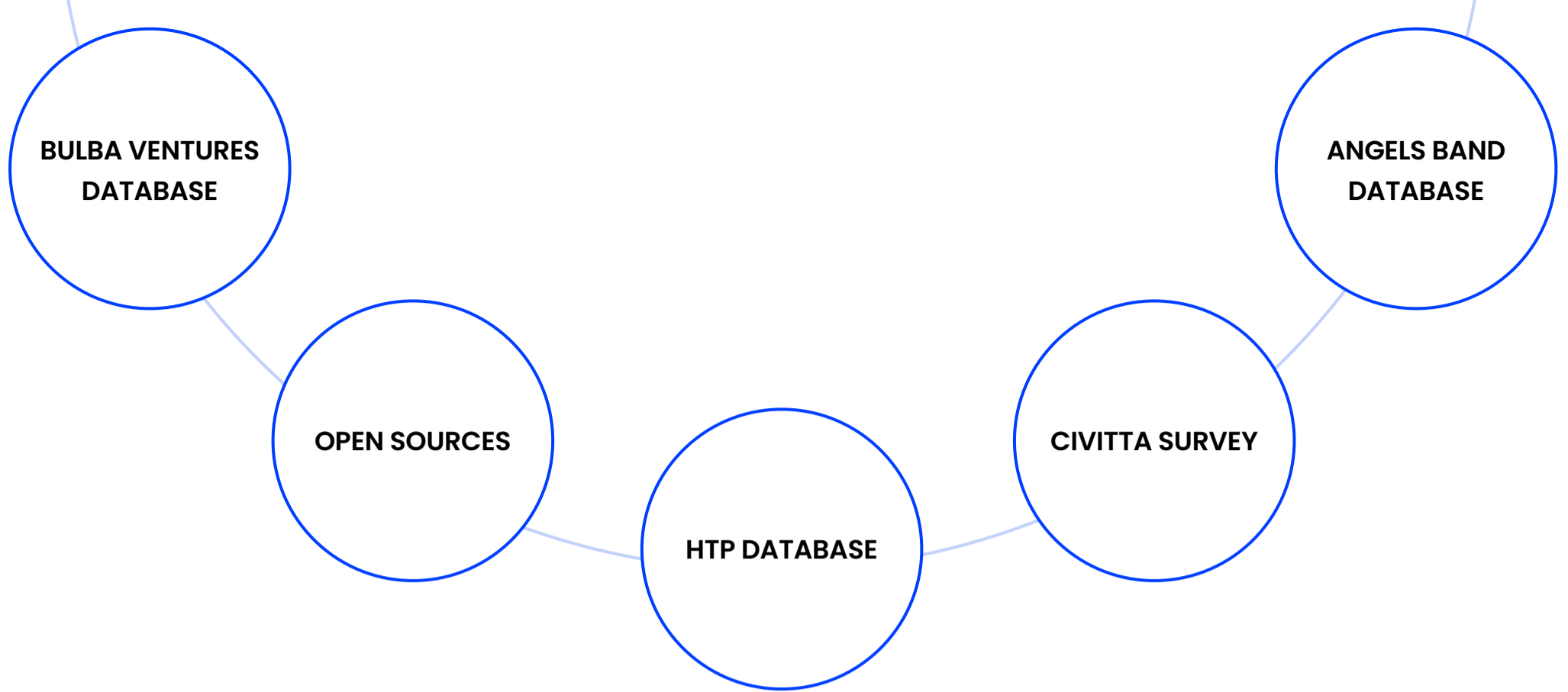
# The methodology and approaches taken

Here is how our startup database was born.

We started with the databases of Bulba Ventures, Angels band and HTP as the primary sources of information. In addition, we are in constant search for new startups mentioned in the media or other open sources. Certainly, the power of social media has also helped us a lot. We received many responses from the ecosystem players naming their favorite startups as well as messages from the startup founders. In 2020, we also launched a startup survey to identify even more startups and make our work more visible to the entire ecosystem. As for the selection of startups, we check their affiliation to Belarus and then apply standardized startup criteria developed from the approaches taken by other startup ecosystem reports.

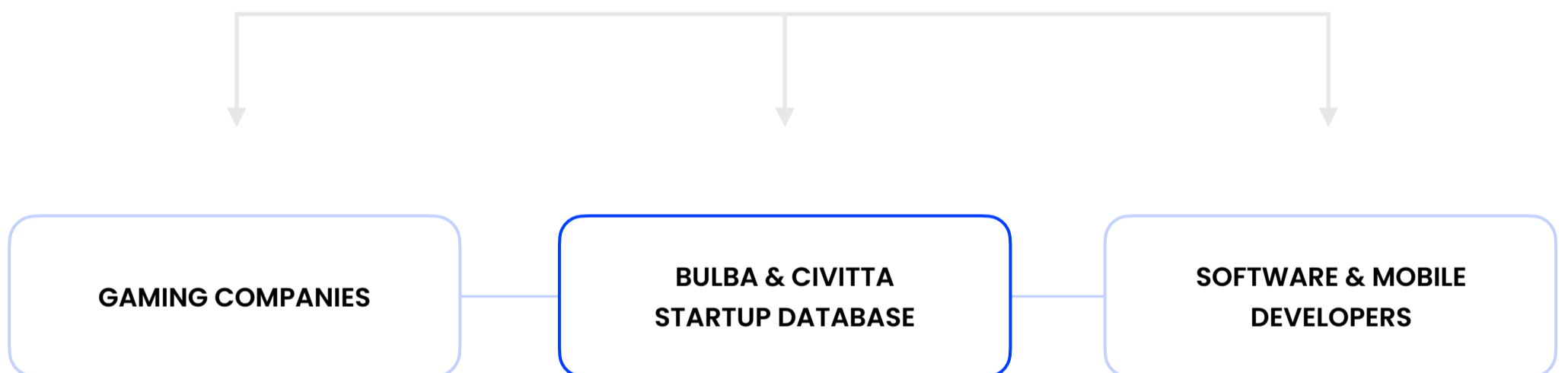
Though we have analyzed as much data as possible, we acknowledge the inherent limits of our used methods. Therefore, we decided to make our database open for everyone. In the near future we plan to launch a portal similar to Startup Estonia and Moscow startup guide. We will be pleased to receive any corrections or additional information on startups that we may have missed. Please, fill in the form following the QR code to add your name to the startup database. Many thanks in advance for your interest, assistance, and contributions towards understanding the Belarusian startup ecosystem.





## BULBA & CIVITTA CRITERIA

- Affiliation to Belarus criteria
- Startup criteria  
product innovative company striving for growth and scalability, searching for investment



Most game developers are not included since they are considered as mature companies. With that said, in our own database we do include games with innovative components that can be related to either education or medicine. For more information about Gaming in Belarus, please, see Annex.

We consider the majority of them as mature companies, because they are self-financed, they do not position themselves as startups, and they are publishing multiple application, which decreases the inherent degree of innovation. We do include companies from this category in the database if they search for VC investment.



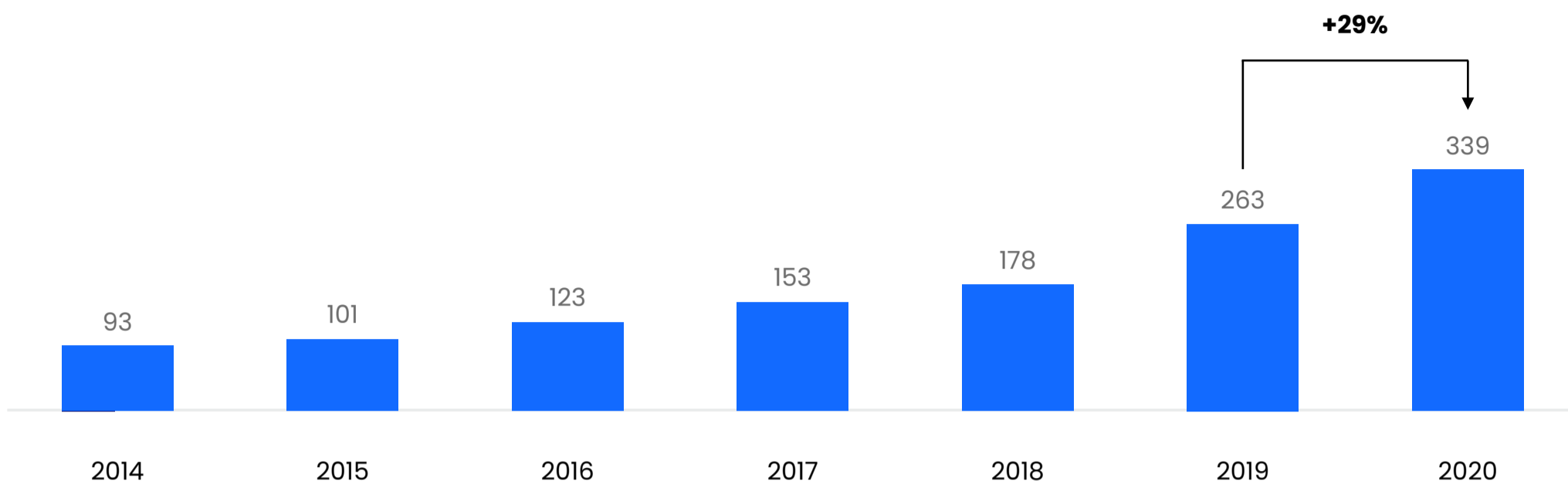
# The number of active startups in Belarus

The number of visible startups in Belarus amounted to 339 by the end of 2020. In addition to the fast growth of the sector (52 startups founded just in 2020), we also improved our means of collecting data about them – this year we conducted a startup survey, which helped to add new names to our database. Particular areas such as delivery, gaming and hardware were analyzed more precisely.

Furthermore, we have deduced that the growth in the quantity of new startups in 2020 is also attributable to greater visibility for attracting more financing and support for the purpose of surviving the challenging circumstances. However, it is likely that COVID-19 also had a negative influence over the ecosystem, since 22 startups from our database closed during 2020.



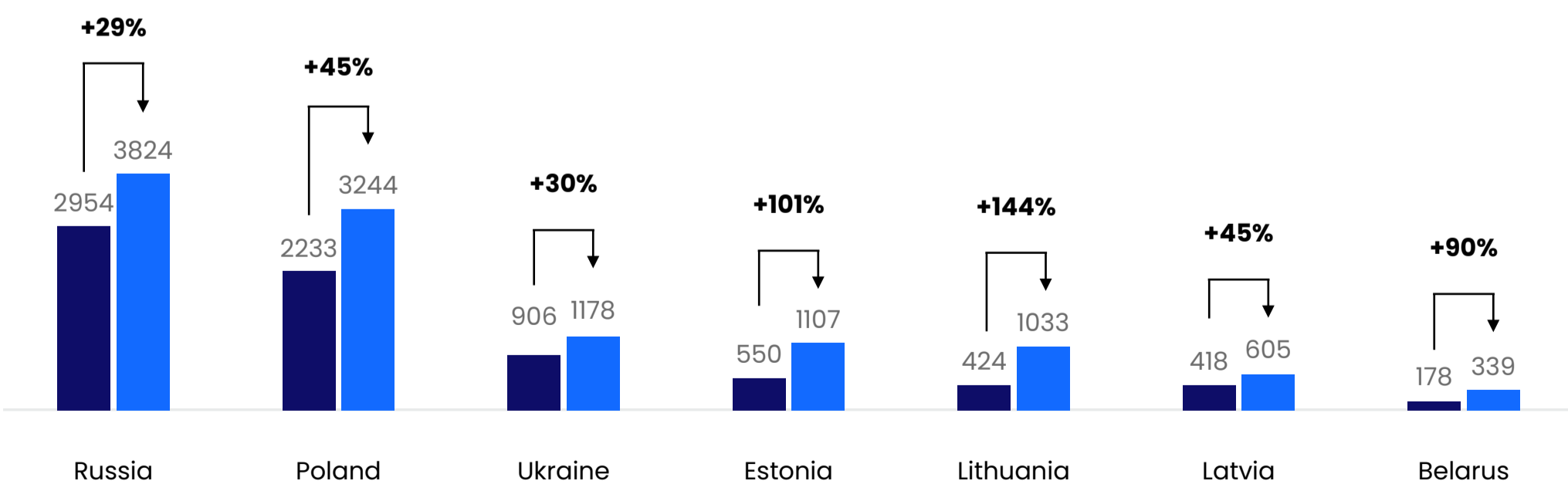
## NUMBER OF OPERATING & VISIBLE BELARUSIAN STARTUPS, 2014-2020, END OF YEAR



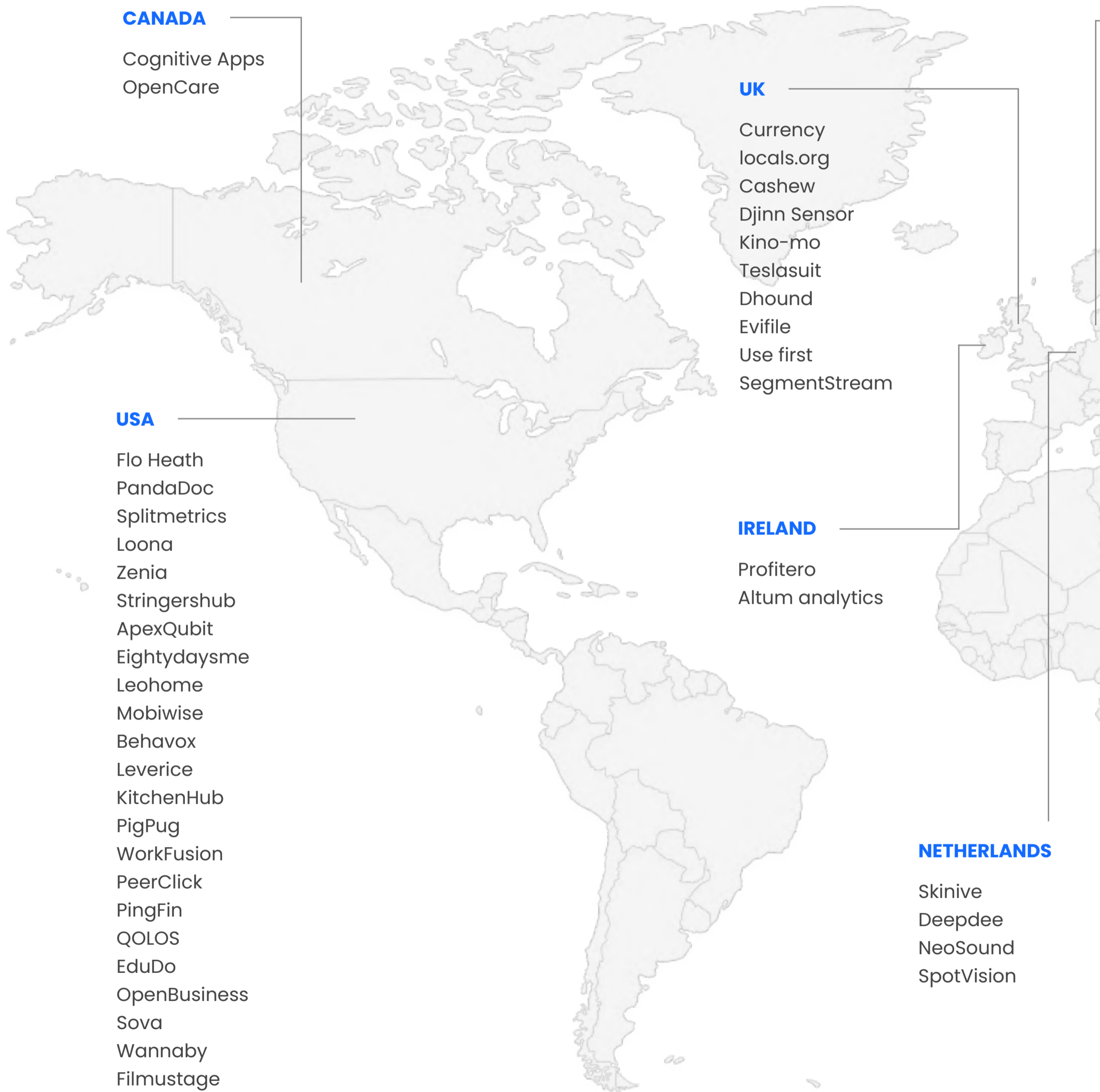
Even though Belarus still lags behind its neighbouring countries by the number of startups overall, the gap between Belarus and Russia, Poland, Latvia, and Ukraine has narrowed, when compared to 2018. Nevertheless, the significant gap is still present when compared to Estonia and Lithuania – both of which showed unprecedented growth in the last 2 years. This indicates that Belarus still has a vast potential and space for growth.

## NUMBER OF OPERATING & VISIBLE STARTUPS BY COUNTRY, 2018, 2020

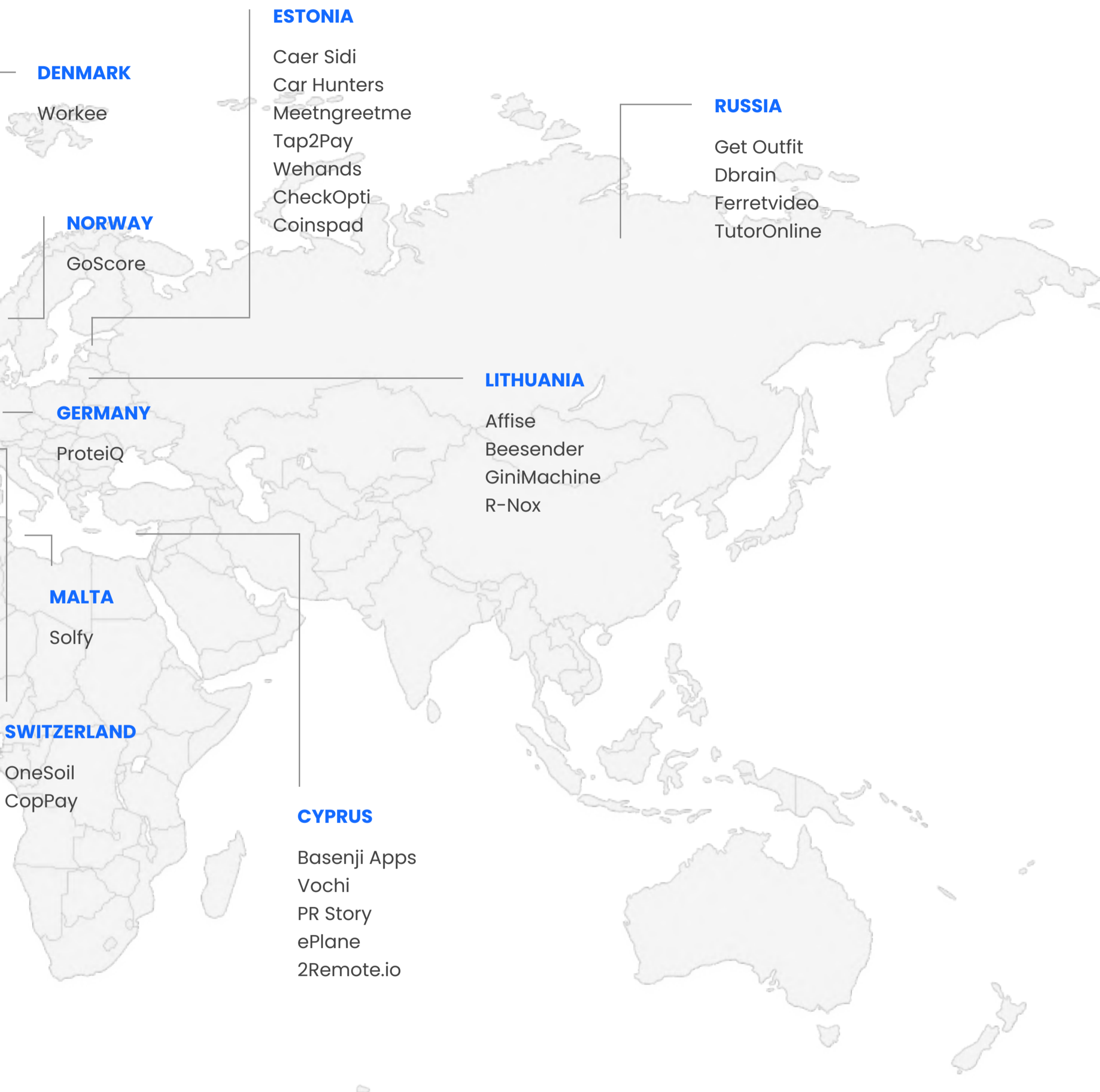
● 2018 ● 2020



# Location of the official headquarters of



# f Belarusian startups\*



\* - Not all startups are represented

Approximately two-thirds of Belarusian startups have their HQs located in Belarus (~64%). The 2<sup>nd</sup> most popular location is the USA (18%), whilst the UK, Russia, Cyprus, Estonia, and Lithuania are also prevalent. Estonia and Cyprus are usually selected due to their favorable taxation and support systems, Lithuania – due to its proximity to Belarus. United States are considered a top destination because of its active and well-developed market, access to investment, growth opportunities as well as stability.

Quite often startups register in Belarus in the first place and then relocate their headquarters abroad to be closer to the prospective or existing investors.



## KIRILL ATSTAROV

CEO, SKINIVE

*“Transferring our HQ to the EU was part of the company’s development strategy and we were looking for specialized accelerators in Europe. We have been selected for accelerators in the Baltic States, Austria and the Netherlands. After analyzing the potential of the accelerators and ecosystems, we opted for the Netherlands, because this country positions itself as a pioneer in AI solutions. We were also attracted to the rich startup ecosystem, the specialized and reputable accelerator Rockstart, the stable legal system, the rich local market, and its proximity to other key markets (Germany, France).”*



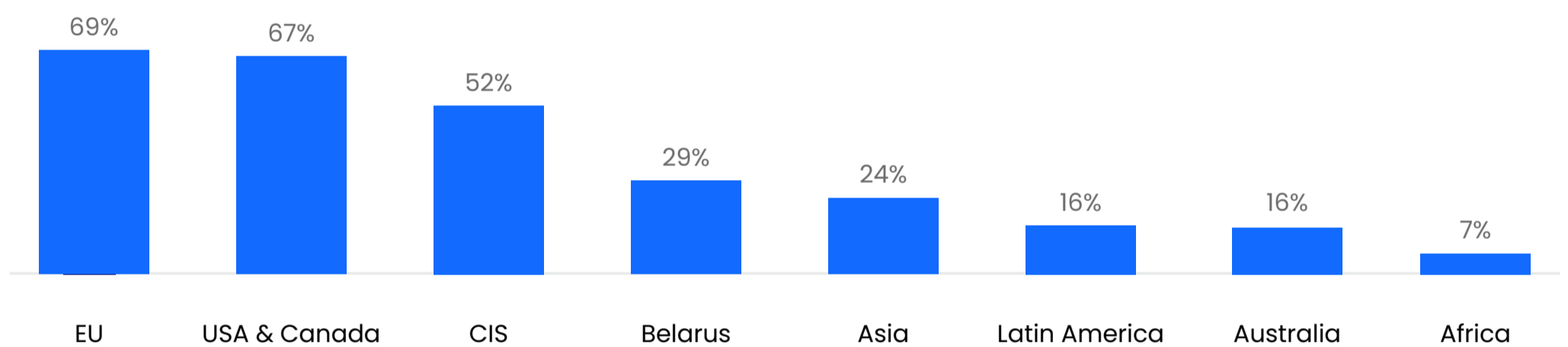
## ILYA LESUN

CEO, VOCHI

*“Foreign investors know little about Belarus, which makes the country a white spot on the map for them and influences investment decisions. Therefore, it is important for a startup to operate in a clear legal framework. So, for us Cyprus was quite an obvious choice for a headquarter due to the simplicity of all registration procedures and its local legislation being based on the English law.”*

As the Belarusian internal market is very small, Belarusian companies have to develop their products for worldwide markets from scratch. This entails several advantages. Firstly, all locally developed products must be able to compete with those of the global market; hence, the quality of products must be high, which then, ultimately, improves the startups' growth prospects. We see that the majority of startups are operating within the European and North American markets, and that for 35% of the startups, the global markets serve as the sole source of revenue.

