

2026

BALTIC PRIVATE M&A DEAL POINTS STUDY

ESTVCA / ESTONIAN PRIVATE EQUITY
AND VENTURE CAPITAL ASSOCIATION

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AND VENTURE CAPITAL
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TRANSACTIONS ANALYSED

The study analyses 198 private M&A transactions completed during the two-year period April 2024–March 2026.

This study compares the results to the previous studies carried out in 2024 and 2022.

The transactions included in the survey have the following characteristics:



Only M&A transactions were covered – i.e. acquisitions or mergers of businesses via share or asset transactions, corporate statutory mergers, or in any other way – excluding, however, fundraisings and joint ventures that did not trigger transfer of control.



Only Baltic transactions were studied, i.e. M&A transactions involving targets operating in one or more of the Baltic States: namely, Estonia, Latvia and Lithuania.



The transactions had a deal value of at least EUR 1 million and were completed during the period April 2024–March 2026.



The study focuses on private M&A transactions, i.e. excluding takeovers of publicly listed companies, as well as venture capital or other minority investments.

No additional limitations were applied regarding deal value, the nature of the parties or the target, or the sale procedure of the transaction.

THE NINTH EDITION OF THE BALTIC PRIVATE M&A DEAL POINTS STUDY HAS BEEN CONDUCTED UNDER THE AUSPICES OF:



The Estonian Private
Equity and Venture
Capital Association



The Latvian Private
Equity & Venture
Capital Association



The Lithuanian Private
Equity and Venture
Capital Association

TOGETHER WITH CONTRIBUTIONS FROM THE FOLLOWING BALTIC M&A LAW FIRMS AND ALLIANCES:

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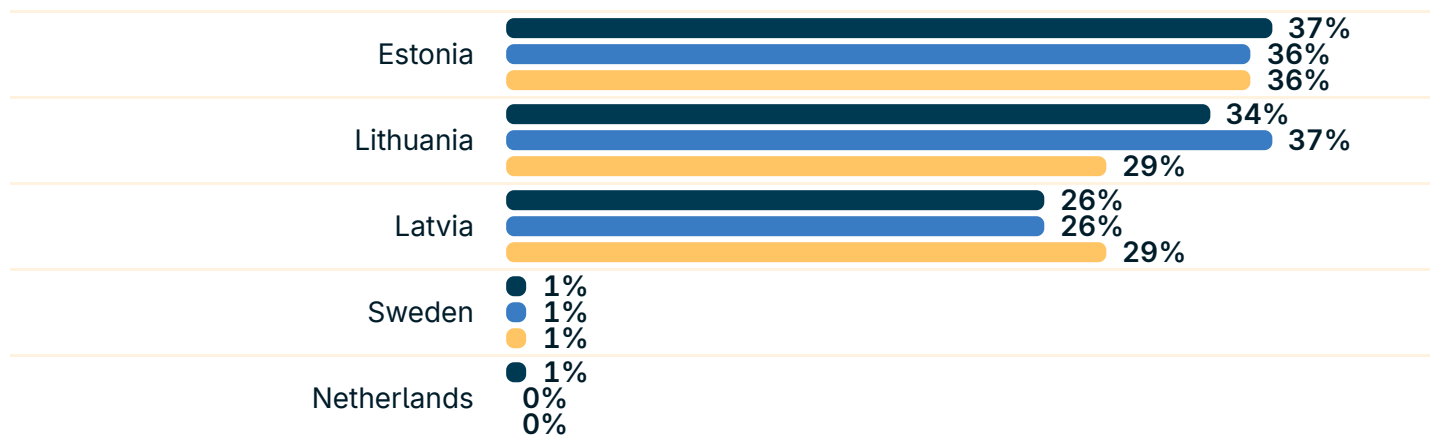
50  Contacts



THE PARTIES

COUNTRY OF THE TARGET'S HEAD OFFICE

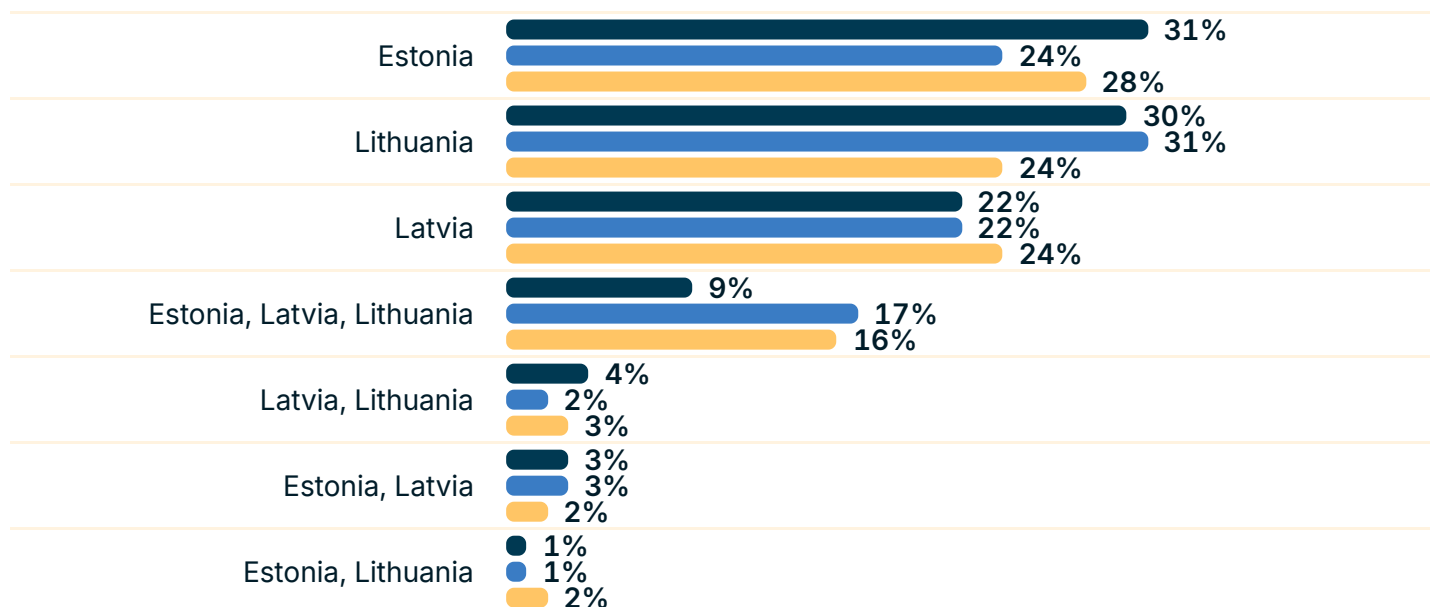
● 2026 ● 2024 ● 2022



Consistent with prior periods, targets in the submitted transactions were predominantly headquartered in the Baltics, with Estonia accounting for 37%, Lithuania for 34% and Latvia for 26%.

BALTIC STATES WHERE THE TARGET OPERATES

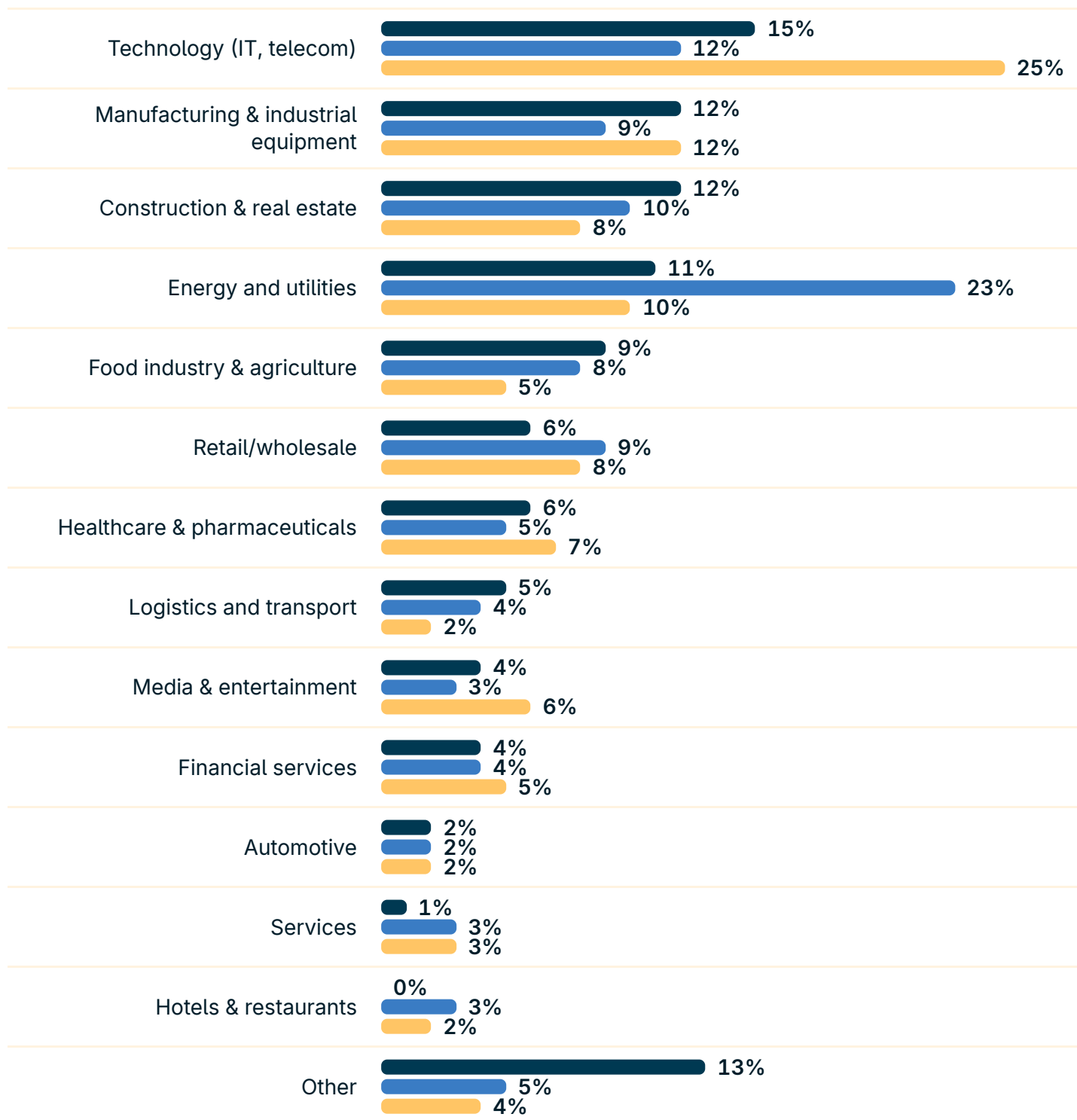
● 2026 ● 2024 ● 2022



As in previous periods, most Targets operate in only one Baltic country. The share of Targets operating across all three Baltic states has decreased significantly compared to previous periods.

TARGET'S MAIN SECTORS

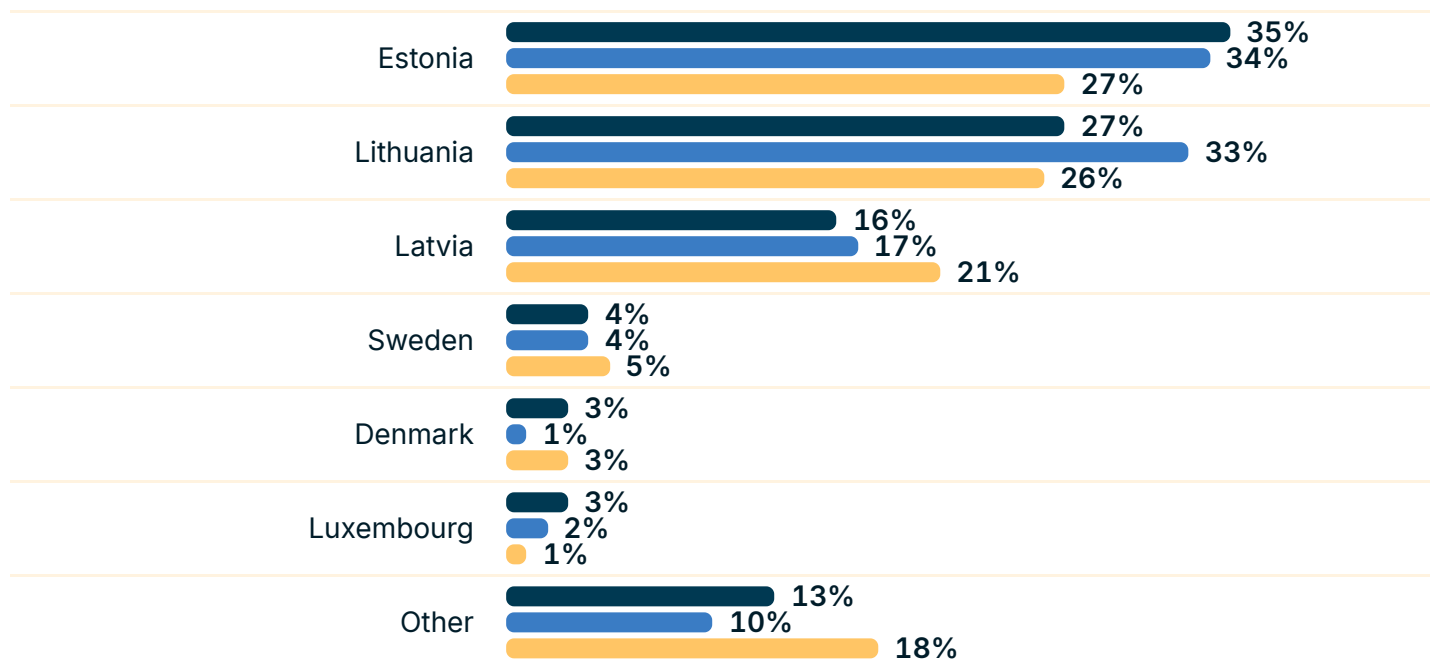
2026 2024 2022



Technology (IT and telecom) has regained its position as the most active M&A sector, accounting for 15% of all analysed transactions. The energy sector's decline likely reflects reduced activity amid considerable political uncertainty about the future. The food and agriculture sector continues to trend upward.

COUNTRY OF THE SELLER

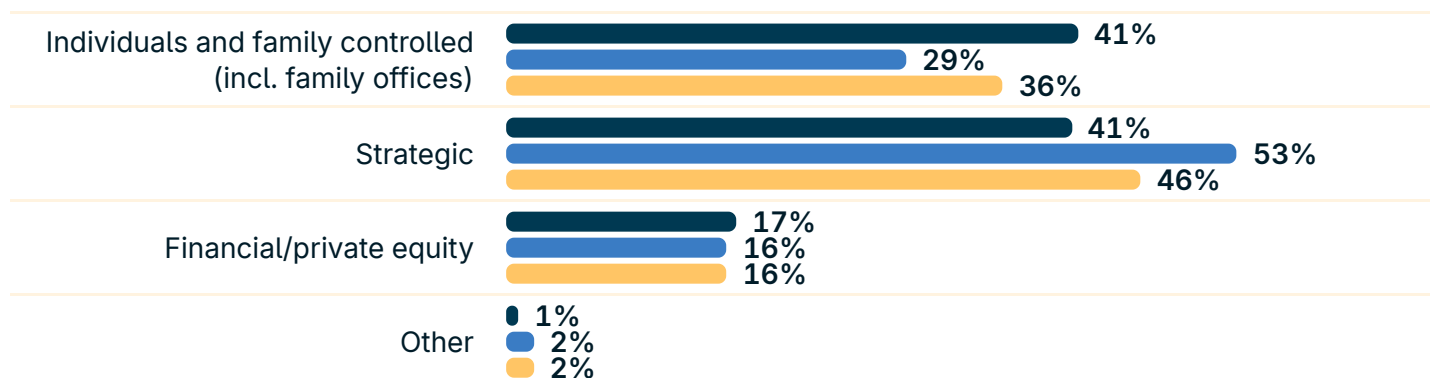
● 2026 ● 2024 ● 2022



Sellers located in the Baltic states continue to dominate the market, while Nordic sellers remain the most active among foreign counterparties.

