INNOVATE- EU REGIONAL REPORTS

Deliverable D 2.2

Version N° 1

Grant Agreement	101193439
Project website	www.innovateeu.eu
Contractual deadline	30/06/2025
Dissemination level	PU (Public)
Nature	Deliverable
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Funded by the European Union

INNOVATE-EU has received funding from the European Union's Horizon Europe Programme under grant agreement No. 101193439. The views and opinions expressed, however, are those of the author(s) only and do not necessarily reflect those of the European Commission. Neither the European Union nor the granting authority can be held responsible for them.

Change Log

Version	Description of change
V 0.1	**Initial version preparation**
V X.X	

List of abbreviations

Abbreviation/Term	Description
AI	Artificial Intelligence
AI/ML	Artificial Intelligence / Machine Learning
ALTUM	Development Finance Institution of Latvia
AML/KYC	Anti-Money Laundering / Know Your Customer
ANNEX	Annex (Supplementary section in documents)
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
DIANA	NATO's Defense Innovation Accelerator for the North Atlantic
EIC	European Innovation Council
EIT	European Institute of Innovation and Technology
ESA BIC	European Space Agency Business Incubation Centre Latvia
EU	European Union
FINEST	Finland-Estonia Start-up Network (or cross-border innovation region)
HR	Human resources
IBM	International Business Machines Corporation
ICT	Information and Communication Technology
IP	Intellectual property
IT	Information Technology
IoT	Internet of Things

LATBAN	Latvian Business Angels Network
LGBTQ	Lesbian, Gay, Bisexual, Transgender, and Queer/Questioning
LIAA	Investment and Development Agency of Latvia
LU	University of Latvia
LV	Latvia
LVCA	Latvian Private Equity and Venture Capital Association
META	Facebook's parent company (Meta Platforms, Inc.)
ML	Machine Learning
MVP	Minimum Viable Product
NATO	Political and military alliance of countries from Europe and Norht America
PE	Private Equity
VC/PE	Venture Capital / Private Equity
R&D	Research and Development
RIS	Research and Innovation Strategy for Smart Specialisation (RIS3)
RITA	Riga Investment and Tourism Agency
RSU	Rīga Stradiņš University
RTU	Riga Technical University
SCALEUP	A startup that has grown significantly in users, revenue, or market reach
SIC	Standard Industrial Classification
SME	Small and medium enterprise
SPRING	Startup Promotion, Innovation, and Growth Network (context-specific)
SSE	Stockholm School of Economics in Riga
UniLab	University-driven deep-tech and defense-tech accelerator
UK	United Kingdom
UP	University Partnership or University Program
US	United States of America
VC	Venture Capital
VC/PE	Venture Capital / Private Equity

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Methodology

This report presents insights derived from the comprehensive desk and field research, conducted by Latvian Food Cluster in Latvia participating in INNOVATE-EU project. The research analysed Latvian entrepreneurial ecosystem and identified challenges and providing key recommendations for innovation system.

Latvian Food Cluster entailed desk research, examining the existing policy documents and other related reports, alongside with performing semi-structured interviews, both online/offline or in-person with key stakeholders.

Three types of semi-structured interview guidelines have been produced, one for start-ups, one for other stakeholders such as incubators/accelerators/hubs/technology transfer offices/ innovation agency/ cluster organization/university/research centres/NGO/government association and one for investors. Each interviewee has received a data protection notice and a short information about the project's goals and the use of the acquired information. Each semi-structured interview aimed at gathering valuable insights on each target group perspective on entrepreneurship dynamics.

Semi-structured interviews were conducted between April and June 2025.

This regional report provides insights into:

- the main focus of the regional innovation strategies,
- strengths and capacities of the regional ecosystem (such as established support systems for Start-ups etc.),
- gaps and weaknesses of the regional ecosystems,
- specific needs of the local Start-ups that should be addressed in the INNOVATE-EU project.
- barriers for women and minorities trying to access innovation support services.

Based on these findings, the report serves as the foundation for developing the INNOVATE-EU Action Plan and for tailoring the consortium's offer to the start-ups.

1. Overview of Regional Innovation Strategy

2.1 Summary of the region's focus areas within its innovation strategy

Latvia's innovation strategy prioritizes Deep Tech, FinTech, HealthTech, Mobility, Blockchain, DefenseTech, and GreenTech, while promoting inclusivity through digital skills development and strong university-industry collaboration. The strategy leverages cross-border initiatives and European innovation networks to drive competitiveness and international growth.

Latvia's regional innovation strategy, as reflected in ecosystem activities and supported programs, targets the following key focus areas:

Deep Tech & Science-Based Innovation

- Establishment of the Deep Tech Association and Innovation Nexus.
- Launch of ESA BIC Latvia to support space-tech innovation.
- Operation of EIT Community Latvia and kick-start of the Innovation Tower in Riga.
- Significant activities through Commercialization Reactor to foster science-based startups.

FinTech & Financial Innovation

- 120 active FinTech companies in Latvia across 10 subcategories (payments, blockchain, RegTech, banking, lending, etc.).
- Latvia positioned as a leading FinTech hub in the Baltics.

HealthTech & MedTech

- Activities led by the Latvian Digital Health Association and Rīga Stradiņš University Innovation Centre.
- Active participation in EIT Health RIS Hub Latvia.
- Ongoing collaboration between universities and the healthcare sector.

Mobility & Smart Transportation

- Mobility identified among the top startup verticals.
- Development of innovative solutions for car-sharing, fleet management, and micromobility.

Blockchain / Web3 / Crypto

- Latvia positioned internationally as a Web3/crypto hub.
- Promotion of blockchain innovation through ecosystem participation in global events.

DefenseTech & Dual-Use Innovation

- Launch of UniLab Defence with NATO DIANA network.
- Ministry of Defence-supported initiatives to foster dual-use technologies.

Sustainability & GreenTech

- Cross-border collaboration through projects like Green Hexagon.
- Sustainability-focused incubation and innovation programs led by universities.

Digital Skills & Inclusive Innovation

- Riga TechGirls initiative promotes gender equality and digital literacy.
- Broad commitment to building a digitally educated society.

Strategic Enablers

- Strong university-driven innovation (RTU, University of Latvia, UniLab, RSU Innovation Centre).
- Public support through LIAA (Investment and Development Agency of Latvia), Riga Investment and Tourism Agency, ALTUM-backed VC funds.
- Cross-border and EU collaboration: participation in FINEST SCALEUP, Digital Explorers II, EIT communities.

2.1 Key regional policies, programs, and initiatives supporting start-ups and innovation

Latvia has built a strong support framework for startups and innovation through national and regional initiatives. The Investment and Development Agency of Latvia (LIAA) runs key national programs, including the Startup Law (tax relief, talent co-financing), the Startup Visa, and Innovation Vouchers for R&D. Additional support includes incubators, export promotion, digitalization grants, and participation in events like Expo 2025. Regionally, the Riga Investment and Tourism Agency (RITA) supports the ecosystem with a €795,000 program for accelerators, events, and outreach. Hubs like Startup House Riga, Riga TechGirls, and TechChill drive community engagement, while ALTUM and LatBAN strengthen funding. Sector-specific groups boost innovation in fintech, blockchain, and digital health—creating a well-rounded ecosystem for entrepreneurship.