## KEY SALES TARGET MARKETS AMONG BELARUSIAN STARTUPS, 2020, %



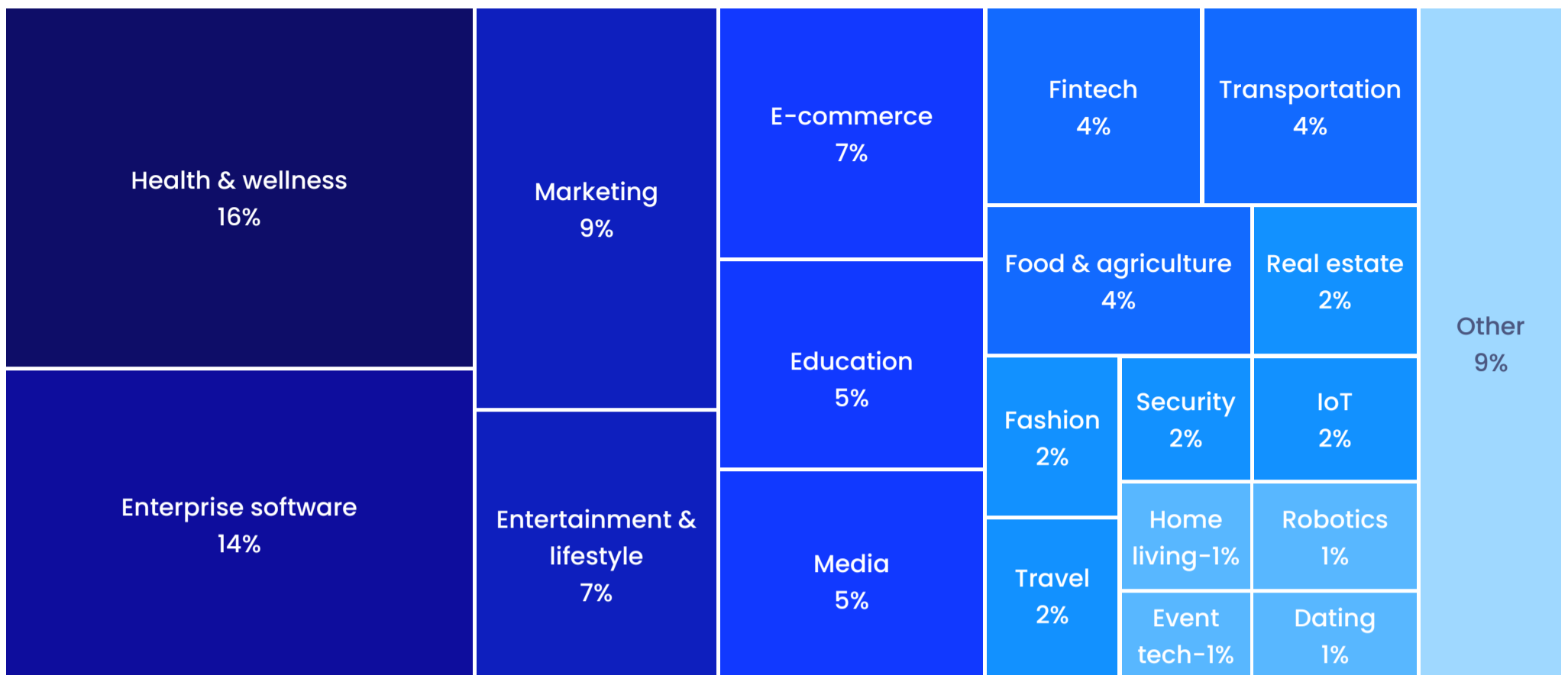
# The distribution of Belarusian startups by industry

The share of Health & wellness (including MedTech, sport and wellbeing) increased by 2 percentage points in 2020 which led to the industry replacing Enterprise software as the most widespread for startups in Belarus. The Education and e-Commerce industries also increased their shares over the past year, growing by 2 percentage points each.

The majority of startups formed during 2020 were part of the following industries: Health & wellness, Food & agriculture, Education; moreover, they provided the following services: food delivery, online education, digital wellness and fitness. Overall, this reflected the changing needs of our socially distanced world.

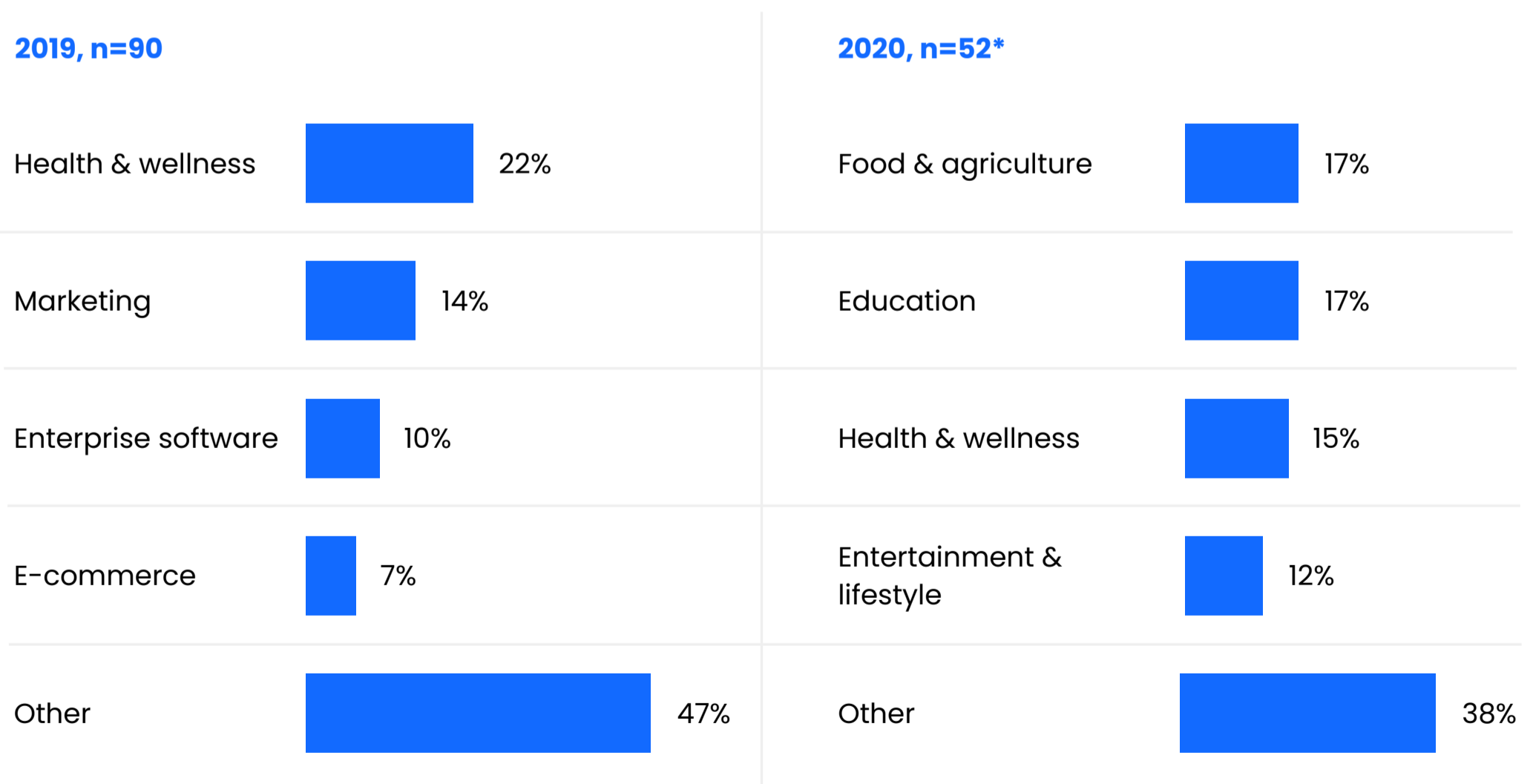
Similarly, the rise in Entertainment & lifestyle startups is also attributable to the needs of people for distracting themselves, whilst working from home.

## OPERATING & VISIBLE STARTUPS BY INDUSTRY\*, 2020, %



\* - By the primary area of operation of a startup

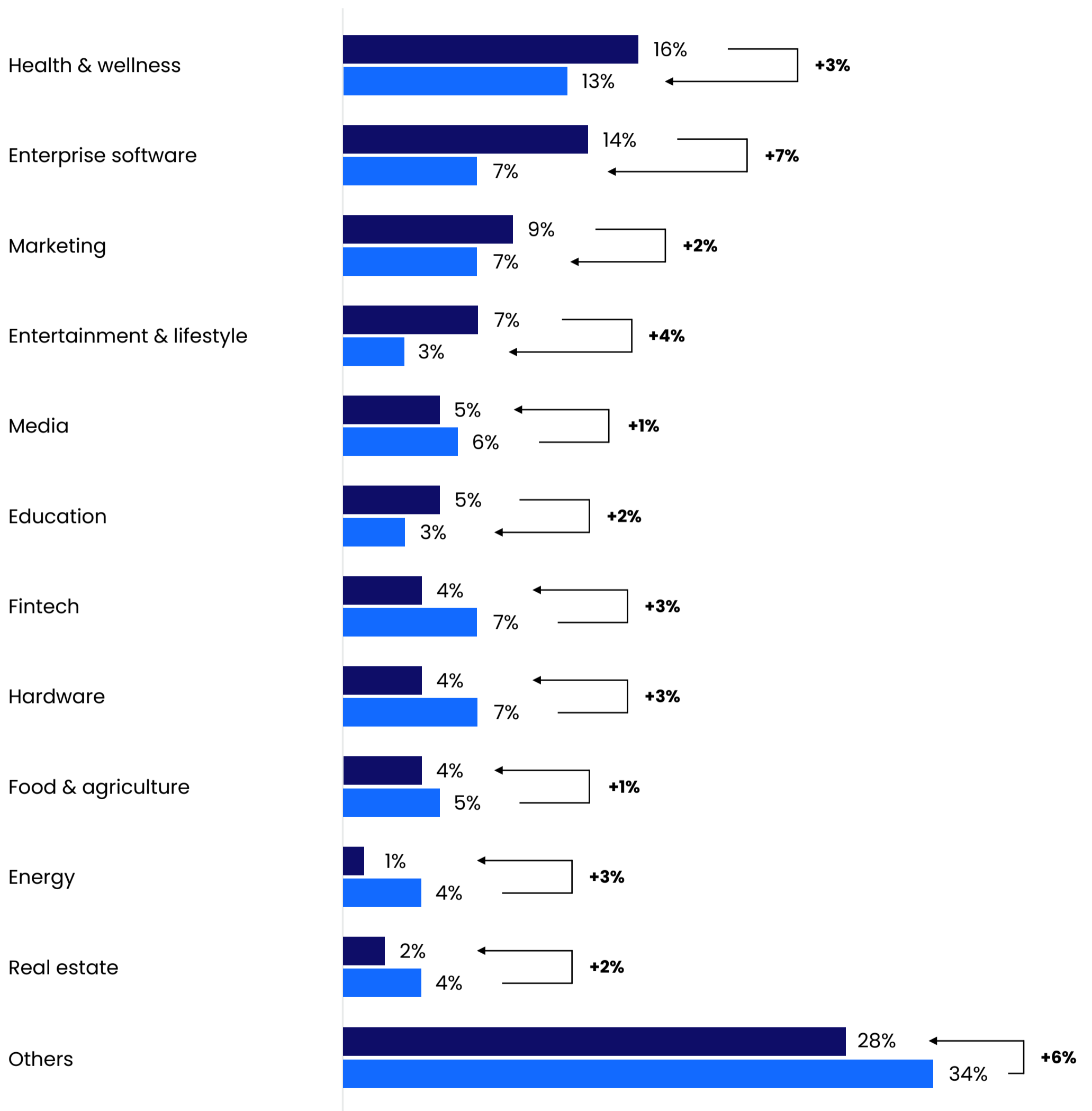
## STRUCTURE OF NEWLY CREATED STARTUPS BY INDUSTRY\*, 2019-2020,%



\* - The number of newly created startups is lower than the number of net additions, since the number of net additions also includes the companies that were founded prior to 2020, yet became visible only in 2020

# STARTUPS IN BELARUS AND EUROPE BY INDUSTRY\*, 2020, %

● Belarus ● Europe



\* - Values may not add up to 100% due to the rounding



**Health & wellness:** Belarus has always had a large number of startups in Health & wellness, and the pandemic of COVID-19 further escalated this industry's growth.

**Enterprise software:** when compared to Europe, the share of Enterprise software in Belarus is significantly higher, which is explained by the country's strong outsourcing sector.

**Entertainment & lifestyle:** the industry is mostly represented by mobile applications, which have served as one of the key areas of Belarus' IT sector. The industry's share is attributable to the COVID-19, which made many lifestyle applications appearing for people to rest and leisure.

**Fintech:** Europe significantly exceeds Belarus in its share of Fintech companies. This is attributable to the lesser number of Belarusian banks and the Fintech sector's more favorable legislative landscape in Europe.


**Hardware:** the low share of hardware startups in Belarus is explained by the specificity of business model: development and production cycles are time- and resource-consuming, requiring sufficient investment. In Belarus the number of accelerators and funds investing in hardware is low, while in Europe the market is more crowded with corporate VCs present.



## ANASTASIYA LUZGINA

DEPUTY ADMINISTRATIVE DIRECTOR OF DEVELOPMENT, BEROC

*"In the Belarusian Fintech we have a number of projects related to payment services. The second popular direction emerged owing to the Decree No.8 On the Development of Digital Economy as it established a legislative framework for the crypto-exchanges, ICOs and other projects using blockchain. At the same time RegTech, Crowdfunding, InsurTech are underdeveloped. Fintech is a part of the financial market which is traditionally strictly regulated. Therefore, it is very important to adapt legislation to new market needs in time. In Lithuania, for example, the Central Bank recognized its Fintech development as one of the priorities. Owing to the improvement of the national and European legislation, crowdfunding platforms and P2P lending are actively developing. There is the increase of Payment Institutions, Electronic Money Institutions, and foreign Fintech industry companies are entering the Lithuanian market".*



# The overall background of startup's founders

The vast majority (81%) of all startup founders worked in IT prior to launching their companies. Common areas of previous work include also Financial sector, Manufacturing, Transport, and Media.

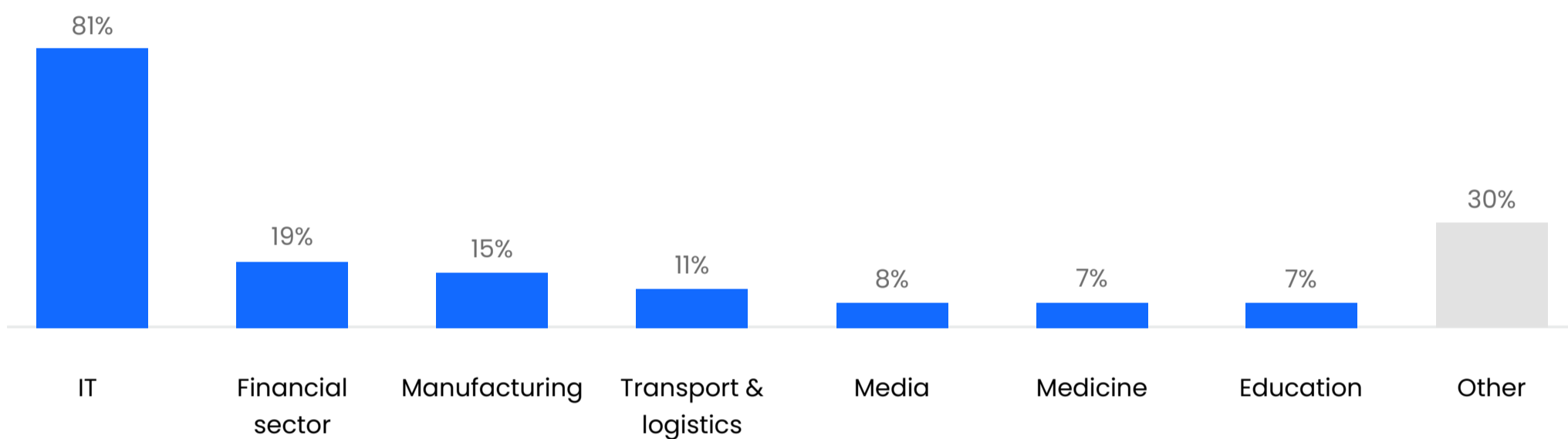
Furthermore, more than 60% of the founders were involved in software development, display a strong STEM educational background, and had accumulated experience with Belarus' outsourcing sector. Meanwhile, ex-CEOs, project managers, and marketing/sales workers also take a significant share of all founders.

Additionally, a substantial insight is that almost 70% of the startups' founders are serial entrepreneurs, who had already founded at least 1 startup prior their current one. This indicates that Belarus' startup scene is maturing.

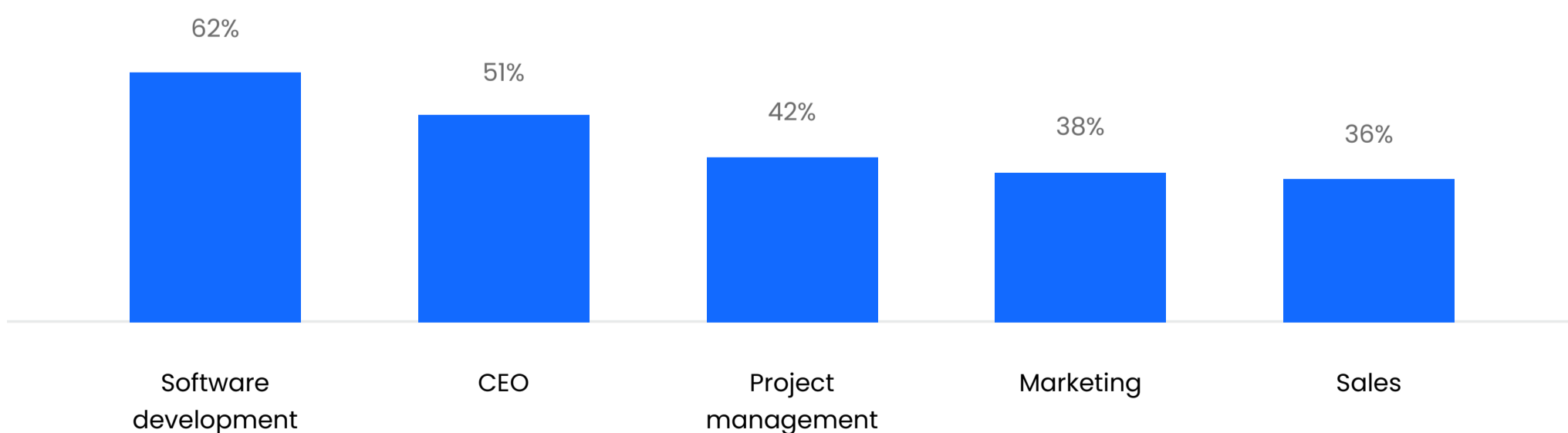
## SHARE OF SERIAL ENTREPRENEURS AMONG FOUNDERS, 2020, %



## SPHERES WHERE STARTUP FOUNDERS WORKED PREVIOUSLY, 2020, %

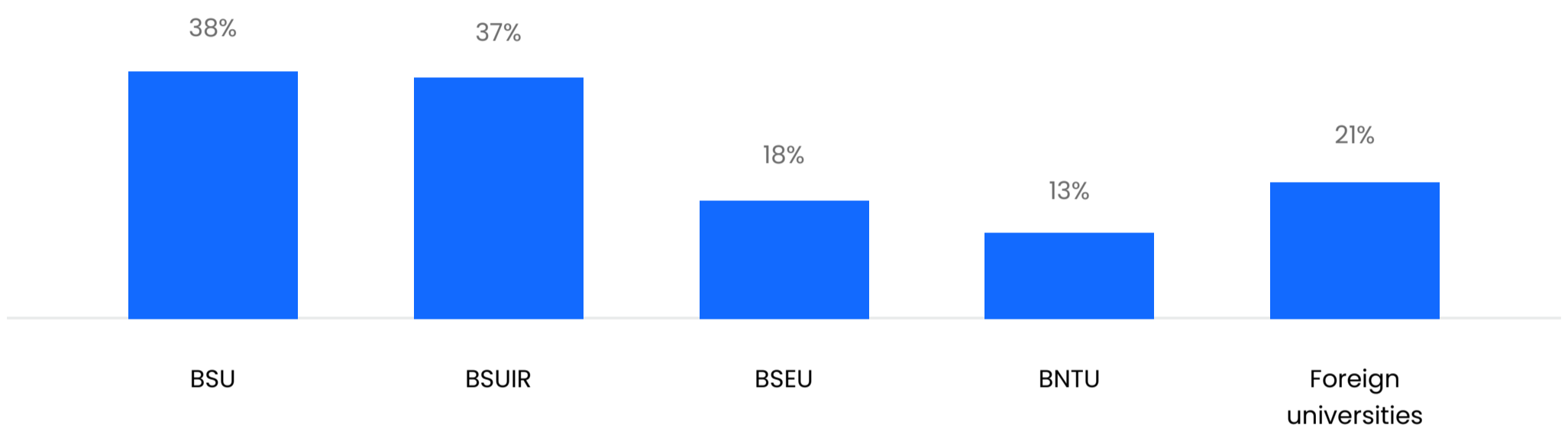


## TOP ROLES PERFORMED BY STARTUP FOUNDERS PREVIOUSLY, 2020, %



Every 5<sup>th</sup> founder had obtained foreign education. We deduce that work experience in foreign countries as well as the western education motivates people to pursue entrepreneurial activity. It is also worth noting that most of the founders are graduates of the two leading universities in Belarus: BSU (Belarusian State University) and BSUIR (Belarusian State University of Informatics and Radioelectronics). These together account for over 75% of all founders.

## EDUCATION OF STARTUP FOUNDERS\*, 2020, %



\* - Multiple choice question

To analyze founders' previous occupations, we gathered information about 356 founders of startups currently active, including 103 founders of startup who received investment. The results demonstrate that for 1/7 of startup founders current occupation is the first one. Yet, we also found that those who have several years of experience are 2.5 times more likely to receive investment (15% vs 6%).

IT outsourcing companies are the most common previous employment as an approximate 13.5% of the startup founders previously worked in large IT companies. In absolute numbers, this equates to an approximate 50 out of 356 people, which is a lower number than we expected.