NATURE OF THE SELLER

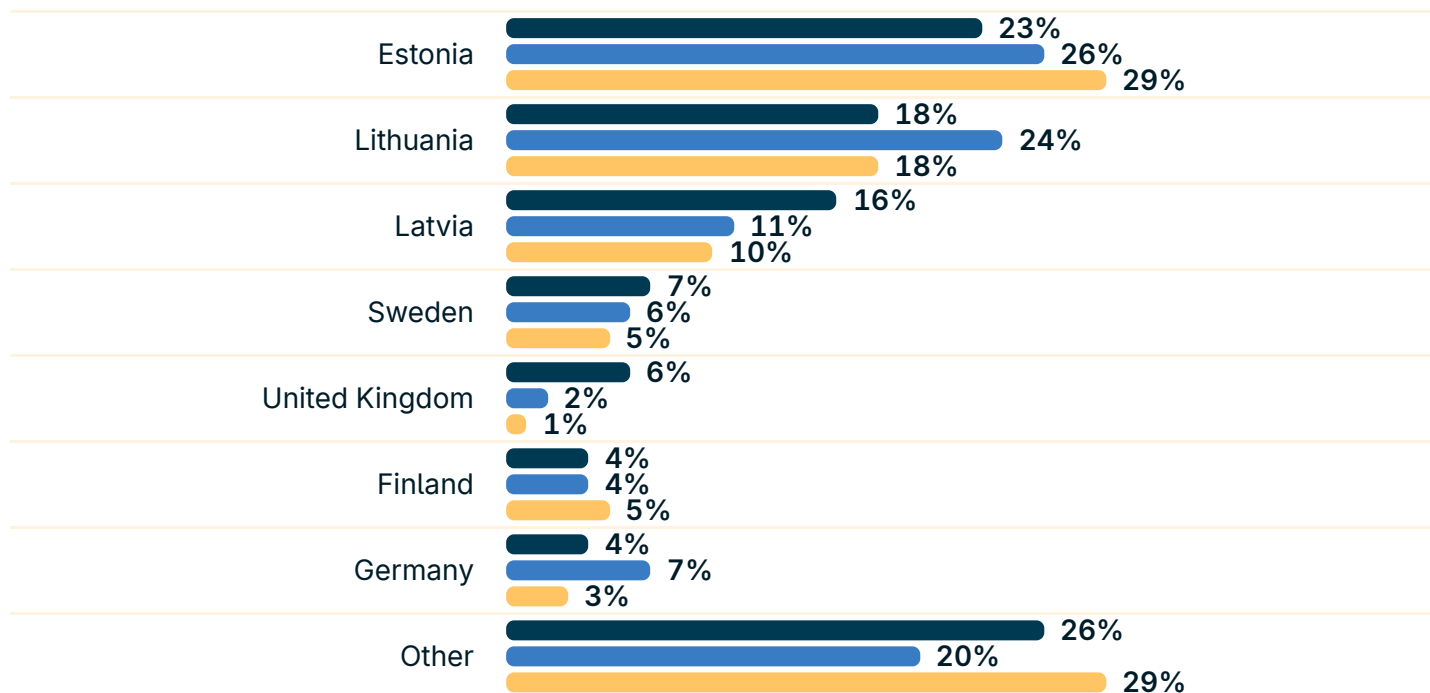
● 2026 ● 2024 ● 2022



While exits by strategic investors were the main driver during the previous two-year period, exits by individuals and family-controlled sellers are trending upwards, with both groups now accounting for an equal 41% share of the market, indicating an increasing generational shift in the Baltics.

COUNTRY OF THE BUYER'S HEAD OFFICE

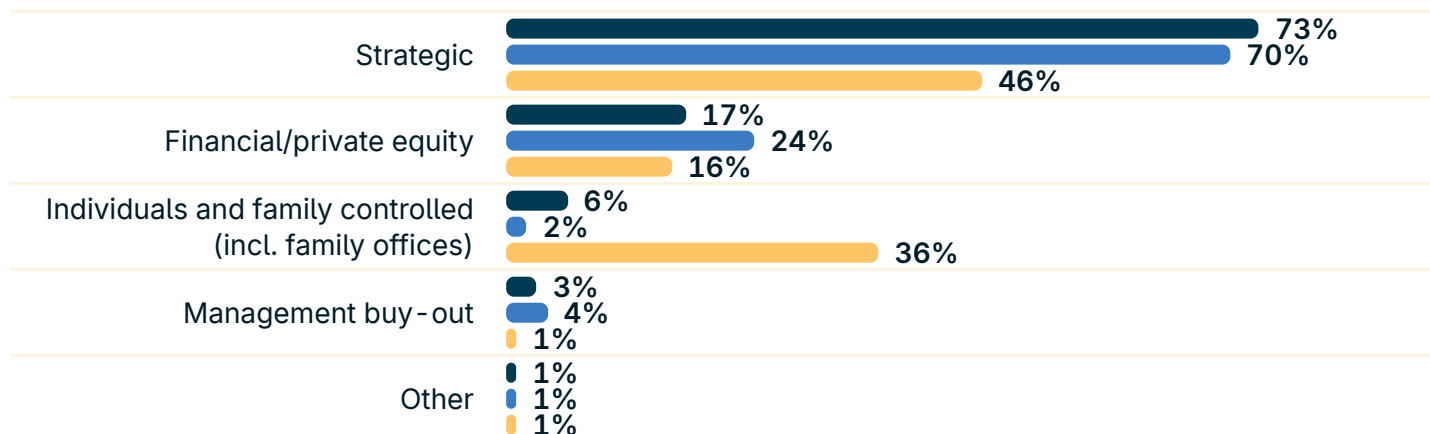
● 2026 ● 2024 ● 2022



As in previous periods, Estonian buyers remain the most active based on the reviewed transactions. Among foreign investors outside the Baltics, Swedish and British investors stand out for their higher activity levels.

NATURE OF THE BUYER

● 2026 ● 2024 ● 2022



Strategic investors as Buyers continue to dominate the Baltic M&A market.

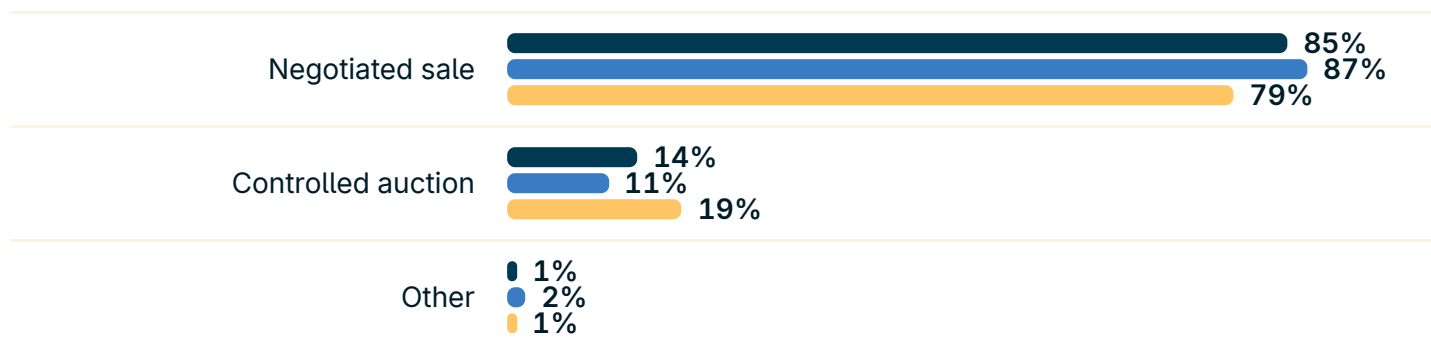


SALES PROCESS AND FORM OF TRANSACTION

General transaction characteristics

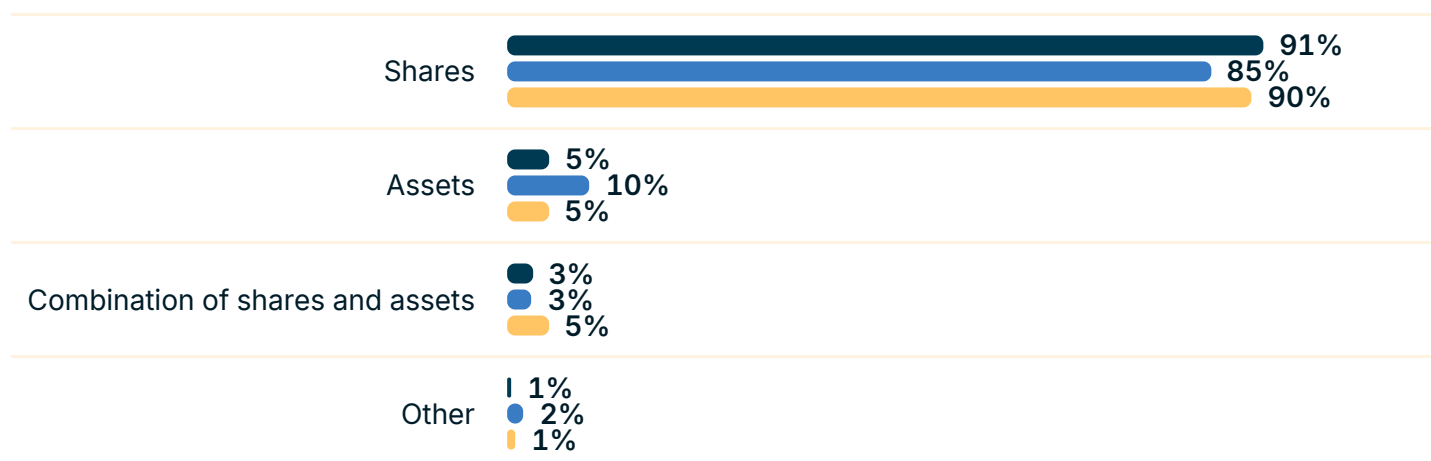
NATURE OF THE SALES PROCESS

● 2026 ● 2024 ● 2022



FORM OF TRANSACTIONS

● 2026 ● 2024 ● 2022



As in previous periods, negotiated sales continue to dominate the Baltic market over controlled auctions, and 91% of all transactions are share deals.

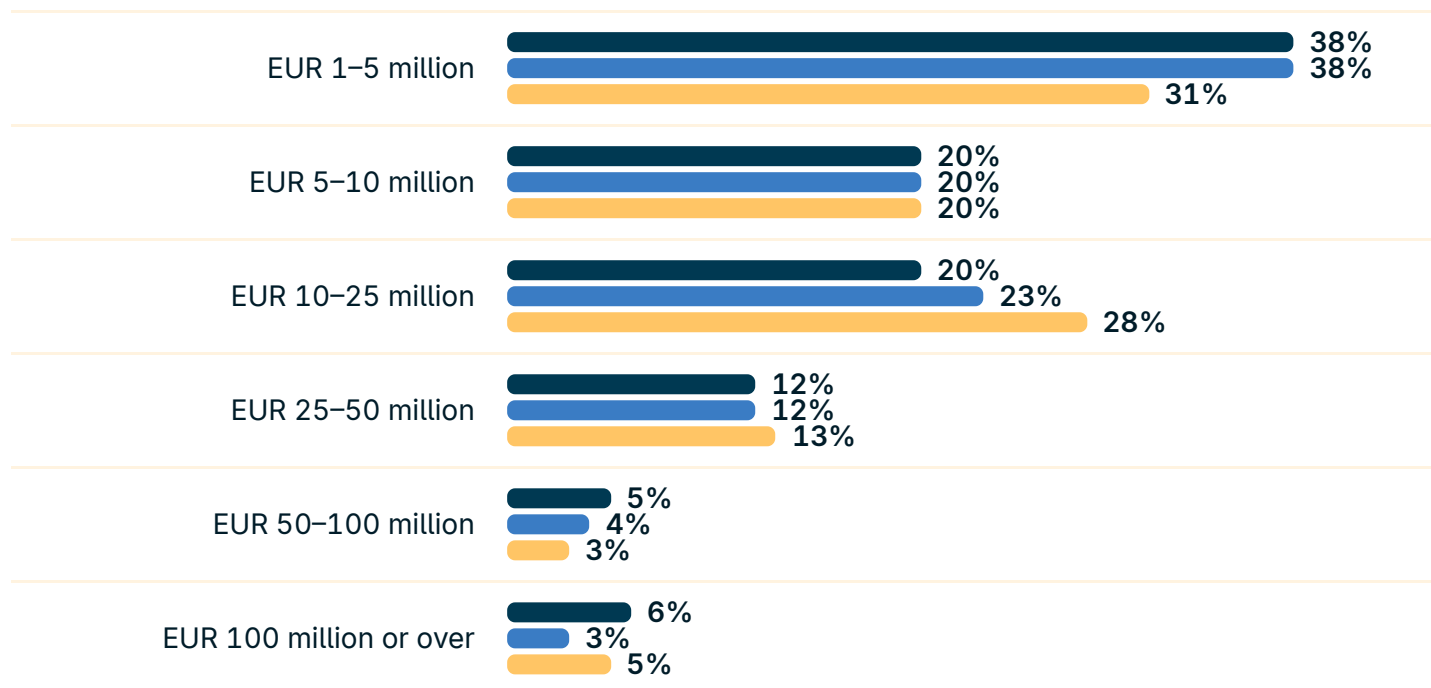


TRANSACTION VALUE AND PAYMENT

General transaction characteristics

TRANSACTION VALUE

● 2026 ● 2024 ● 2022

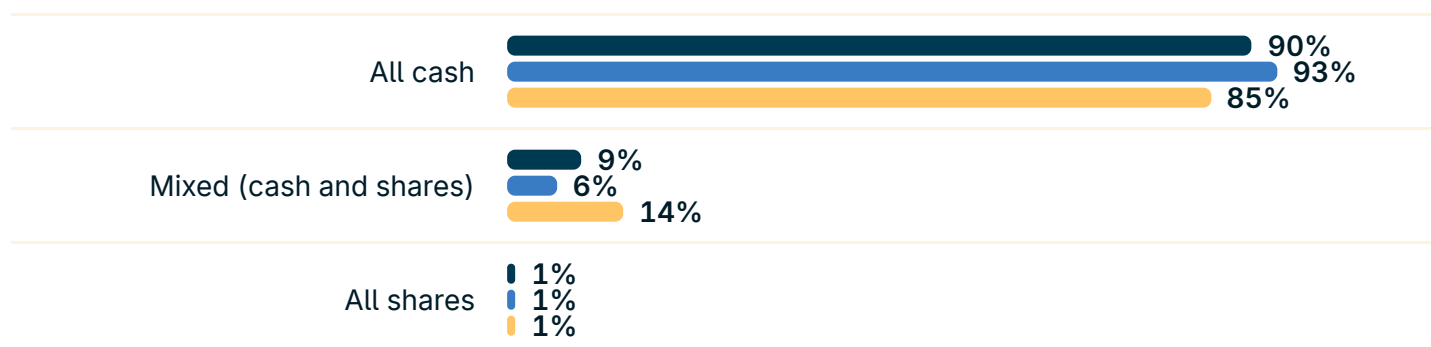


The value of median M&A transactions has remained at the same level as previous periods, as 58% of the transactions were under EUR 10 million.

The share of megadeals (over EUR 100 million and EUR 50–100 million) is showing an upward trend again.

FORM OF CONSIDERATION

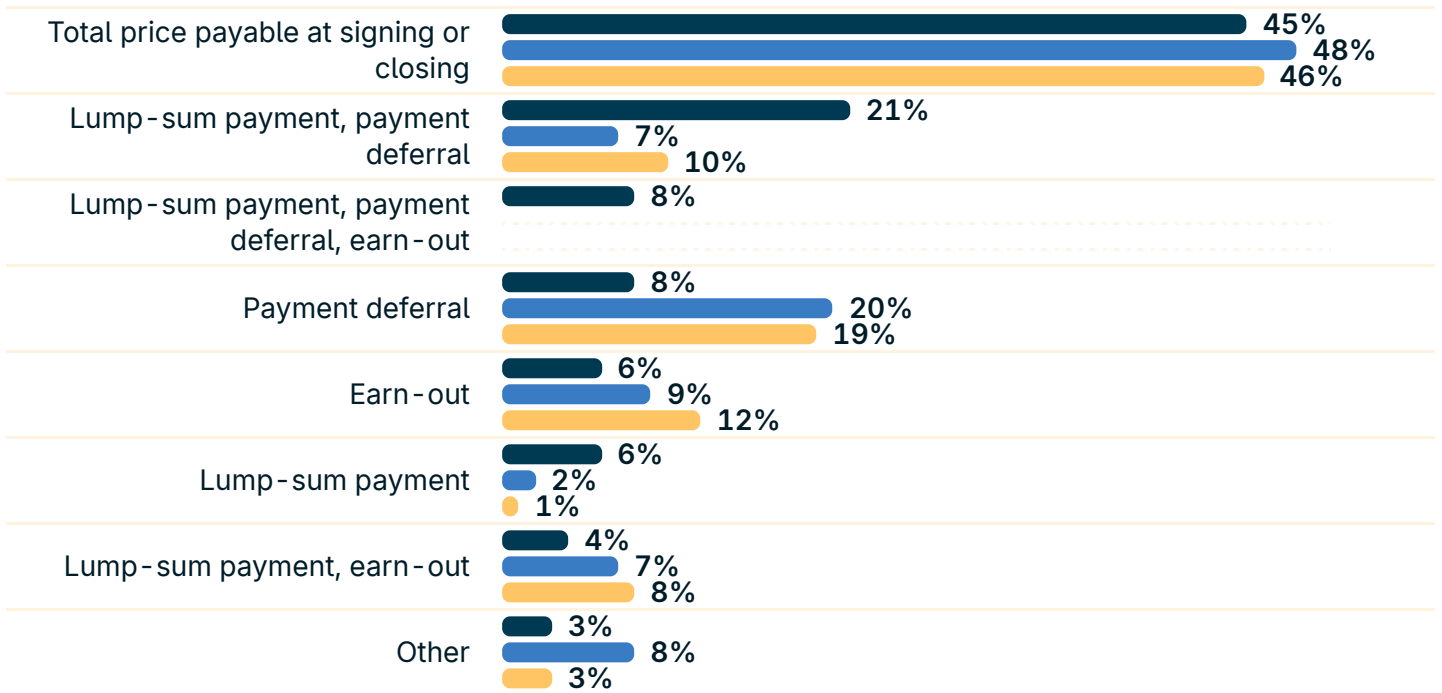
● 2026 ● 2024 ● 2022



Similar to previous studies, the vast majority of the transactions involve cash considerations.