National-Level Support Programs (via LIAA)

Investment and Development Agency of Latvia (LIAA):

1. **Startup Law**
   - **Tax reliefs:** Flat social tax and 0% personal income tax for eligible employees.
   - **Talent co-financing:** 45% salary co-financing for highly qualified employees.
2. **Startup Visa**
   - Streamlined process for foreign founders, active for 43 companies as of late 2024.
3. **Innovation Vouchers**
   - Funding for R&D, prototyping, certification:
     - Introductory vouchers: up to €5,000
     - Classic vouchers: up to €25,000
     - Design vouchers: up to €5,000
4. **Business Incubator Program**
   - Includes pre-incubation and incubation services.
5. **Export Support Program**
   - Financial support for international expansion.
6. **Digitalization Support**
   - Up to €9,999 with 100% co-financing for SMEs; up to €100,000 for larger entities.
7. **DeepTech Atelier Conference**
   - The largest deep-tech event in the Baltics, fostering collaboration and showcasing innovation.
8. **Expo 2025 Participation**
   - Latvian startups will be showcased globally in Osaka.

Regional Initiatives – Riga Focus

Riga Investment and Tourism Agency (RITA):

- **Riga Startup Ecosystem Support Program (2024 funding: €795,000)**
  - Funding for accelerators, incubators, and startup centers (e.g., Startup House received €450,000).
  - Support for events like TechChill and Fintech Forum.
  - Participation in major global tech events (e.g., Slush, Web Summit).

Key Innovation Hubs & Community Programs

- **Startup House Riga** – Community-driven hub for founders; programs like "Founders2Founders" and office hours with VCs.
- **StartSchool** – Tech talent development initiative.
- **Riga TechGirls** – Focus on gender inclusion in tech; runs hackathons, pre-accelerators, and mentorship programs.
- **TechChill** – Major Baltic tech event connecting startups and investors.
- **Commercialization Reactor** – Science-based startup creation platform; launched ESA BIC Latvia and EIT Community Latvia.
- **University Innovation Centres** (e.g., RTU, RSU, UniLab, University of Latvia) – Offer pre-incubators, hackathons, and EU-supported programs.

Funding and Investment Infrastructure

- **ALTUM (Public Development Finance Institution)**
  - €62M invested into early-stage startup funds (e.g., Buildit, BADideas.fund, FlyCap).
- **Latvian Business Angels Network (LatBAN)** – Active angel syndicates and pitching events. Comparing to Estonia, in Latvia we have 75 business angels' while in Estonia 306.
- **Latvian Private Equity and Venture Capital Association (LVCA)** – Policy advocacy and PE/VC education (e.g., SSE Riga collaboration).
- **BADideas.fund** – New €21M pre-seed/seed fund backed by ALTUM.
- **Buildit** – Pre-seed/seed investments, especially in hardware/Industry 4.0.

Sectoral Associations Supporting Innovation

- **Fintech Latvia Association** – Advocates for inclusive financial regulation and support.
- **Latvian Blockchain Association** – Pushes for crypto-legal reforms (e.g., paying taxes in cryptocurrency).
- **Latvian Digital Health Association** – Strong collaboration with Ministry of Health; advancing data standards.

Figure 1. Regional policies, programs and initiatives supporting startups and innovation

2.1 Alignment with national or European innovation strategies

The Latvian startup ecosystem aligns strongly with:

- National strategies aiming at increasing competitiveness, innovation capacity, and tech transfer.

- European strategies promoting cross-border innovation, deep tech development, digital skills, gender balance, and participation in EU-wide innovation networks.

Alignment with National Innovation Strategies

- **Support from National Agencies**: The Investment and Development Agency of Latvia (LIAA) plays a central role in facilitating innovation through initiatives such as Startup Law, innovation vouchers, business incubator programs, export activities, and support for digitalization.
- **Focus on Research Commercialization**: The University of Latvia and UniLab are actively modernizing research commercialization practices and fostering university-industry collaboration, aligned with the country's ambitions to improve tech transfer and innovation-driven growth.
- **Deep Tech Focus**: The establishment of the Deep Tech Association and programs like Innovation Nexus, ESA BIC Latvia, and the Innovation Tower support Latvia's national strategy to foster high-tech and deep-tech entrepreneurship.
- **Defense Innovation**: The UniLab Defence accelerator initiative, linked with NATO's DIANA network, complements national efforts to grow dual-use technologies and innovation in the defense sector.

Alignment with European Innovation Strategies

- **Participation in EU-Funded Projects**: Startin.LV implements the Digital Explorers II project (EU-financed), which connects Baltic and African innovation ecosystems and promotes global ICT talent exchange.
- **Cross-Border Collaboration**: The FINEST SCALEUP initiative establishes the Baltic Sea Region (including Finland and Poland) as an integrated deep tech innovation ecosystem, directly supporting EU goals around innovation, gender equality, and cross-border cooperation.
- **Involvement with European Innovation Networks**: Latvian organizations actively participate in the EIT Health, EIT Digital, and EIT Community Latvia networks, which are part of the EU's broader innovation ecosystem.
- **EU Startup Support Programs**: Initiatives such as participation in Jumpstarter, EIT Food Empowering Women in Agrifood, and hosting Baltic-level hackathons contribute to EU priorities of fostering digital innovation, supporting female entrepreneurs, and advancing smart industry policies.

2.1 Priority sectors or industries targeted by the regional innovation strategy

The Latvian regional innovation strategy sectors align with both **national smart specialization priorities** and broader **EU innovation priorities** (such as the European Innovation Agenda focus on deep tech, green/digital transitions, and cross-sector innovation).

The Latvian regional innovation strategy is prioritizing:

- **Digitalization and FinTech**
- **Health and Life Sciences**
- **Deep Tech and Space**
- **Defense and Dual-Use Technologies**
- **Blockchain/Web3**
- **Sustainability and Green Innovation**

Top Priority Sectors / Industries:

FinTech

- Identified as a leading sector, both nationally and in Riga (Riga Investment and Tourism Agency highlights FinTech as a critical driver of economic growth and innovation).
- Latvia hosts **120 FinTech companies** across 10 subcategories (payments, crypto/blockchain, RegTech, AML/KYC, banking, crowdfunding, etc.).

AI (Artificial Intelligence)

- One of the top verticals in terms of number of startups.
- Increasingly integrated into products across sectors, including shipping optimization, HR tech, and defense applications.

HealthTech / MedTech / Digital Health

- Strong growth and targeted support via the **Latvian Digital Health Association**, which collaborates closely with the Ministry of Health and fosters an ecosystem of healthcare startups.
- **Rīga Stradiņš University Innovation Centre** is driving healthcare innovation, alongside EIT Health RIS Hub Latvia.