# PREVIOUS WORKPLACES OF STARTUP FOUNDERS\*, 2020

2.6

Average number of previous jobs

15%

Of founders did not work before\*\*

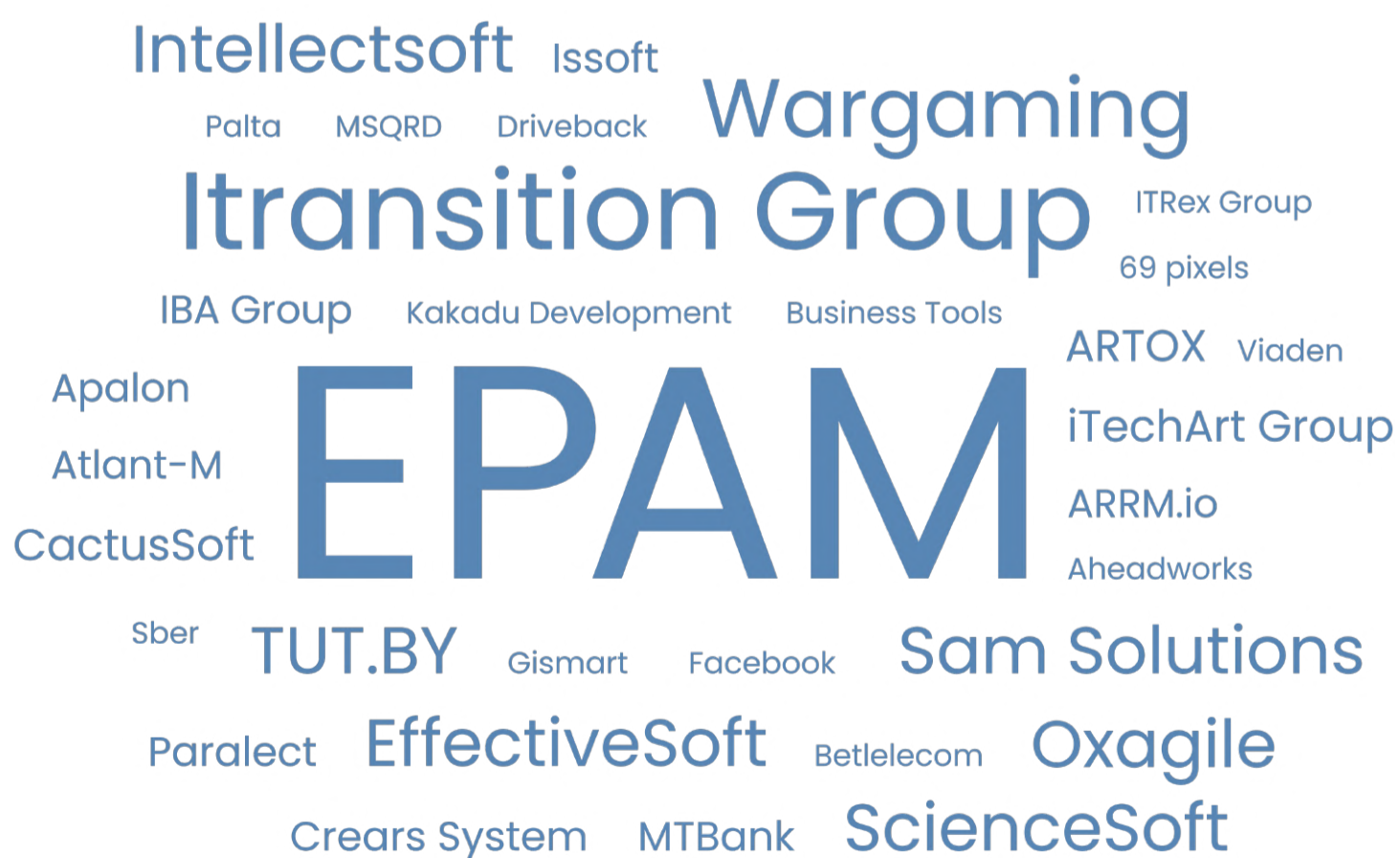
6%

Of founders of funded startups do not have previous place of work\*\*

13%

Ever worked in top and largest IT outsourcing companies

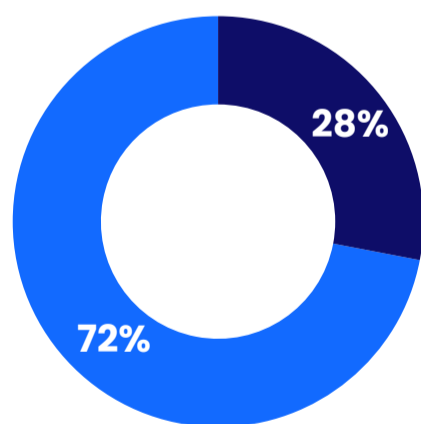
\* - Size represent frequency the company appears in the list with  
\*\* - Or this information is not in a public access



# Diversity in the Belarusian startup ecosystem: gender

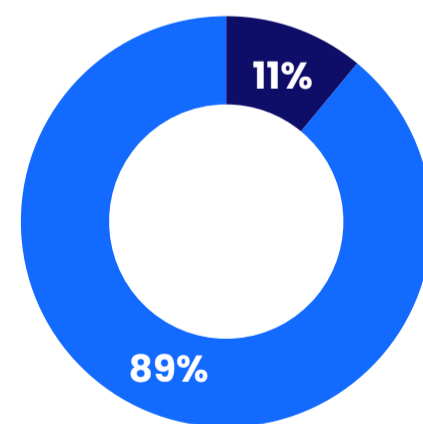
## FEMALE FOUNDERS, 2020, %

● Women ● Men



## FEMALE CEOs, 2020, %

● Women ● Men



Women have traditionally been a minority in STEM and even less so represented among startup founders, due to implicit stereotypical biases and historical attitudes. For analyzing gender inclusivity, in our report, we looked at gender-diverse startup teams that were active and visible by the end of 2020. The findings show that 28% of Belarusian startups have female founders or co-founders, whilst 11% of startups have female CEOs.

For comparison, in the Baltic states, according to the Baltic Startup Scene report, an approximate 13% of startups founded in 2019–2020 were founded by teams with at least one female representative, and the same figure was observed for startups founded between 2000 and 2020. Meanwhile, in CEE countries\*, this share amounts to 15%, whilst in the Nordics it sits at 18%. Interestingly, the average figure in Europe is a significantly higher 33%, according to the European Startup Monitor.

\* – excluding Baltics

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Although Belarus surpasses Baltic countries by the share of women founders, there is still room for improvement. Inequalities still affect the startup funding landscape with females often not perceived worthwhile for investment opportunities.

Yet, striving for gender equality makes good sense for business. To illustrate, a study by the Boston Consulting Group showed that female-founded startups generate 78 cents for every dollar that is invested, more than doubling the figure for male-founded companies (31 cents).

We believe that the present gender gap can be closed through VC reforms and such initiatives as community building, training opportunities and female-focused support networks. For example, in Belarus, Imaguru runs an annual project called “Women in technology week” with panel discussions, workshops and trainings that are geared towards progressing women. This organization also launched an “Innovation lab by women” initiative in March 2021, in partnership with the British Embassy Minsk. This, in turn, is a training program for women to master innovations in the companies they run or work at. Finally, another similar initiative is represented by the non-profit organization ProWomen.by, founded by Yulia Malkova in 2015, with the aim of supporting women in their professional growth by hosting events, organizing study programs and online courses.

Nevertheless, there is still a long way to go.

# COMPANIES WITH WOMAN FOUNDERS



**Anna Buglakova, CPO**

Entertainment & lifestyle



**Darya Danilava, CEO**

Marketing



**Anna Aharodnikava, CEO**

Health & wellness



**Vera Reshetina, CEO**

Jobs recruitment



**Yulia Lakatova, CEO**

Marketing



**Alena Akulich, co-founder**

E-Commerce

**O Y B O X**

**Anastasia Slavuta, CEO**

Fashion

**MEDICALAB**

**Helena Gromyko,  
Marketing director**

Health & wellness



**Helena Binetskaya, CEO**

Health & wellness





## ANNA AHARODNIKAVA

CO-FOUNDER AND CEO, SOVA APP

*“From my experience it is harder for women to start a business due to the stereotypes like “business is for men”, “business takes all the time, which means that you have to choose between the company and your family”. One more issue I notice here is the bias of the investors who do not consider a startup with a female founder or CEO as a good investment.*

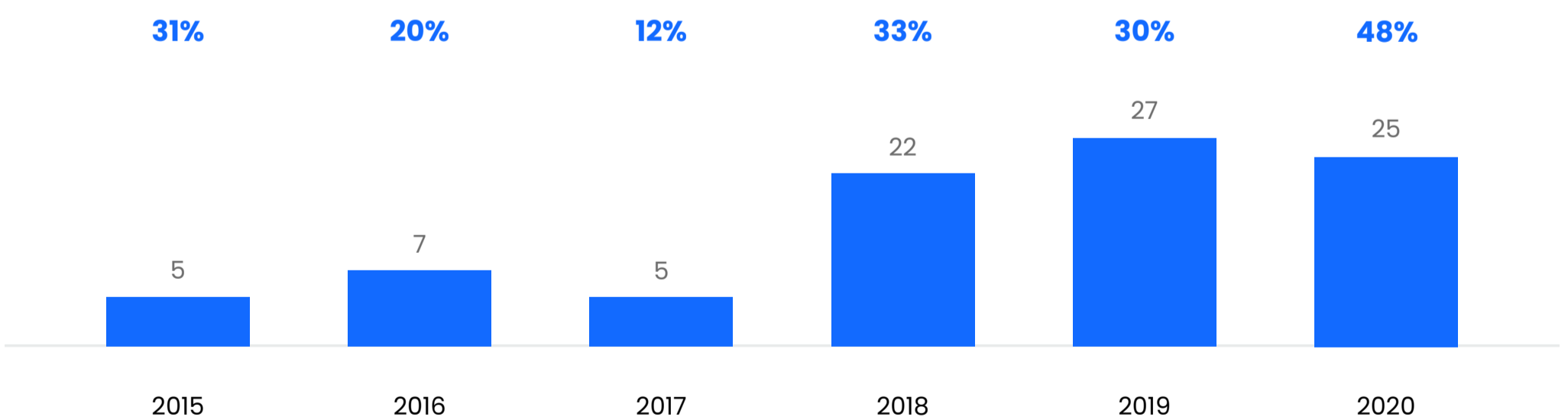
*To overcome the prejudice and bridge the gender gap, I propose to speak more about startups with female founders, publish articles written by female entrepreneurs sharing their experience, distribute more content about the key questions emerging at the very beginning of founding companies, organize events/groups/organizations for women in business. ProWomen.by serves as a great example of this. I support Yulia and her initiative as much as I can. However, one initiative is not enough.*

*I would rate the engagement of Belarusian women in IT as a 3/10. The score is so low mostly because of the existing biases. I don't claim that there must be equal distribution of female and male founders, but I believe that the initial opportunities to create a startup should be similar for both genders”*



# Purpose-Driven Startups

NUMBER OF PURPOSE-DRIVEN STARTUPS AND THEIR SHARE IN TOTAL NUMBER OF STARTUPS BY THE YEAR OF FOUNDATION\*, 2015-2020



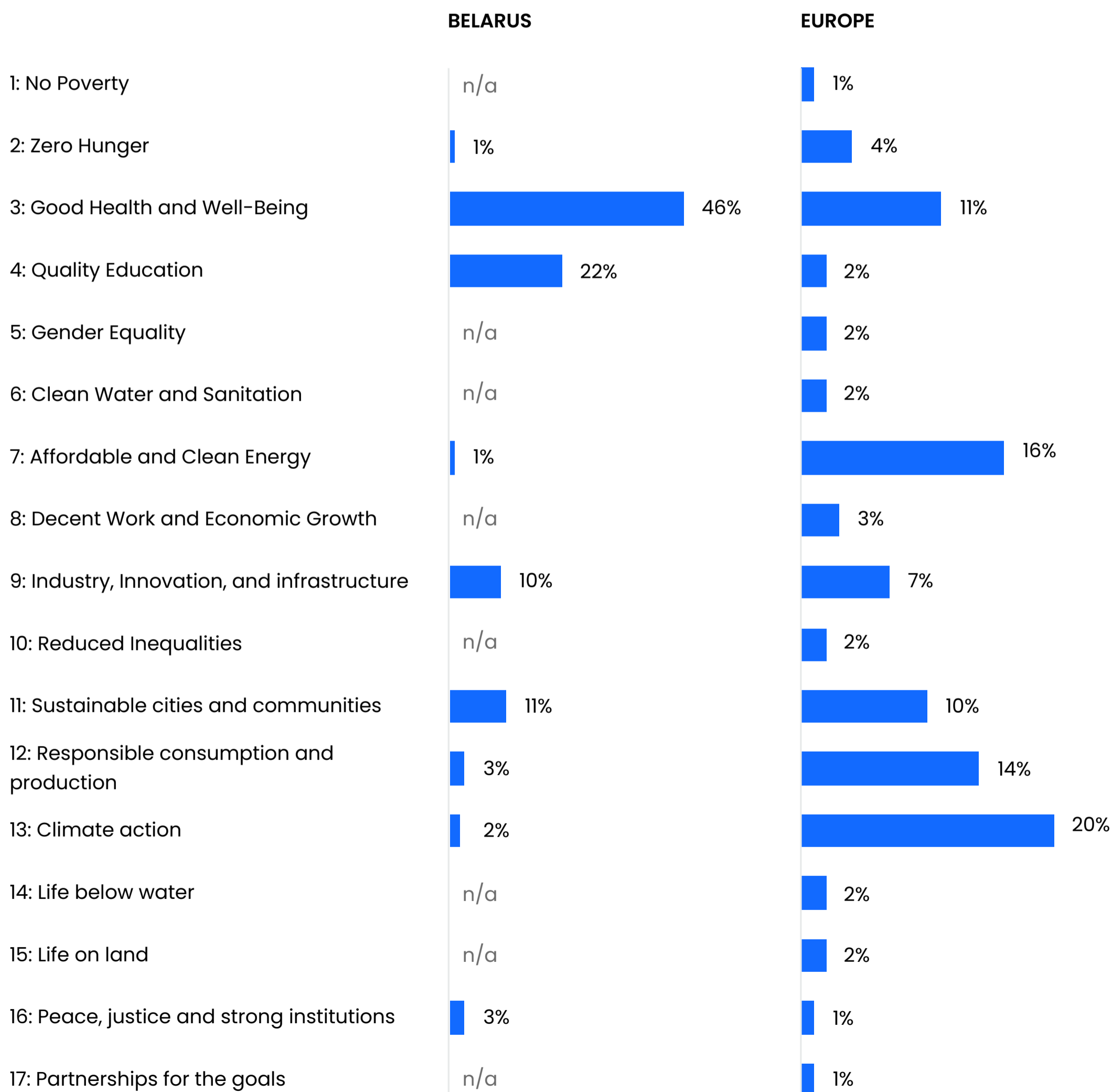
\* - Among currently active and visible startups

The number of purpose-driven startups in Belarus is increasing and the share of newly created startups tackling one of SDGs in total startup created is growing.

Today 96 startups in our database (every third startup) are tackling to a certain extent at least one of the UN's SDGs\* as a core part of their mission. SDG 3 on Good Health is by far the most addressed goal. In Europe this goal is the 4th popular, while SDG 13 on Climate Action, SDG 7 on Affordable and Clean Energy and SDG 12 on Responsible consumption and production are leaders among startups which correspond to the fact that these topics are highly supported by the European Commission.

\* - The Sustainable Development Goals (SDGs), were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030

## STARTUPS IN BELARUS AND EUROPE BY SUSTAINABLE DEVELOPMENT GOAL, 2020, % OF PURPOSE-DRIVEN STARTUPS





# Hardware startups in Belarus

Unlike other ecosystems, in Belarus we observe a low share of hardware startups. In the HTP, where more than 1,000 companies are registered, only 1-2% specialize in HW. This is clearly attributable to 2 factors. Firstly, the majority of engineers in Belarus work in software domain. Secondly, HW development takes 2+ years as it requires long iterations of prototype development and production, as well as a skilled team and sufficient investment.

Moreover, almost all hardware startups, after having raised pre-seed investment, face the so-called “death valley” circumstance when their teams cannot display a product-market fit for a long time, thereby resulting in an inability to raise the next round, often leading them to “die”. Usually, hardware startups must overcome this “death valley” 3-5 years after the founding. In Belarus it is even more challenging as there are no investors and manufacturing companies ready to invest. We hope that the situation will improve owing to the emerged initiatives such as EnCata and Bridgio tech accelerator. These initiatives offer acceleration programs, technical and financial aid and networking opportunities for hardware startups.

EnCata is an engineering catalyst, a platform where prototypes and production technologies are born from the ideas. For startups EnCata offers technical and financial assistance, as well as business acceleration of startup projects from the idea stage to the first working prototype, mass production and launch of international sales

Bridgio tech accelerator aims to bring hardware projects to the global/ domestic market and create hardware ecosystem. The accelerator is in operation since the end of 2019 and focuses primarily on IoT, Robotics, Telecom and MedTech. Bridgio offers marketing support, smart management in hardware, team development, access to hardware infrastructure, IP management and first investments for startups.



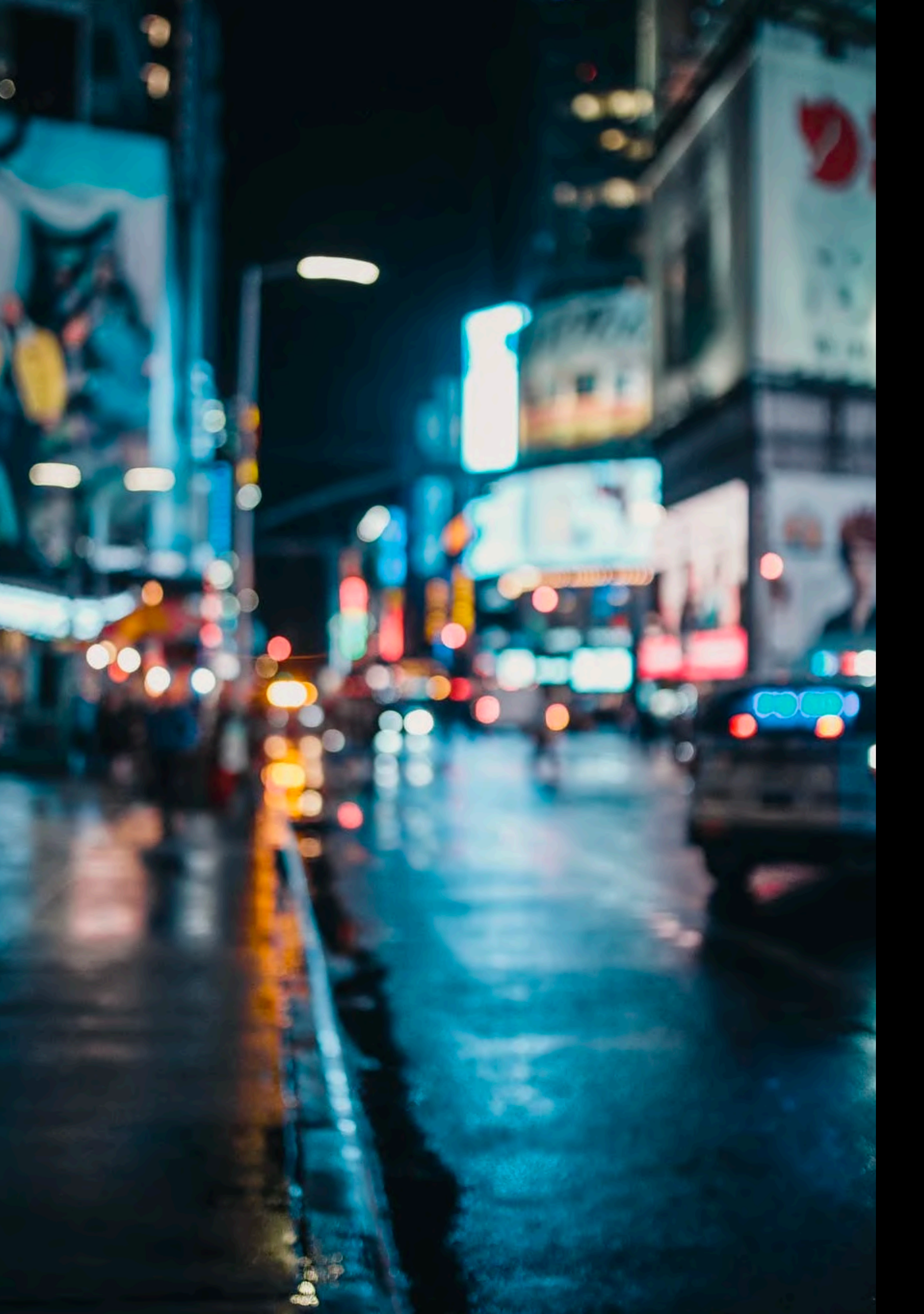
## ROMAN PAKHOLKOV

FOUNDER AND CEO, BRIDGIO TECH ACCELERATOR

*“The creation of HTP is one of the reasons for the low number of HW startups as it significantly influenced the labor market. Software development companies received privileges in terms of software engineers’ salaries which led to the fact that majority of IT specialists went to software development and thus the gap appeared.*

*Only after the first Hardware Congress in 2017 and the adoption of the Decree on HTP 2.0 hardware companies received a privilege to enter the HTP and the gap began to narrow down. However, in my opinion, our big challenge was in solving the medium-term problems of software companies, instead of thinking of a long-term perspective of the whole industry. With that said, the gap is still not aligned, and this is something we need to work on.*

*Bridgio serves this purpose. Acceleration activity includes the work with hardware startups from Belarus. So far, we have successfully accelerated 3 startups out of 10, that were included into our shortlist, whilst a total of 150 were gathered in the initial long list. Secondly, we form a hardware ecosystem to attract more startups. An ecosystem is a community for engineers from different sectors, who are willing to learn how to transform their ideas into a product and a business. Within this ecosystem we plan to create cross-functional (engineer, entrepreneur and investor) and cross-disciplinary teams (e.g., unite hardware, software and medicine).”*



# INVESTMENTS IN BELARUSIAN STARTUPS



# Investment activity in 2020

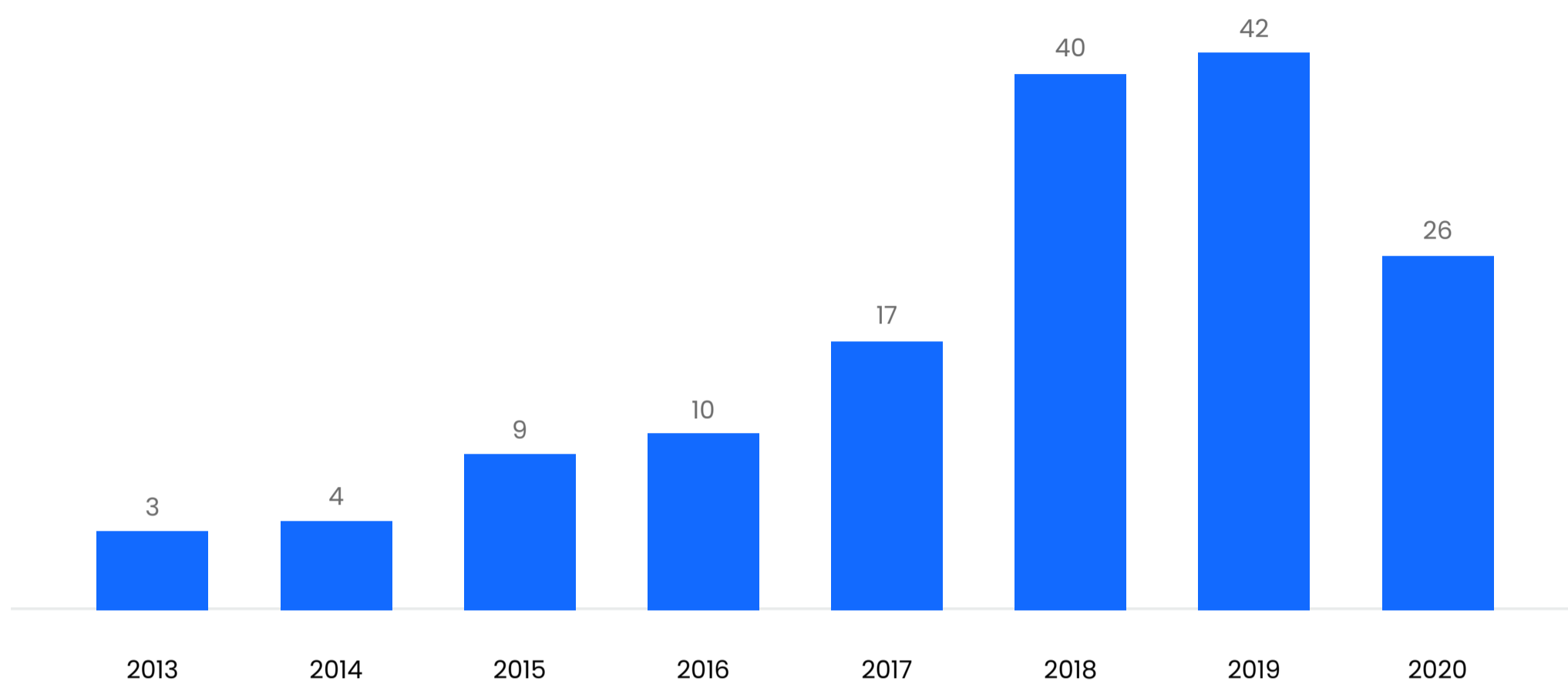
Despite the increasing number of startups, investment activity has declined: this year we have counted only 26 visible investment deals, compared to 42 in 2019. Under the 'visible deals', we acknowledge those that were reported by at least one participant via mass media platforms or other publicly available sources.

Due to the pandemic and uncertainty, we observed a decrease in the share of early-stage deals from the total number of deals – a share of 76% in 2020, as compared to 93% in 2019. However, it is worth noting that seeding is the stage with the most extensive reporting delays, as smaller seed funding is often not reported via the news cycle but instead added by founders over time. Thus, a significant portion of existing deals might merely remain invisible.

Furthermore, we assume that in the present conditions of political and economic crises, business angels and startups may be inclined not to disclose the information about closed deals.