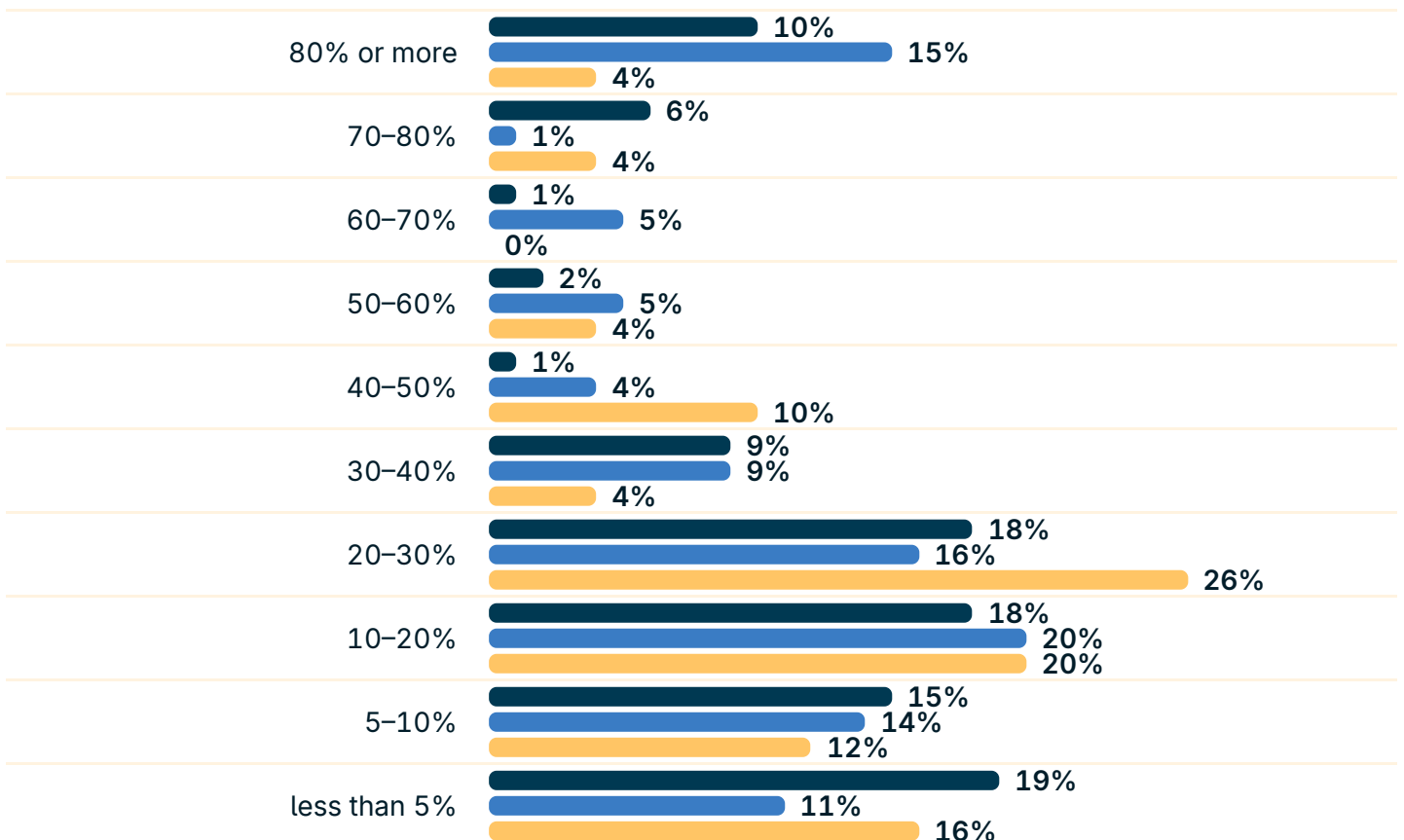
PAYMENT TERMS

2026 2024 2022



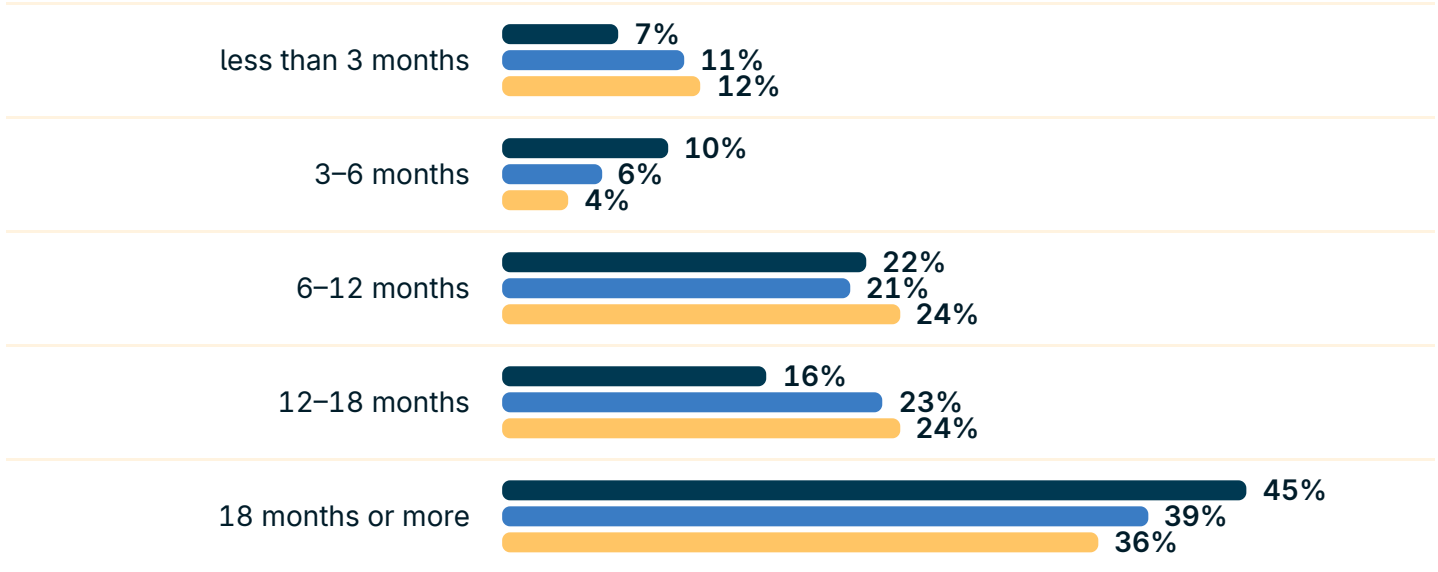
PERCENTAGE OF PRICE DEFERRED (IF DEFERRED)

2026 2024 2022



LENGTH OF DEFERRAL

2026 2024 2022

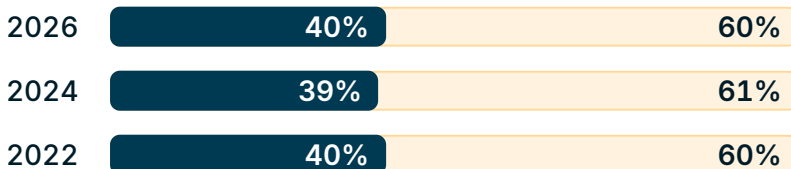


“Total price payable at signing or closing” continues to be the most common choice; however, it is not unusual for payment terms to include partially deferred purchase price and earn-out calculation.

When used, the deferred amount stayed roughly the same as in previous studies. The length of the deferral period, however, tended to increase, with almost half of deferrals now extending to 18 months or more.

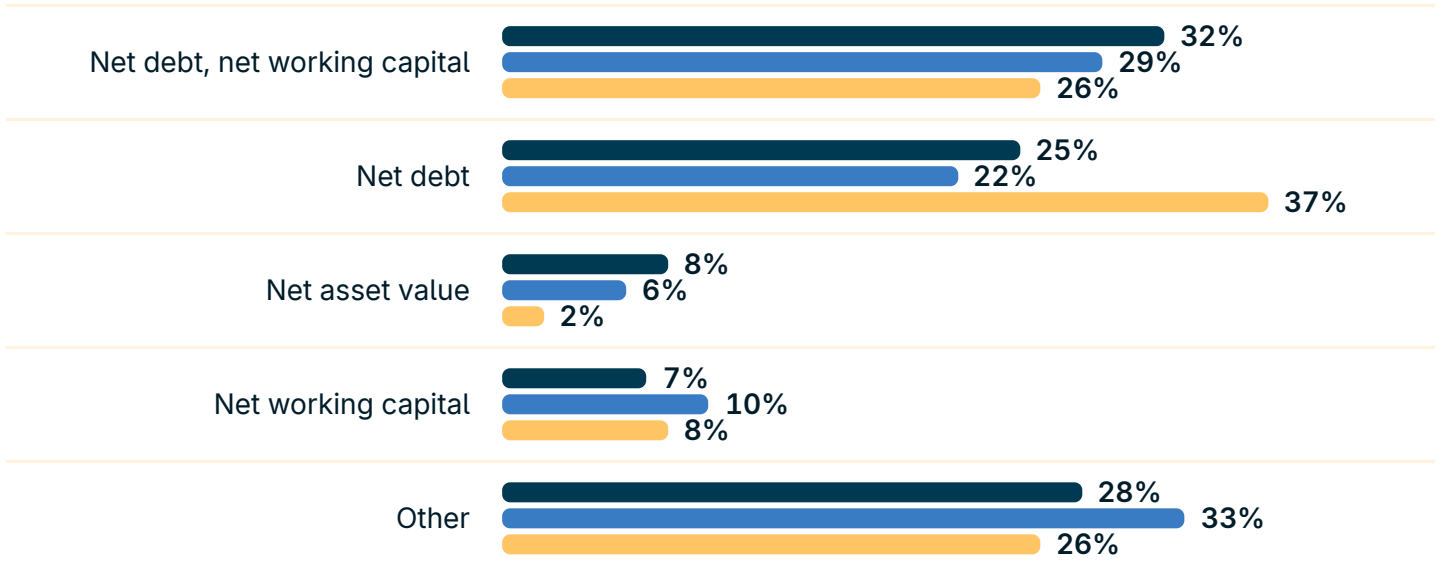
PRICE ADJUSTMENT AT CLOSING

Yes, there is a price adjustment at closing No price adjustment at closing (incl. locked box)



WHAT WAS THE ADJUSTMENT BASED ON?

2026 2024 2022

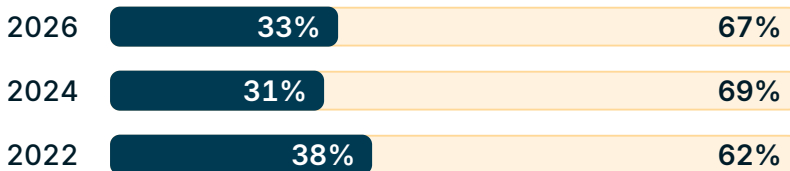


The price adjustment at closing remains at the same level as in previous periods.

Similar to the previous study, over half of the price adjustments (if applied) are based on net debt and/or net working capital.

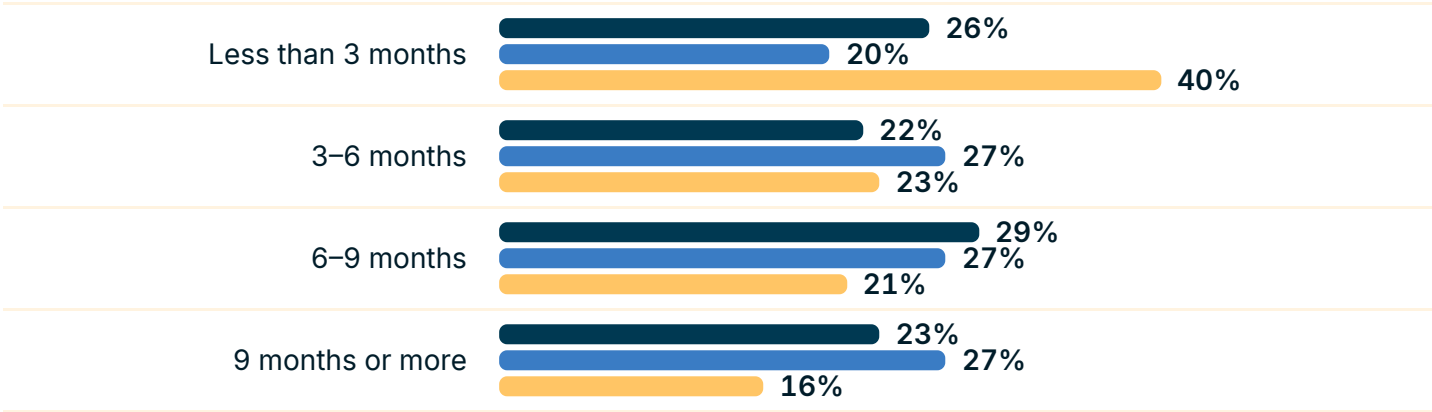
USAGE OF LOCKED BOX

Yes No



TIME BETWEEN THE LOCKED-BOX DATE AND THE CLOSING DATE

2026 2024 2022

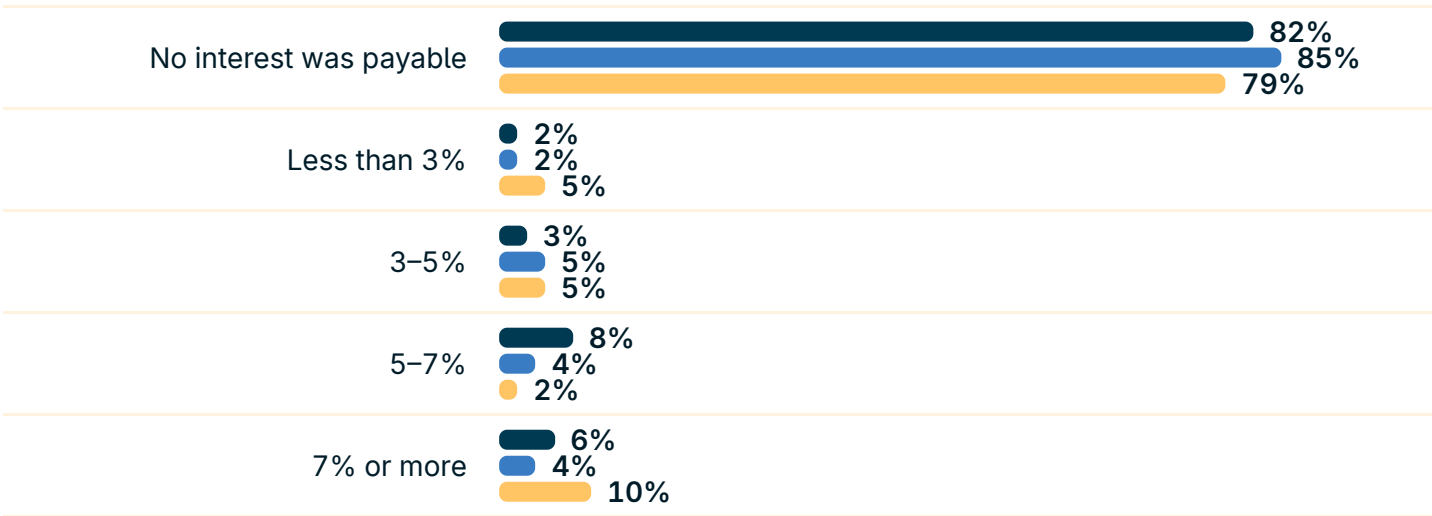


As in previous studies, the locked-box mechanism was used in about a third of the transactions.

There is no clear market standard for the time between the locked-box date and the closing date, with responses spread almost evenly across all four timeframes.

ANNUAL RATE OF INTEREST PAID FROM THE LOCKED BOX DATE TO THE CLOSING DATE

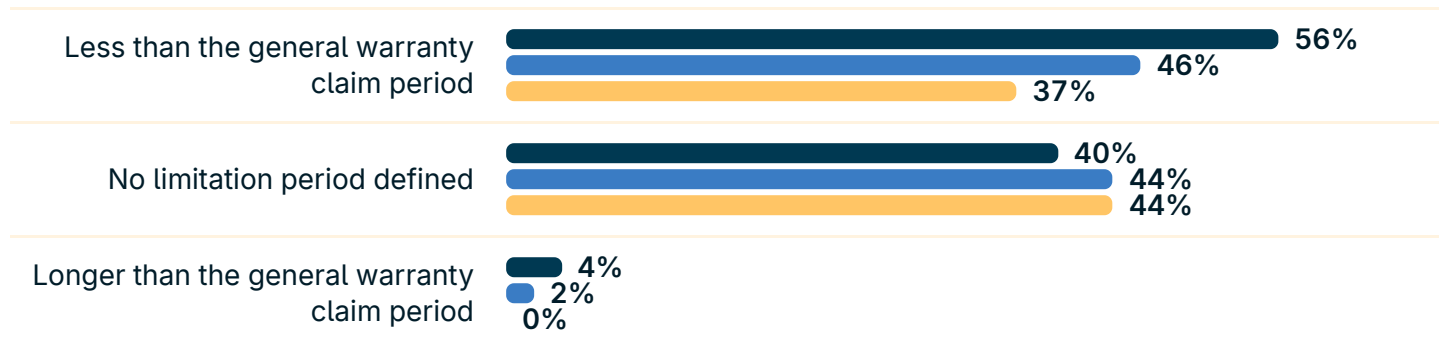
2026 2024 2022



In the vast majority of locked box arrangements, no interest rate was applied. However, where an interest rate was applied, it was 5% or higher in most of those transactions.

