fi-compass Showcase 2025

Venture Capital Investments in Latvia – Growing Impact

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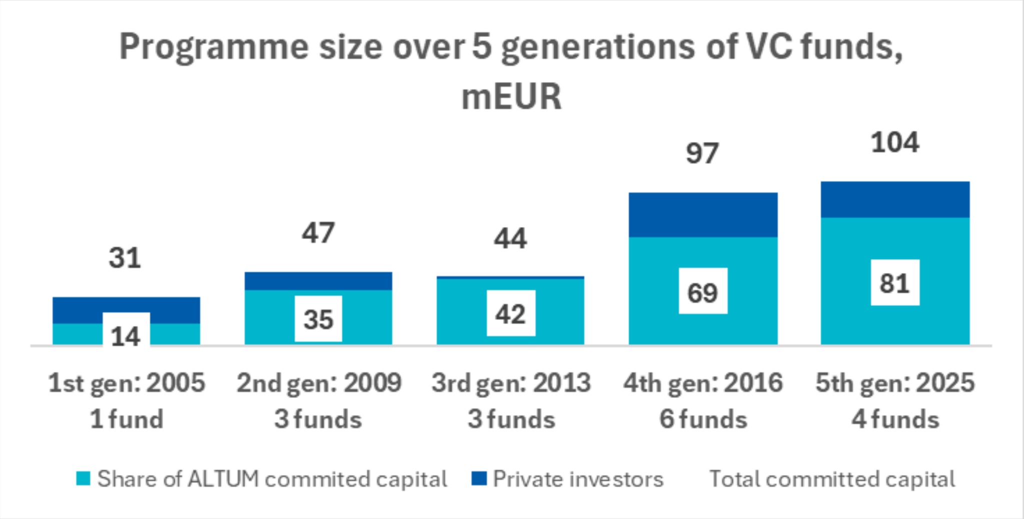
Demonstrating growing impact

• Objectives of operation • Impacts achieved • Growth over time

- Altum has been investing in venture capital (VC) funds **since 2005**, and in 2025 already the 5th generation of early-stage funds have begun their operations
- VC funds find and invest in the **most promising teams, ideas and products** to foster innovation and scalable business models that bring impact in Latvia, EU and globally
- Over the years both the public and the private funding has grown **to finance the market gap** as the need for equity finance **in the Baltic region** is ever increasing
- The full impact can be seen over a longer period and after the investments have been realized – time span of ~10-15 years:
  - 2nd and 3rd generation funds have invested ~77m EUR public funding, and in return the supported companies have grown their turnover **by 85%** and paid in **taxes more than 116m EUR**
  - 4th gen funds have invested 45m EUR from ERDF, and the companies have **grown** their **turnover by 86%** and increased their **headcount by 25%**



*choose from: (1) growing impact (2) constructive collaboration (3) innovation

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Demonstrating growing impact

• Lessons learned • Critical success factors

1. Public Capital Can Catalyze a Private Ecosystem — **If Done Right**
   - Strategic public investment can **unlock significant private participation** and professional fund management capacity
   - Latvia's public LP model demonstrated that **public anchor commitments attract private** LPs, accelerating ecosystem maturity
   - The program helped establish locally based, institutional-grade fund managers now **capable of raising private capital** independently
   - Government support is essential for the early-stage investments
2. Professional Fund Managers Are the **Core** of a Sustainable **Ecosystem**
   - Selecting and **nurturing** strong, repeatable fund management **teams** delivers the most durable impact
   - We've seen that **long-term relationships** with managers matter more than short-term calls for proposals
   - Managers that **combine local** sourcing with **international** co-investors deliver higher impact and returns
   - Investments combined with **additional services** (pre-acceleration, acceleration services) are one of **key drivers** of success for early-stage investments
3. Regional Scale and Cross-Border **Cooperation** Are Essential
   - Small national markets can achieve scale through **regional coordination**
   - **Cross-border** fund mandates strengthen pipeline **diversity** and manager specialization as well as helps in **balancing** the portfolio and **risks**
4. **Visibility** and communication about the success stories and innovative products made in Latvia is critical to **boost confidence** and «yes, we can!» attitude as well as to encourage the next generation of students, scientists, entrepreneurs