## NUMBER OF INVESTMENT DEALS INTO BELARUSIAN STARTUPS, 2013-2020



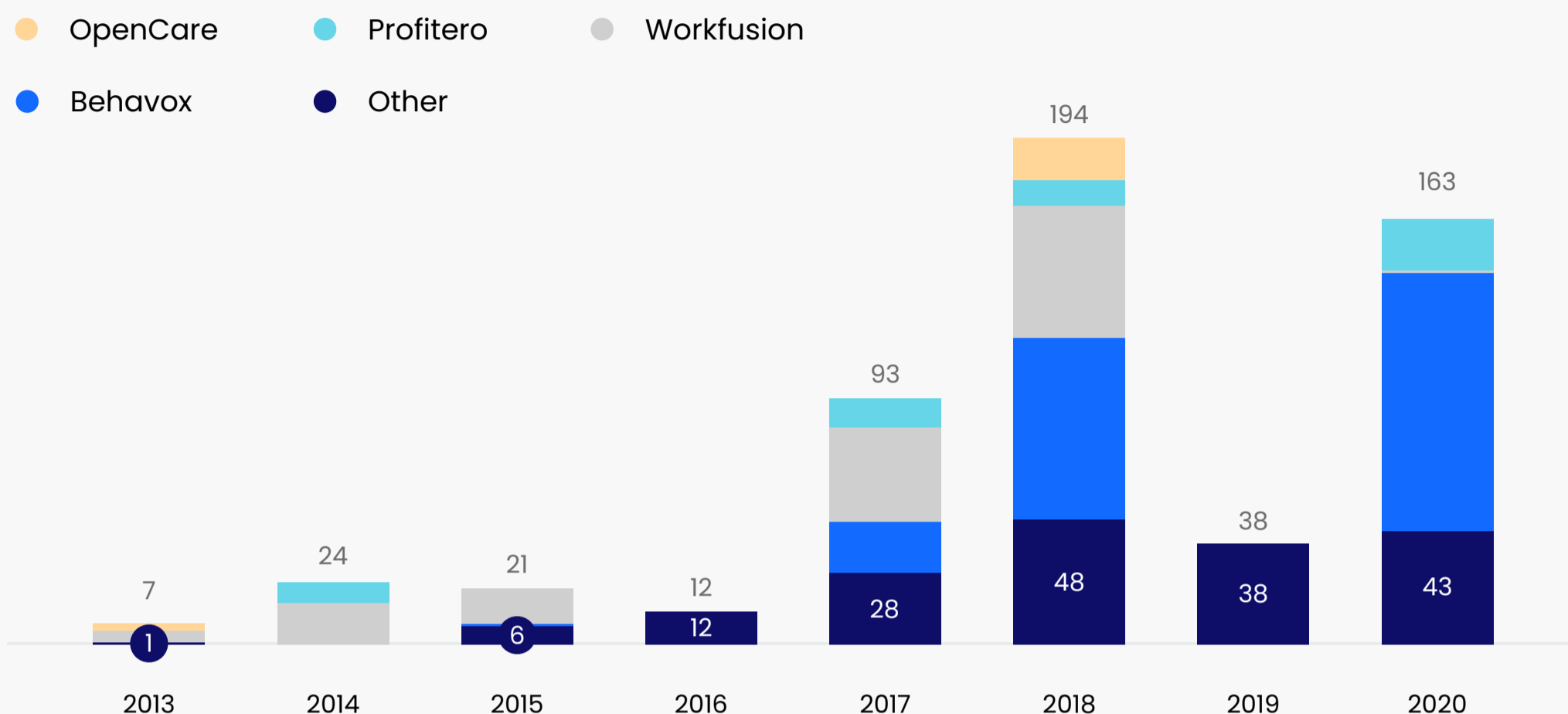
### VICTOR DENISEVICH

INVESTMENT DIRECTOR, ZUBR CAPITAL

*“Although Zubr Capital is positioned as a Private Equity firm specializing on PE deals of 4+M USD, some of the deals can be classified as VC, for example the deal of MediaCube in 2019. Private equity and venture capital have moved closer recently and the difference between PE deals and Series B or late growth deals is not that significant.*

*However, we are planning to create a new fund to focus on smaller VC deals starting from 2M USD to bridge the gap between seed investment and late growth rounds in Belarus.”*

# INVESTMENT IN BELARUSIAN STARTUPS, 2013–2020, M USD



Despite the decline in the total number of deals in 2020, we saw a growth in investment volume last year, due to 2 top deals of PandaDoc and Behavox. However, by eliminating large deals, the average level of investment last year accounts for 40M USD – we assume this to be the most realistic level of startup investment in the Belarusian startup ecosystem.

Although Behavox, Profitero and OpenCare are not located in Belarus, we consider them as part of the Belarusian startup ecosystem, since they have Belarusian founders. Moreover, they also participate in the ecosystem, e.g., by providing coaching and mentoring to early-stage projects.

The aforementioned effect of mega deals is observed in other emerging ecosystems as well. For example, in Ukraine, 4 deals accounted for more than 60% of the total investment volume (571M USD) in 2020, according to Dealbook of Ukraine.

# TOP INVESTMENT DEALS IN 2020

COMPANY	SUM RAISED, M USD	INVESTORS	INVESTMENT TYPE	DEAL CLASS
BEHAVOX	100	Softbank	VC	Late VC
PANDADOC	30	One Peak Partners, Microsoft's Venture Fund, Savano Capital Partners, EBRD	VC	Series B
PROFITERO	20	Scaleworks	PE	Series B
ONESOIL	5	Almaz Capital, PortfoLion Capital Partners	VC	Series A
103.BY	3	BelVeb bank	Non-equity	Seed
VOCHI	1.5	Genesis Investments	VC	Seed
REDTRACK	0.55	Genesis Investments, Iron Wolf Capital	VC	Seed
STRINGERSHUB	0.5	Angels Band, Insta Ventures, Starta Ventures	VC	Seed
WORKEE	0.35	Michael Ritto, Keystones, Vaekstfonden	VC	Seed
GIVE AWAY	0.31	Y Combinator	Accelerator	Pre-Seed
APEXQUBIT	0.22	Nvidia Inception	Non-equity	Non-equity
MOBIWISE	0.2	Angels Band	Angel	Seed
EDUDO	0.2	N/A	Angel	Pre-Seed



# Impact of mega deals on the overall investment dynamics

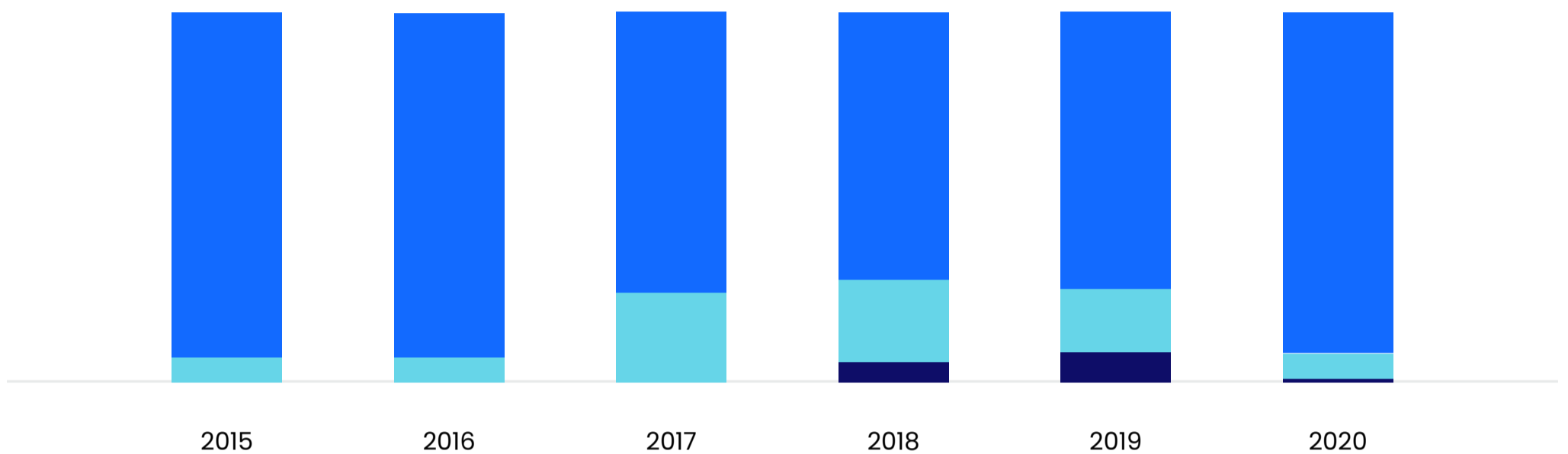
Considering Belarus' relatively small startup ecosystem, a small number of very large rounds have a substantial impact on the country's overall investment levels.

In 2020, the 10 largest rounds alone accounted for 161.2M USD – 99% of total capital invested in Belarus throughout the year. Moreover, the top 3 rounds are equivalent to 150M USD – accounting for 92% of capital invested over this period. These 3 are the deals of Behavox, PandaDoc and Profitero.

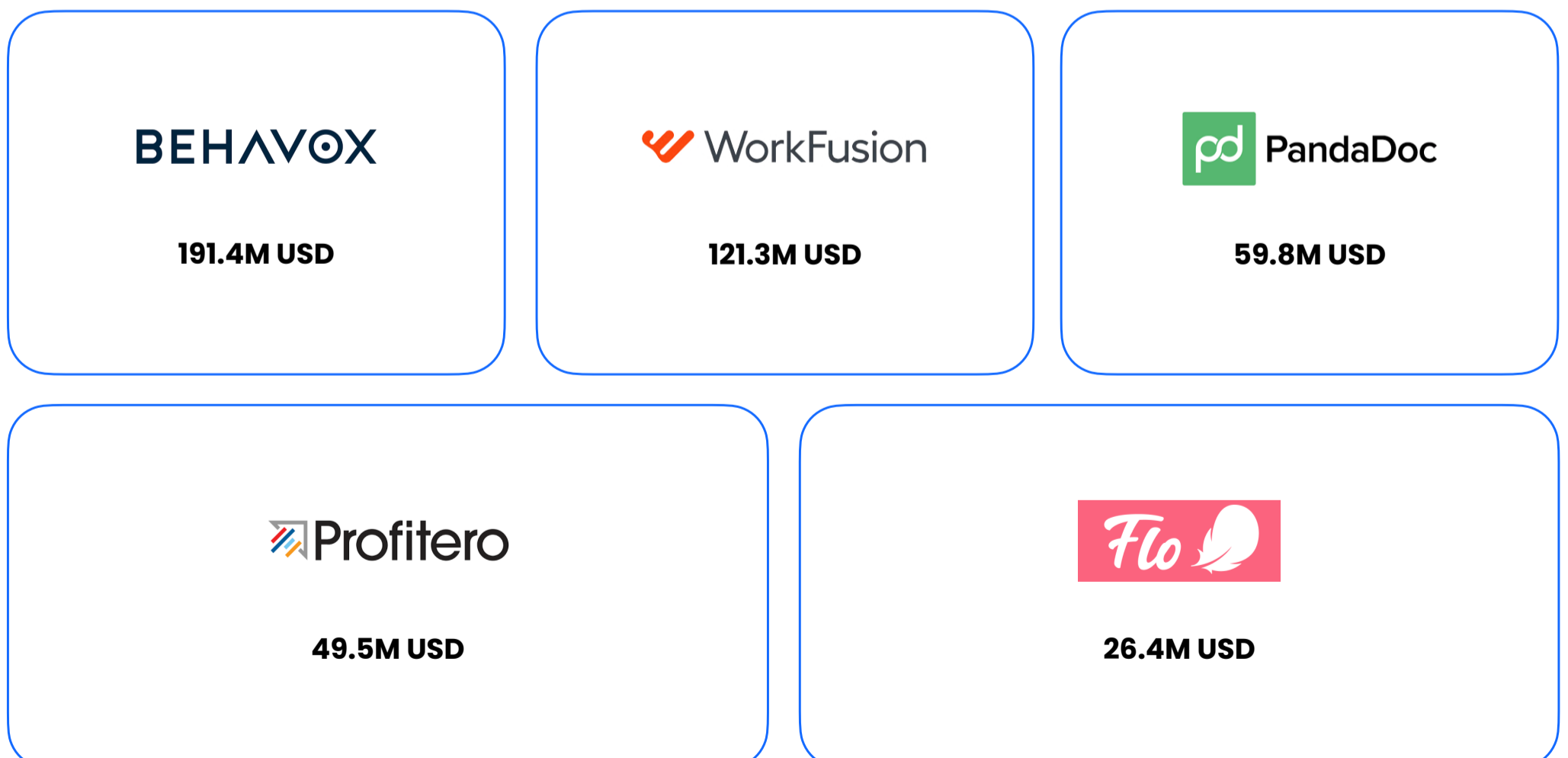
The trend for the mega deals leading the overall investment scene contrasts Europe, where the top 10 deals only accounted for 16% of total investment in 2020. However, the overall small number of investment deals in Belarus should be taken into account.

# TOTAL INVESTMENT, DIVIDED BY TOP 3, TOP 10, AND ALL OTHER DEALS, 2015-2020, M USD

● Top 3    ● Top 10    ● All other deals



## TOP-5 STARTUPS BY THE CAPITAL RAISED IN 2013-2020





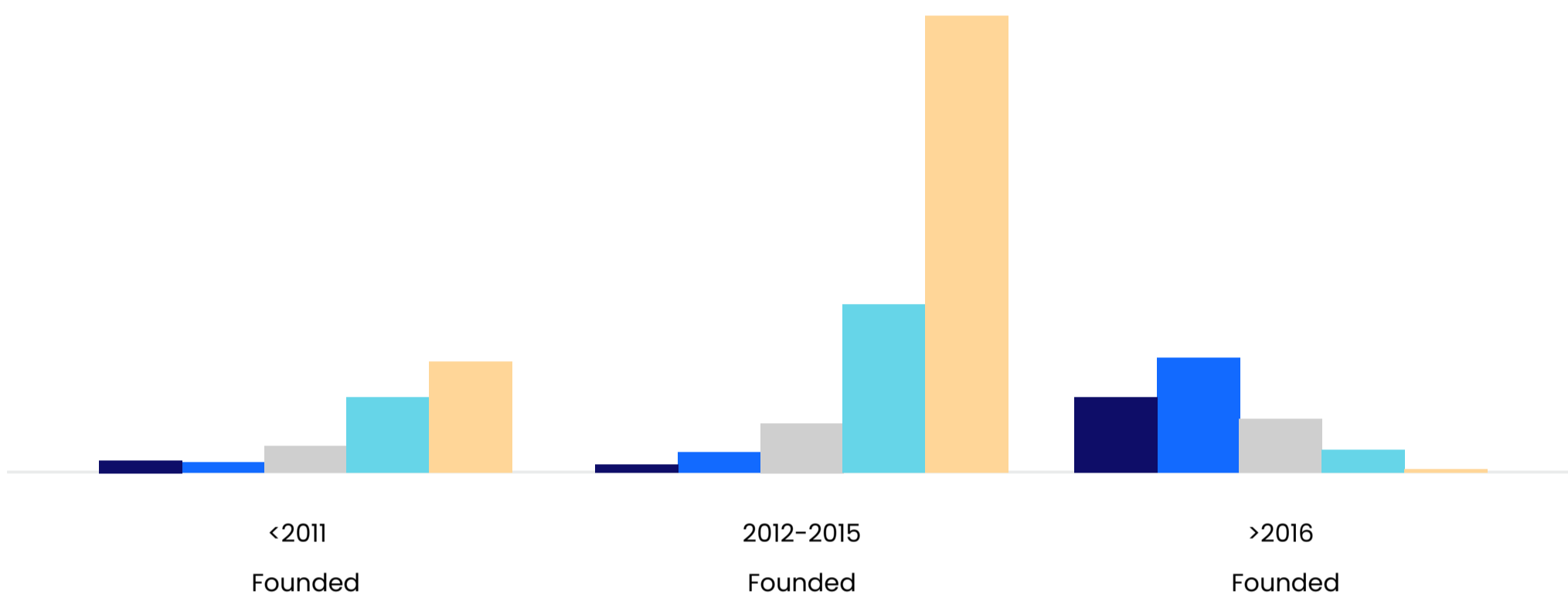
# Cohort analysis of investments into Belarusian startups

Currently, Belarusian startups are in the early stage of its development; however, we can already see the ecosystem maturing, which is reflected in the increasing scale of capital raised by the more recent cohorts of tech companies. For example, companies founded prior to 2011, by the end of their 4<sup>th</sup> year, received 22M USD, while companies founded between 2012 and 2015 – 91.8M USD.

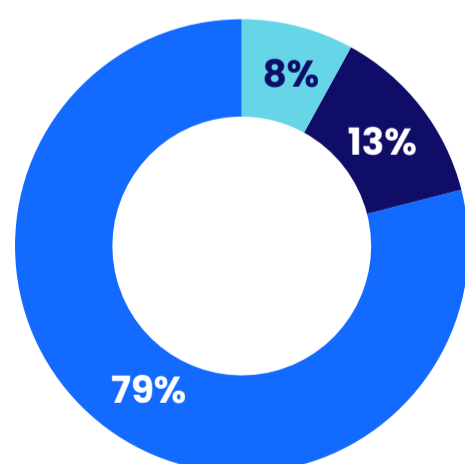
Companies founded more recently (after 2016) are showing signs that they scale faster: new startups founded between 2016 and 2020 attracted nearly 7 times the investment in their first 2 years of existence than that of the 2012–2015 cohort. Nevertheless, we believe that this new cohort of startups and its full effect on the Belarusian startup ecosystem is only beginning to be felt, considering that more than 85% of the startups were founded in 2016 and later.

# CUMULATIVE CUMULATIVE CAPITAL RAISED BY COMPANIES PER YEAR POST-LAUNCH BY THE FOUNDATION YEAR, M USD

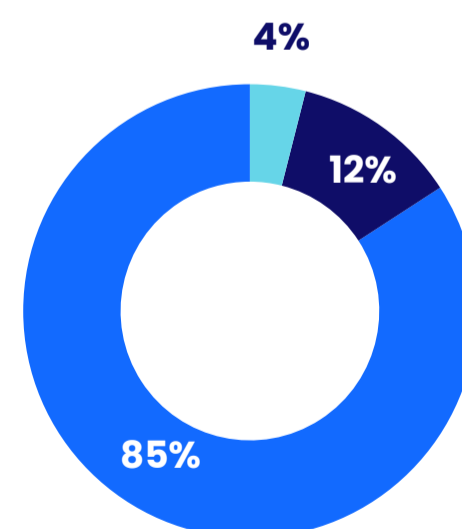
● Y0 ● Y1 ● Y2 ● Y3 ● Y4



## SHARE OF TOTAL FUNDED TECH COMPANIES BY THE FOUNDATION YEAR, %



## BELARUSIAN STARTUPS BY THE FOUNDATION YEAR, %

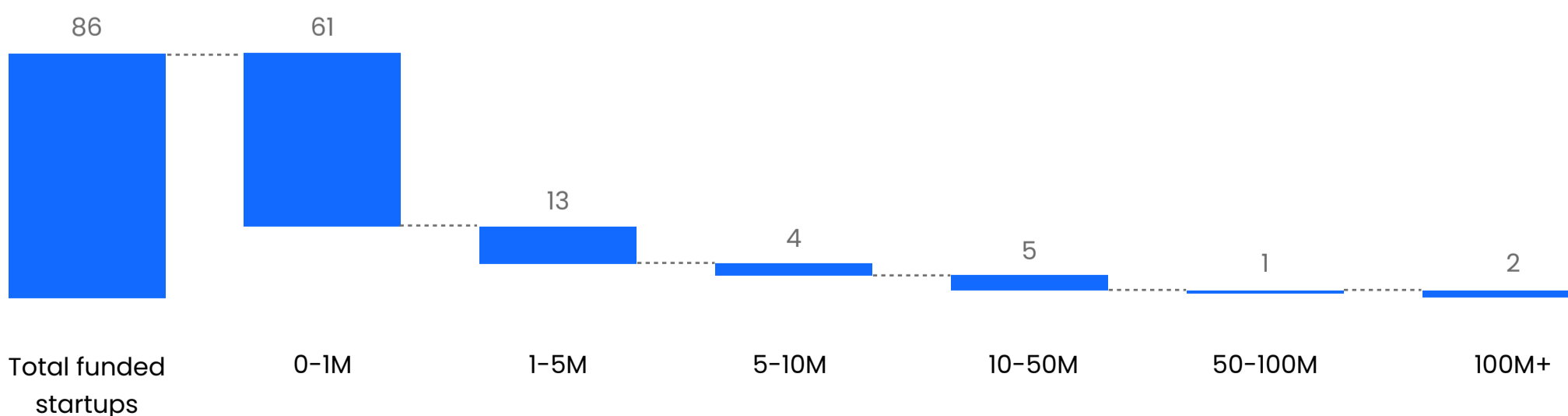


● <2011 ● 2012-2015 ● >2016

# Startup investment funnel

In Belarus, 86 startups have raised at least one recorded round of funding; however, the number of companies at each level of funding narrows significantly. To illustrate, while there are 61 startups with less than 1M USD funding, there are only 3 with more than 50M USD, and only 5 could make it to the 4<sup>th</sup> and further rounds. For comparison, in the USA 15% of startups got to the 4<sup>th</sup>+ rounds of investment.

## STARTUPS BY TOTAL AMOUNT OF FUNDING RAISED, 2008-2020, M USD

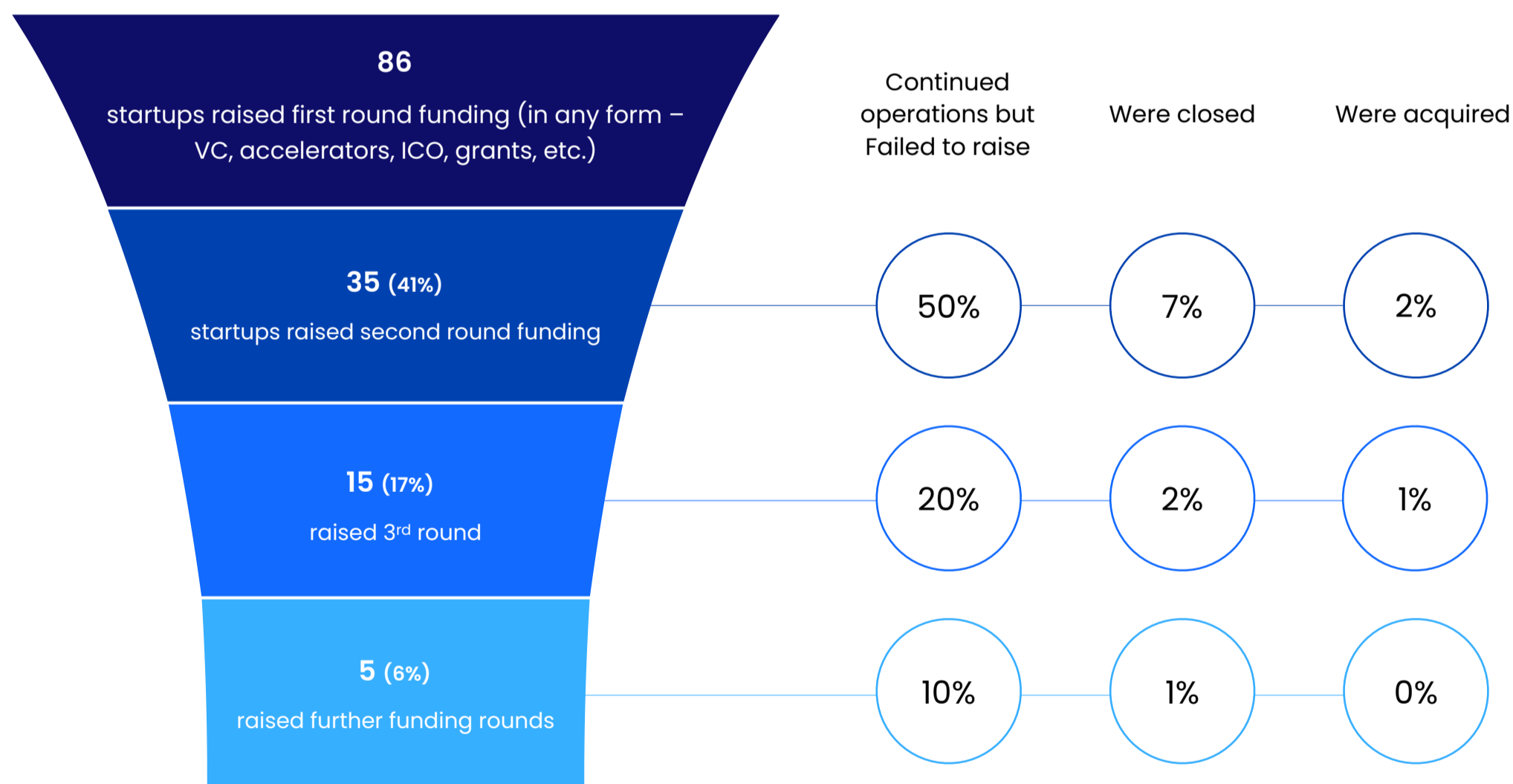




Although the investment amounts are small, the survival rates of Belarusian startups are high: only 10% of all funded startups were shut down. With that said, this could also be seen as a negative trend, since the possible explanation of high survival rates is the lack of early-stage financing, meaning that only projects with good potential are visible in the funnel in the first place (those that were able to raise at least the 1<sup>st</sup> round of funding and then get to the later stages). The fact that only 2 funded startups were closed during the last 2 years also alludes to this.