TIME PERIOD WHEN LEAKAGE CAN BE CLAIMED BY THE BUYER

● 2026 ● 2024 ● 2022



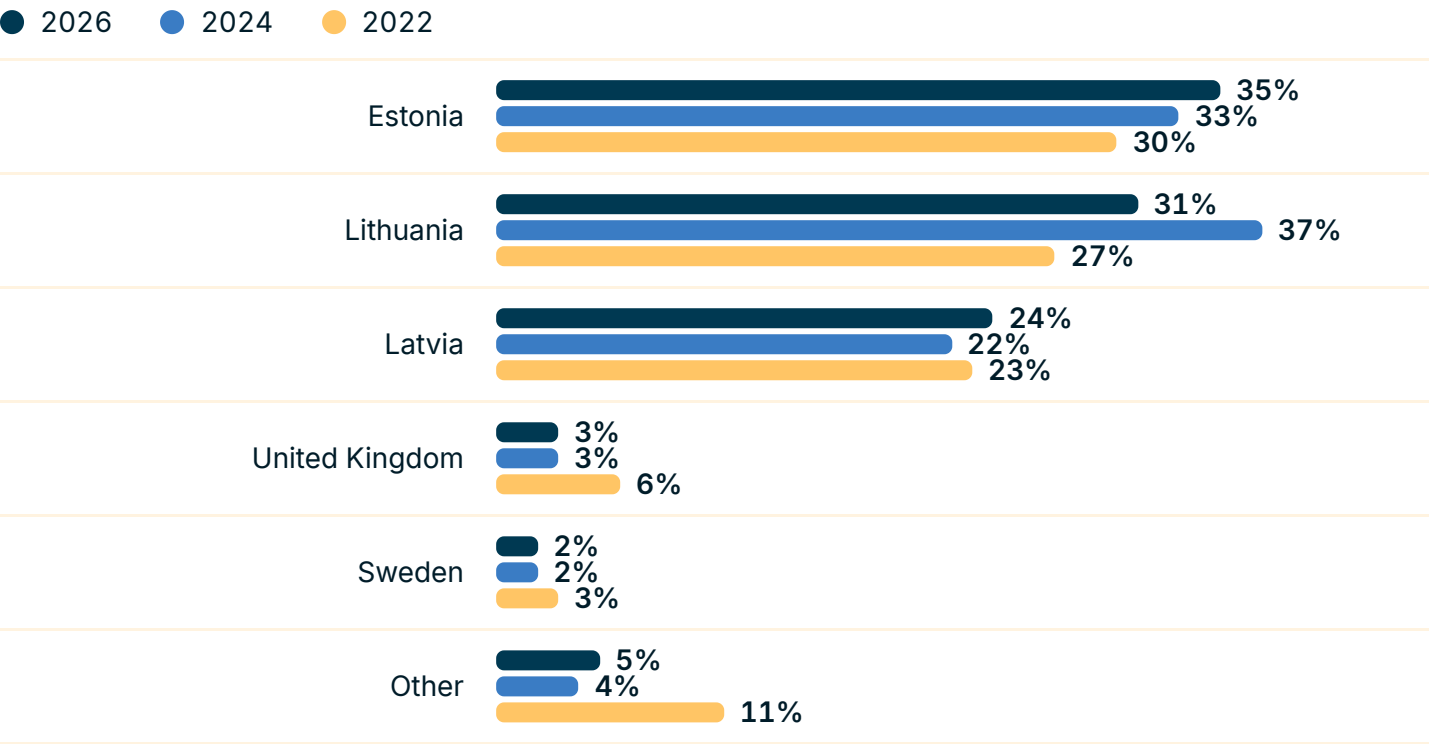
As in the previous period, no limitation period was defined for claims of leakage in almost half of the cases. Where a limitation period was defined, it was shorter than the general warranty claim period in over half of those instances.



GOVERNING LAW AND DISPUTE RESOLUTION

General transaction characteristics

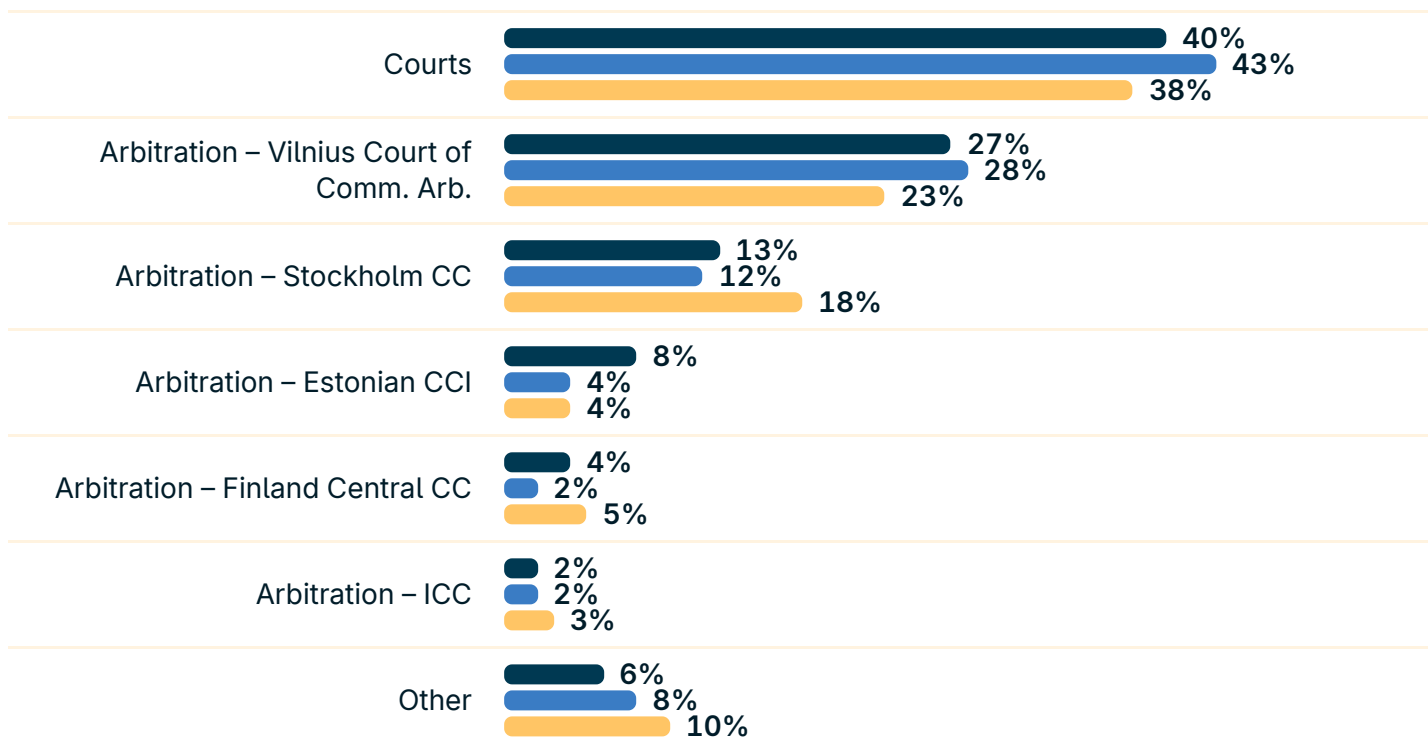
TRANSACTION GOVERNING LAW



Similar to previous studies, most Baltic M&A transactions are governed by the local laws of the Baltic countries.

DISPUTE RESOLUTION MECHANISM

2026 2024 2022

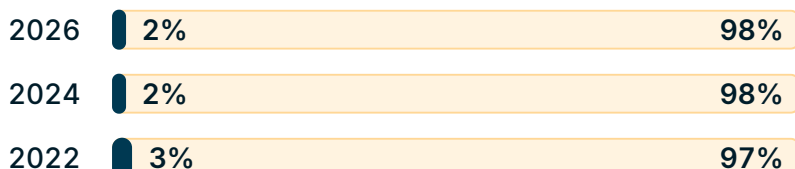


Arbitration continues to be preferred over courts in Baltic M&A transactions. Vilnius Court of Commercial Arbitration continues to be by far the arbitration institution used most within the Baltic countries, while Stockholm Chamber of Commerce is the preferred choice outside the Baltics.

DISPUTE RESOLUTION: EXISTENCE OF DISPUTES

Did the transaction or the acquisition agreement give rise to any disputes?

Yes No

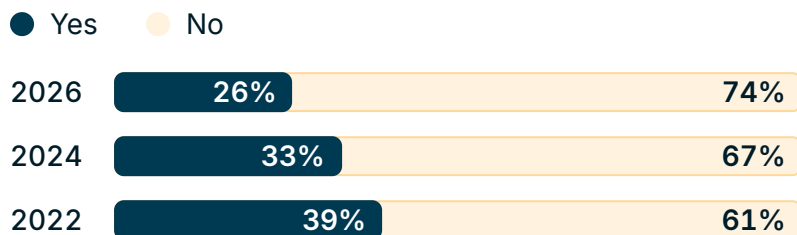


The occurrence of M&A disputes remains rare. However, it is worth noting that limitation period for most of the reviewed transactions was not yet over by the time of conducting this study.



WARRANTIES

USAGE OF A DISCLOSURE LETTER



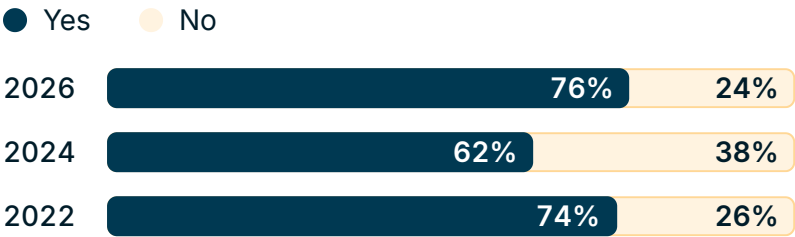
The use of a disclosure letter has continued to decline and is now used in only about a quarter of transactions, remaining far less common than in Anglo-American countries.

DUE DILIGENCE DISCLOSURES CONSIDERED GENERAL QUALIFICATION FOR WARRANTIES



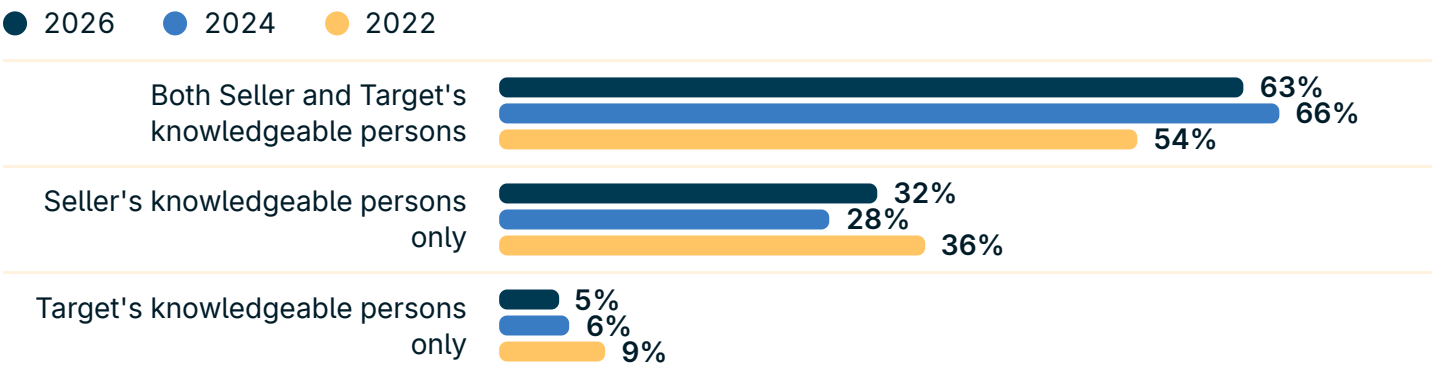
Instead of a disclosure letter, Baltic transactions use the “fair disclosure” principle, where due diligence disclosures are a qualification for warranties.

IS THERE A DEFINITION OF THE SELLER'S OR THE TARGET'S KNOWLEDGE?



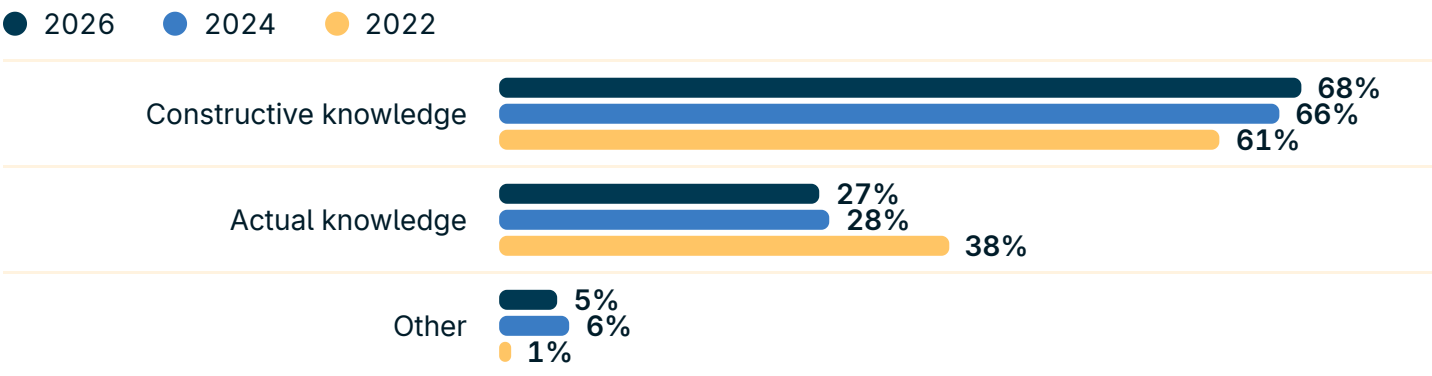
The Seller's knowledge (for the warranty qualifications) is defined in approximately three-quarters of the analysed transactions.

WHOSE KNOWLEDGE DOES IT INCLUDE?



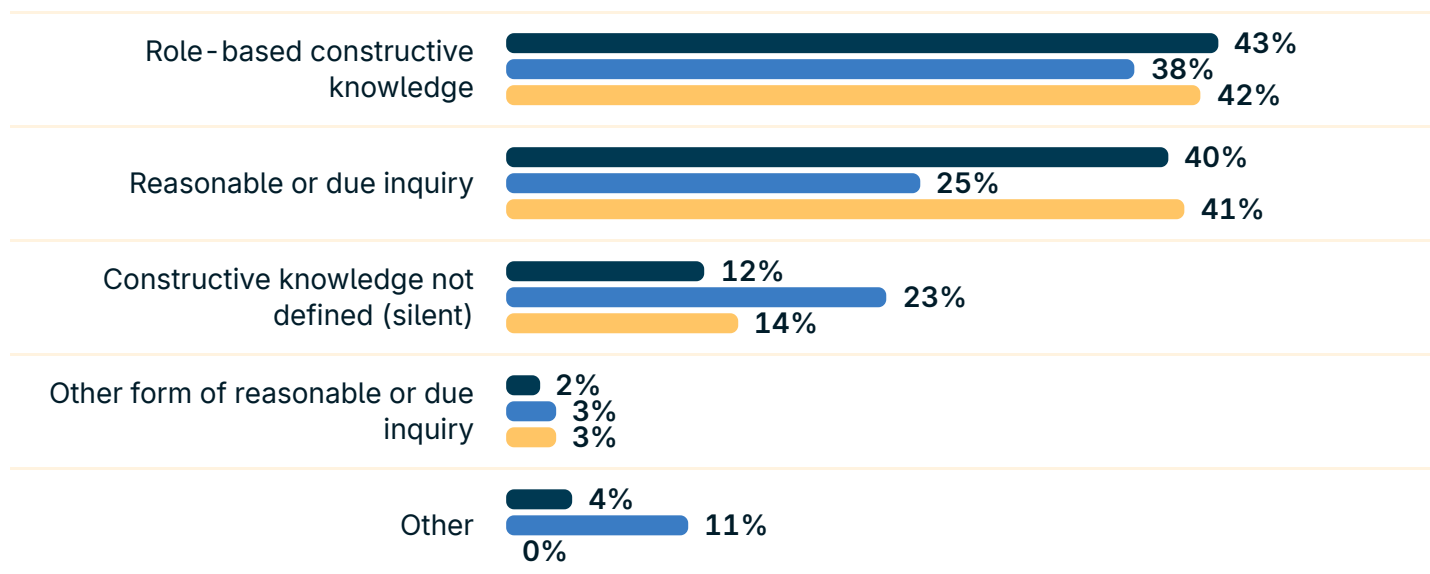
Where the Seller's knowledge is defined, using the knowledge of the Target's persons in addition to the Seller's persons remains the most commonly used approach.