Mobility

- Identified as one of the top five startup verticals.
- Includes innovations in car-sharing, fleet management, and micromobility.

Deep Tech / Space Tech / Defense Tech

- A national priority sector supported by:
  - **Deep Tech Association & Innovation Nexus**.
  - ESA BIC Latvia space tech incubator.
  - Defense-tech initiatives via **UniLab Defence** in cooperation with NATO DIANA.
- Growth of dual-use technologies is specifically encouraged by the Ministry of Defence.

Blockchain / Web3 / Crypto

- Latvia is being promoted internationally as a **Web3 / Crypto hub**, with government and ecosystem support, including participation in Token2049.

Additional Sectors of Interest

- **AgriTech** (highlighted in LatBAN investment portfolio and ecosystem events).
- **E-Commerce / SaaS**: Numerous startups focus on tools for productivity, e-commerce platforms, and AI-driven services.
- **Sustainability / GreenTech**: Emerging focus through university-driven initiatives like "Green Hexagon" pre-incubation program.

Latvian Smart Specialization Strategy (RIS3) Priorities

Latvia's RIS3 (latest version approved in 2021–2027 planning period) defines the following national priorities:

1. **Smart Materials, Technologies, and Engineering Systems**
2. **Biomedicine, Medical Technologies, and Biotechnology**
3. **Smart Energy and Mobility**
4. **Information and Communication Technologies (ICT)**
5. **Knowledge-Intensive Bioeconomy**

Table 1. Regional innovation priority sector mapping

Latvian Startup Report Priority Sector	Latvian RIS3 Priority	EU Innovation Agenda Priority Alignment
FinTech	ICT	Digital Transition / Financial Innovation / Future of Finance
AI	ICT	AI and Data-driven Innovation
HealthTech / MedTech / Digital Health	Biomedicine, Medical Technologies, and Biotechnology	Health Innovation / Digital Health / Personalized Medicine
Mobility	Smart Energy and Mobility	Green and Digital Transition / Smart Mobility
Deep Tech / Space Tech / Defense Tech	Smart Materials, Technologies, and Engineering Systems + ICT	Deep Tech / Dual-use Innovation / Space
Blockchain / Web3 / Crypto	ICT	Emerging Digital Technologies / Web3 & Blockchain
AgriTech	Knowledge-Intensive Bioeconomy	Sustainable Food and Bioeconomy
Sustainability / GreenTech	Smart Energy and Mobility + Knowledge-Intensive Bioeconomy	Green Transition / Sustainability / Circular Economy

Strong alignment between the Latvian Startup ecosystem priorities and national RIS3 priorities:

- Heavy emphasis on **ICT, AI, Blockchain** → directly supporting RIS3 ICT priority.
- Growing strength in **HealthTech and MedTech** → matches Biomedicine & Medical Tech priority.
- Mobility startups align with **Smart Mobility & Energy**.
- **Defense & Space Tech** are a cross-cutting priority and fit within Smart Materials/Engineering and ICT.
- AgriTech & GreenTech initiatives support the Knowledge-Intensive Bioeconomy priority.

The ecosystem is also **well aligned with the EU Innovation Agenda** focus areas:

- Digital & Green transitions
- Deep Tech & cross-border innovation
- Health innovation

- Emerging tech (AI, blockchain)
- Defense tech (NATO DIANA participation further supports EU security and innovation goals)

Alignment with National and European Innovation Strategies

The Latvian startup ecosystem, as highlighted in the Latvian Startup Report 2024, demonstrates strong alignment with both the Latvian Smart Specialization Strategy (RIS3) and the European Innovation Agenda. Key priority sectors—such as FinTech, AI, HealthTech, Deep Tech, Mobility, Blockchain, AgriTech, and GreenTech—correspond directly to Latvia's RIS3 focus areas, including ICT, Biomedicine and Medical Technologies, Smart Energy and Mobility, and the Knowledge-Intensive Bioeconomy. Furthermore, initiatives in Deep Tech, dual-use/defense technologies, and space innovation are tightly aligned with European priorities on fostering deep tech innovation, enhancing strategic autonomy, and driving the digital and green transitions. Cross-border collaboration platforms, EU-funded projects (e.g. FINEST SCALEUP, Digital Explorers II), and participation in European innovation networks (EIT Health, EIT Digital, ESA BIC Latvia) further integrate Latvia's innovation ecosystem into the broader European framework, positioning it as a dynamic contributor to EU-wide innovation goals.

2. Strengths and Capacities of the Regional Ecosystem

2.1 Key innovation hubs, accelerators, incubators, and research institutions

Latvia's startup and innovation landscape is supported by a strong network of innovation hubs, accelerators, incubators, and research institutions. **Startup House Riga** has emerged as a central hub for entrepreneurial activity, hosting over 250 events and offering programs like Founders2Founders. **Commercialization Reactor** plays a vital role in creating deep-tech startups by connecting scientists and entrepreneurs, and now operates **ESA BIC Latvia** and **EIT Community Latvia**. **University-based centers**—such as Riga Technical University's Science & Innovation Centre, the University of Latvia's Innovation and Acceleration Centre, Riga Stradiņš University's B-Space, and UniLab—offer pre-incubation, prototyping labs, hackathons, and EU-funded programs that bridge academia and the startup world. Additionally, accelerators like **Buildit** and **BADideas.fund** provide critical pre-seed and seed-stage investments. Community-driven organizations like **Riga TechGirls**, **TechChill**, and **Startin.LV** further enhance

founder support, digital inclusion, and international exposure, making Latvia a growing hub for innovation in the Baltic region.

Industrial PhD or "doctoral partnership" initiatives in Latvia. For example, **AptWind project** and **Joint Doctoral Programs** which is structured to attract doctoral students to collaborate with companies and solve industry challenges.

Table 2 Description of PhD partnership programs

Program	Description
AptWind	An industrial PhD network at the University of Latvia, involving student recruitment directly by companies for applied research.
Joint Doctoral Programs	National-level collaborations (e.g., LU and RISEBA) aligning doctoral studies with industrial and academic partners .

List of key innovation hubs, accelerators, incubators, and research institutions you will find in Annex 1.

2.1 Industry clusters and sectors driving innovation in Latvia

Latvia's innovation ecosystem is fueled by dynamic industry clusters and high-growth sectors. **FinTech**, **AI**, **HealthTech**, **MedTech**, and **Mobility** stand out as the leading verticals among startups, with FinTech showing dominant growth through players like Mintos and Jeff App. Sectoral innovation is further supported by active associations such as the **Fintech Latvia Association**, **Latvian Digital Health Association**, and the **Latvian Blockchain Association**, all advocating for progressive policies and ecosystem development.

Strategic industry clusters, such as **Smart Specialisation sectors** (RIS3), focus on bioeconomy, ICT, smart energy, and photonics, promoting cross-sectoral innovation. Defense and dual-use technologies are emerging rapidly, marked by major deals like Origin Robotics' funding from the European Defence Fund. Strong collaborations between startups, academia, and government—especially in digital health and blockchain—are accelerating technological advancements and regulatory innovation, positioning Latvia as a forward-thinking innovation hub in the Baltics.