At the same time, we see that more than half of all funded startups continued operations yet failed to raise the 2<sup>nd</sup> round. This indicates that there persists a culture of 'not acknowledging startup failure' – many startups continue their operations even if they are unable to attract the next round. Meanwhile, in the US, for example, 38% of startups failed to raise the 2<sup>nd</sup> round of investment according to CBInsights.

## STARTUP INVESTMENT FUNNEL\*, 2008–2020



\* – Values may not add up to 100% due to the rounding

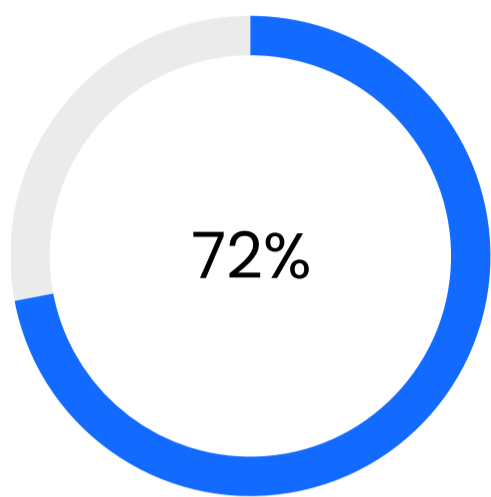
How to read the funnel: for example, out of 86 startups received the first round of funding, 35 startups managed to raise second round, while 43 startups (50%) continued operations but failed to raise funding, 6 startups (7%) were closed and 2 startups were acquired

# Sources of startup funding and investment landscape

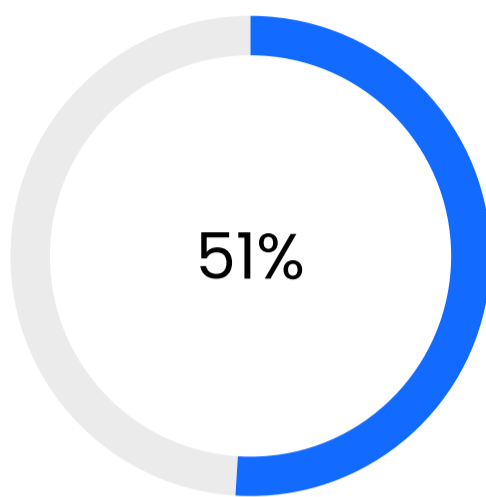
The most common sources of financing are founders' own funds and bootstrapping, whilst only 35% of startups had received external financing. In terms of external funding, however, business angels and venture capital are the most common sources of funding. More than 90% of participants who attracted external funding, did so through investors. Not only does it provide the companies with necessary resources, but the startups also gain support for development strategy, human capital, marketing, management, and attracting further investment rounds.

Despite most of the investment coming from foreign investors, it is worth noting that, individually, the most popular countries for negotiating investments are Belarus, Russia and the European countries. The USA is less popular, which can be related to the geographical distance and the fact that Series B and onwards usually raised in the USA represent a small share of deals for Belarusian startups.

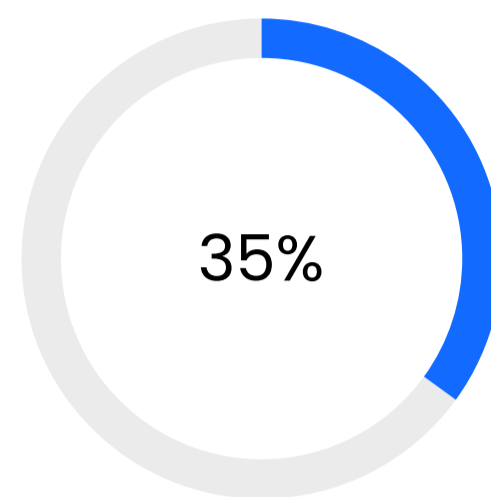
# SOURCES OF STARTUP FUNDING, 2020



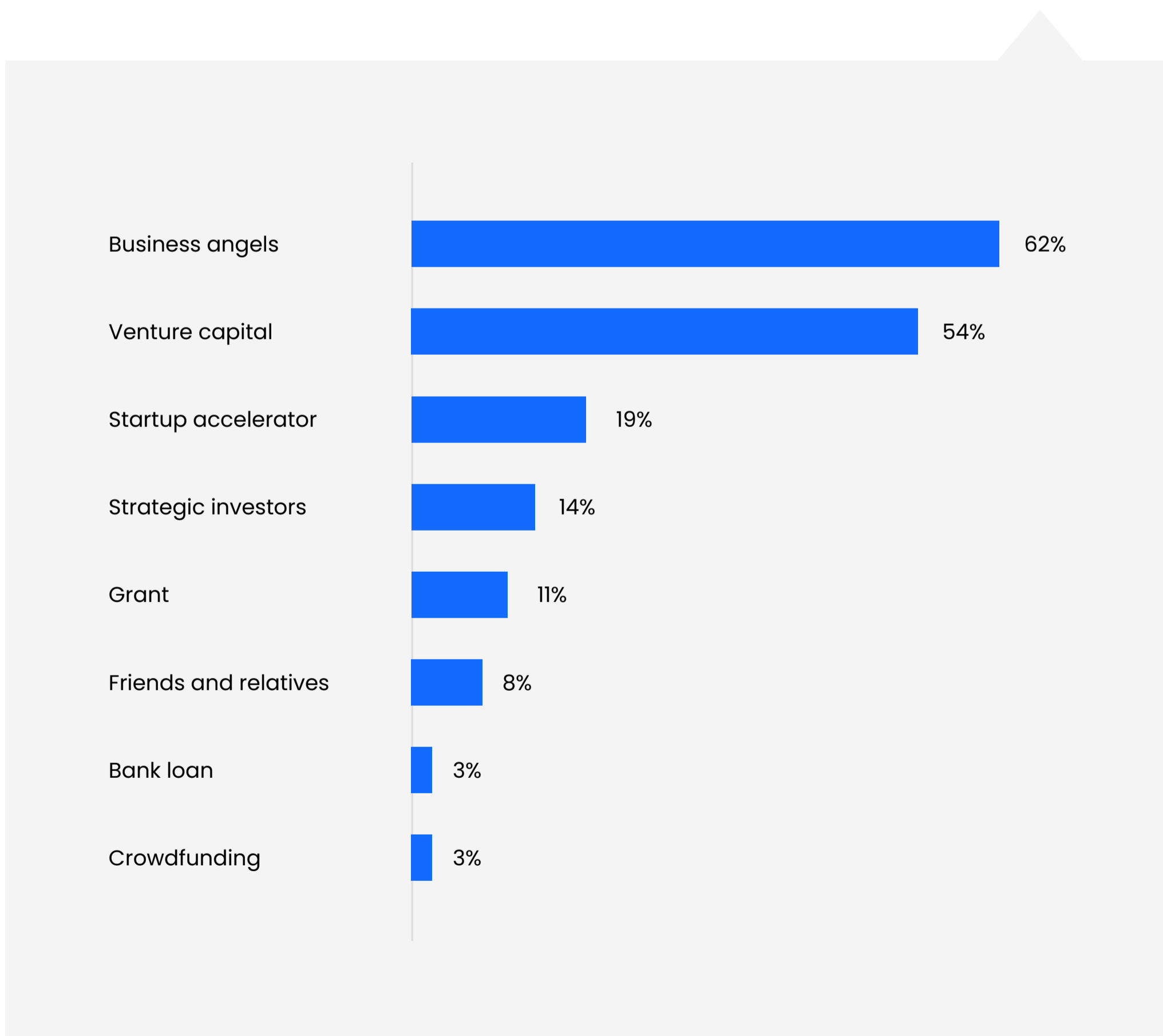
**Personal funds**



**Bootstrapping**



**External funding**



With the emergency of Angels Band and TechMinsk and interest towards Belarusian startups from foreign accelerators (especially from neighbouring countries, e.g., Baltic states), it has become much easier for local startups to raise angel, acceleration and pre-seed rounds.

However, with Bulba Ventures and Palta (ex-Haxus) changing their focus from VC funding to cofounding platforms, a gap on Seed-Series A rounds has become visible. We assume this gap will be closed in the near future by Zubr Capital shifting its activity from PE to VC investment and newly created Kolos VC fund.

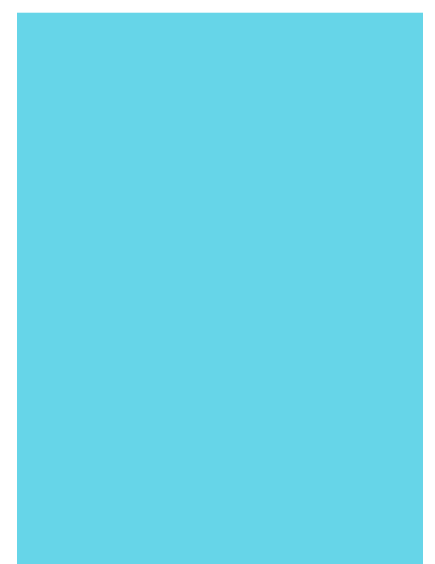
ANGEL /  
ACCELERATION /  
PRE-SEED



SEED /  
SERIES A



GROWTH





## EUGENE KOREN

PARTNER, KOLOS VENTURES

*“We have noticed that there are many successful startups in Belarus, but the investment landscape is underdeveloped, especially starting from Series A funding.*

*Currently, majority of promising startups with sustainable revenue and traction have to go abroad to raise Seed+ funding. Unfortunately, this is a challenging task considering competition with other startups, different mentality, skepticism of foreign investors towards Belarusian jurisdiction and even Russian names and surnames. A startup has to be extremely visible and successful to raise rounds there.*

*These facts led us to the idea of Kolos Ventures creation in 2020. We are aiming at projects at Series A stage with the main objective to make it easier for startups to raise further rounds even abroad considering previous funding and that a startup will be a scaleup already entering a global market.”*



**Aim:** support IT startup from across the globe where founders/management come from the New East Region (Belarus, Ukraine, Armenia, Kazakhstan, Azerbaijan, Georgia and Uzbekistan)

**Focus:** Post-seed & Round A IT/hardware companies

**Fund size:** 50M USD

**Investment size:** 1-7M USD per portfolio company

# Angel investment

During 2020 The Angels Band received 401 applications from startups (2 times more than in 2019), 37 of which were pitched online. 5 public deals of total value of 665K USD and 10+ individual non-public deals were closed. 2020 was a challenging year, approximately half of angels was active and one deal was closed online starting from project selection until the investment itself.

However, the average investment size grew by 30%. Currently, the portfolio comprises 826 startups and the total amount of investment is 1.2M USD. In the last year 15 new business angels joined Angels Band, so the total number of angels increased to 88.

A business angel is an experienced entrepreneur/top manager of 35+ years, has at least 1-2 startup in portfolio and invests 10-50K USD in one startup preferring to invest in verticals/technologies of their expertise. They actively participates in the startup ecosystem's events and has experience in offline businesses and/or stock market investments.



## VALERY ASTRINSKY

CHAIRMAN OF THE BOARD, ANGELS BAND

*"I believe that the most promising projects continue to develop. A lot of startups are appearing in the social and political sphere, particularly. In terms of the location, I think that 20% of them are located outside of the Republic of Belarus; however, some startup founders did return to Belarus after having lived abroad for several months at the end of 2020, because of the high costs of living in other countries.*

*At the same time, companies are often not willing to register in Belarus, so they choose more stable jurisdictions. Moreover, the absence of standard offline startup development centers in Belarus also negatively affects the foundation of new projects."*



## KIRILL GOLUB

BOARD MEMBER, ANGELS BAND

*"A significant number of Angels Band members have left Belarus since the end of 2020 and have continued their work in neighboring countries. Business angels then join local business communities without terminating their membership in the Angels Band and consider startups from these countries.*

*Currently, any investments made in the Belarusian jurisdiction have become potentially damaging for many investors. Though, the investors willingly support founders from Belarus who want to incorporate their startups in the EU instead. This then helps Belarusian founders to enter the European market quicker and makes it easier to attract financing in the following fundraising stages."*

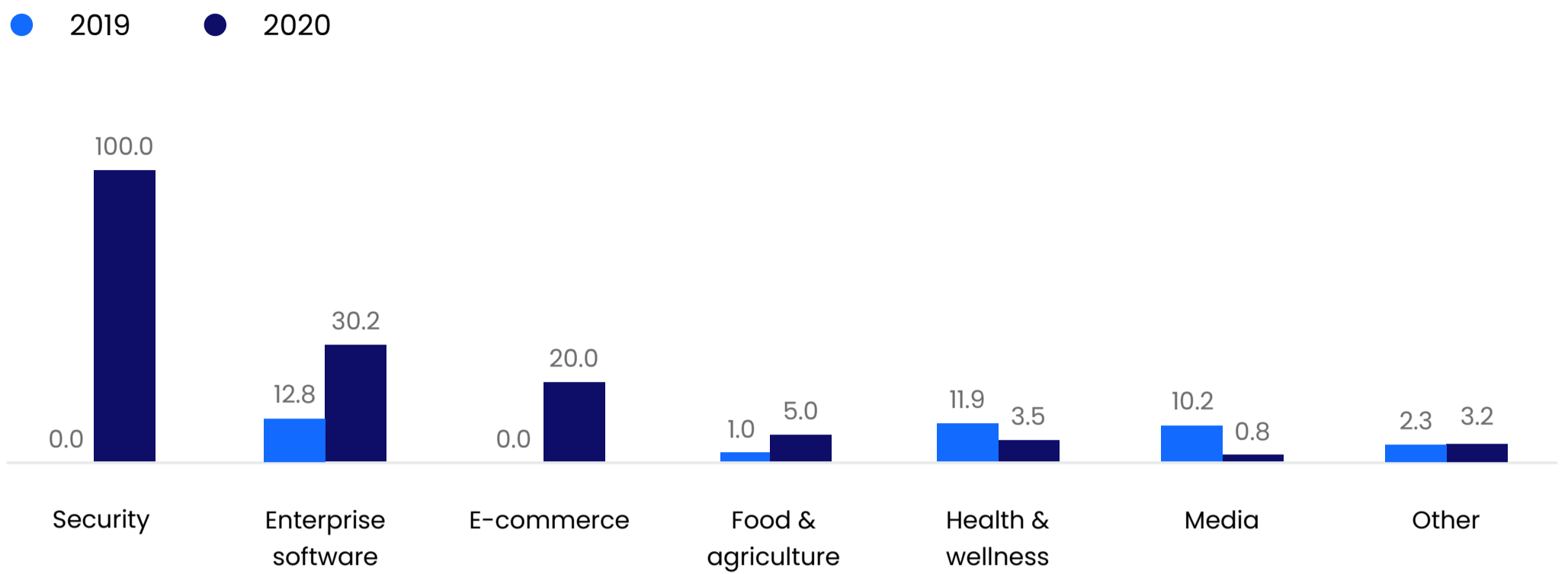


# Investments by startup's industry

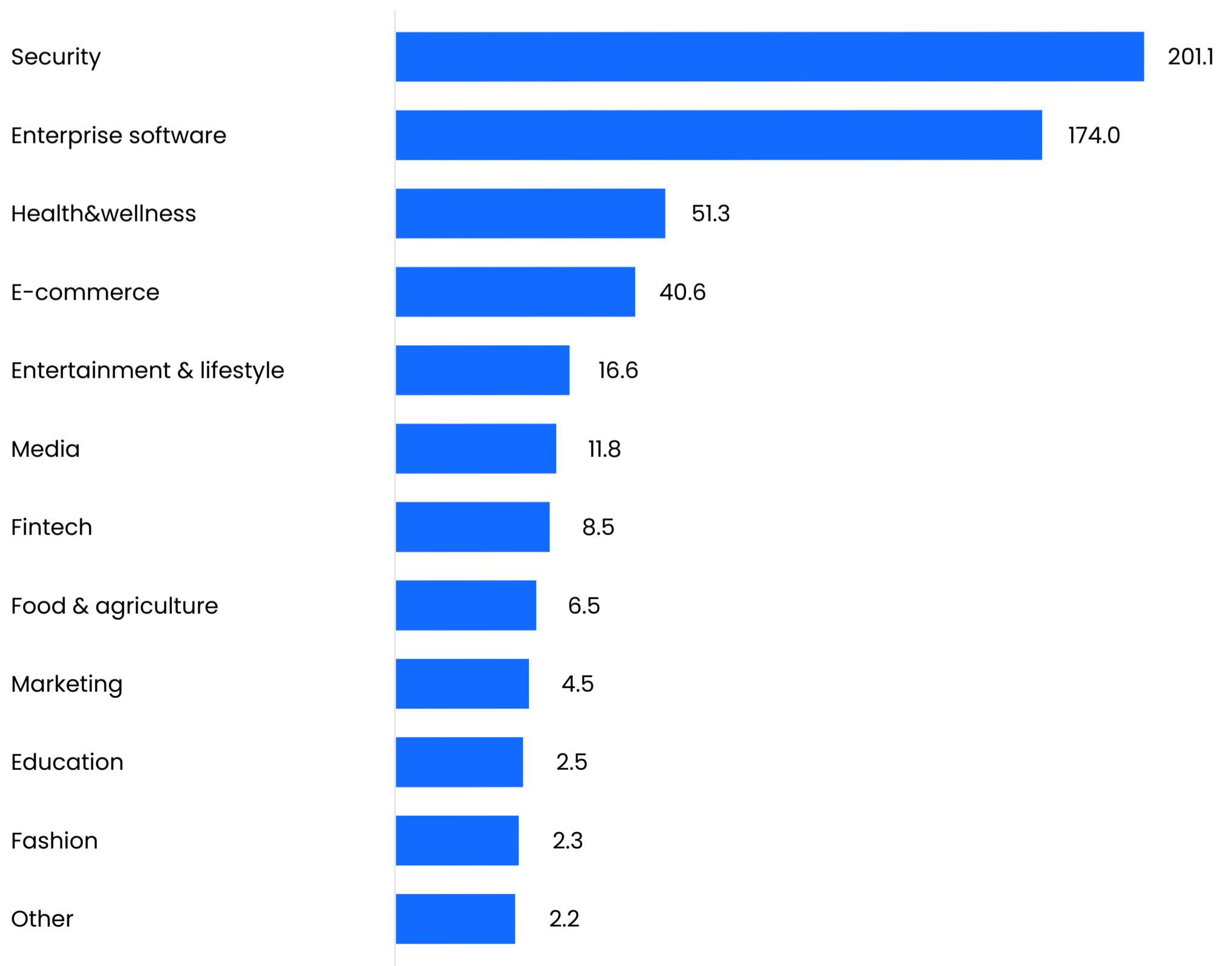
In 2020, Belarusian startups in Enterprise software, Security and E-commerce have been the greatest drivers of the growing investments, collectively sourcing more than 150M USD of invested capital. Meanwhile, over the last 5 years, the major drivers of capital have been Security (owing to large Behavox deals) and Enterprise software companies, which, alone, have raised close to 400M USD of funding.



## INVESTMENTS BY INDUSTRY, 2019–2020, M USD



## INVESTMENTS BY INDUSTRY, 2015–2020, M USD





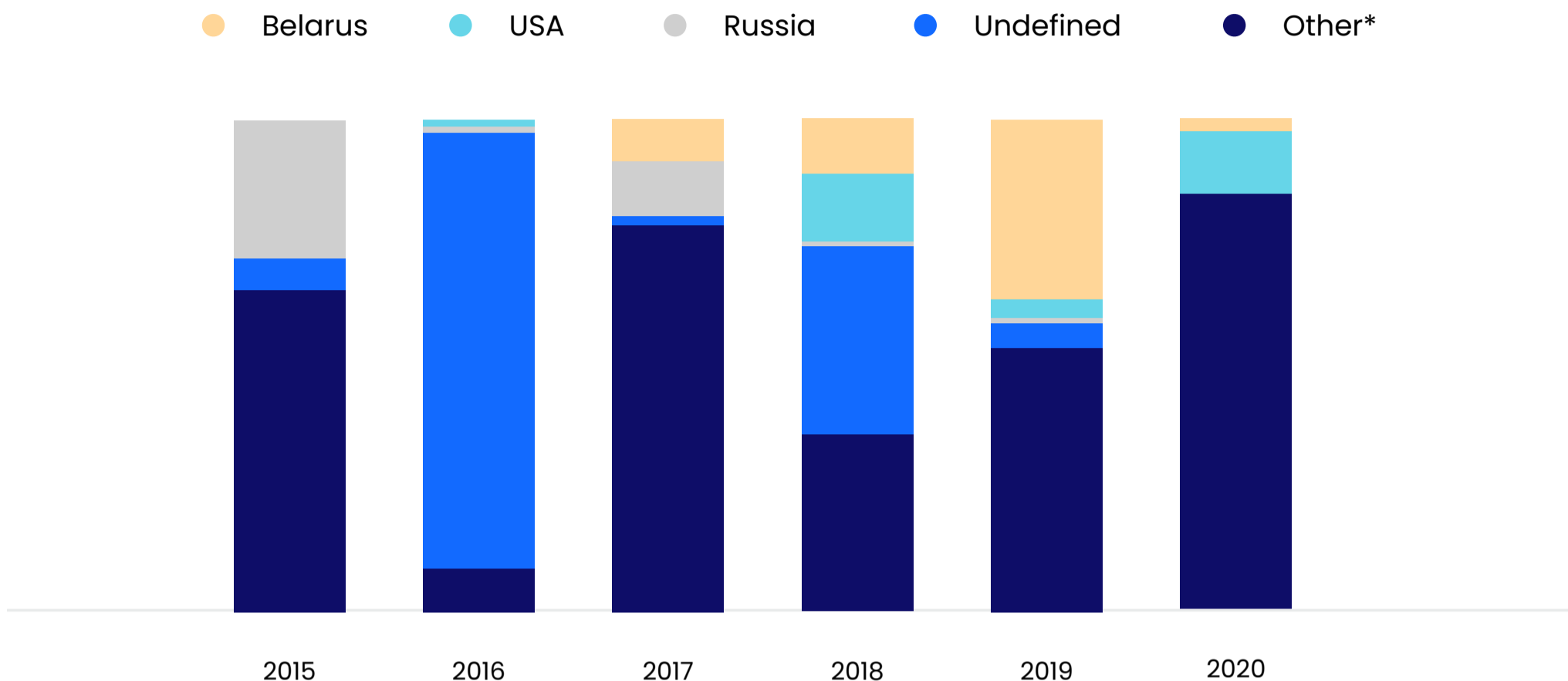
# Investments by geography

Cross-border investment flows demonstrate the internationalisation of the Belarusian tech investment landscape. Foreign investment accounts usually for around 90% of all capital invested. Furthermore, the earlier stage the company and the smaller the round size, the more domestic is the investment pattern. On the flip side, the later the stage of the company and the larger the round, the more international the investor pool is.

Capital invested into Angel, Pre-seed, Seed and Early VC rounds (usually less than 2-5M USD) overwhelmingly comes from domestic investors: Angels Band, TechMinsk, VP Capital, Bulba Ventures, Larnabel Ventures, etc.). In 2017-2019 the activity of local players was on rise, decreased significantly in 2020 due to the COVID and political crisis.