STANDARD OF KNOWLEDGE



STANDARD OF CONSTRUCTIVE KNOWLEDGE

2026 2024 2022

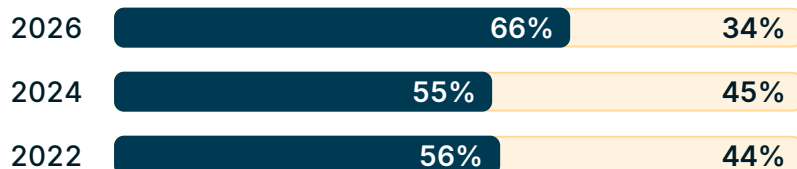


Constructive knowledge continues to be increasingly used as a definition of 'knowledge' and remains the most commonly used approach.

Where constructive knowledge is used, role-based knowledge serves as the primary standard, though a reasonable or due inquiry approach is used almost as frequently.

FULL DISCLOSURE WARRANTY BY THE SELLER OR TARGET

Yes No



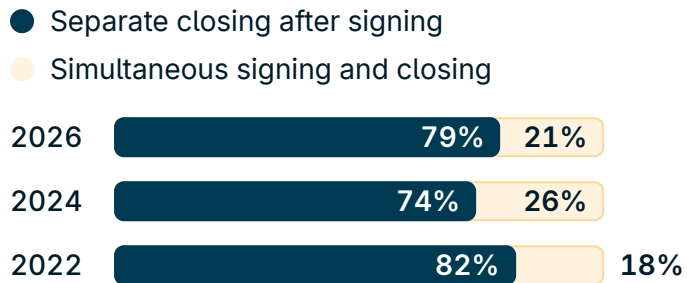
The use of a full-disclosure warranty has become fairly standard practice, rising considerably from 55% to around 2/3 of transactions compared with previous periods.



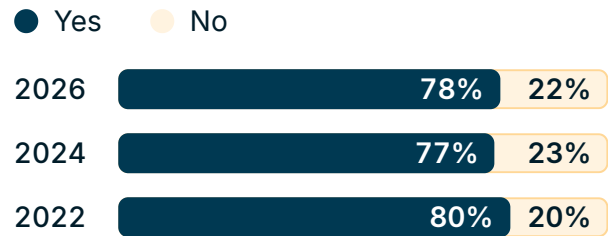
CLOSING AND CONDITIONS PRECEDENT

SPLITTING SIGNING AND CLOSING

Timing of signing and closing



Does the closing or the closing date depend on the fulfilling of conditions precedent?



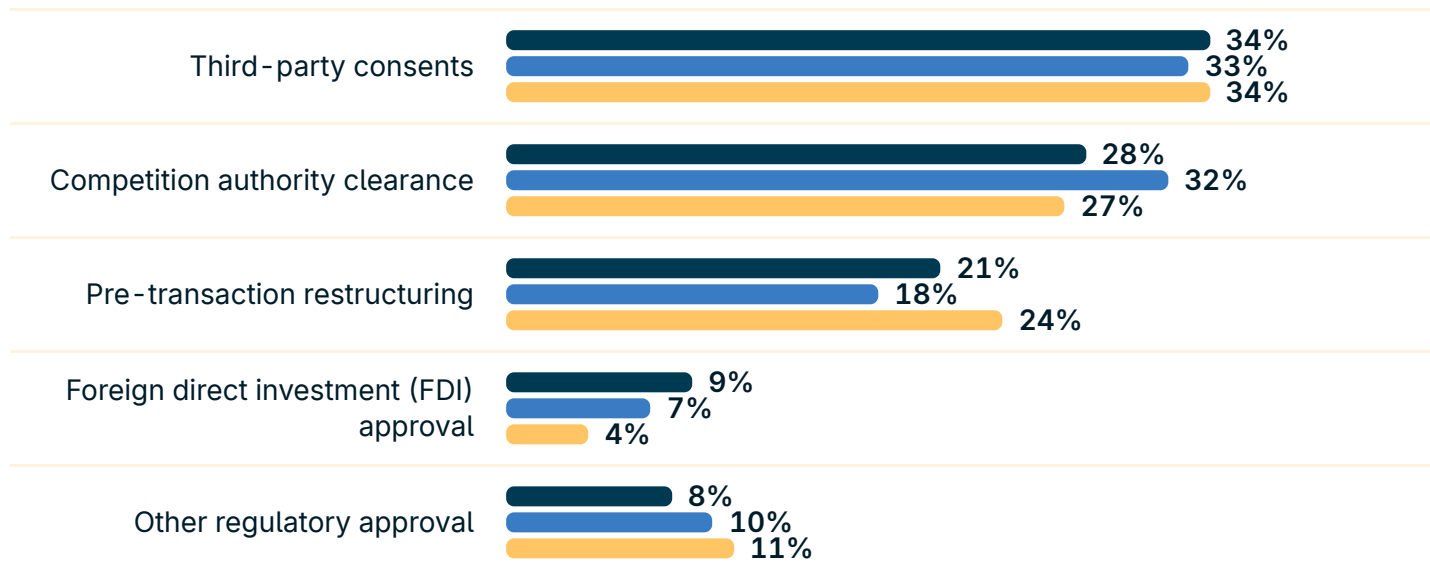
Similar to previous periods, closing is deferred in the vast majority of transactions.

In 78% of the transactions, where signing and closing were separated, closing is not only deferred but also subject to agreed-upon conditions precedent.

CONDITIONS PRECEDENT

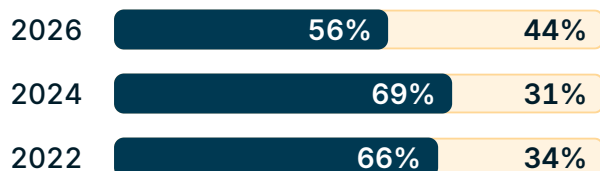
Reasons for splitting signing and closing

● 2026 ● 2024 ● 2022



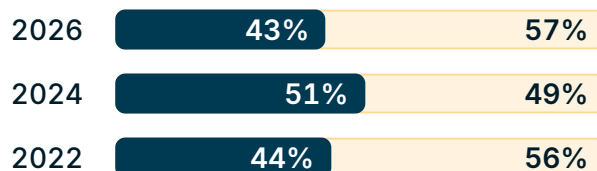
Is the closing subject to accuracy of representations?

● Yes ● No



MAC ("material adverse change")/MAE ("material adverse effect") clause

● Yes ● No

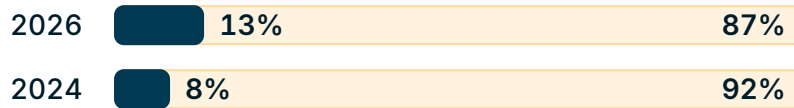


As in previous periods, third-party consent and competition authority clearance are the main reasons for splitting signing and closing. Approval by FDI authorities continues to trend upwards.

In almost half of the cases, the closing was not subject to the accuracy of warranties. MAC/MAE conditions were used in less than half of the analysed transactions.

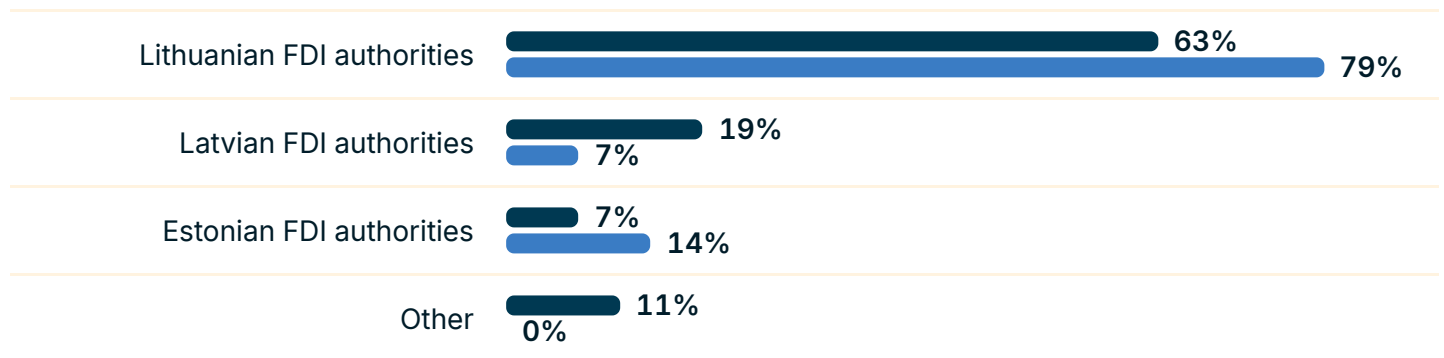
WAS THE TRANSACTION SUBJECT TO APPROVAL BY FDI AUTHORITIES?

● Yes ● No



IF YES, WHICH FDI AUTHORITIES?

● 2026 ● 2024

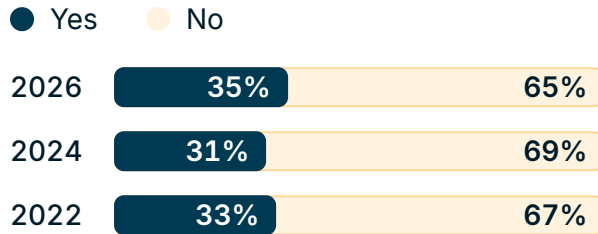


The share of transactions subject to approval by FDI authorities rose slightly, as states continue to expand the scope of FDI approval requirements.

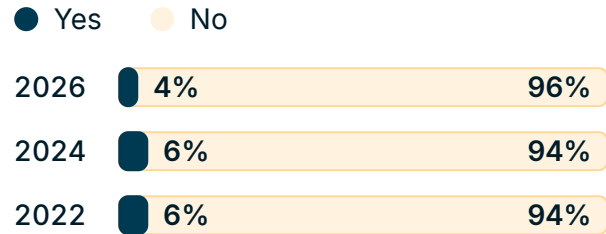
As in the previous period, Lithuanian FDI approval was required in more than half of the transactions, while the share requiring Latvian FDI approval also increased significantly. This also reflects the scope of FDI control in the respective Baltic countries.

COMPETITION CLEARANCE

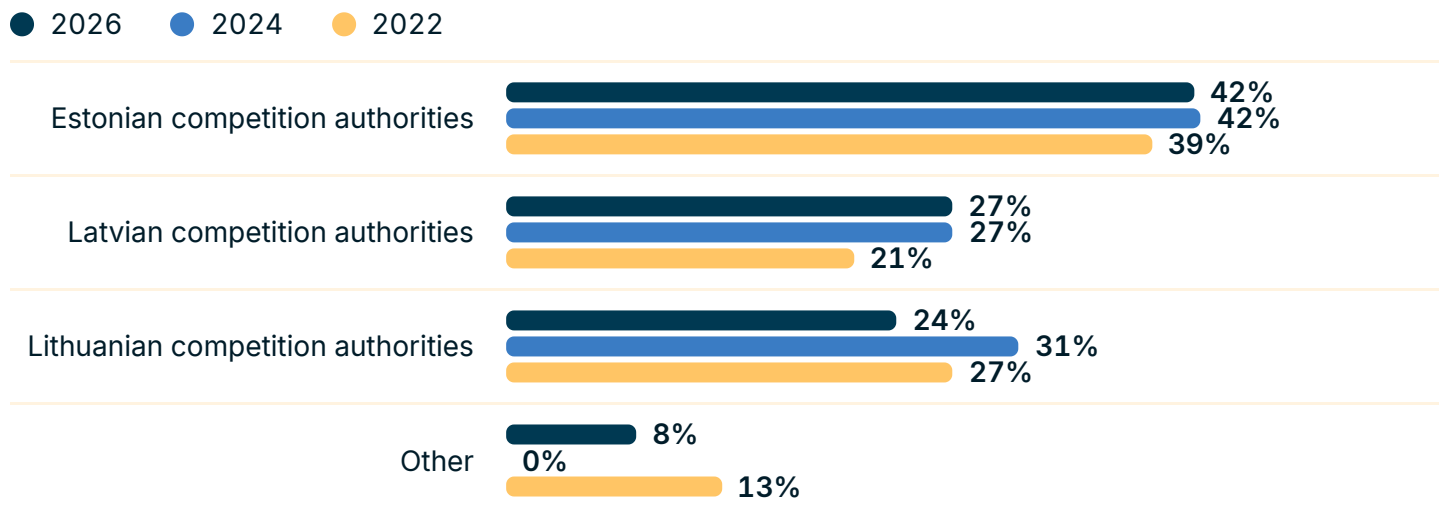
Was the transaction subject to approval by competition authorities?



Hell or high water clause



Competition authorities



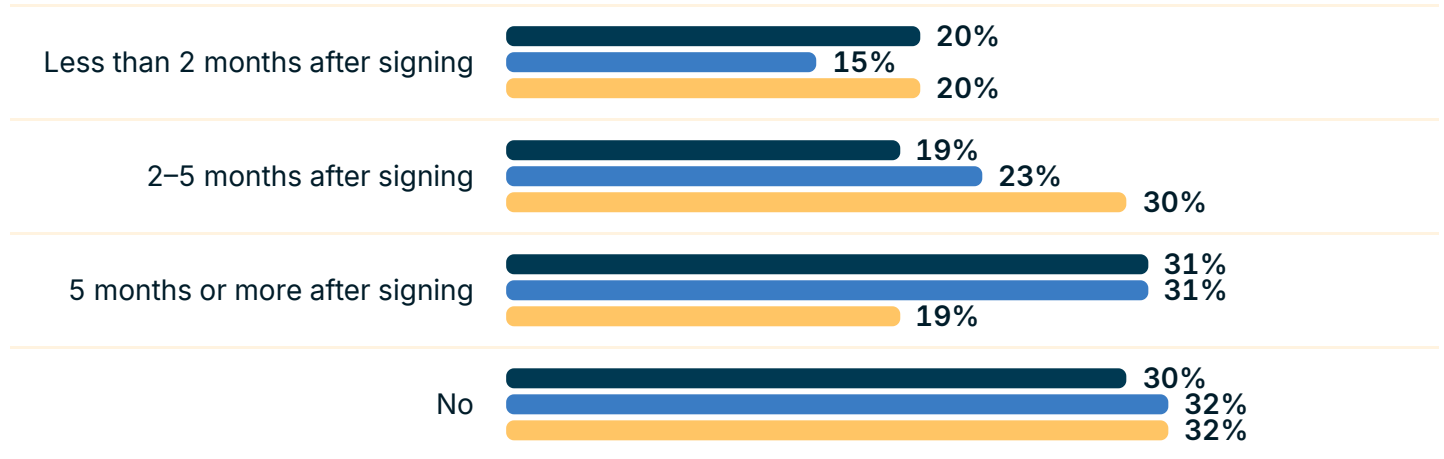
If merger clearance is needed, the most common jurisdictions are still largely in line with Target's headquarters. The larger share of Estonian competition authorities is also likely connected to Estonia's lower turnover thresholds for merger notifications.

A "hell or high water" clause is rarely used.

LONG STOP DATE

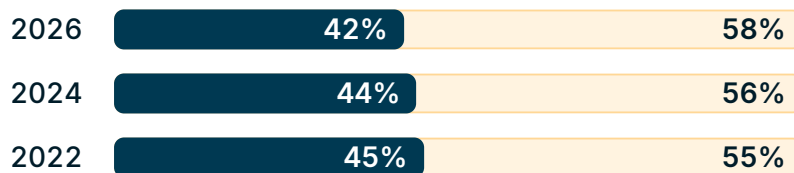
Was a long stop date used, and if yes, how long was the period?

● 2026 ● 2024 ● 2022



Is there a break fee or exit penalty?

● Yes ● No



The use of the long stop date has remained quite similar across the periods analysed, with two-thirds of the transactions using it. The most commonly used long stop period stayed at the same level of frequency as in the previous period.

A break fee (for not meeting the long stop date) is used on almost half of the occasions.