List of industry clusters and sectors driving innovation in Latvia you will find in Annex 2.

2.1 Access to funding and investment opportunities for start-ups

Access to funding is a critical pillar of Latvia's startup ecosystem, enabling early-stage companies to grow, scale, and compete globally. In recent years, Latvia has significantly expanded its investment landscape through a combination of public and private initiatives. Key instruments include state-backed venture capital via **ALTUM**, business angel networks like **LatBAN**, and emerging funds such as **BADideas.fund** and **Buildit**. Additionally, government grants, innovation vouchers, and participation in EU programs enhance the financial support available to founders. This evolving funding environment reflects Latvia's commitment to fostering a vibrant startup culture and ensuring that innovative ideas can thrive from seed to scale.

Public Funding & Support Programs

Investment and Development Agency of Latvia (LIAA) LIAA programs

- **€62M approved funding for startups in 2024**.
- **Startup Law:** Tax reliefs and talent co-financing (up to 45%).
- **Innovation Vouchers:** €5K to €25K grants for R&D, prototyping, certification.
- **Business Incubators:** Ongoing incubation and pre-incubation programs across regions.
- **Export Support:** Grants for internationalization and market entry.
- **Digitalization Support:** €10K–100K for IT solutions for business process optimization.

Riga Investment and Tourism Agency (RITA) Riga Startup Support Programs

- ~€795K dedicated to startup and entrepreneurship support.
- Accelerator and incubator support, startup centers program, startup house funding.

Venture Capital

LATUM-backed new funds:

ALTUM invested €103.4M into 4 funds:

- **Buildit**, **BADideas.fund**, **Outlast**, **Flycap**.
- 3 new pre-seed funds in pipeline.

Latvian Private Equity and Venture Capital Association (LVCA) LVCA

- Advocates for pension fund investment into VC.
- Launched PE/VC education at SSE Riga.
- €100M new capital expected to flow into Latvian ecosystem.

Angel Investment

Latvian Business Angel Network (LatBAN) LatBAN

- €2.3M invested in 2024 by LatBAN members.
- 17 pitching events held; angel syndicate investments resurging.
- Active in FinTech, HealthTech, AgriTech, HR, others.

Venture Studios & Pre-Seed Funds

BADideas.fund BADideas.fund

- €21M fund launching Q1 2025 backed by ALTUM.
- Focus: Baltic/CEE B2B SaaS, marketplaces, pre-seed, seed.

UniLab (University-linked deep-tech pre-seed accelerator) UniLab

- Tied to upcoming DIANA defense-tech fund.
- Works closely with universities and LIAA programs.

Grants & Non-Equity Support

- **Innovation Vouchers** (LIAA) — €5K–€25K.
- **Export Missions & Grants** — used by startups like Orbit8, Sepsiscan.
- **Participation in major expos** — Expo 2025 Osaka, Space Industry Days.

Challenges & Trends

- 2024 was a **tough year for fundraising** globally and in Latvia.
  - Series A+ rounds remained difficult.
  - Pre-seed/seed: awaited new ALTUM-backed funds.
  - Many seed-stage startups relied on bridge rounds.
- **Syndicates and angels growing importance**.
- **Public co-funding and vouchers essential** for early stages.

Market Constraints & Advantages:

- **Small country benefits:**
  - Communication. Everyone knowns everybody.
  - Easier testing of products/services
  - Flexible and adaptable legislation
  - Accessibility of the large market players like USA, UK etc.

Table 3 Access to funding and investments opportunities for startups

Funding Source	Type	Key Notes
LIAA Startup Law	Tax relief + Talent grants	Active & expanding
LIAA Innovation Vouchers	Grants (€5K–25K)	R&D, piloting, design
LIAA Export & Digital Grants	Grants (€10K–100K)	Export market entry, IT tools
Riga Startup Support (RITA)	Grants + Infra support	€795K allocated
ALTUM-backed VC Funds	VC (€100M+)	Buildit, BADideas, Outlast, Flycap
LatBAN	Angel investing	€2.3M in 2024
BADideas.fund	Pre-seed / Seed fund	€21M launching Q1 2025
UniLab / DIANA	DeepTech pre-seed	Defense tech focus

Table 4 Top 10 Most active Investors/Fund (2024/2025)

Investor / Fund	Type	Notes
Buildit	VC	Hardware, Industry 4.0, DeepTech
BADideas.fund	VC	Pre-seed / seed fund, €21M launching
Outlast	VC	Backed by ALTUM, early stage
Flycap	VC	SME, growth-stage investments
LVCA members	VC / PE	Over €100M new capital being unlocked
LatBAN	Angels	€2.3M invested in 2024
Commercialization Reactor	Accelerator	Science-based DeepTech startups
UniLab	Accelerator	Pre-seed, DeepTech, DefenseTech
ESA BIC Latvia	Grants + incubation	SpaceTech, led by Commercialization Reactor
Riga Investment and Tourism Agency	Grants	€795K ecosystem grants

Typical Funding Path for Latvian Startups

1.Ideation / MVP

- LIAA pre-incubation → UniLab → Commercialization Reactor → Riga TechGirls, RTU SIC
- **Funding:** Innovation vouchers, ESA BIC, RITA grants

2. Pre-seed

- BADideas.fund → LatBAN angels → UniLab / DIANA Defense Accelerator
- **Funding:** €50K–€300K

3. Seed

- ALTUM-backed VC funds (Buildit, Outlast, Flycap) → LatBAN syndicates
- **Funding:** €300K–€2M

4. Series A / Growth

- International VCs, cross-Baltic VCs, strategic investors
- **Funding:** €2M+

5. Internationalization & Export

- LIAA export support → participation in global expos (Expo 2025)
- **Funding:** Grants + private capital

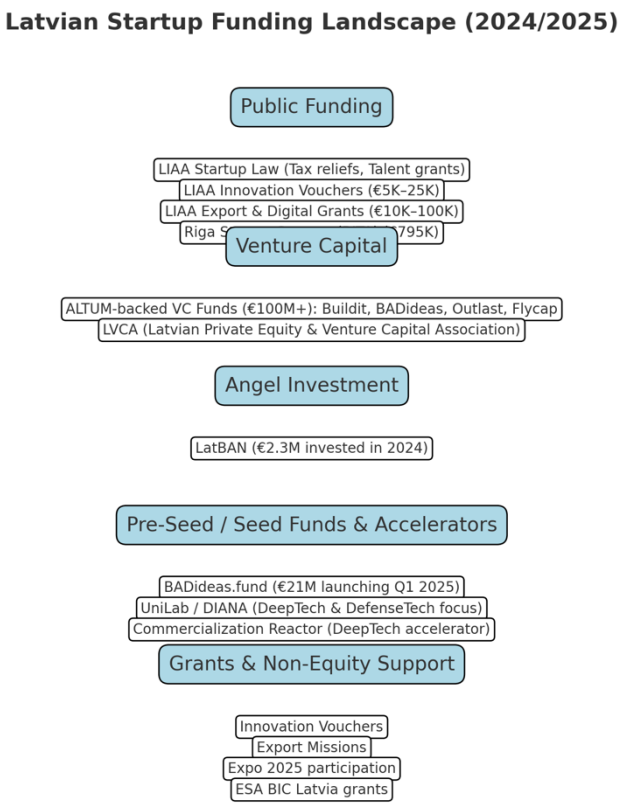

Figure 3 Latvian Startup Funding Landscape (2024/2025)

2.1 Role of universities and research centers in fostering innovation

Latvian universities and research centers are increasingly driving **innovation, commercialization, and entrepreneurship**, thanks to new initiatives, EU-backed programs, and a cultural shift toward applied science.