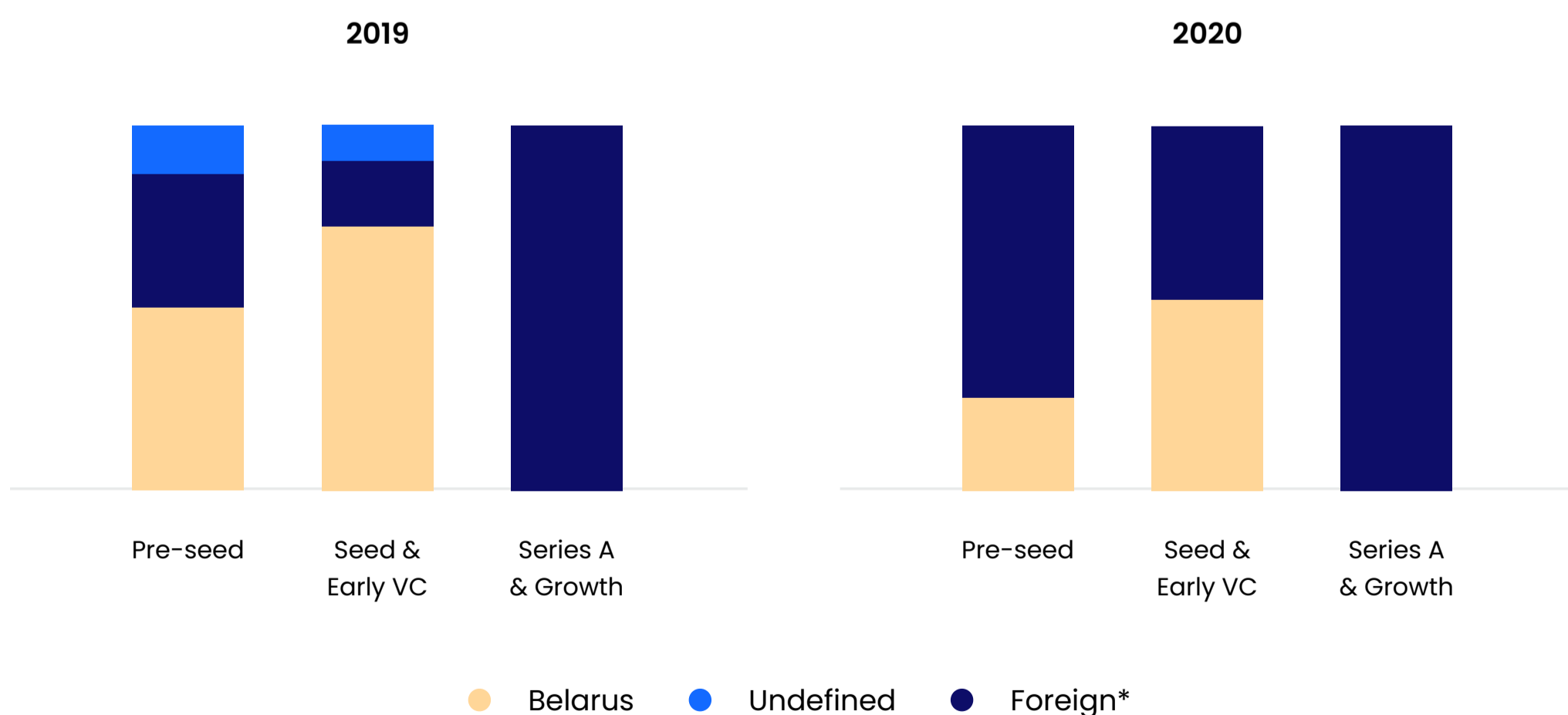
For rounds of 10M USD or more, the capital comes from outside, mostly from the USA. Belarusian startups typically build physical presence in their target markets (USA/EU) and raise Series A-C abroad. As a result, Belarusian startups compete globally for late-stage financing in international financing hubs.

## INVESTMENT STRUCTURE BY ORIGIN OF CAPITAL, 2015-2020, %



\*- Including International capital (deals with investors from multiple countries and funding from European institutions such as European Bank for Reconstruction and Development)

## INVESTMENT STRUCTURE BY ROUNDS AND ORIGIN OF CAPITAL, 2019-2020, %

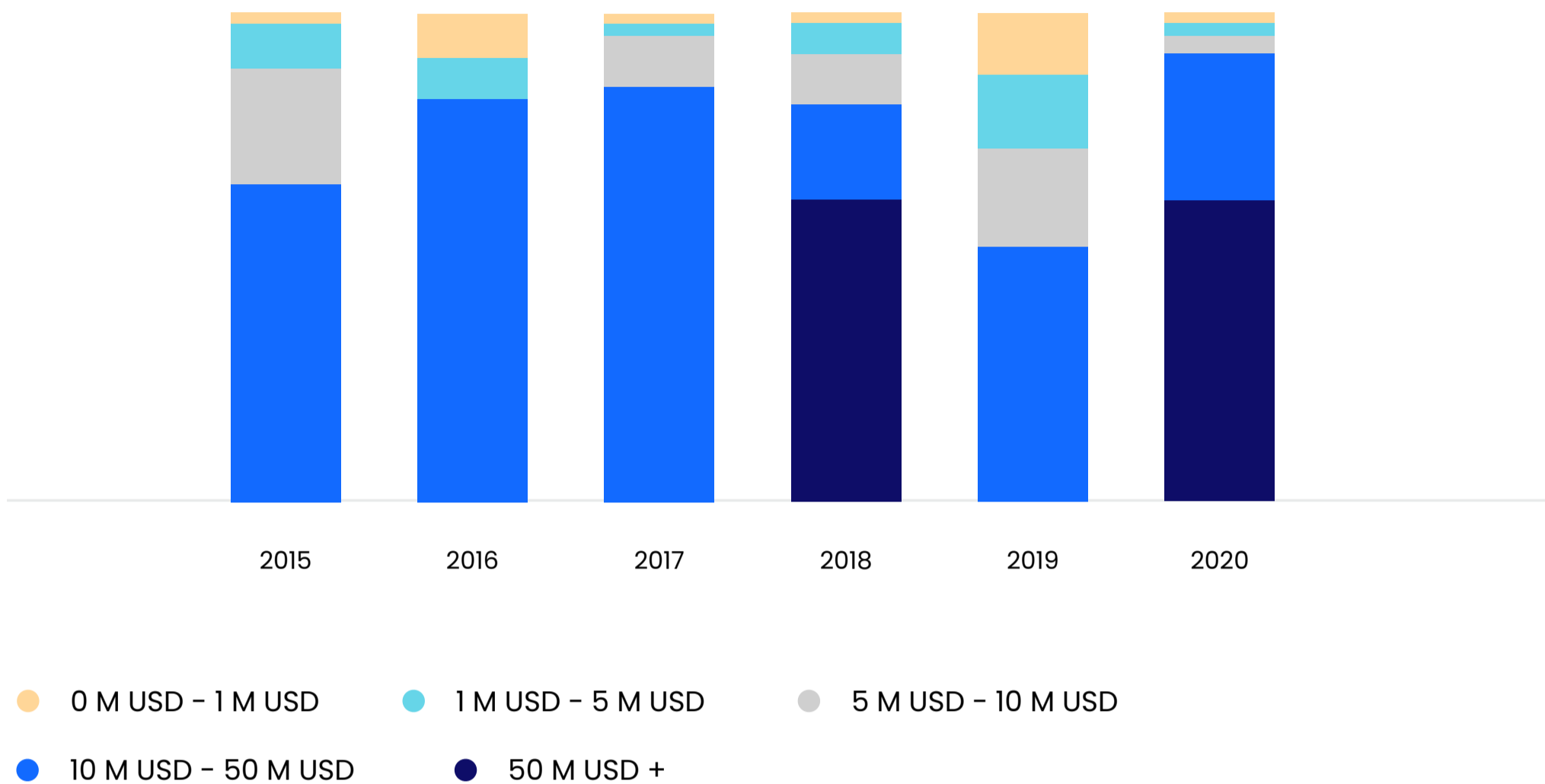


\* - Including International capital

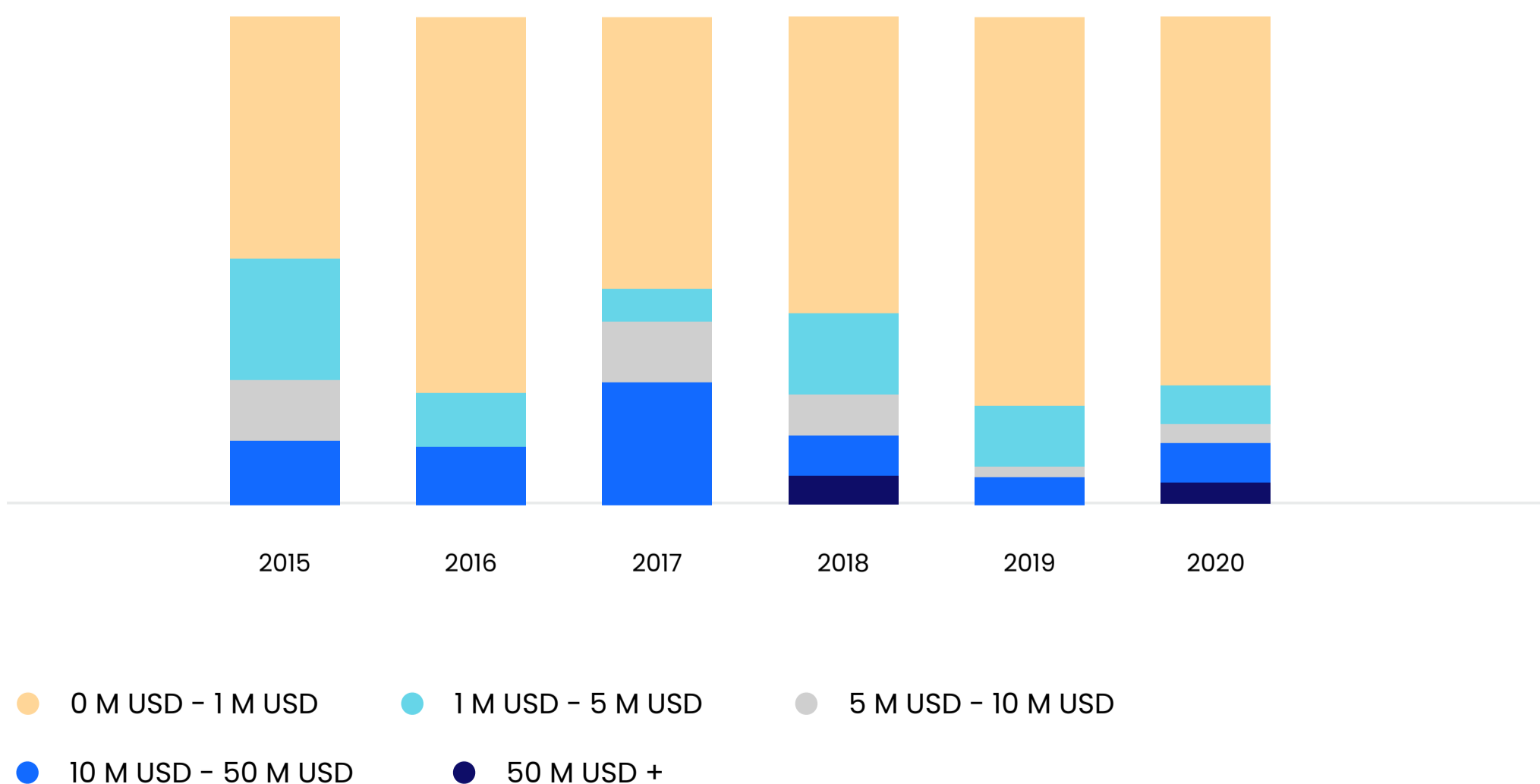
# Investments by round size

Why do founders believe that the ecosystem does not help raising a successful startup? Besides the implicit challenge of becoming more visible, Belarusian entrepreneurs have named other significant issues as well. Whilst 83% agree that the personnel in Belarus is skilled enough, and many feel that the taxation is favorable too, there are many underdeveloped areas such as financial institutions and governmental support, as argued by respondents.

## TOTAL INVESTMENT BY ROUND SIZE, 2015-2020, %



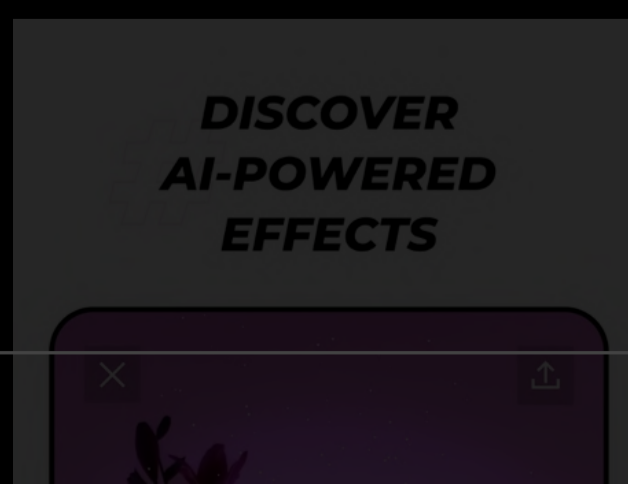
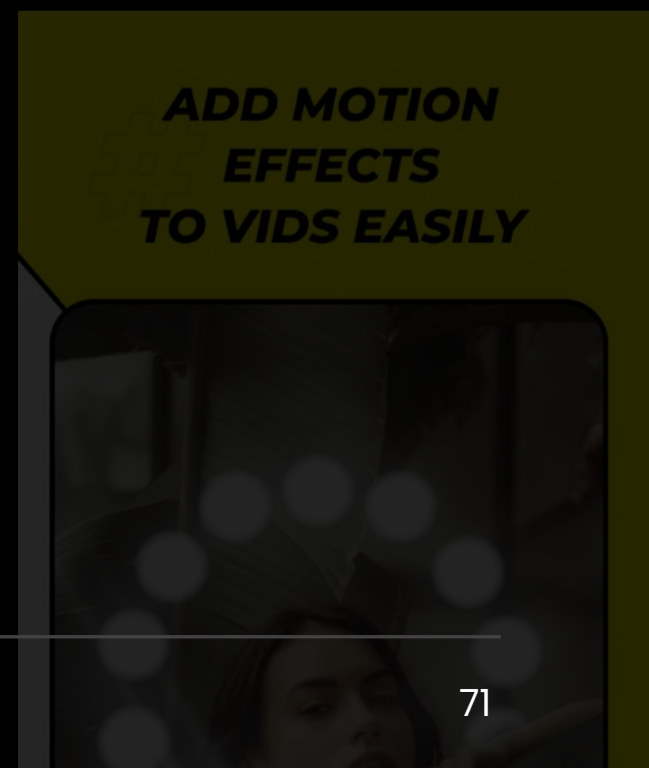
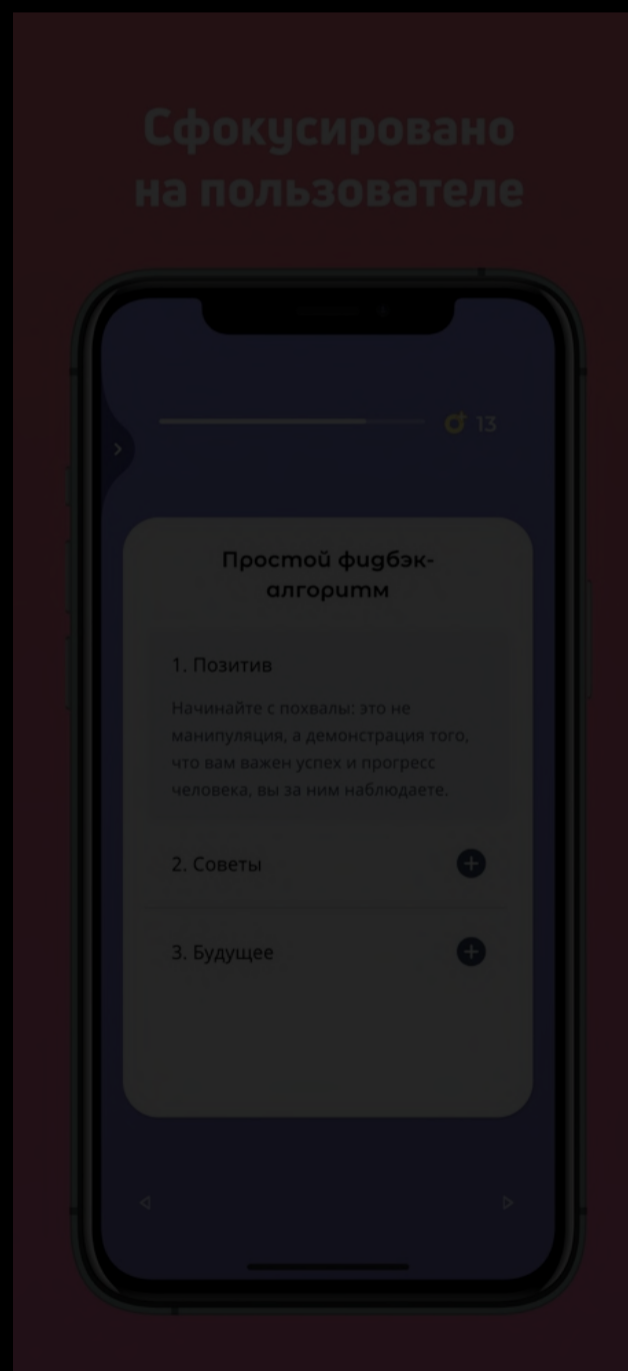
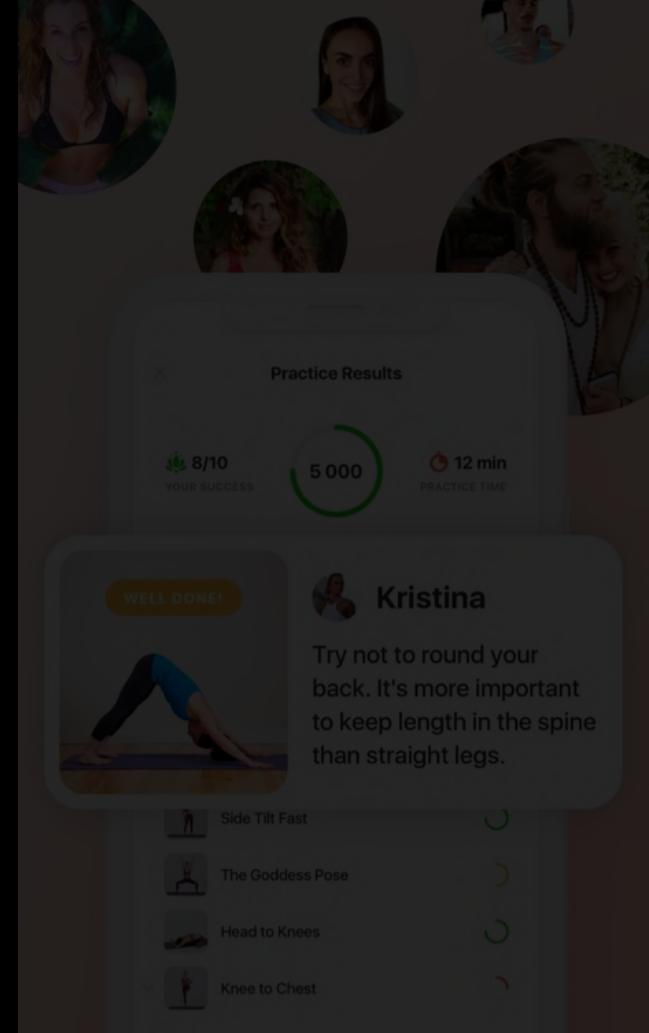
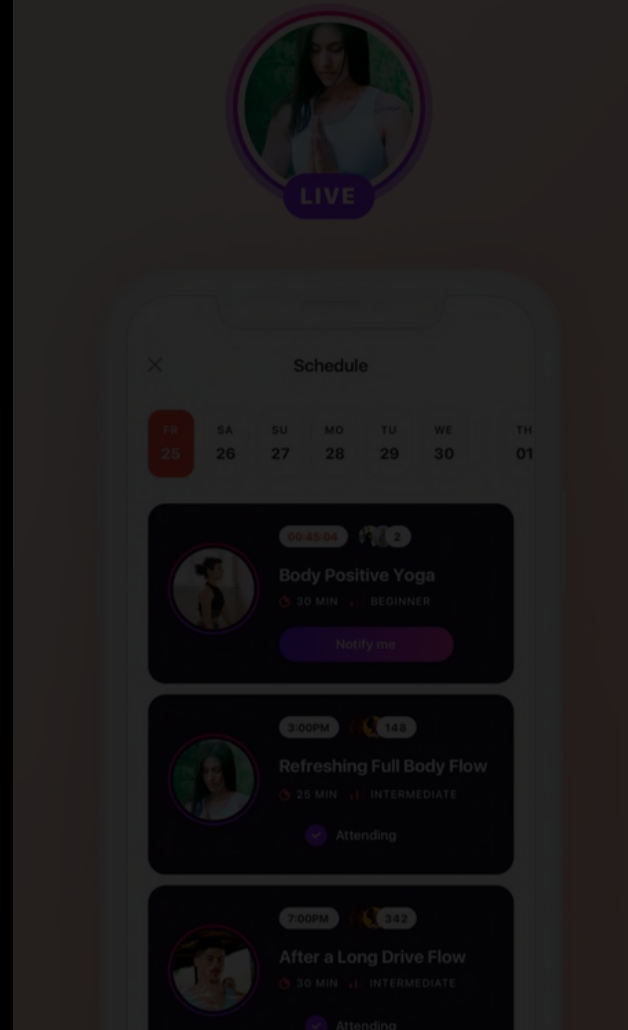
## INVESTMENT DEALS BY ROUND SIZE, 2015-2020, %



# TOP 10 RISING STARTUPS FROM BELARUS

# JOIN LIVE

classes in a virtual studio





# Our vision of rising stars

This is the third year in which the overview of several cohorts of startups is presented in the report:

- The 2018 report was focused on presenting the Top-100 Belarusian startups in various areas
- The 2019 report paid attention to the AI/ML startups, as well as those that are striving for sustainability

The startups were selected through the lens of CIVITTA's and Bulba Ventures' vision; therefore, we are highly interested in their future performance, and have decided to give some further insights into several of the startups that were presented in previous reports. Please refer to Annex to see the progress achieved by Flo Health, Banuba, OneSoil, PandaDoc and WANNA (ex-Wannaby) during the last year.



In this year's report, we present the 10 startups that caught our attention. This list includes rapidly growing startups from any industry, which have not yet raised round A, with founders and/or teams from Belarus, and revenues starting from 30K USD per month.

The following sections comprise a non-exhaustive list of the startups we believe to be the most promising. The list has been created by teams of CIVITTA and Bulba Ventures, investors, experts, partners, as well as founders of startups. We hope you enjoy the read, and, please, note that the sequence of startups does not correspond to any ranking.



Please, fill in the form following the QR code if you want your startup be considered for the list of promising startups in the next year's report.

## RISING STARS ACCORDING TO BULBA VENTURES AND CIVITTA

Knomary

Loóna

Synder

Vochi

Logic like

Zodier

Redtrack

Easy bloggers

Helie

Skinive

# KNOMARY

TEAM SIZE .....	100+	FOUNDERS .....	IVAN PRISCHEPO EUGENE SELEVICH IVAN PETUKHOV EGOR MALKEVICH
INVESTMENT .....	N/A		
INDUSTRY .....	L&DTECH		

---

## **PROBLEM**

Lack of convenient, simple, flexible, and at the same time functional tools for e-learning content creation, its distribution and management of the employee development process due to the global accelerating process of corporate digital transformation.

## **SOLUTION**

Knomary develops next-gen software tools for complex learning & development tasks automation, such as e-learning authoring, learning and performance management, career mobility.

