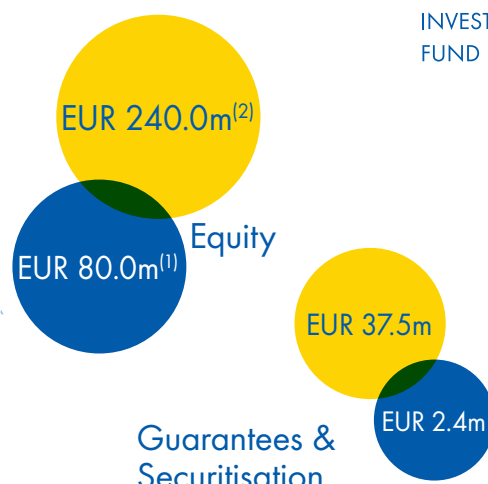


# EIF in Latvia



## Key figures (at 31.12.2014)

- First EIF operation in Latvia: 2001
- 7 supported private equity funds invested in Latvian SMEs
- 5 partner banks
- Over 500 Latvian SMEs supported

- Outstanding commitments
- Expected mobilised resources

(1) Outstanding, including conditional, commitments in the Baltic Region  
 (2) Expected mobilised resources in the Baltic Region

## Support to SMEs in regionally specific ways through EU Structural Funds

To support entrepreneurship in Latvia, EIF has designed and successfully launched a broad number of debt and equity financial instruments under the JEREMIE initiative (Joint European Resources for Micro to Medium Enterprises), by utilising the European Regional Development Fund (ERDF) resources made available in the period 2007-2013. The JEREMIE initiative offered EU Member States, through their national or regional Managing Authorities, the opportunity to use part of the allocated Structural Funds to finance SMEs by means of equity, loans or guarantees, through a revolving fund acting as an umbrella fund. The EUR 91.5m JEREMIE Holding Fund was set up by EIF in 2008. In 2012, as agreed since the launch of the initiative in Latvia, its management and the related transactions were transferred to the Latvian Development Finance Institution, Altum.

second closing and is now the largest investment fund launched by BaltCap in the region. In December 2014, EIF invested in BPM Mezzanine, a first-time team setting up a first mezzanine fund in Baltics for a quite a few years. EIF investment consisted of EUR 15.0m under BIF and EUR 15.0m under RCR (former MFG), with the fund reaching EUR 70.0m.

## Guarantees & Securitisation

Under JEREMIE, EIF concluded Funded Risk Sharing debt facilities transactions with Swedbank and SEB bank, the two major banks in Latvia.

## Equity

EIF investments in Latvia cover a wide range of the equity spectrum, from early-stage operations to mezzanine funding. Under JEREMIE, equity transactions were concluded with Imprimatur Capital Baltics, supporting technology-based seed and start-up companies, and BaltCap Latvia Venture Capital Fund, supporting start-ups and mature companies with international growth potential.

Under the Competitiveness and Innovation Framework Programme (CIP), EIF is cooperating with Altum in order to support its risk-taking capacity and thus enhance access to finance of Latvian SMEs to boost the competitiveness of the local economy by creating new jobs and supporting new entrepreneurs.

In 2012, EIF launched the Baltic Innovation Fund (BIF), a EUR 100.0m fund-of-funds established in partnership with three national development finance agencies in Latvia, Estonia and Lithuania to boost equity investments into high-growth SMEs located in the region. BIF, the first multi-country "fund-of-funds" in Europe created by EIF, is represents a EUR 40.0m investment by EIF with each Baltic Government committing EUR 20.0m through their respective national agencies (Altum in Latvia, previously LGA). BIF generated strong interest from new and existing management teams and the first investment was announced only two months after the start of the investment period in 2013.

Under BIF, EIF invested EUR 20.0m into BaltCap Private Equity Fund II (BPEF II), managed by BaltCap, one of the leading independent private equity firms in the Baltic States since 1995. As the result of the investments made by EIF, EBRD and the larger Baltic pension funds, BPEF II reached EUR 81.5m of available capital at the

## EIF at a glance

EIF's mission is to support Europe's micro, small and medium sized businesses (SMEs) by improving their access to finance. EIF primarily designs, promotes and implements equity and debt financial instruments which specifically target this market segment. EIF support to enterprises is provided through a wide range of selected financial intermediaries (Venture and Growth Capital funds, banks, guarantees institutions, microfinance institutions etc.) across Europe. In this role, EIF fosters EU objectives in support of entrepreneurship, growth, innovation, research and development, and employment.

EIF is a public-private partnership whose tripartite shareholding structure includes the European Investment Bank (EIB, 63.7%), the European Union represented by the European Commission (24.3%) and 26 financial institutions from 14 European Union Member States and Turkey (12.0%).

EIF manages resources on behalf of the European Commission, the EIB and further national and regional bodies. EIF is part of the EIB Group. EIF has an authorised capital of EUR 4.5bn, divided into 4,500 shares.

Interinfo is one of many companies who have benefited from the EU support through the Competitiveness and Innovation Framework Programme (CIP). CIP allowed BaltCap to give Interinfo the capital to grow its business.

## Case study



**Company:**  
Interinfo Latvija SIA, Riga

**Type of business:**  
Advertising

**EU-supported investment  
through BaltCap**

Not able to find an address for a good restaurant or a reliable builder? Then Interinfo may be able to help. The company started in 1996 by producing telephone directories for delivering information on businesses. Due to rapid digital market changes, the company realised that to take a step further they needed to offer their clients faster web-based services.

With the help and support of the EIF-backed venture capital fund BaltCap, they were able to broaden and develop their product offering by adding portal hostings, internet home page advertising opportunities, and efficient information flow using search engine optimisation and mobile applications. Interinfo is now one of the largest professional sales organisations in the Baltics.

*"We are the privileged advertising partner of over 20 000 SMEs in Latvia, Lithuania and Estonia as we offer a broad choice of advertising channels" says Stefan Ryme, CEO of Interinfo. "The European Commission financial resources gave us the opportunity to develop and provide a more innovative and competitive service to advertisers and end users, keeping pace with the digital innovations".*

Interinfo's shift to online channels is also a way to reduce its environmental footprint.

### European Investment Fund

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