1. UniLab (University Startup Accelerator)

- **Founders:** University of Latvia, Riga Technical University, Riga Stradiņš University, Latvian University of Life Sciences & Technologies
- **Role:**
  - National university startup accelerator
  - Works on deep-tech and defense innovation
  - Signed MoU with NATO DIANA to launch **UniLab Defence** accelerator

- Active in amending **Law on Scientific Activity** to boost research commercialization
- Runs programs like **Entrepreneurial Gene**, **UniLab Elevate**, **Venture Catalysts**

2. University of Latvia Innovation & Acceleration Centre

- One-stop shop for **technology transfer**, **startup incubation**, and **prototyping**
- **2024 Achievements:**
  - 49 startup teams supported
  - 23 patent applications
  - 16 exclusive license agreements
  - Runs OpenLab prototyping lab

3. Riga Stradiņš University Innovation Centre

- Focus: **HealthTech** innovation and commercialization
- Home of **B-Space Business Incubator** and **EIT Health RIS Hub Latvia**
- **2024 Achievements:**
  - 11 prototypes
  - 3 startups in **EIT Health EU Finals**
  - 700+ certificates issued in digital health programs

4. Riga Technical University Science & Innovation Centre

- Key hub for **DeepTech, Smart Cities, SpaceTech, AI**
- **2024 Achievements:**
  - 78 prototypes/products developed
  - 49 startups supported
  - Hosts **Baltic AI Hack** with META & IBM
  - Partners with **Frankenburg Technologies** on anti-drone missiles

5. Stockholm School of Economics in Riga (SSE Riga)

- Launched **SSE Business Lab Riga**—a local version of Sweden's "Unicorn Factory"

- Offers entrepreneurship courses and deep tech matchmaking.

2.1. Successful Start-ups & Scale-ups

Latvia is home to a growing number of internationally recognized startups in **SaaS**, **FinTech**, **DeepTech**, and **HealthTech**, establishing its presence as a serious innovation hub in the Baltic region. Emerging sectors such as **DefenseTech** and **SpaceTech** are gaining momentum, driven by increased demand and strategic investments. A key driver of innovation in Latvia is the strong collaboration between universities and the startup ecosystem, particularly through institutions like **Riga Stradiņš University (RSU)**, **Riga Technical University (RTU)**, **University of Latvia (LU)**, and **UniLab**. These academic institutions have played a crucial role in accelerating advancements in **HealthTech**, **AI**, and **DeepTech**. Notably, the **DeepTech sector** has experienced significant growth, fueled by dedicated platforms such as **Commercialization Reactor** and **UniLab**, which continue to support science-based entrepreneurship and early-stage innovation.

Table 5. Universities or research centers driven programs

Startup	Sector	University / Research Center Link
Longenesis	HealthTech	RSU Innovation Centre, UniLab
Sepsiscan	MedTech	RSU Innovation Centre + LIAA + Riga Tech ecosystem
Vigo Health	Digital Health	Led by board of **Latvian Digital Health Association** — strong academic ties
PrintyMed	MedTech	Commercialization Reactor (science-based spinout)
Empyrio	DeepTech	Commercialization Reactor
Eventech	SpaceTech	Commercialization Reactor + RTU collaboration
Spirulina Nord	BioTech	Academic R&D origin — algae-based research
Algaetree	GreenTech	Research-originated startup — Commercialization Reactor

Startups with Ecosystem Support (incubators, accelerators, public programs):

These were boosted by programs like:

- UniLab
- Commercialization Reactor
- LIAA Innovation Vouchers
- RITA programs
- BADideas.fund / Buildit
- TechChill ecosystem

Table 6. Startups with Ecosystem Support

Startup	Sector	Support Link
Origin Robotics	DefenseTech	Supported by LIAA, DeepTech Atelier, RTU
Atlas Dynamics	Defense/UAV	RTU links + LIAA support
Hackmotion	SportTech	Supported by LIAA export grants + TechChill
Sonarworks	AudioTech	Supported by LIAA, Latvian Startup Law benefits
Supliful	SaaS / E-commerce	LIAA support + BADideas.fund ecosystem
Setupad	AdTech	LIAA export support
Carguru	Mobility	LIAA support + Riga City Startup ecosystem

Independent Scale-ups (commercial origins, now ecosystem players):

Big companies that may not be directly linked to universities/research, but are core to the Latvian ecosystem.

Table 7. Independent Scaleups

Startup	Sector
Printful / Printify (Fyul)	E-commerce / SaaS
Mintos	FinTech
Jeff App	FinTech
Sun Finance	FinTech
Twino	FinTech
Raisin DS Latvia (Monea)	FinTech
Mapon	Mobility / FleetTech

- **~8 out of 25** have direct university/research origins.
- **~7–8 more** were supported by public / ecosystem programs that included universities or research centers as partners.
- The remaining **strongest scale-ups** are commercially founded but now heavily contribute to ecosystem building (events, associations, investment, mentoring).

3. Gaps and Weaknesses of the Regional Ecosystem

2.1 Structural weaknesses in the regional innovation system

Despite notable progress, Latvia's regional innovation ecosystem continues to face several structural challenges. **Funding gaps** persist, especially at the pre-seed and Series A+ stages, with many startups overly reliant on public grants due to a still-developing private investment landscape. **Skills shortages** are another critical barrier, marked by a lack of senior tech talent, experienced scale-up founders, and a limited pool of AI and DeepTech specialists. Though promising initiatives like StartSchool and Riga TechGirls are emerging, they are still in early stages. On the regulatory front, **administrative complexity** and **outdated legal frameworks**—such as the Scientific Activity Law—impede startup growth and research commercialization, though reforms are underway. Finally, the ecosystem remains **fragmented**, with 80% of startup activity centered in Riga, minimal regional engagement, and a limited pipeline of scale-up-ready companies.

1. Limited Investor Understanding of Startup Economics

- Some investors, especially those new to startups, expect unrealistic returns—like a 50% payback. In reality, startup investments are high-risk, long-term, and rarely offer quick or guaranteed returns. This misunderstanding can lead to mismatched expectations and poor investment decisions.
- Targeted training programs for investors could help align expectations and improve the quality of investment decisions.