\* - The data is provided by the company



**2.5M+**

Annual revenue (2020FY)

**3**

Areas of work

**60+**

Large international companies among users

# LOÓNA

TEAM SIZE .....	50	INDUSTRY .....	HEALTH & WELLNESS
INVESTMENT .....	\$2M+	FOUNDERS .....	ANDREW YANCHUREVICH EUGENE NEVGEN DMITRY DORYN SERGEY GONCHAR

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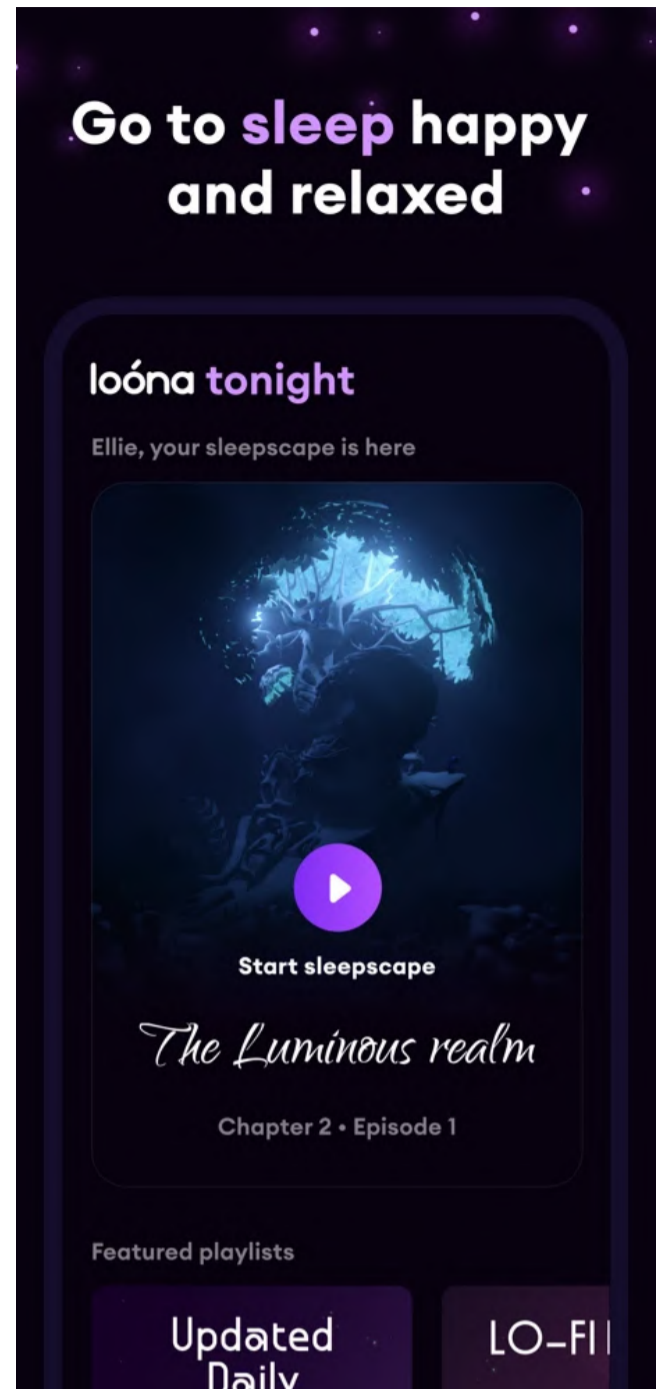
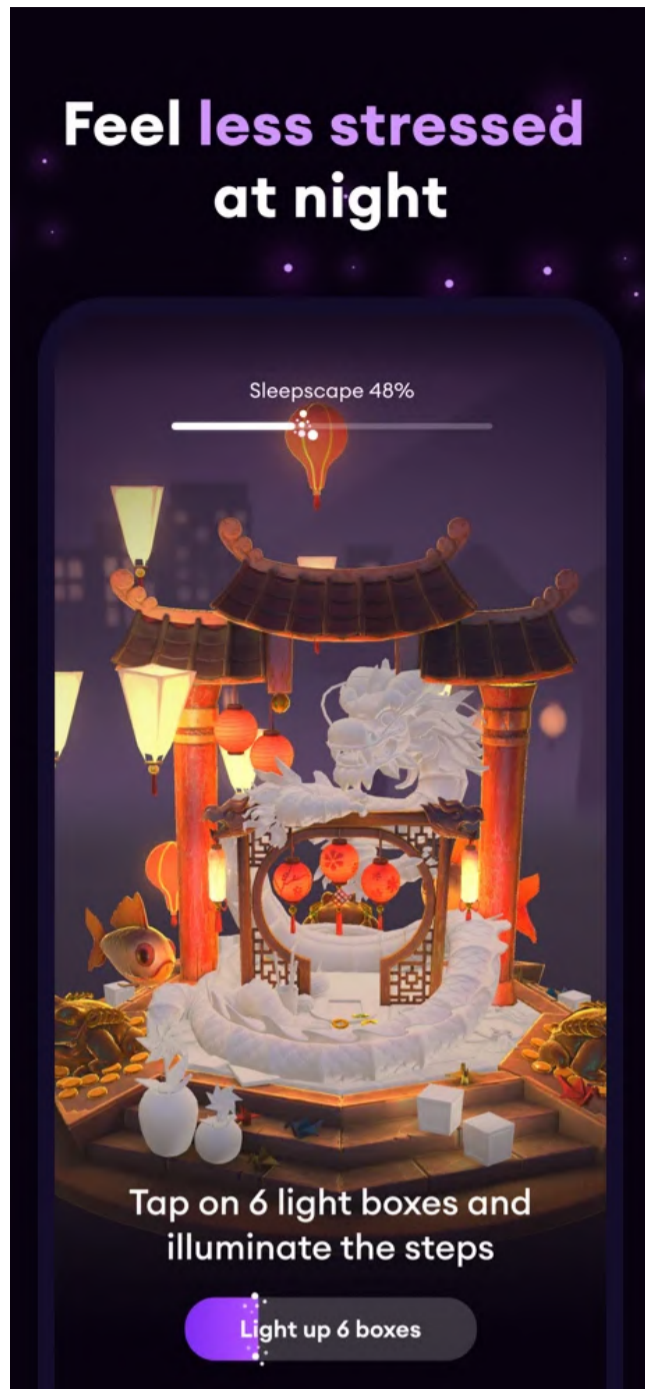
## PROBLEM

The negative emotions we accumulate during the day are processed and consolidated by our brain during sleep, thereby making them even more difficult to disassociate from when they are faced again in the future. Moreover, the feelings of anger and anxiety, or contrastingly, the feelings of excitement and joy, are likely to affect our patterns of sleep (e.g., the sleep onset latency and REM-sleep). This is often mistaken by people for the symptoms of a sleep disorder, yet in reality, they might just be in the wrong mood for an effective sleep.

## SOLUTION

Loóna is the first app that enables its users to quickly disassociate from the stresses that have been accrued throughout the day and get in the right mood for sleeping. It is a mixture of color therapy, sound ambiance, and storytelling that helps users to let go of the overwhelming emotions and get a better night's rest.

\* - Open sources data and data provided by the company



90K

Installations in March 2021

\$250K+

Revenue in March 2021

250K

Monthly active users

20%

30<sup>th</sup> day retention rate



# SYNDER

TEAM SIZE .....	40+	INDUSTRY .....	E-COMMERCE BUSINESS SOFTWARE
INVESTMENT .....	N/A	FOUNDERS .....	MICHAEL ASTREIKO ILYA KISEL

---

## PROBLEM

Currently, E-Commerce businesses must manually gather and process data from multiple payment methods and sales channels, leading to errors in accounting and financial records. Moreover, the costs of accounting maintenance remain high, whilst multiple sales channels often lead to problems in tracking available stock (thereby causing failures in order and delivery fulfilment).

## SOLUTION

Synder connects sales channels and payment gateways to get an automated accounting system with one common source of truth. Synder takes into consideration all important E-Commerce business activity aspects like sales amounts and processing fees, inventory, and location tracking to provide an instant view of accurate P&L and balance sheet with all the details accounted for. Synder exposes different sales channels with their API within one unified API and both makes it easy to connect any custom mid-market or enterprise-level ERP and to add new payment providers and sales channels.

\* - The data is provided by the company



3,500

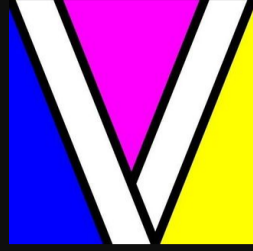
Paying customers

90%

Retention within days  
150–365

300%

y/y growth in transactions representing \$1B



# VOCHI

TEAM SIZE	30+	FOUNDERS	ILYA LESUN ANNA BUGLAKOVA
INVESTMENT	\$1.8M		
INDUSTRY	ENTERTAINMENT & LIFESTYLE		

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## PROBLEM

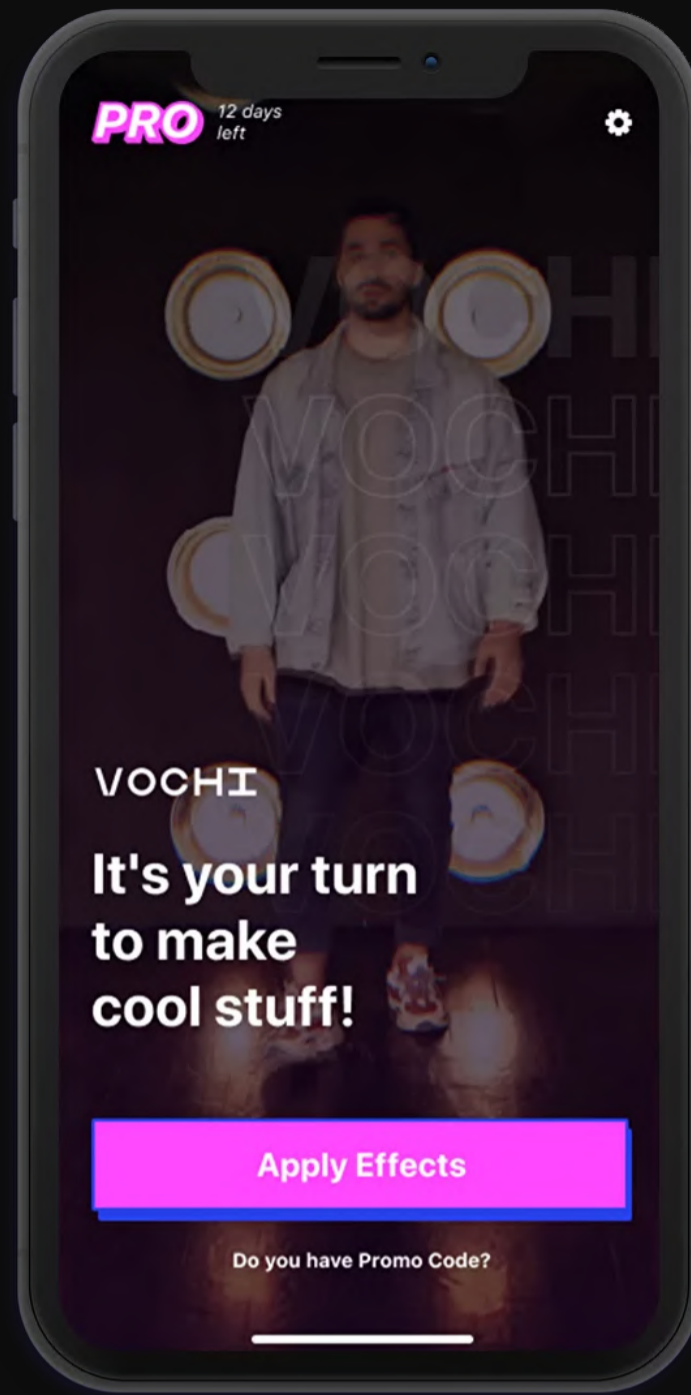
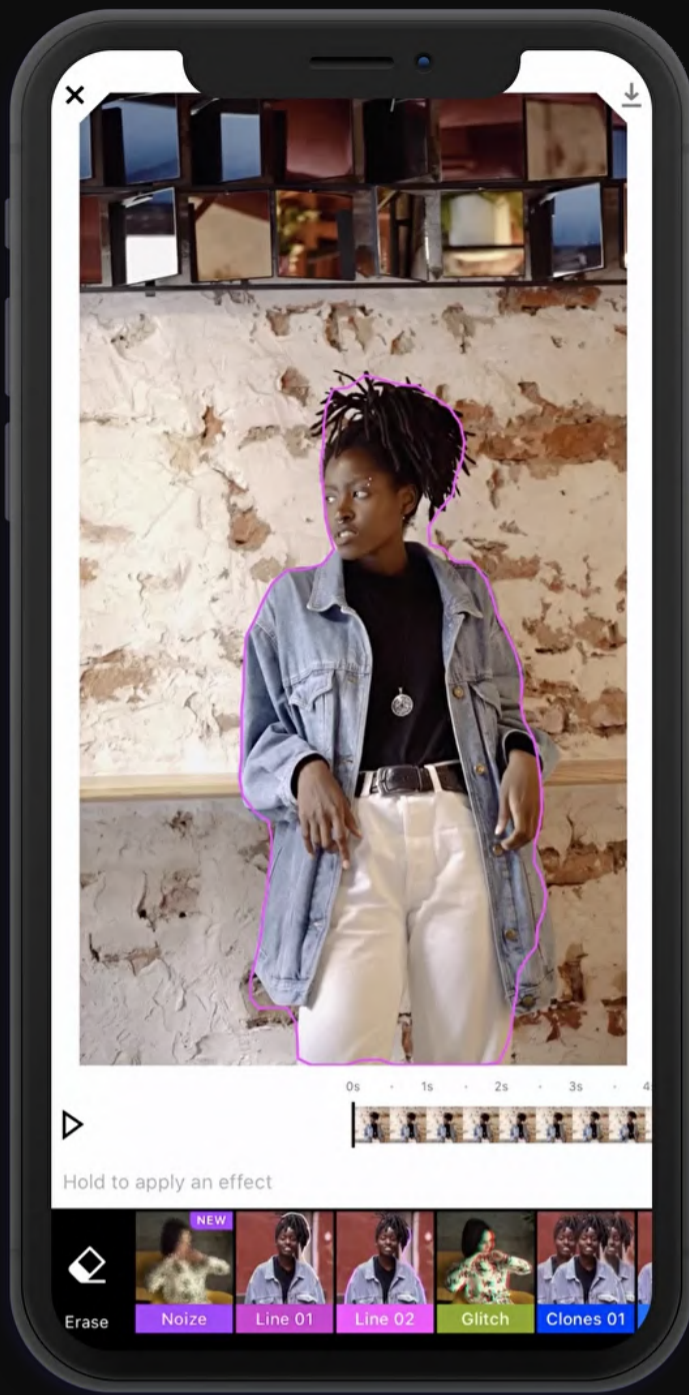
In the modern world, it is hard to be a creator. All content must be 'hot', yet the trends are shifting constantly. It is no longer possible to be innovative and create outstanding videos without any special editing tools. The more time you spend on watching the newest trends, the more specialized become the tools that you need to keep up with them and thus the more money you need to pay for them.

## SOLUTION

VOCHI Video Effects combines the presentations of the newest trends with the showcasing of necessary tools. Its AI-powered neural networks empower users with professional editing skills; meanwhile, the app development team is always on the hunt for rising trends. The company constantly launches hot effects and filters alongside their tutorials, which are led by cool creators. VOCHI has already collaborated with more than 100 influencers and designers to develop dazzling features and educational content for all users.

\* - The data is provided by the company





**TOP-2**

Mobile app in Golden Kitty Awards 2019

**2.6M**

Downloads

**\$300K**

ARR in May 2021

**230K**

Monthly active users

# LOGICLIKE

TEAM SIZE .....	30	INDUSTRY .....	EDUCATION
INVESTMENT .....	N/A	FOUNDERS .....	YURI BITNO MATVEY OLEVINSKY

---

## PROBLEM

Nowadays, logic, information analysis, and flexible thinking are skills that are relevant in any field of activity, yet the educational programs do not always have time to adapt to such changing trends.

## SOLUTION

LogicLike is an interactive, technological, modern product that meets the needs of children, parents and teachers. It is an educational online platform designed for the development of logical thinking and mathematical abilities for children aged 5-12 as well as adults. It is designed to build all necessary skills needed for its users to solve any problems they might face, not just specific tasks (e.g., mathematical problems, IQ tests, or tricky riddles).

\* - The data is provided by the company

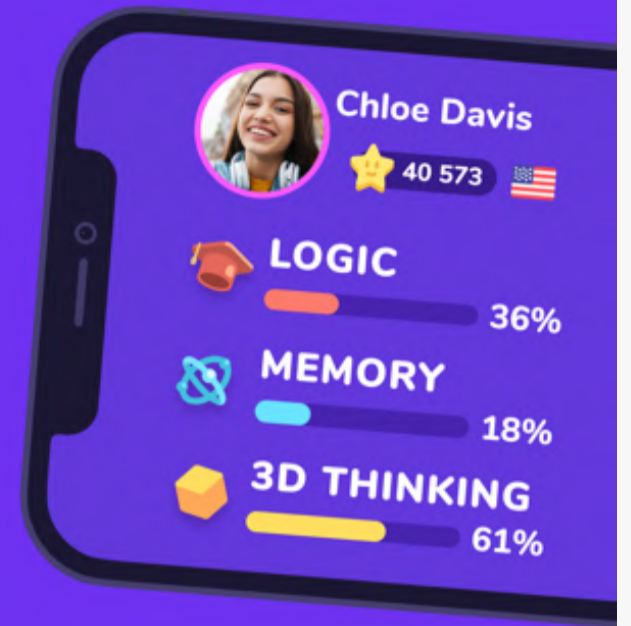
**2500+**  
**PUZZLES!**



**IMPROVE**  
**THINKING**  
**SKILLS**



**TRACK YOUR**  
**PROGRESS**



**3,500+**

Tasks, riddles and problems to solve

**2.5M+**

Monthly active users

**200K+**

New users per month on the mobile app



# ZODIER

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TEAM SIZE .....	25	INDUSTRY .....	DATING, CHAT BOTS
INVESTMENT .....	\$450K	FOUNDERS .....	MATVEY GRAMOVICH VIACHESLAU KALEVICH

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## PROBLEM

Almost all users who match on dating applications end up switching to instant messengers to continue their communications. However, even though the popularity of messaging applications is growing every day, they still fail to support the endeavour of dating.

## SOLUTION

Zodier is a chatbot-powered dating app that functions without downloading it and it is instead integrated into popular messengers (Telegram, FB messenger, Viber, VK, etc). It allows users to get matched based on age, location, profile description, photos, or anonymous reactions. Once two users have "matched", they can start exchanging messages directly in their favourite messenger applications.

\* - The data is provided by the company



**TOP-1**

Product of the month in Product Hunt

**15%**

7-day retention rate

**\$0.1**

Cost per installation (CIS)

**850K**

Number of registrations



# REDTRACK

TEAM SIZE ..... 20+

INDUSTRY ..... MARTECH

INVESTMENT ..... \$1M

FOUNDERS ..... VLAD ZHOVTENKO  
ARTEM SHPAKOV

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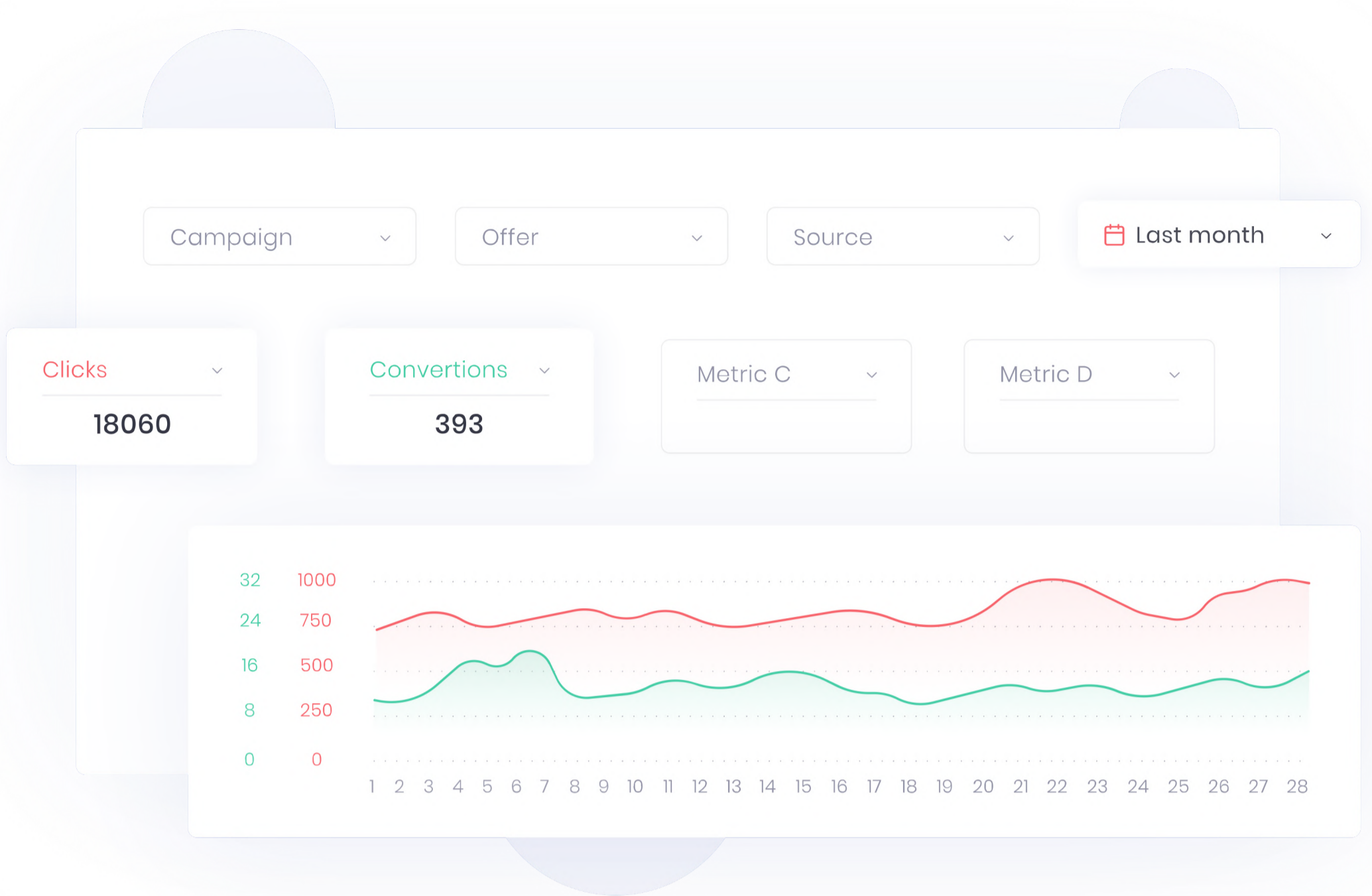
## PROBLEM

When a marketer or a company operates with multiple user acquisition channels (like paid advertising, programmatic ads, partner and influencer marketing, etc.), they often lack a transparent view on the efficiency of each of those channels and their bulk influence on the ROI. As a result, they vaguely understand which channel brings them sales/leads/conversions, leading to a waste of opportunities, time, and money.

## SOLUTION

RedTrack is an industry-leading SaaS ad tracking and conversion attribution software that allows marketers and media buyers to evaluate performance across all digital channels in one tool and maximize the return on ad spend. With RedTrack, customers get accurate data for each impression, click, and conversion in real-time, saving hours of manual work and turning insights into actions with automated rules and alerts. Their technologies do not rely on 3rd party cookies (which are going to be blocked by most browsers) but provide real-time reporting, automated conversion attribution, and control over all advertising channels, partners, and referrals.

\* - The data is provided by the company



**107**

Countries covered

**5BN**

Events tracked monthly

**10%**

m/m MRR growth

**TOP-1**

Customers' choice award  
two years in a row



Easy  
Bloggers

# EASY BLOGGERS

TEAM SIZE ..... 15

INDUSTRY ..... MARKETING

INVESTMENT ..... \$400K+

FOUNDERS ..... YAUHEN RAZHKO

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## PROBLEM

The process of managing influencers' marketing campaigns is a rather complex one, as it consists of many smaller procedures. Currently, agencies use multiple tools for finding influencers, communicating with them, maintaining the accounting systems, managing contracts, etc; yet many of these tools are not efficient enough. Although influencer marketing is very trendy among advertisers, influencers are hard to find and manage. A marketing specialist would spend up to a week to create a list of relevant influencers, since they are hard to search for and statistically only 1 out of 10 respond to the request.

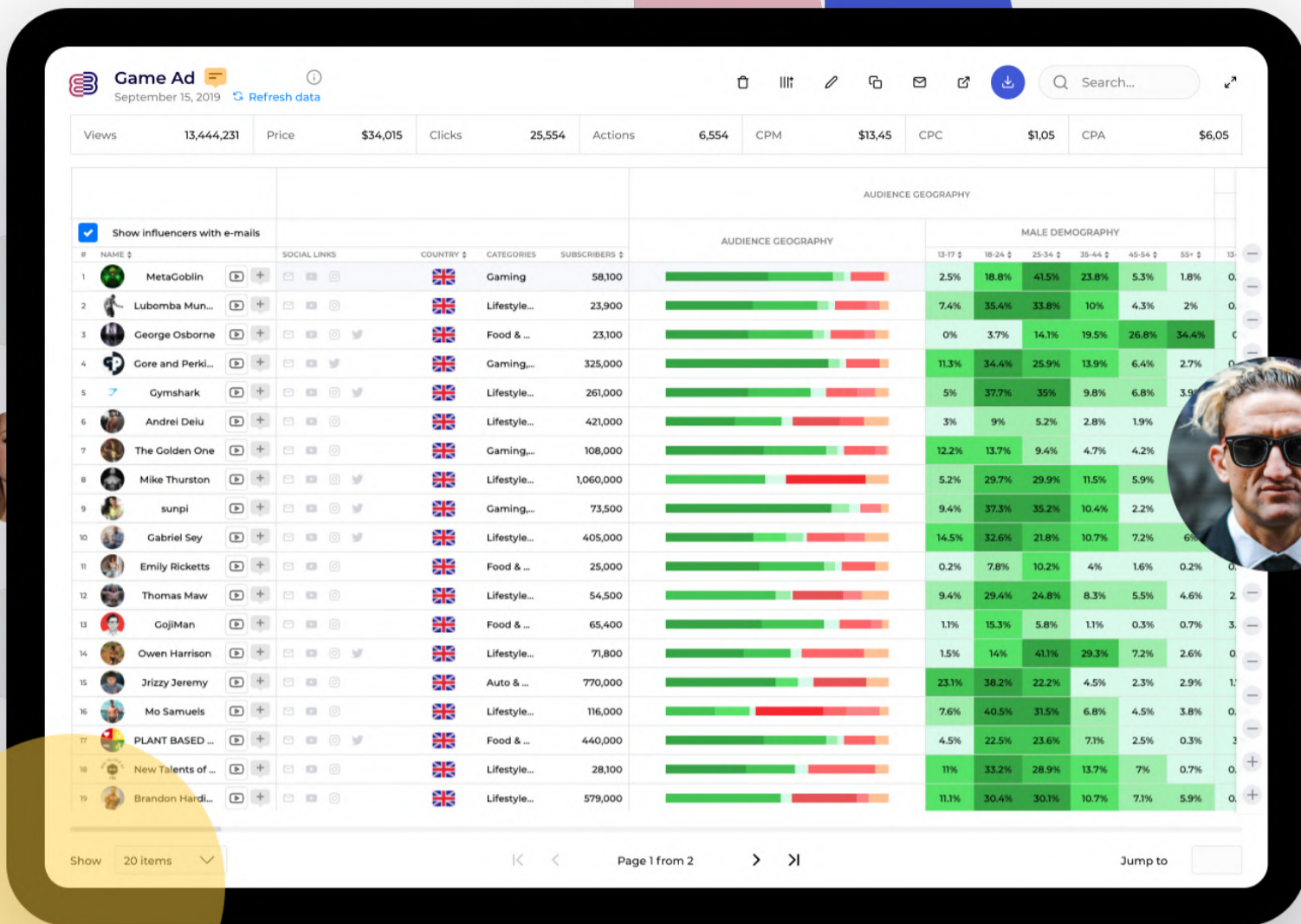
## SOLUTION

Easy Bloggers provides a comprehensive solution for conducting influencer marketing campaigns, thereby solving all of the aforementioned challenges of the client: the search for relevant bloggers through performing advanced analytics on their audience, the management of advertising campaigns with cost estimation and performance forecasting, the finalizing of contracts and payments to bloggers. Currently, the company is collaborating with global brands and agencies to test the platform and adjust it to the needs of users.

