



Lithuania

Topic:
Finance

Achievement:
Resilience through
Finance

Sector:
Design & Fashion Artistic
Crafts

Scaling a Purpose-Driven Fashion Brand: Growth Through Investment and Loans

The Knotty Ones, a Lithuanian fashion brand, demonstrates how purpose-driven businesses can sustainably scale by strategically combining business angel investments and EU-backed loans, while preserving their mission of empowering local artisans.



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Challenge

The Knotty Ones was founded to elevate Lithuanian knitting traditions and reshape perceptions of knitwear. Prioritizing growth over profit, the team sought smart investors with industry expertise. As a seasonal business, they faced cash flow gaps, especially in 2022, when large U.S. wholesale orders arrived off-season, requiring upfront investment. To scale their B2B operations sustainably, they needed financing to bridge these seasonal challenges.

Solution

The Knotty Ones spent six months securing aligned investors, eventually gaining support from three business angels and Coinvest Capital in 2020. As B2B opportunities grew, they needed more funding to handle off-season wholesale orders. In 2022, they secured a European Investment Fund-backed loan via Noviti, helping them invest in production, manage cash flow, and scale sustainably.

Impact

With the right investors on board, The Knotty Ones gained not just capital, but long-term partners who helped shape their growth. Today, 92% of their products are sold internationally, with 60% in the US. Support from experienced investors has broadened their vision, enabling them to plan for expansion and empower local artisans abroad.

Milestones & Learnings

Finding the Right Investors during startup phase: Know what kind of investment you need. Perseverance and open communication are crucial when seeking investors.

Securing EU-Guaranteed Loan: Public-backed financing can be more accessible than traditional bank loans for early-stage businesses.

Building Networks: Success came from actively researching, networking, asking for advice, and staying persistent is key.

Scaling B2B Activities: Flexible financing solutions helped to fulfil large international orders and strengthen their global market presence.

Be strategic about financing choices, stay resilient, and combine different ones.

Key Takeaways

- Understanding your financial needs is key, whether it's shorter-term financing through loans or longer-term investment from business angels.
- Smart money matters, as the right investors provide guidance, not just capital. Nonetheless: finding investors requires persistence and research.
- Ultimately, diversifying your financing sources, combining loans and investment, enables sustainable growth while preserving your mission.

Read more about the Knotty Ones on their [official website](#).