2. Limited Corporate Engagement with Startups

- Large corporates often overlook startups, relying instead on internal teams to solve problems startups could address.
- Many corporate-led hackathons or innovation events are primarily for PR, with little real intent to invest in or implement startup solutions.
- A shift in mindset at the **board level** is needed to meaningfully engage startups and integrate their innovations into corporate problem-solving.

3.Funding Gaps

- **Series A and Growth Rounds Difficult**
  Series A+ rounds remain hard to close; performance expectations from investors are very high.
  Many startups stuck in **bridge rounds** or struggling to progress beyond seed.
- **Pre-seed Gap (2024)**
  Pre-seed rounds were delayed as startups awaited new ALTUM-backed funds.
- **Over-reliance on public funding**
  Many founders report dependence on **LIAA programs** and **public grants** to stay afloat.
  Private VC community is **not yet large enough** to drive the ecosystem independently.

4.Skills Shortages

- **Tech Talent Bottleneck**
  Multiple sources report **shortage of senior tech talent**.
  Top talent often **moves abroad** (Nordics, Germany, UK).
- **Lack of Experienced Founders**
  Ecosystem lacks "critical mass" of **serial founders** and **scale-up experienced operators**.
  SSE Riga comment: "still lacking critical mass and a recognizable social identity".
- **Mismatch with market needs**
  Universities producing **good general graduates**, but **insufficient numbers of AI, Data, DeepTech specialists**.
  Initiatives like **StartSchool** and **Riga TechGirls** aim to close this gap, but it's early stage.

5.Regulatory Barriers & Bureaucracy

- **Startup Law improvements needed**
  LIAA Startup Law is helpful but **administration still complex** for smaller teams.
  Sepsiscan founder: "application and refunding process for grants can be lengthy and meticulous".
- **Scientific Activity Law outdated** (but being reformed)
  Previously, commercialization of university research was hindered by **old legal framework**.
  Amendments coming in 2025 (thanks to UniLab and Ministry of Defence efforts).
- **Regulatory uncertainty in some sectors**
  Blockchain/Web3 sector progressing, but **complex and fast-changing regulatory landscape**.

6.Ecosystem Structural Gaps

- **Fragmentation**
  Comment by Startup House Riga CEO: "still work to bring every ecosystem member under one roof".
  Ecosystem **not yet fully cohesive**, especially beyond Riga.
- **Regional imbalance**
  80% of startups still concentrated in **Riga**.
  Less activity in **regional universities** and **cities** despite public efforts.
- **Scale-up pipeline weak**
  Printful/Printify success is exceptional—**few scale-up candidates at the moment**.
  More focus needed on Series B+, international scaling pathways.

7.Regional Development

- Outside Riga, **motivation and activity levels are generally lower**.
- Notable exceptions:
  - **Cēsis** – an emerging startup hub
  - **Liepāja** – already active in the ecosystem

8.Cultural Aspects

- **Need for Success Stories:**
  Latvia lacks prominent, inspiring startup success stories that could boost national confidence and entrepreneurial ambition. There is also a limited drive to pursue large international markets, such as the U.S.
- **Comparison with Estonia:**
  Estonian entrepreneurs generally demonstrate stronger self-belief, internal capability, and enjoy a reputation for trustworthiness. While Latvian startups like Printify and Printful have achieved global success, Latvia as a brand lacks similar international credibility.
- **Cultural Mindset Challenges:**
  A lingering post-Soviet business mindset still influences the culture, often resisting innovation and change. Businesspeople in Latvia tend to be risk-averse and stressed by uncertainty, which hinders adaptability and growth.

9. Entrepreneurial experience in Startup arena

- Lack of serial entrepreneurs with experience (5-6 years) bulding companies from 5K->500K-> millions. Now getting more, but still can be improved. In Latvia we have more and more examples with full cycle of company growth including exits, bankruptcy etc.

- No financial support for individuals/experts with experience who is able to pass this knowledge to others. Government could create a mentor support pool for startups to access that is funded. Pro-bono doesn't work well enough.

10.Startup Culture as a Business Model

- Many support organizations chase startups with consultations simply to meet KPIs, creating a false sense of success among founders. As a result, some startups become overly confident without achieving real progress. They continuously participate in publicly funded programs, always in the "starting-up" phase—yet never truly launching, like an old engine that keeps turning over but never starts.

Table 8. Summary of structural weaknesses in regional innovation system

Weakness	Example / Source
Limited Investor Understanding of Startup Economics	**Semi-structured interviews**
Series A funding difficult	**Latvian Startup Report 2024**
Pre-seed funding delayed	**Latvian Startup Report 2024**
Shortage of senior tech talent	**SSE Riga & ecosystem leaders**
Lack of experienced serial founders	**SSE Riga**
Bureaucracy in grants	**Sepsiscan founder comment**
Outdated research commercialization law (improving)	**UniLab report**
Ecosystem fragmentation	**Startup House Riga CEO**
Riga-centric ecosystem	**Riga investment data**
Regional Development	**Semi-structured interviews**
Cultural aspect	**Semi-structured interviews**
Entrepreneurial experience in Startup arena	**Semi-structured interviews**
Start-up Culture as a Business Model	**Semi-structured interviews**

2.1 Challenges in start-up growth and scalability

While Latvia has made significant strides in early-stage startup support, scaling beyond seed remains a persistent challenge. Access to **growth-stage funding**—especially Series A and beyond—is limited, forcing many startups into bridge rounds and stalling international expansion. At the same time, a **shortage of senior tech talent** and experienced scale-up founders constrains product maturity and organizational growth.

Latvia's **small domestic market** further limits opportunities for scaling, and many startups lack the international sales capabilities needed to enter Tier 1 markets. Fragmentation of the ecosystem, with a heavy concentration in Riga and underdeveloped regional hubs, also limits national impact. Additionally, **regulatory and administrative hurdles**—including slow grant processing and outdated commercialization laws—create friction for scaling and IP transfer. The lack of a **clear scale-up playbook**, including mentorship and Series B support, means promising startups often plateau before reaching global competitiveness.

1.Access to Growth-Stage Capital

- **Series A+ rounds remain very hard to come by**:

  High performance expectations from investors; Latvian startups often forced into **bridge rounds** or stalling growth.
  Pre-seed and seed rounds also constrained due to delayed launch of new ALTUM funds.

Impact:

- Slows international scaling.
- Forces founders to spend excessive time on funding vs product/market growth.

2.Talent Bottlenecks

- **Senior tech talent shortage** — ecosystem lacks deep AI, DeepTech, and scaling experience.
- **Experienced founder gap** — not enough serial founders or scaleup-experienced operators.

Impact:

- Limits the ability to build **globally competitive scaleups**.
- Hampers rapid product iterations required at Series A+.

3.Small Scale of Domestic Market

- **Latvia's local market is too small to sustain scaling** alone.
- Many startups lack **international sales talent** or experience to break into Tier 1 markets.

Impact:

- Overdependence on public support instead of fast scaling.
- Challenges in building globally attractive growth stories for VCs.

4.Ecosystem Fragmentation

- **Riga-centric ecosystem** — 80% of startups concentrated in Riga.
- Regional ecosystems remain **underdeveloped**.
- Lack of cohesive national support structures for growth-stage startups.