LIABILITY AND INDEMNIFICATION

SURVIVAL OF WARRANTIES

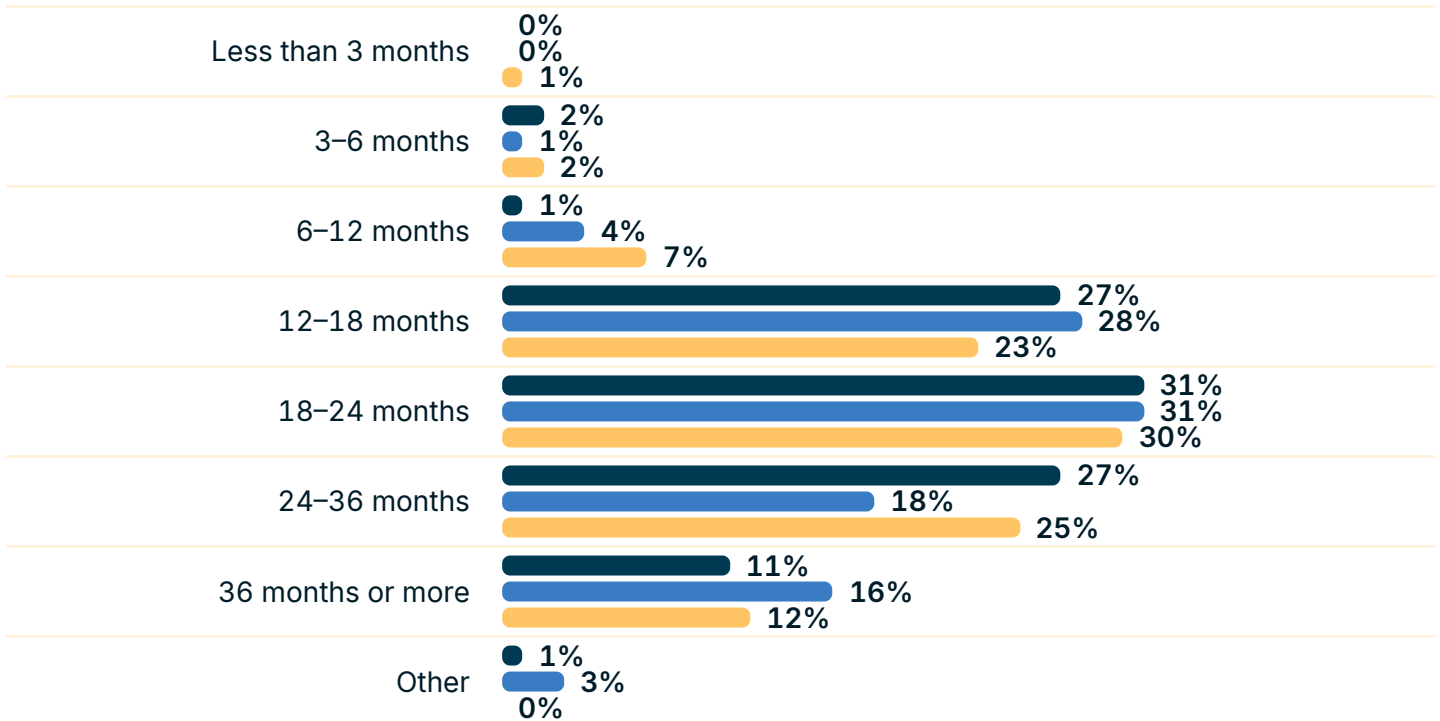
Express definition of survival of warranties

● Yes ● No



Survival period

● 2026 ● 2024 ● 2022



The survival period of warranties is defined and limited in the vast majority of transactions, with a median survival period of between one and two years.

SURVIVAL OF WARRANTIES CARVE-OUTS

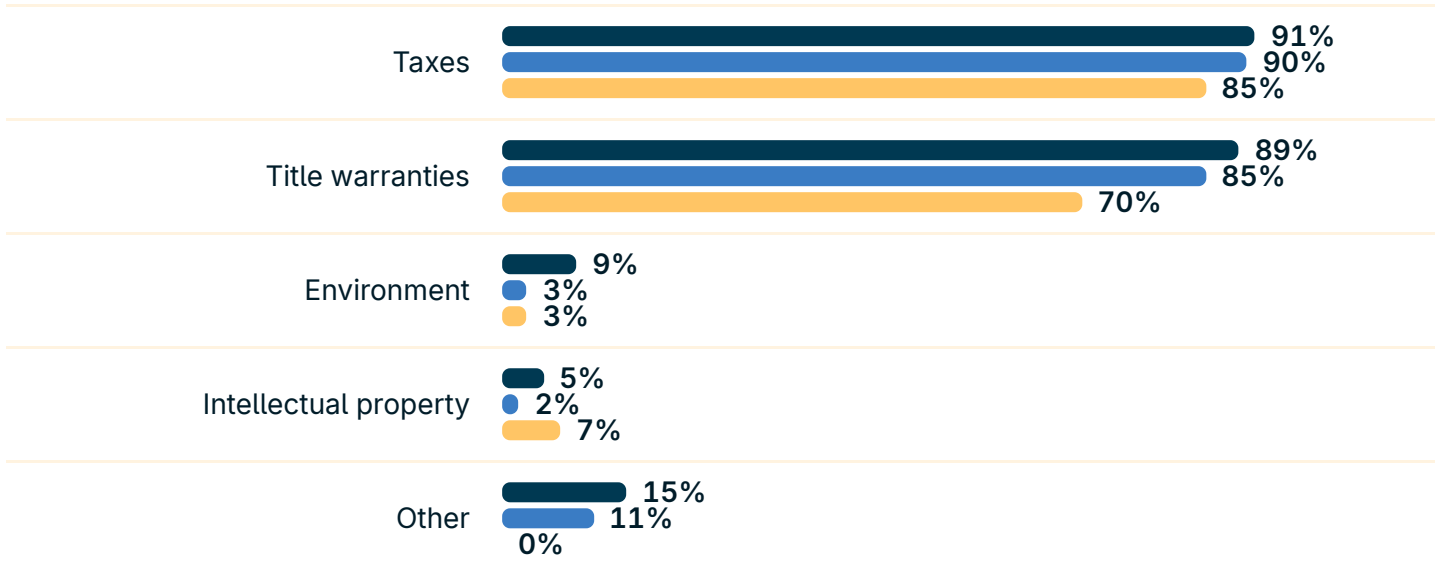
Carve-outs to time limitations

● Yes ● No



Specific carve-outs

2026 2024 2022



The use of carve-outs from the general time limitation on warranties continues a slight trend upwards.

Tax and title warranties remain the most common carve-outs from the general time limitation.

BASKETS AND THRESHOLDS

Baskets, de minimis or thresholds used for asserting claims under the warranties?

Yes No



Excess only or first dollar threshold

First dollar threshold
Deductible/excess only



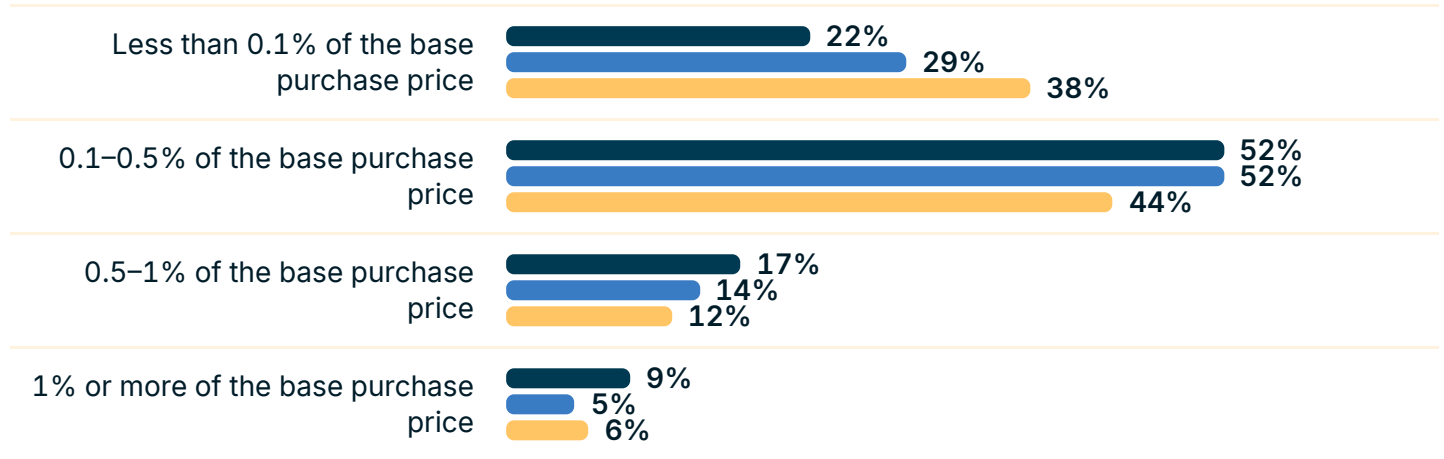
The use of baskets/thresholds remains a common practice.

The market practice in the Baltics remains first dollar (not deductible) baskets/thresholds, consistent with all previous studies.

THRESHOLDS FOR CLAIMS AND BASKETS

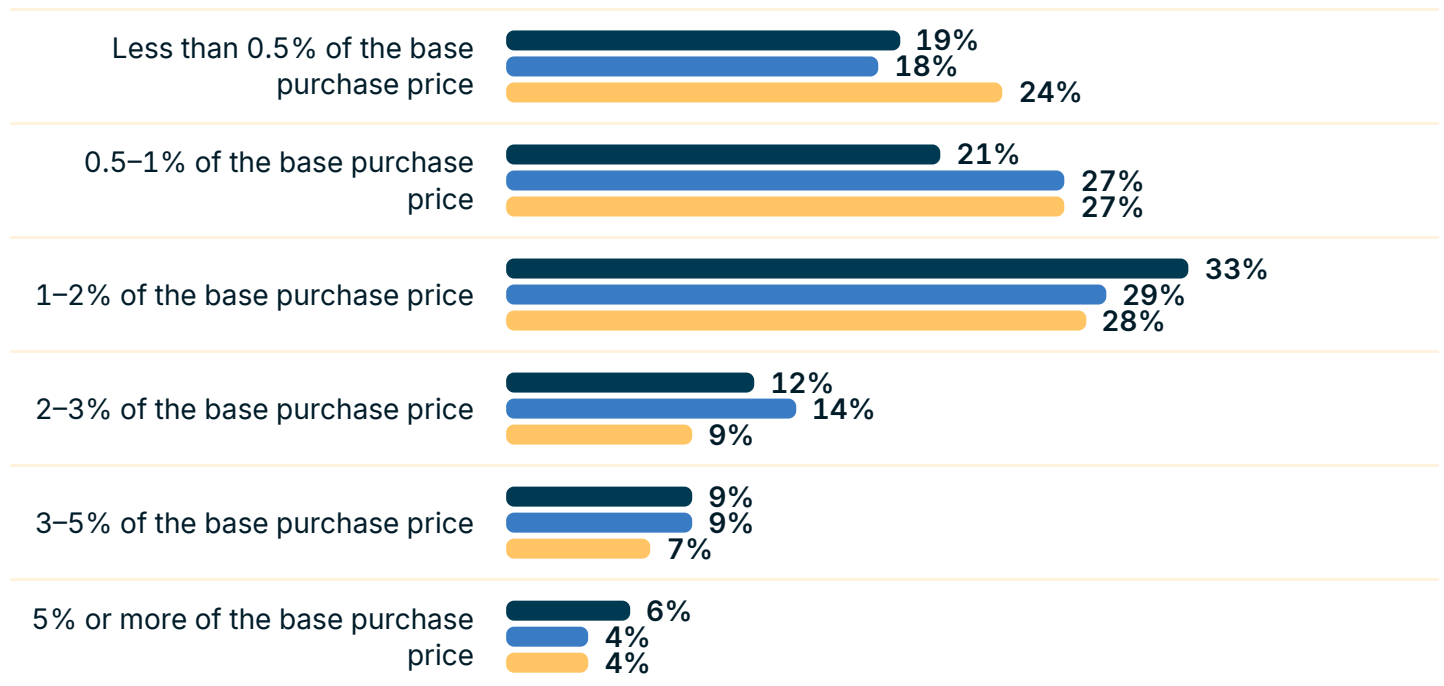
Amount of threshold per claim

● 2026 ● 2024 ● 2022



Amount of basket/threshold for the aggregate of all claims

● 2026 ● 2024 ● 2022



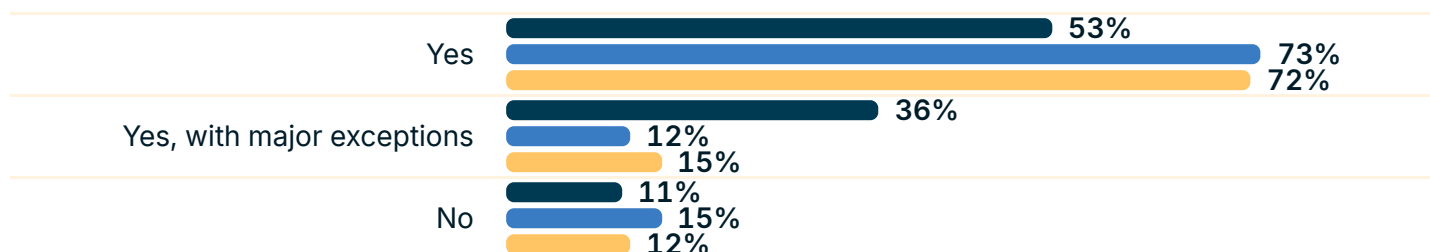
Where used, the claim threshold increased slightly relative to the purchase price, though it remains predominantly within the 0.1% to 0.5% range, with a slight upward trend.

The median for the claim's basket is around 1% to 2% of the purchase price.

OVERALL CAP ON LIABILITY

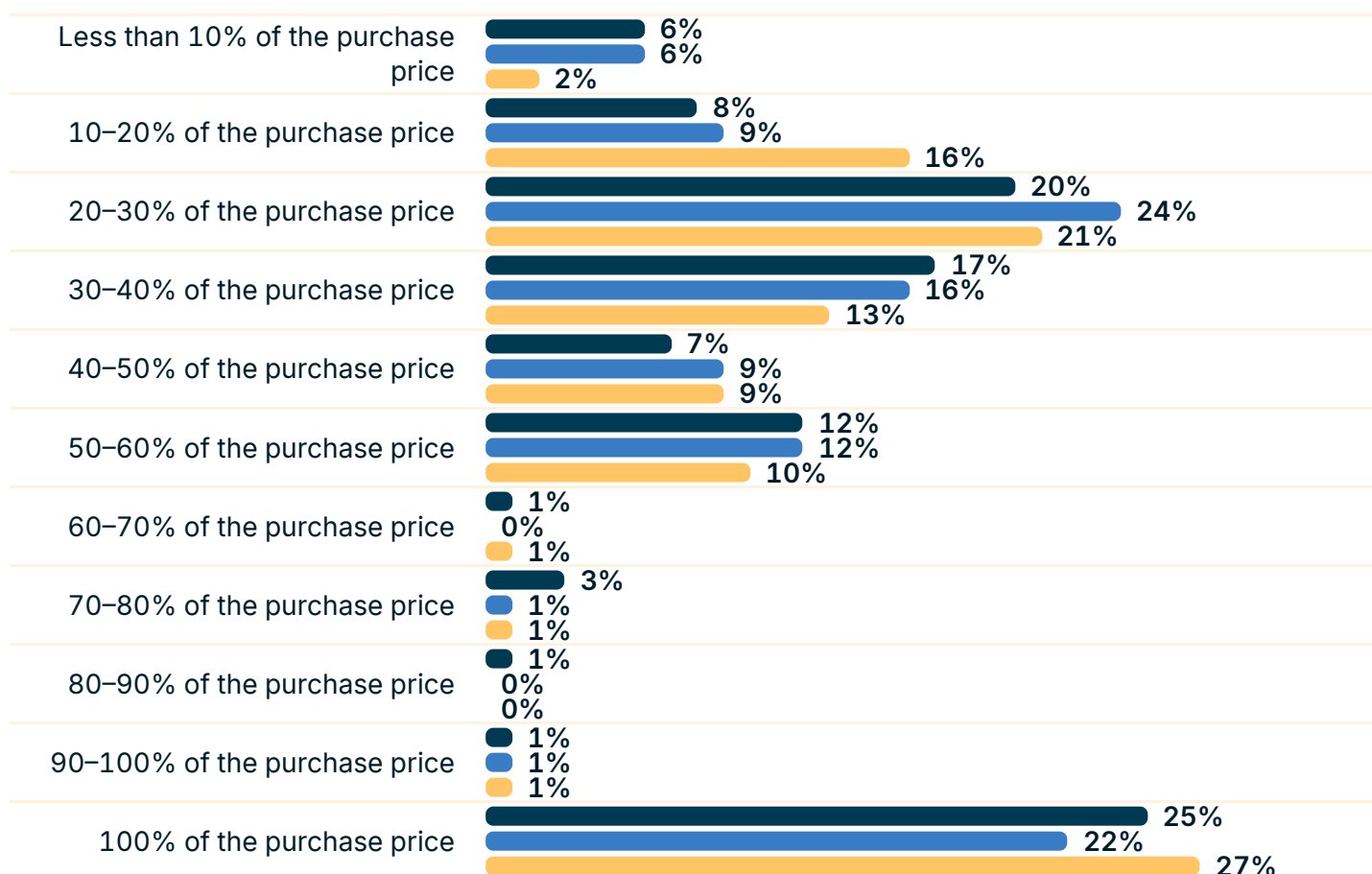
Is the Seller's liability for breach of the representations and warranties limited to a maximum total amount?

2026 2024 2022



Amount of cap on liability

2026 2024 2022



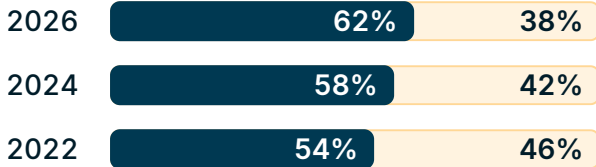
The liability cap continued to be prescribed, though the share of transactions with an unqualified cap has declined compared to previous periods, while the share prescribing the cap subject to major exceptions has risen significantly.

The overall liability cap was usually 100% of the purchase price or 20%-30% of the purchase price.

LOSS AND SPECIFIC INDEMNITIES

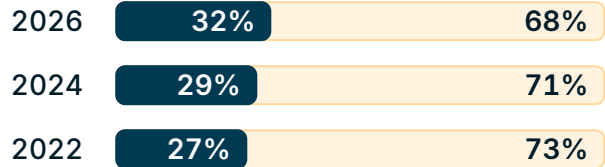
Does the agreement provide for specific indemnities?