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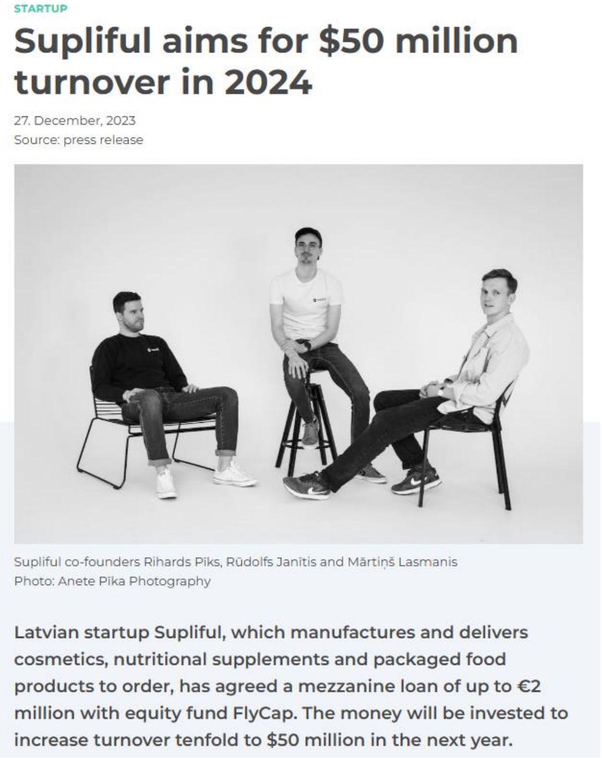
Project examples

Cellbox Labs – organ on a chip technology

Click here

Supliful – private label wellness products



STARTUP

Supliful aims for $50 million turnover in 2024

27. December, 2023
Source: press release

Supliful co-founders Rihards Piks, Rūdolfs Janitis and Mārtiņš Lasmanis
Photo: Anete Pika Photography

Latvian startup Supliful, which manufactures and delivers cosmetics, nutritional supplements and packaged food products to order, has agreed a mezzanine loan of up to €2 million with equity fund FlyCap. The money will be invested to increase turnover tenfold to $50 million in the next year.

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Catalyco – industrial waste recovery champions

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Project examples

Click the video to see our inspiring companies in action!

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Financial instrument information

Category: *growing impact*

Name of financial instrument	***Venture Capital Investments***	
EU Fund(s)	**Programme contribution/ Total size**	**Product(s)**
European Regional Development Fund	*EUR 45.2 million ERDF / EUR 97 million total committed capital*	*Risk finance investments, equity, quasi-equity investments, convertible loans*

Description	*Short summary of operation*

ALTUM invests substantial ERDF and state funds in the venture capital (VC) sector, providing initial funding for **early-stage companies** to develop an idea or create a product, and providing funding for **growth stage companies** to increase capacity or expand into new markets if traditional means of financing are not available.

In the 2014-2020 programming period Altum selected and **invested in 6 funds** – the **4th generation of VC funds in Latvia**. With **45 million** EUR from ERDF and adding additional national private and public funding the total **committed capital** of the funds **was 97 million EUR**. Altum invested in **technology accelerators** and **pre-seed and seed funds**, as well as **growth stage** funds.

VC funds have contributed to the establishment of many start-ups with high added value products in IT, sciences and manufacturing industries – **investing in 204 companies** (145 of those – new companies) from 2018 until 2024. The funds are going to exit their investments by 2026.

These investments help **bridge the gap** in financing for SMEs that may struggle to access traditional bank loans or other forms of funding due to their higher risk profile. As the capital market matures, the proportion of private funding in venture capital sector increases.

Country/Managing authority	*Latvia, Ministry of Finance, Ministry of Economics*
Implementing bodies	*Development Finance Institution ALTUM*

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Thank you!