Impact:

- Under-utilized talent outside Riga.
- Missed opportunities for building a balanced national innovation economy.

5.Regulatory and Operational Barriers

- **Grant processing and Start-up Law administration** seen as **slow and complex**.
- Outdated frameworks for **university-based commercialization** (Law on Scientific Activity being reformed but not yet complete).

Impact:

- Slows down IP commercialization and university spinouts.
- Discourages international founders from choosing Latvia over more agile jurisdictions.

6.Limited Scaleup Playbook

- Few established pathways for **Series B and international expansion**.
- Community lacks **scaleup-specific mentors, programs, and shared knowledge**.

Impact:

- Many promising startups plateau after initial growth.
- High dependence on a few international success stories (Printful/Printify) to inspire ecosystem.

Table 9. Challenges in start-up growth and scalability

Challenge	Impact on Startup Growth
Series A+ funding scarcity	Forces bridge rounds, slows growth
Senior talent shortage	Limits product maturity, scalability
Small domestic market	Difficult to build global players
Ecosystem fragmentation	Regional imbalance, lost potential

Challenge	Impact on Startup Growth
Regulatory barriers	Slows commercialization, scaleup ops
Lack of scaleup playbook	Inhibits Series B+ readiness

2.1 Collaboration challenges between start-ups, corporations, universities, and policymakers

Latvia's innovation ecosystem is increasingly collaborative, with visible progress in academic and policy engagement. Institutions like **UniLab**, **RTU Innovation Centre**, and **RSU** are playing a more active role, while events such as **Icebreakers Festival** and **Deep Tech Atelier** foster meaningful exchange. However, systemic barriers remain. **University-industry collaboration** suffers from low commercialization rates, limited incentives for researchers, and perceptions of academia as too bureaucratic. **Corporate-startup engagement** is still in early stages, hampered by rigid procurement, low risk appetite, and a lack of venture arms or structured matchmaking programs. On the policy side, while **LIAA** and the **Ministry of Economics** are supportive, grant processing delays and fragmented governance dilute impact. Moreover, the ecosystem continues to operate in **silos**, lacking a central coordination body to align efforts across academia, corporates, startups, and government—unlike more mature models seen in Lithuania or Spain.

1.Academia–Industry Collaboration Still Developing

Strengths:

- Major progress: University of Latvia, UniLab, RTU Innovation Centre, RSU Innovation Centre now actively fostering collaboration.
- Events like **Icebreakers Festival** and **Deep Tech Atelier** promote exchange.

Challenges:

- Historically **low commercialization rate** of university IP (Law on Scientific Activity reform only takes effect in 2025).
- Researchers often lack entrepreneurial mindset or incentives to collaborate with startups.
- Industry sometimes views academia as **too slow and bureaucratic**.

2.Corporate–Startup Collaboration Is Nascent

Strengths:

- Emerging good examples (e.g. **Frankenburg Technologies x RTU** in DefenseTech, EIT Health initiatives).
- Large corporates starting to engage more (via events, hackathons).

Challenges:

- Many corporates still have **low risk appetite**; hesitant to pilot startup solutions.
- **Procurement processes** often too rigid for agile collaboration with startups.
- Lack of **corporate venture arms** or dedicated innovation funds (contrast: Spain, Germany).
- Very few structured **corporate-start-up matchmaking programs**.

3.Policymaker–Startup Community Alignment Gaps

Strengths:

- LIAA is an active and respected supporter of startups.
- Ministry of Economics increasingly engaged (e.g. Startup House collaboration).

Challenges:

- **Slow grant processing** and complex bureaucracy still an issue.
- Policymakers sometimes lack **deep understanding of fast-paced startup needs**.
- **Fragmentation** of policymaker engagement (national vs. Riga City vs. universities) — more cohesive national strategy needed.

4.Ecosystem Cohesion Is Work in Progress

Strengths:

- **Startup House Riga** is emerging as a community hub.
- **Startin.LV**, TechChill, UniLab driving cross-sector events.

Challenges:

- **Still work to bring all ecosystem players under one roof** (quote from Startup House CEO).
- Universities, corporates, startups often operate in **parallel tracks**.
- Lack of **formalized ecosystem coordination body** (Lithuania and Spain both have stronger structures).

Table 10. Collaboration challenges between start-ups, corporations, universities, and policymakers

Collaboration Link	Key Challenges
Universities → Startups	Incentives, entrepreneurial culture, slow IP processes
Corporates → Startups	Low risk appetite, rigid procurement, no corporate VC arms
Policymakers → Startups	Bureaucracy, slow grants, fragmented engagement
Cross-ecosystem cohesion	Silos across sectors, no central coordination

2.1 Gaps in infrastructure or digital connectivity that hinder innovation

While Latvia benefits from strong core digital infrastructure in urban areas, regional disparities remain a significant barrier to innovation. High-speed broadband and 5G coverage are concentrated in **Riga and key transit corridors**, leaving many regional universities, research hubs, and incubators with **limited connectivity**. This digital divide hampers the development of **IoT, Smart Cities, and AgriTech** solutions outside the capital. Furthermore, **digital literacy gaps**—especially within SMEs and the public sector—and a **shortage of AI/Data Science talent** hinder the broader adoption of startup-driven innovations. Physical infrastructure challenges also persist, with **few deep-tech labs, prototyping facilities, or testing grounds** beyond Riga. Additionally, **fragmented data systems** and the absence of interoperable standards constrain the development of **AI, HealthTech, and platform-based innovation**. While progress is evident in initiatives like Startup House Riga and EIT Digital partnerships, bridging regional and sectoral gaps remains essential for unlocking Latvia's full innovation potential.

1.Regional Digital Connectivity Gaps

Strengths:

- Latvia has strong **core broadband infrastructure** — Riga is well covered with high-speed fiber.
- National 5G rollout progressing, but focused on Riga & main corridors.

Gaps / Challenges:

- Many **regional universities, research centers, rural incubators** lack full high-speed fiber/5G coverage.

- **Digital innovation hubs outside Riga** are not yet fully connected to the same ecosystem speed — this affects Smart Cities, IoT, AgriTech pilots.

Impact:

- **Smart Cities Conference** at RTU noted need for stronger regional networks.
- Advanced AI/IoT startups report **latency issues** in test deployments outside the capital.

2.Skills & Digital Literacy Gaps

Strengths:

- Initiatives like **Riga TechGirls** and **StartSchool** are improving digital skills.
- AI hackathons and EIT Digital partnerships launched.

Gaps / Challenges:

- **Uneven digital literacy** in SME sector and public administration.
- Not enough **AI / Data Science skills** being produced by universities.
- **Older public systems** and procurement processes not designed for modern digital-first startups.

Impact:

- Slows **adoption of startup solutions** in government/corporate procurement.
- Makes it harder for startups to test or scale solutions requiring **cross-sector digital interoperability** (e.g. HealthTech, FinTech).