For now, the platform is at the closed testing stage. The next major update of the platform will be launched in May: it will include an extended functionality, including communication and managerial control for the agencies (e.g., tracking efficiency of marketing managers), tools for collaboration with social networks, a contracts constructor, the tracking of key marketing campaign metrics, novel payment possibilities, escrow services, among other features.

\* - The data is provided by the company





# TOP-1

Of most upvoted products in 2020 on Product Hunt

# 5.5K

Users on the platform

# 3 TIMES

more efficient and faster work of agencies (number of campaigns conducted, etc.)



# HELI-E (AORION)

TEAM SIZE .....	10	INDUSTRY .....	DRONE
INVESTMENT .....	N/A	FOUNDERS .....	VADIM CHAREUKA

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## PROBLEM

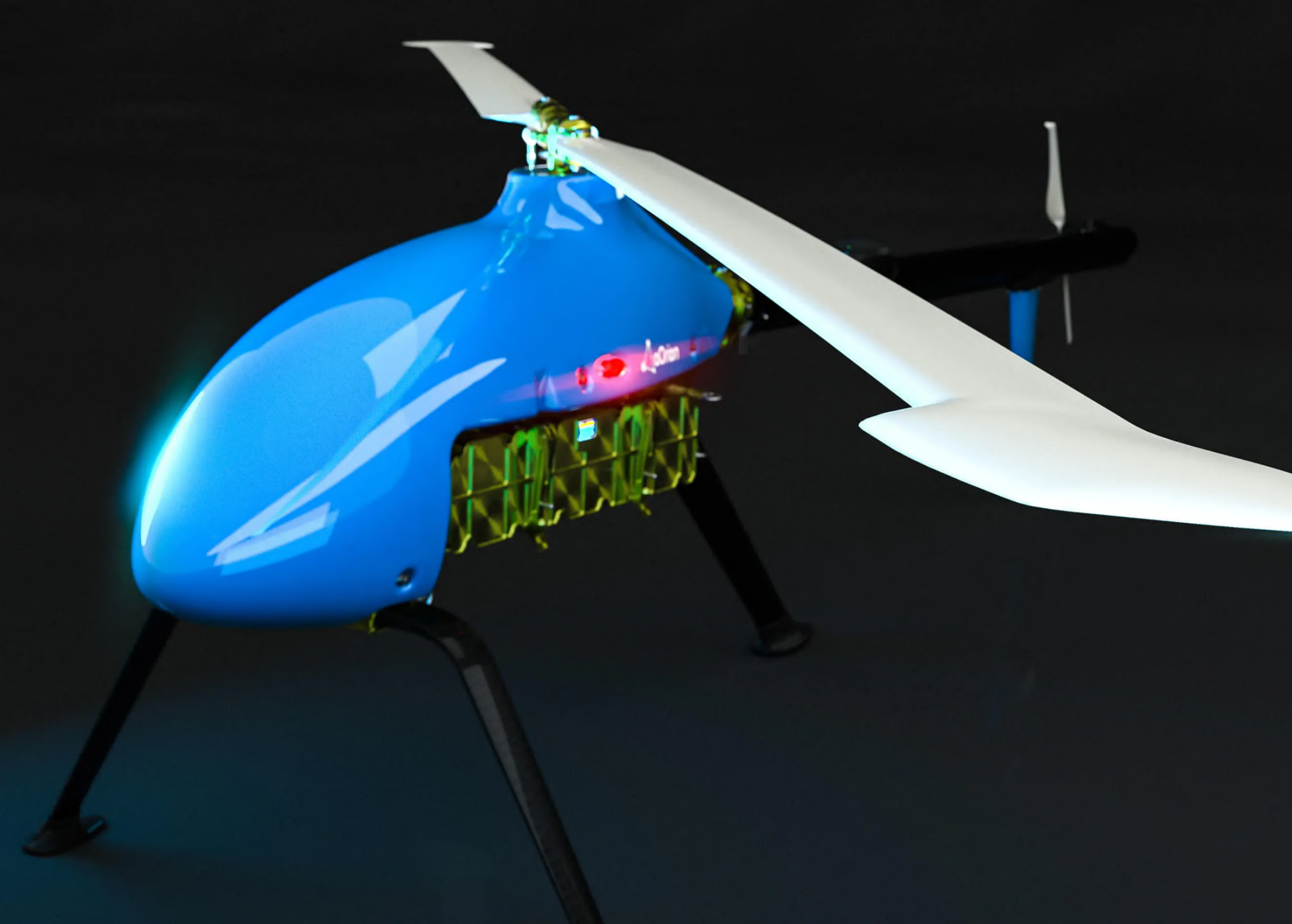
The involvement of expensive manned helicopters, inefficient multicopters and flying wings – each having limitations in their application, resulting in increased costs.

## SOLUTION

Heli-E (aOrion for CIS countries) offers a new tool for collecting, processing and analyzing data on power grid objects. It is a tool for precision farming and the inspection of emergencies – an unmanned aircraft system Heli-E (aOrion Electro for CIS countries) that exhibits a quality of flight characteristics that are unprecedented among other small civil drones.

An all-electric flying machine, it carries loads up to 7 kg and flies over 2 hours for 120 km. Designed to perform 24/7, it resists winds up to 15 m/s, heat up to +45° C, frosts down to -30° C, and carry out missions in hazardous environments. Heli-E inspects a multi-kilometer infrastructure and, due to vertical takeoff and landing, performs vertical inspections as well. This set of qualities makes Heli-E #1 among small drones under 25 kg. At the same time, its high capacity makes it possible to perform instead of costly and risky manned helicopters. Duplication of critical component, empowered by multistep emergency rescue system, ensure safe flights even beyond the operator's line of sight.

\* – The data is provided by the company



**10 times**

Decreased flying hour cost compared to a manned helicopter

**TOP-1**

electric helicopter by flying time (over 120 minutes)

**120 km**

flight range

**7 kg**

maximum load capacity



# SKINIVE

TEAM SIZE .....	8	INDUSTRY .....	HEALTH & WELLNESS
INVESTMENT .....	\$500K+	FOUNDERS .....	KIRILL ATSTAROV ARTEM LIAN

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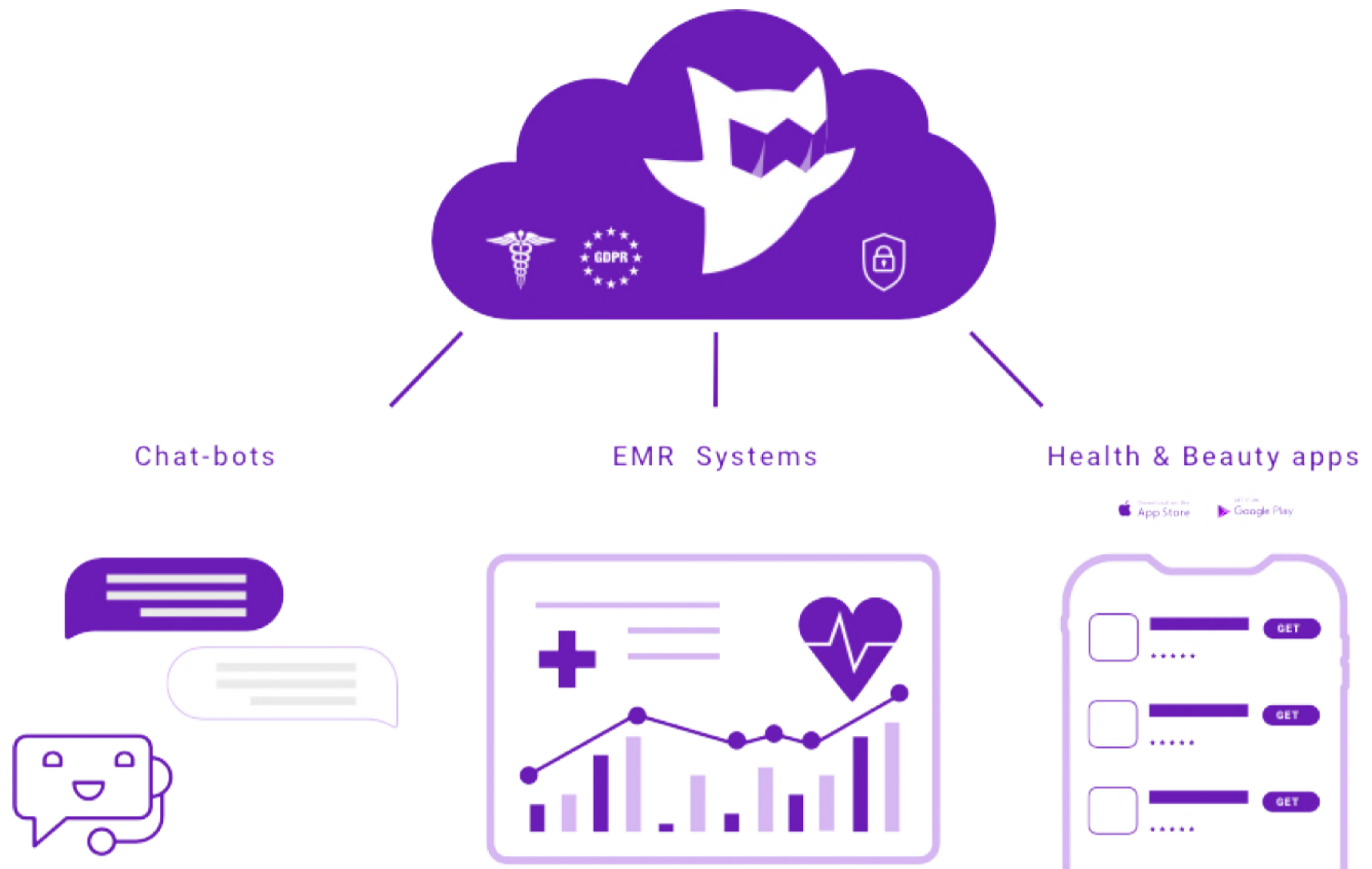
## PROBLEM

According to the figures published by WHO, approximately 20% of primary appointments to a doctor are associated with skin diseases. Around 2 billion people live with dermatological conditions, while on average there are 2.6 dermatologists per 100,000 people. Due to diagnostic equipment not being available to general practitioners, roughly 30% of cases remain to be diagnosed late or not diagnosed at all, whilst in many other cases of little to no health risk, people are referred to specialists without there being an actual need for it.

## SOLUTION

Skinive's mission is to make skin screening and skin health monitoring more accessible and increase the share of self-identification of patients with skin diseases in the early stages, thereby also reducing healthcare costs for treatment. It also aims to improve the health of the general population and reduce the figures of newly diagnosed cases of skin diseases. Skinive does not require additional medical equipment: just your standard smartphone camera is enough. This solution is affordable, which makes it possible to introduce it into the medical practices of both the general practitioners and doctors of narrow specialization (dermatologists).

\* - The data is provided by the company



**15K+**

Chat bot users

**170K+**

Passed online test

**~20K**

Risk detected

**WINNER**

SeedStars Minsk 2019

# ANNEX I: GAMING IN BELARUS



# Gaming in Belarus

The world's gamedev industry has shown steady growth over the previous years, and Belarusian gaming companies are among the leaders in the world - the total number of installations of Belarusian mobile games alone has already exceeded one billion per year. Gaming is a historically strong industry for Belarus, which is proven by its large number of R&D centers of international gaming companies and the successes of local companies (both large and small). The country is renowned for giant game developers like Wargaming as well as smaller companies such as Weappy.

Nevertheless, the ecosystem continues to develop: for the support of the gaming ecosystem, Polygon GameLab was created by Polygon center for computer graphics and gamedev. Polygon GameLab is the incubator for game projects, which has so far launched 10 programs for gamedev specialists to test their ideas, find teams and acquire new skills and experience. Furthermore, game hackathons are organized regularly: each year Global Game Jam Minsk takes place, which is a part of the Global Game Jam gamedev hackathon lasting for 3 days.

The Belarusian mobile gamedev has been a well-known phenomenon for a long time. According to the 10-month available results of 2020, Say Games has been the most popular developer so far by the number of downloads in Belarus. At the same time, it is ranked 10th by the number of installations among all mobile publishers in the world and is included in the top-10 global publishers by downloads on Google Play.

Easybrain is among the top-3 of most popular Belarusian developers, according to Sensor Tower. By the end of 2020, the number of downloads of games and applications developed by the company reached 328M (+75% from 2019). In total, Easybrain games have accumulated 750M installations and 12M users per day.

Vizor is also a notable company with the largest revenue among Belarusian game publishers for the 10 available months of 2020 (150M USD). Its 10-month total revenue was 80% higher than for the corresponding period of 2019.

Although Belarusian game developers possess all the tools to earn global recognition, they are actively seeking investment and some of them are acquired by top global players. My.Games has been the most well-known investor in Belarusian studios recently. It has invested in 4 companies and their highly competent teams – Swag Masha, Mamboo Games, Appyfurious, Bulberry and Purple Games. The partnership with Mamboo Games will allow My.Games to expand its hyper-casual program and offer publishing services to more teams and new points of access to its larger ecosystem for potential partners. At the same time, partnerships with globally-renowned players allow Belarusian publishers to strengthen their expertise, acquire unparalleled knowledge and experience on the global mobile gaming market, and increase the visibility of the companies' games.

## EXAMPLES OF BELARUSIAN COMPANIES



Easybrain



Gismart

AWEM

SAYGAMES





## EXAMPLES OF R&D CENTERS





## NOTABLE RECENT DEALS IN GAMING

COMPANY	SUM RAISED, M USD	INVESTORS	INVESTMENT TYPE	DEAL CLASS	YEAR
EASYBRAIN	640	Embracer Group	Strategic	M&A	2021
WEAPY	1.4	GEM Capital	N/A	N/A	2021
MELSOFT	N/A	Moon Active	Strategic	M&A	2020
MAMBOO GAMES	N/A	My.Games VC	VC	Early VC	2020
APPYFURIOUS	N/A	My.Games VC	VC	Late VC	2020
PURPLE GAMES	N/A	My.Games VC	VC	Early VC	2020
BELKA GAMES	N/A	AppLovin	Strategic	Early VC	2019
SWAG MASHA	N/A	My.Games VC	Strategic	M&A	2019
PURPLE GAMES	N/A	Playrix	Strategic	Early VC	2019



# ANNEX II: PROGRESS MADE BY STARTUPS MENTIONED IN THE PRIOR YEAR'S REPORT

CIVITTA's and Bulba Ventures' teams are highly interested in the performance of the startups selected for the review. This chapter presents the progress achieved by Flo Health, Banuba, OneSoil, PandaDoc and WANNA (startups presented in previous reports) during the last year.



## FLO

During 2020, the company showed enormous growth with the increase of downloads by 20% and monthly active users by 12%\*. Furthermore, Flo reached the mark of 1 million paying users worldwide. Last year, the company celebrated its 5<sup>th</sup> anniversary and in honour of this, it gifted permanent free premium subscriptions to Belarusian women. Moreover, during COVID-19, Flo Health released a chatbot with information about the pandemic. In seven days, the virtual assistant was used by roughly 50K people from 172 countries\*. The company has ambitious plans to increase its staff by 50%+ and expand offices in Minsk, London and Vilnius, the last 2 of which were opened in 2020.

\* - The data is provided by the company



## Banuba

After the COVID-19 pandemic hit, Banuba quickly adjusted its products for the new lifestyle of the customers. As a result, in 2020 the company started turning a profit.

There was growth all across the board. The number of B2C paying customers doubled compared to 2019, and the number of monthly active users of Banuba apps reached 2 million. The corporate customer base tripled, 70 million people now use products powered by Banuba AR SDK. This was partially helped by a new B2B product: Banuba AI Video Editor SDK.

The company decided to capitalize on the growing Video Conferencing domain by strengthening its offering and positioning itself as a thought leader in the space.



## OneSoil

In 2020, OneSoil attracted Series A round of investment of 5M USD from Almaz Capital and PortfoLion. The startup added significant area of active fields (195%), its userbase grew by 78%, while the number of monthly active users – by 17%. There has also been a major advancement from a technological perspective – OneSoil developed algorithms that determine the vegetation index of fields from images even in cloudy weather.

Furthermore, OneSoil became the global champion in the Environment & Green Energy category at the World Summit Awards, held as part of the WSA Global Congress 2020 Vienna event, where the best projects supporting the implementation of the UN Sustainable Development Goals were presented.



## PandaDoc

During the previous year, PandaDoc attracted 30M USD of investment from One Peak Partners and other investors, which is an all-time record for the company. Other investors included Microsoft Venture Fund (M12), Savano Capital Partners, Rembrandt Venture Partners and EBRD. This round B extension will allow the company to grow in the e-signatures market. In 2020, PandaDoc launched a free e-signature product that helps the startup to climb to the 3<sup>rd</sup> place in the G2 rankings of the best e-signature software. Furthermore, the startup has now been included in the list of top employers in the USA for the second year in a row – the company ranked 167th out of 500 in 2020.



**LUNGPASS**

## Lungpass

In 2020, after having spent 3.5 years on R&D, Lungpass entered the market. The company made a soft launch in the CIS region and achieved its first sales (with doctors and parents with small children being the most active customers).

Currently, Lungpass is available for purchase on the website in Belarus and Russia. The company is in the midst of obtaining its European certification and is about to begin its certification process for the USA (FDA) as well.

## WANNA

### Wanna

Wannaby changed its branding and now is called WANNA. The company offers a great opportunity for footwear & clothes brands to promote their products using its technology and is actively establishing partnerships. WANNA has become a technological partner of Gucci, the first fashion brand to integrate WANNA shoes' AR try-on technology into its mobile app. In 2020, Snap licensed technology from WANNA, to provide AR Try-on technology to its users and power shoppable AR ads on its platform. Other notable clients include such recognizable names as FARFETCH, GOAT, IWC and Massimo Dutti.

Please note that in previous year's report, the company's founders were indicated incorrectly. The founder of WANNA (ex-Wannaby) is Sergey Arkhangelskiy.

# Methodology

This report was created through analyzing and comparing publicly available information, obtaining insights from the Belarusian startup ecosystem's stakeholders and contributors (startups, VC and PE funds, Angels Band, accelerators, support organizations and opinion leaders) as well as gathering data through the developed survey. In some cases, the data has been interpreted through the joint perspectives of CIVITTA's and Bulba Ventures' teams, therefore some comments reflect expert opinions. Credible data sources, such as Crunchbase, Dealroom, Techcrunch, and others were used to provide the most accurate overview of information.

## DEFINITIONS

### STARTUP

Company, founded less than 15 years ago, which features innovative technology and incorporates it within its business model, whilst also striving for substantial growth and scalability.

### BELARUSSIAN STARTUPS

Startups that are founded in Belarus de facto or de jure, officially positioned as from Belarus, with either the majority of their team being located in Belarus or with at least one founder being from Belarus.

### CIVITTA SURVEY

This year, a survey was developed to provide further insights about the startups' founders and teams, investors (incl., business angels), and the companies' relations to the Belarusian startup ecosystem. The survey received 105 responses from startup founders/CEO-level representatives, and it also provided us with new names of startups to add to our database. With that said, the survey results do not represent all Belarusian startups or the Belarusian population as a whole, nor are they a quantitative representation of the selected demographics. The survey was conducted in February–March, 2021

### CIVITTA STARTUP DATABASE

The database was created several years ago, and it is regularly updated, based on the databases of HTP, Bulba Ventures and Angels Band as well as others (e.g. media).

# Disclaimer

Even though we have done our best to provide accurate and complete information, we recognize the limits of the reporting based on publicly available information and acknowledge the possibility that the data does not reflect a comprehensive and definitive representation of the subject.

We will be pleased to receive any corrections, notices of inaccuracies or information on deals and startups which we may have missed. New and updated data will be included in the next publication, thereby improving the level of detail and the overall quality of the report. Meanwhile, the values in this report can differ from the previous year report, since we are constantly receiving new information from the ecosystem players and more deals as well as more startups become visible throughout each year.

Please do not hesitate to submit corrections, updates and suggestions to [info.by@civitta.com](mailto:info.by@civitta.com).

Many thanks in advance for your assistance, which will make the next report a better resource for the ecosystem!

This report is the result of a collaborative effort between CIVITTA and Bulba Ventures, supported by the Belarusian startup ecosystem and partners who were important in the research and preparation of the report. Contributions are also attributable to the various organizations and experts who participated in the preparation process by providing their vision, knowledge, and perspectives – all of which shaped this report.

## CIVITTA

A Leading independent consulting company in CEE with presence in 16 countries. CIVITTA challenges the traditional management consulting industry, providing high-quality fact-based and analytically rigorous consulting services to private and public sector clients, helping them challenge their own industries by becoming more innovative, efficient and dynamic.

<https://civitta.by> | [Info.by@civitta.com](mailto:Info.by@civitta.com)

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## :bulba

Investment fund and venture builder with Belarusian origin. Bulba Ventures invests in startups with a strong competitive advantage and a technical excellence in machine learning. It provides early-stage investments and support from key partners and strongest mentors. Moreover, as a venture builder Bulba Ventures creates new startups by identifying business ideas internally, building teams, helping grow the ventures

<https://bulba.com> | [hello@bulba.com](mailto:hello@bulba.com)



# ECOSYSTEM AND CONTENT PARTNERS

Organizations supporting the research and enabling the ecosystem growth

## ANGELS BAND

A business angel community, that creates the environment where a startup will find its investor

## ASER

An investment-consulting company providing a full range of services in business planning, fundraising, research and analytics in Belarus

## BEROC

BEROC conducts academic and applied research as well as provides educational programs surrounding economics

## BRIDGIO TECH ACCELERATOR

A tech accelerator, that helps engineering teams grow commercially successful businesses in the global marketplace

## DEV.BY

A media actor in the IT industry in Belarus and globally, publishing expert information on IT since 2008

## KOLOS VENTURES

A venture fund management company specializing in investments in growth stage IT companies

## PALTA (ex-Haxus)

A co-founding company, focused on the consumer internet businesses

## REVERA

The largest law firm in Belarus, specializing in all demanded areas of business law and economic sector in Belarus

## ZUBR CAPITAL

A private equity fund management company

# Team



**ANDREI AVSIEVICH**

CO-FOUNDER AND GP,  
BULBA VENTURES



**YURY MELNICHEK**

CO-FOUNDER & PARTNER,  
BULBA VENTURES



**ANDREI PALUNOSIK**

INVESTMENT MANAGER,  
BULBA VENTURES

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**SIAMION ZLOBICH**

CEO, CIVITTA



**YAUHENI KRASNIANSKI**

PARTNER, CIVITTA



**VITALY LABETSKY**

PROJECT MANAGER, CIVITTA



**OLGA LAIKOVA**

ANALYST, CIVITTA



**NIKOLAI KOVYAZO**

JUNIOR ANALYST, CIVITTA

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