● Yes ● No



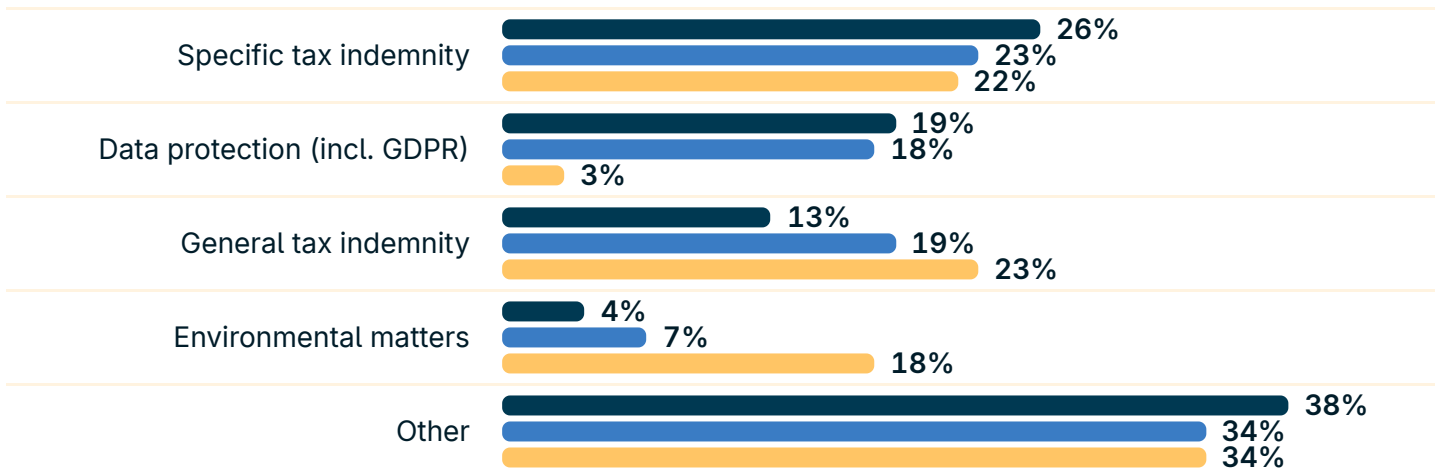
Does the agreement allow for recovery of loss of profit?

● Yes ● No



If yes, what specific indemnities are requested?

● 2026 ● 2024 ● 2022



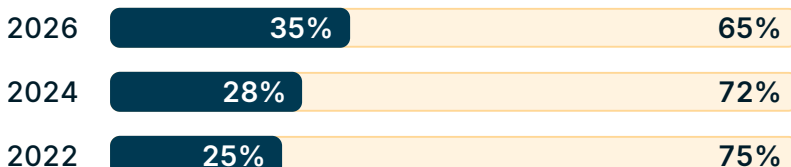
Use of specific indemnities is on a clear upward trend, now present in nearly two-thirds of agreements. If the agreement provided for specific indemnities, the most common were tax and data protection indemnities.

As in the previous period, the agreement allows for recovery of lost profit in only about a third of transactions, though this is showing a slightly upward trend.

SECURITY FOR SELLER'S OBLIGATIONS

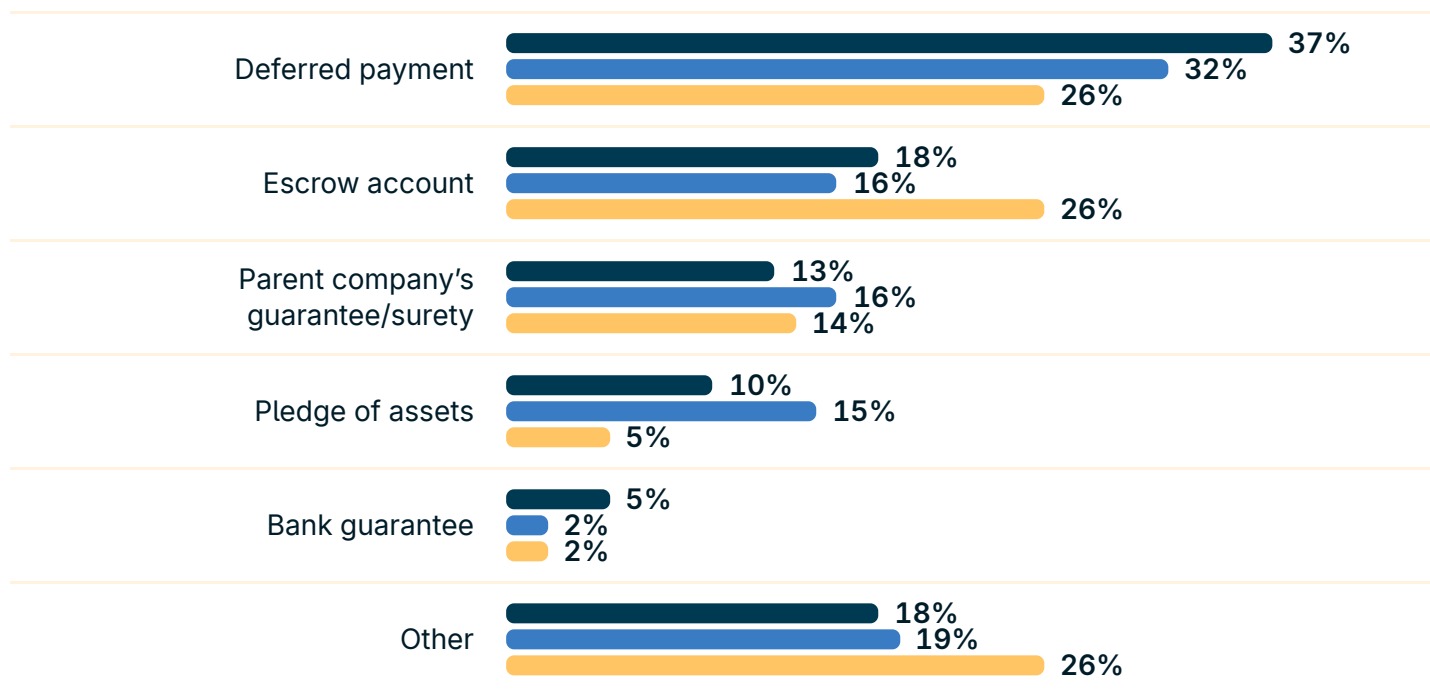
Does the agreement provide for security for the Seller's obligations?

● Yes ● No



Form of security of Seller's obligations

2026 2024 2022



As in previous periods, the majority of Baltic M&A transactions do not provide security for the Seller's obligations, although there is an upward trend towards buyers requesting such security, potentially reflecting the prevailing buyer's market.

Where security was used, deferred payment was by far the most commonly used option, while escrow, parent company guarantee/surety and pledge of assets are also quite common security forms.

M&A INSURANCE

Was any R&W insurance used in the transaction?

Yes No



The use of R&W insurance in Baltic M&A transactions has begun to increase, though it remains significantly less common than in the Nordics and Western Europe.

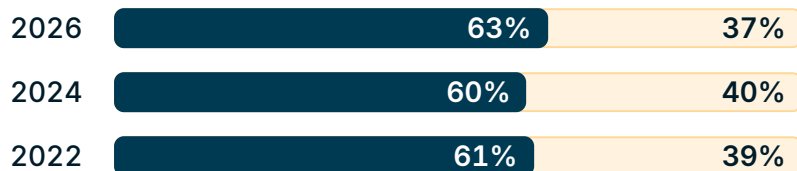


COVENANTS

SELLER'S NON-COMPETITION OBLIGATION

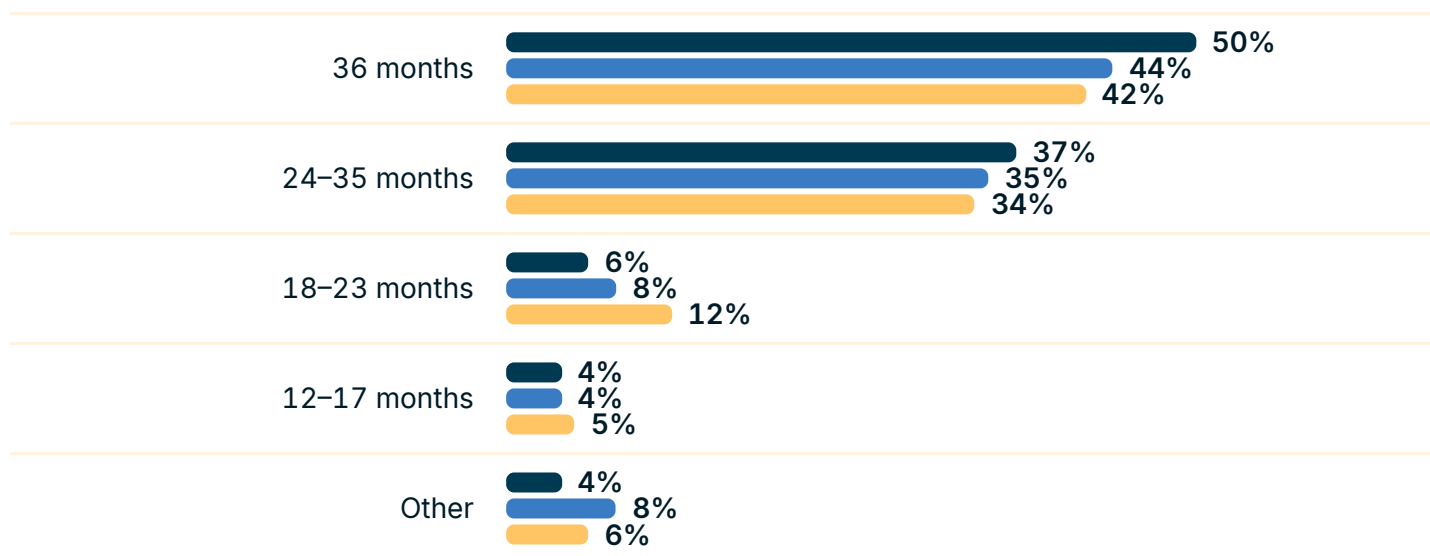
Agreement imposing a non-competition obligation on the Seller

● Yes ● No



Duration of the non-competition obligation

● 2026 ● 2024 ● 2022

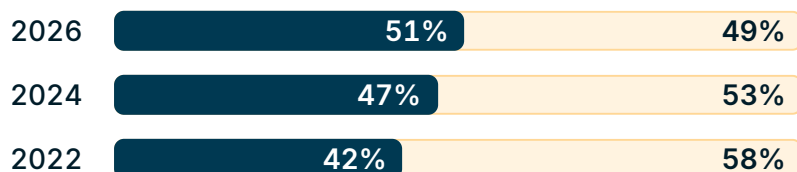


As in previous periods, more than half of the analysed transactions prescribed a non-competition obligation on the Seller.

If prescribed, the non-competition obligation lasted 36 months in half of the analysed transactions.

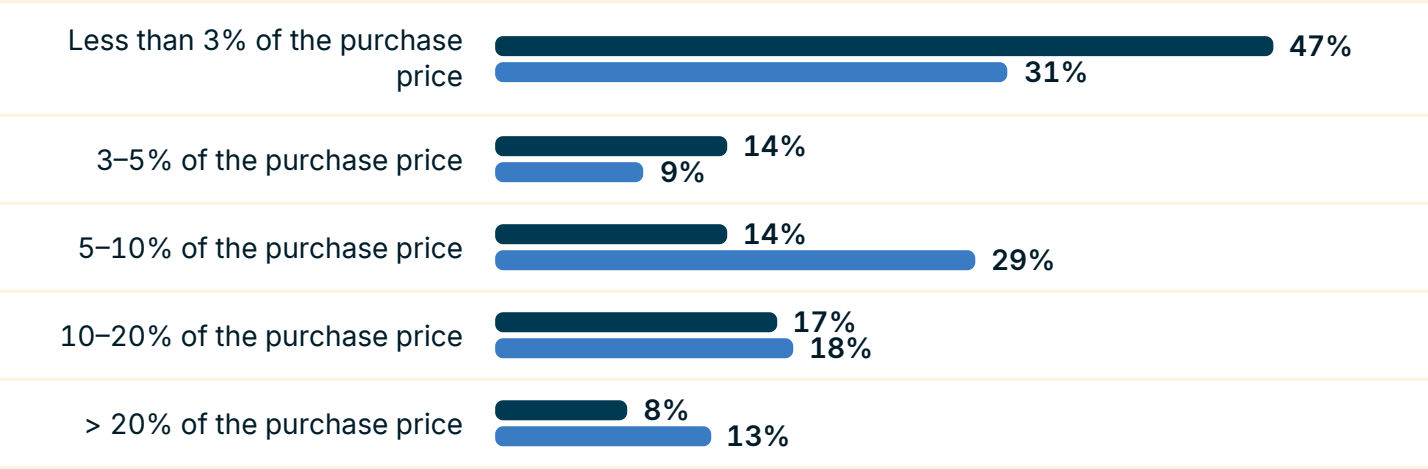
Penalty for non-competition breach

● Yes ● No



The amount of the penalty

2026 2024



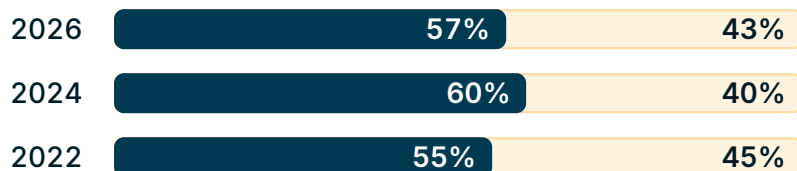
Penalties for breach of the non-competition obligation were included in half of the analysed transactions.

If included, the amount was mostly less than 3% of the purchase price.

SELLER'S NON-SOLICITATION OBLIGATION

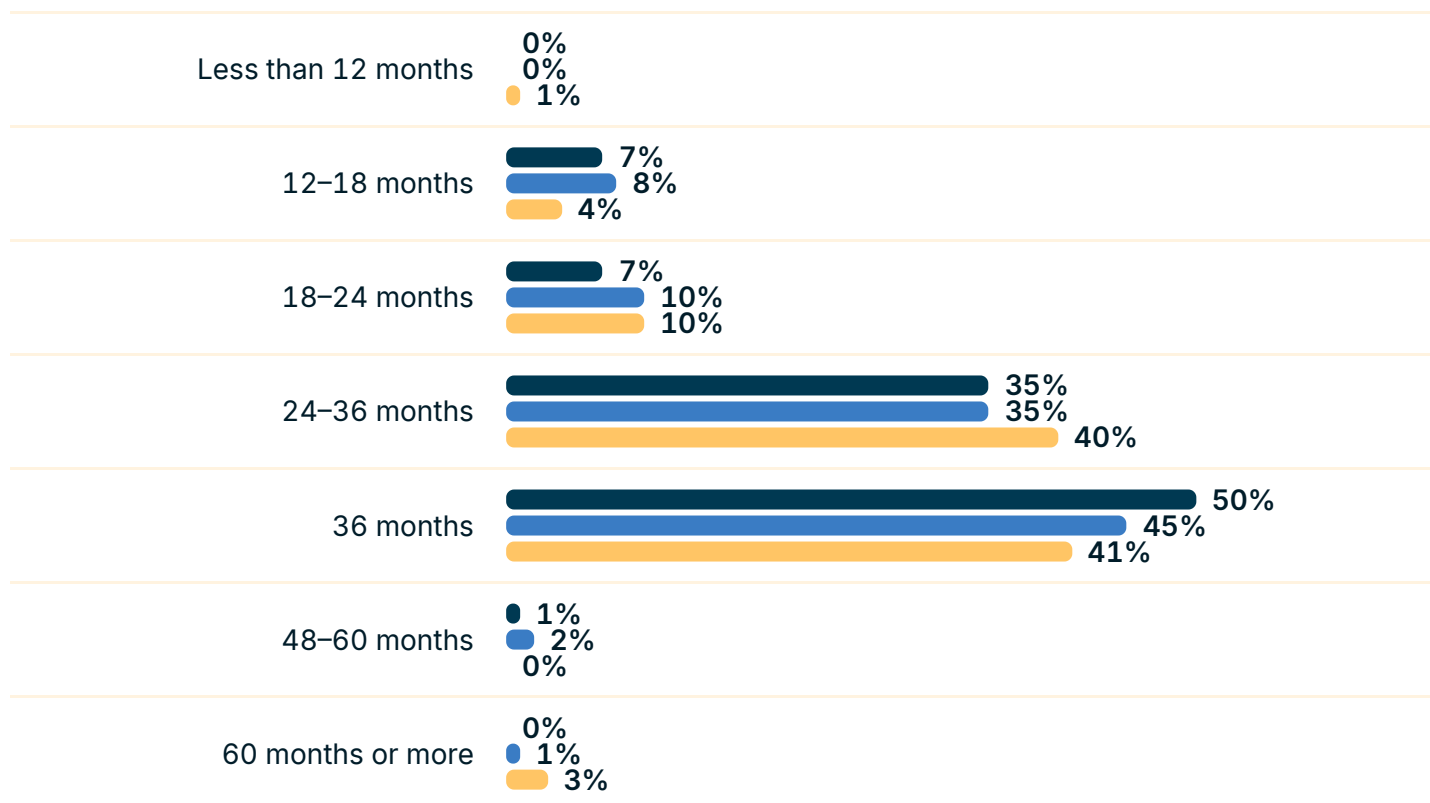
Non-solicitation obligation of the Seller

● Yes ● No



Duration of the non-solicitation obligation

● 2026 ● 2024 ● 2022



Non-solicitation obligation of the Seller is slightly less common than the non-competition obligation.

