



## EIF RELEASES EUR 30 MILLION FOR SMEs IN LATVIA

**By The European Investment Fund (EIF) Board decision BaltCap Management Latvia has been selected to manage a new venture capital fund dedicated to investing in small and medium-sized enterprises (SMEs) in Latvia. The fund is expected to be set-up and operational in the second half of 2009 with the target fund size EUR 30 million (mn).**

The fund will provide start-up and expansion financing for micro, small and medium size companies with growth potential located in Latvia taking equity stakes between EUR 0.3 – 3 mn in each enterprise with the aim to build a diversified portfolio of 15 – 20 investments.

The EIF concluded a process known as a “call for expression of interest” for a JEREMIE Holding Fund which attracted a total of 17 applicant companies from Latvia, Estonia and Lithuania. The EIF conducted a thorough analysis process to select the best applicant against set criteria and using the EIF's Risk Capital expertise built up through investing close to EUR 3.7 billion (bn) into over 300 Funds across Europe over the past 15 years.

The Minister of Economics, Artis Kampars, appreciates the fact of selecting a management company for the new venture capital fund and notes: *“Following the decision by the European Investment Fund Latvia’s SMEs will receive 30 million euros providing them with an opportunity for growth and development”*.

The EIF is also in advanced stages of concluding a similar process for the selection of a financial intermediary to manage a specialist Seed and Start up Fund dedicated to Latvia with an envisaged amount of EUR 21.4 mn. Once the selection process is completed and full EIF Board approval is obtained, a separate announcement will follow.

### **About JEREMIE**

JEREMIE (Joint European Resources for Micro to Medium Enterprises) is a joint initiative launched by the European Commission (DG Regional Policy) and the European Investment Bank group to improve access to finance for SMEs in the EU within the Structural Funds framework for the period 2007 - 2013. JEREMIE enables the EU Member States and regions to put money from the structural funds and also national resources into holding funds that can finance SMEs in a flexible and innovative way.

### **About EIF**

EIF's central mission is to support Europe's SMEs by helping them to access finance. EIF designs and develops venture capital and guarantees instruments which specifically target this market segment. The EIF total net commitments to private equity funds amounted to over EUR 3.7 bn at 30<sup>th</sup> June. With investments in over 300 funds, the EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments.

### **About BaltCap**

BaltCap has significant previous experience in this area targeting SMEs with high growth potential in the Baltic States. Since 1995 BaltCap has raised 5 different funds with the total size of 130 mn EUR, invested in 38 companies and completed 23 exits. Statistics from BaltCap’s fund specifically targeted at SMEs, Baltic SME Fund, show that since BaltCap investment, the

aggregate sales of Baltic SME portfolio companies have grown 275% and the number of employees has grown 23%. BaltCap Latvia team in particular has experience in start-up and expansion financing via investments of companies such as Hanzas Elektronika, SAF Tehnika, Papermill Ligatne, V.L.T., DEPO DIY and others.

### **THE LATVIAN INSTITUTE**

The Latvian Institute (Latvijas institūts) was established by the Latvian state to provide a wide range of information about Latvia, its society, culture and history.

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