If used, the term of such obligation coincides with the term of the non-competition obligation (36 months).

CONFIDENTIALITY OBLIGATION

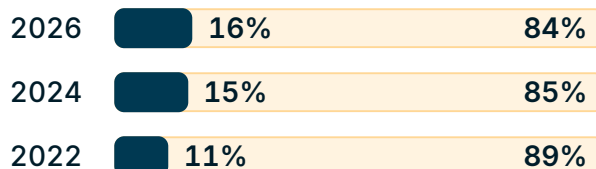
Agreement contains a confidentiality obligation

● Yes ● No



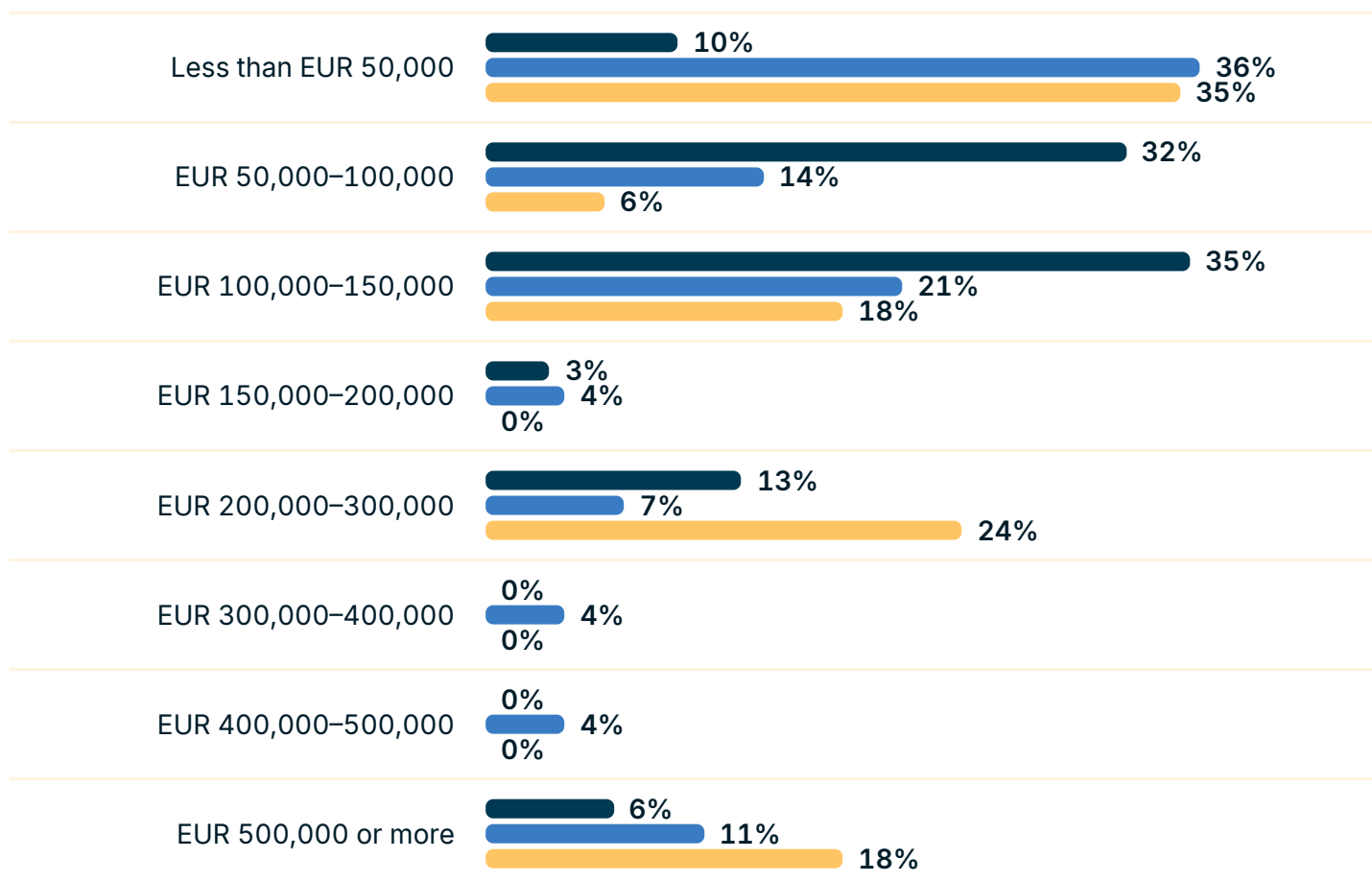
Agreement contains a penalty for breach of confidentiality

● Yes ● No



Amount of penalty (if included)

● 2026 ● 2024 ● 2022



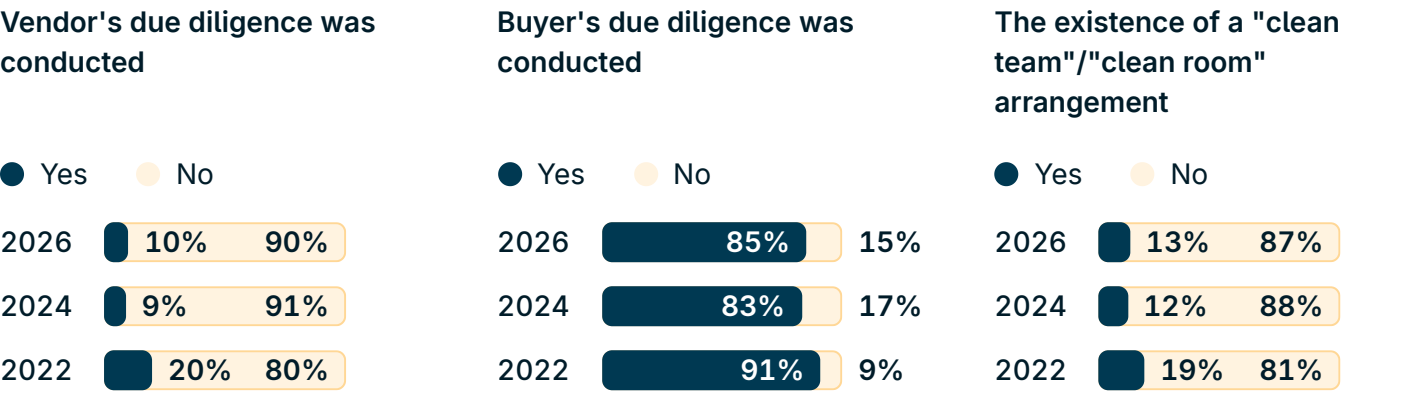
Most transactions impose a specific confidentiality obligation on the parties. However, the confidentiality obligation is not commonly secured by a penalty, even though this is slightly trending upwards in frequency.

In cases where the confidentiality obligation was secured by a penalty, the median penalty amount ranged from EUR 100,000 to EUR 150,000.



DUE DILIGENCE

DUE DILIGENCE



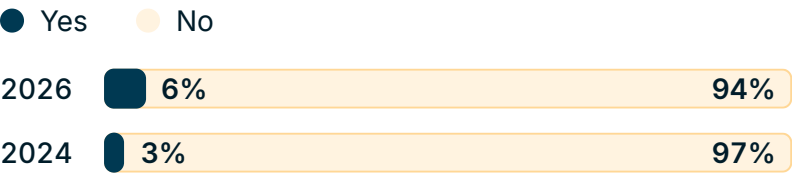
While buyers routinely conduct due diligence, due diligence carried out by vendors remains quite rare in the Baltic countries. This aligns with the low usage of controlled auctions in the Baltics.

Consistent with previous studies, buyers conducted due diligence in most cases.

Clean team arrangements to secure the most sensitive information are still rarely used in Baltic transactions.

DUE DILIGENCE

Was there an ESG focus in the DD process?



Although ESG is becoming increasingly important, it is still rarely a separate focus in the due diligence process.

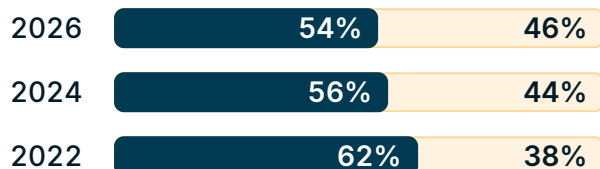


LETTER OF INTENT AND LENGTH OF TRANSACTION PROCESS

LETTER OF INTENT

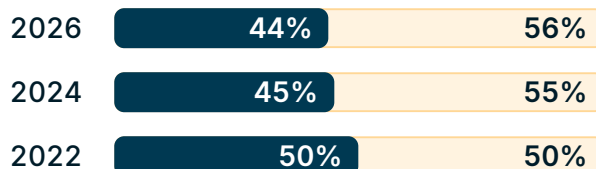
Negotiations formalised by signing a letter of intent, term sheet or similar document

● Yes ● No



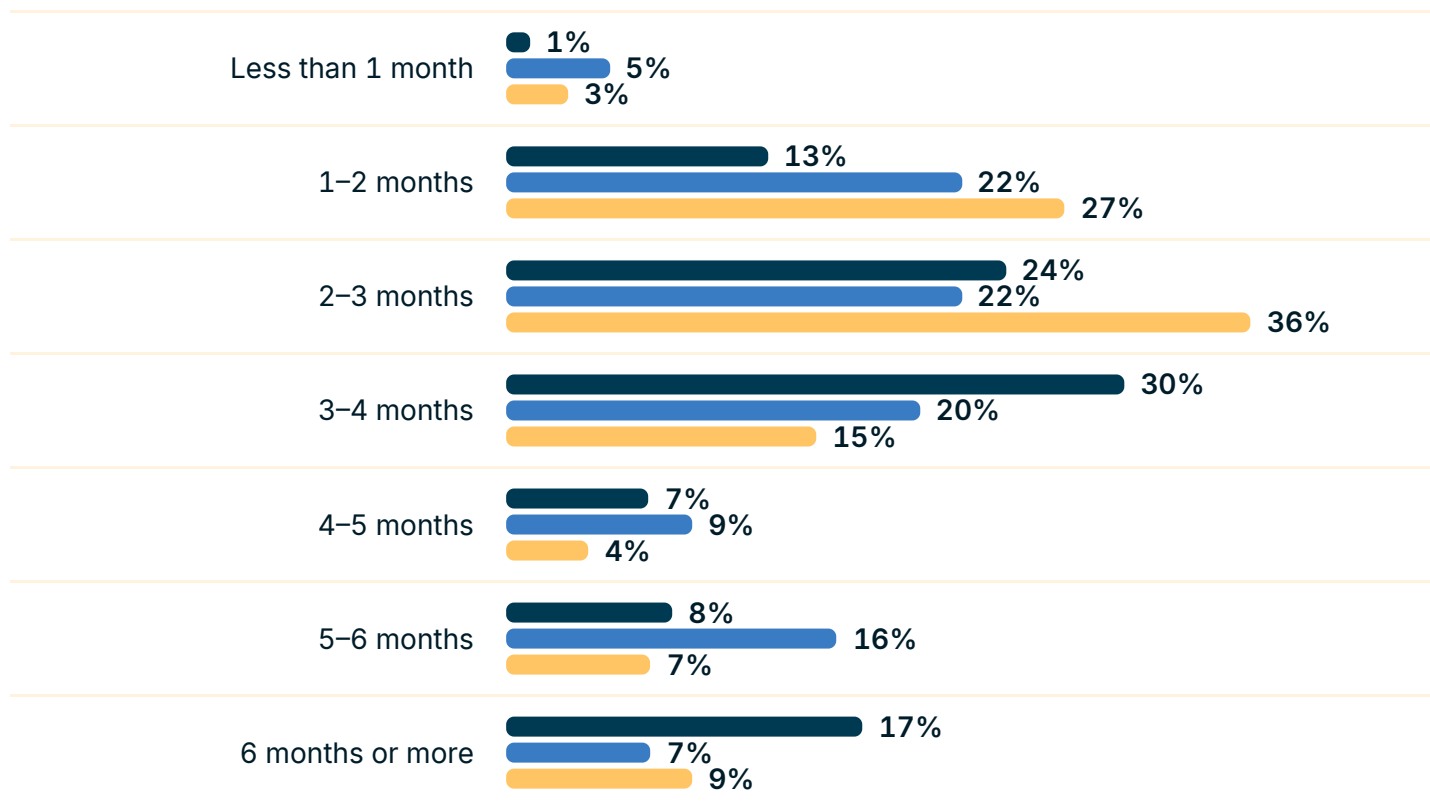
Does the letter of intent provide for exclusivity?

● Yes ● No



Period of exclusivity

● 2026 ● 2024 ● 2022



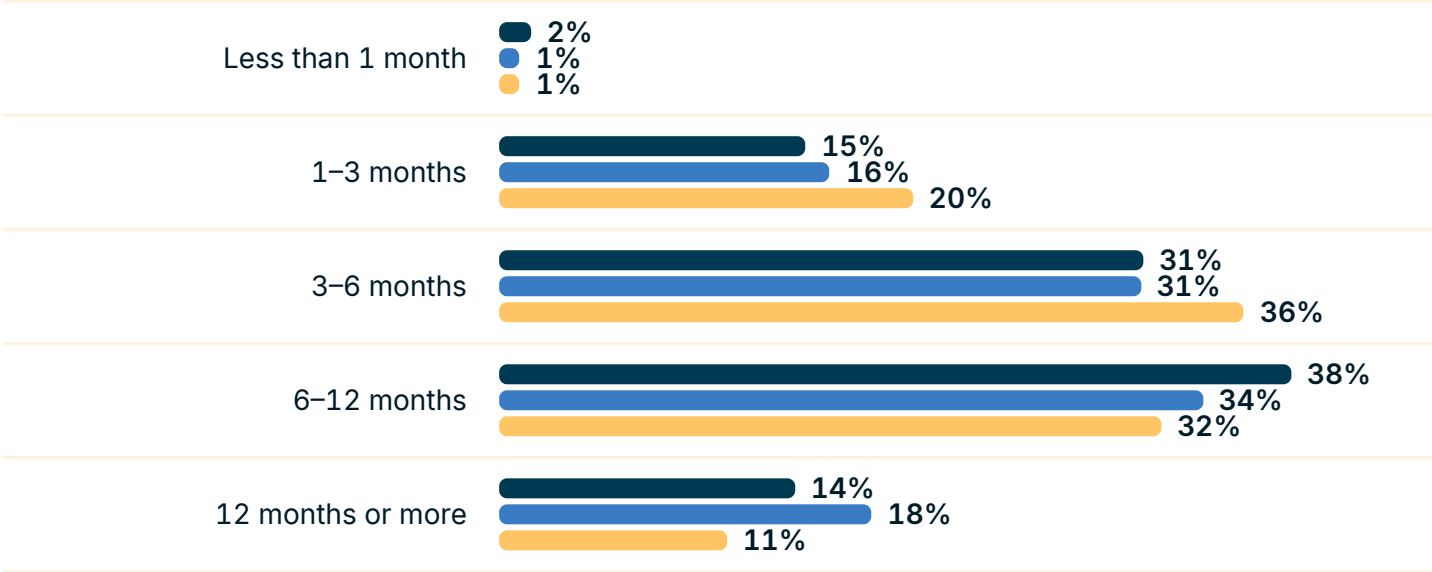
The use of a letter of intent (or a memorandum of understanding or term sheet) occurs in more than half of transactions, though this share has slightly decreased compared to the previous period.

If a letter of intent (or memorandum of understanding or term sheet) was used, an exclusivity period was agreed upon in less than half of occasions.

The length of the exclusivity period, where used, has increased from a typical 2–3 months to 3–4 months, correlating with the broader trend of longer transaction processes.

LENGTH OF TRANSACTION PROCESS

● 2026 ● 2024 ● 2022



The average transaction process lasts 6 to 12 months.

FINAL REMARKS

The survey analysed 198 private M&A transactions completed during the period April 2024–March 2026. This was a time marked by continuing turbulence due to macroeconomic and geopolitical issues, with an increasing number of armed conflicts in addition to the war in Ukraine adding to the uncertainty. Despite this, the Baltic M&A market remained resilient.



During 2024–2026, the most active economic sector in the Baltic M&A market was technology. The share of energy and utilities M&A transactions dropped significantly, likely reflecting reduced activity amid considerable political uncertainty about the future.



Exits by individuals and family-controlled sellers have been trending upwards, now accounting for an equal share of the market alongside strategic sellers, indicating an increasing generational shift in the Baltics.



The value of the median Baltic M&A transaction has remained at the same level as in previous periods, with over half of the transactions under EUR 10 million, although the share of megadeals (EUR 50–100 million and above EUR 100 million) is again showing an upward trend.



Buyer-friendly protections continued to strengthen in 2024–2026, with specific indemnities and security for the Seller's obligations increasingly requested, and full-disclosure warranties now standard in around two-thirds of transactions.

R&W insurance is still rarely used.

States continue to expand the scope of FDI controls, requiring approval for a growing share of transactions, and transaction processes have lengthened to an average of 6–12 months.

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