3.Physical Innovation Infrastructure Gaps

Strengths:

- Strong new hubs in Riga:
  - **Startup House Riga**
  - **Innovation Tower (Zundas Towers)**
  - **RTU Innovation Centre**
  - **UniLab**.

Gaps / Challenges:

- Lack of equivalent **deep-tech spaces** in regions.
- **Prototyping labs** and **hardware accelerators** limited outside Riga.
- **Testing environments** for IoT/Smart Cities/DefenseTech not yet fully available at scale.

Impact:

- DeepTech startups forced to operate primarily in Riga.
- Regional founders lack same access to cutting-edge facilities.

4.Fragmented Data Infrastructure

Strengths:

- Growing collaboration via **Latvian Digital Health Association**.
- EIT Digital community established.

Gaps / Challenges:

- **Lack of unified data exchange frameworks**, especially for HealthTech.
- Public datasets often not **AI/ML ready**.
- **Interoperability standards** missing across sectors (health, transport, energy).

Impact:

- Limits ability of startups to build **AI-driven solutions** using public/private data.
- Hinders innovation in **platform-based sectors** (e.g. mobility, energy grids).

Table 11. Gaps in infrastructure or digital connectivity that hinder innovation

Gap	Impact on Innovation
Regional digital connectivity gaps	Uneven opportunities, IoT latency issues
Skills & digital literacy gaps	Slower adoption of startup solutions
Physical infrastructure gaps	Limits DeepTech scaling outside Riga
Fragmented data infrastructure	Hinders AI/ML innovation, cross-sector platforms

4. Specific Needs for Local Start-ups

2.1 Key challenges faced by start-ups in accessing resources and support

Latvia's startup ecosystem has made notable progress in developing support structures and funding initiatives. However, significant challenges persist that hinder startups from fully accessing critical resources and scaling effectively. Funding gaps remain a major obstacle, particularly at the **pre-seed** and **Series A+** stages, often forcing startups into prolonged bridge rounds. While **public grants** are available, they are frequently too

complex and administratively burdensome for early-stage teams without dedicated support capacity.

Moreover, a **shortage of mentorship and experienced scale-up talent**—especially in fields like **DeepTech, AI/ML, and Data Science**—slows growth and limits strategic guidance. Corporate-startup engagement is still limited, and **regional innovation hubs** lack the infrastructure and tools found in Riga, restricting equitable access across the country. The **education system offers limited entrepreneurship training**, and public funding often lacks the agility and motivation found in private investment.

Programs like **Startup House** and **Fundraising School** support serious startups, but other initiatives tend to attract hobbyists rather than committed founders. The overall **fragmentation of the ecosystem**—with universities, corporates, and public agencies working in silos—makes it difficult for startups to navigate support channels or grow in a coordinated environment.

1.Funding Access Gaps

- **Series A+ rounds difficult to access**:
  Higher performance expectations, tough investment climate.
  Many seed-stage startups resorting to **bridge rounds** while waiting for new funds.
- **Pre-seed funding bottlenecks**:
  Pre-seed startups delayed as new ALTUM funds were being established.
- **Grant process complexity**:
  Startups report that LIAA grants, while valuable, are **lengthy and meticulous** to apply for and manage.
  Many early-stage startups lack **dedicated staff** (project managers/accountants) to manage public grants.
- Despite common complaints about lack of funding, the reality is:
  - **Funding exists for viable teams and ideas** with real potential.
  - **Early, undeveloped ideas** that lack feasibility or traction often **do not qualify** for funding.
- **Cashflow support.** For startups its crucial have cash flow support in order to maintain the business.
- **Access to higher limits to unsecured loan.** Currently in ATLUM, state bank entrepreneur can access up to 25K EUR unsecured loan. Meanwhile in Austria the limit for working capital is up to 2 milj. EUR.

2.Mentoring & Expertise Gaps

- **Shortage of experienced scale-up mentors**:
  Few serial entrepreneurs; most **founder advice is limited to early-stage issues**.
- **Limited corporate-startup mentoring**:
  Corporates still cautious about **open innovation programs**.

- **Fragmented mentoring ecosystem**:
  Many programs (UniLab, Startup House, SSE Riga Business Lab, TechChill) doing good work, but **not yet coordinated into a national mentorship framework**.

3.Physical Infrastructure Limitations

- Riga now has strong spaces (Startup House, Innovation Tower), but:
  Regions lack equivalent innovation hubs.
  DeepTech labs and test environments mainly limited to Riga.

  Impact:
  Startups outside Riga have **less access to cutting-edge facilities**.
  Limits regional talent and innovation potential.

4.Skills & Talent Access

- **Shortage of senior tech talent**:
  Lack of experienced **AI/ML, Data Science, DeepTech engineers**.
- **Entrepreneurial experience gap**:
  Not enough **founders with scaleup experience**.
  SSE Riga: "still lacking critical mass and a recognizable social identity".

5.Coordination & Ecosystem Fragmentation

- **Still work to bring ecosystem members under one roof** (Startup House CEO).
- Many universities, corporates, and government agencies **still operate in parallel**, making it harder for startups to navigate available resources.

6.Intellectual Property (IP) Challenges:

- **Current issue:** IP developed in universities belongs to the institution.
- **Commercialization hurdle:** Difficult for entrepreneurs to acquire IP rights for company use.
- **Ongoing progress:** Draft laws are being prepared to improve and simplify this process.
- **Action point:** Further discussion with **RTU.**

7. Size of the market

- Businesses must think globally. Early stage possible to attract locally, large scale in larger markets. For example, creating collaboration with large chain companies like RIMI creates a trust with German company REWE.

8. Clear Startup Vision Is Essential for Leveraging the Ecosystem

- When working with the R&D sector, entrepreneurs must have a clear understanding of their needs and goals. While the support and infrastructure are available, the strategic vision and direction must come from the entrepreneur.

9. The food sector in the Baltics would benefit from a unified, stronger representation

- By collaborating across Estonia, Latvia, and Lithuania, the region could attract key investors and distributors more effectively. Currently, each country organizes its own small-scale exhibitions, which—at the EU level—are too fragmented and weak to draw serious European or global industry players.

Table 12. Key challenges faced by start-ups in accessing resources and support

Challenge	Impact
Complex grant processes	Resource-intensive for small teams
Tough funding climate	Limited access to Series A+, pre-seed delays
Fragmented mentoring	Hard for startups to find right expertise
Physical hubs too Riga-centric	Regions under-supported
Shortage of DeepTech & scaleup talent	Slows startup growth
Ecosystem fragmentation	Navigation of resources difficult
Intellectual Property (IP)	Commercialization of IP of R&D sector
Size of the market	Global mindset, next level of funding attraction needs
Clear Startup Vision Is Essential for Leveraging the Ecosystem	Faster access to Startup ecosystem
The food sector in the Baltics would benefit from a unified, stronger representation.	Growth potential

2.1 Main types of support start-ups seek

Latvian start-ups consistently prioritize **funding** as their top support need, particularly at the **pre-seed, seed**, and hard-to-access **Series A+ stages**. Non-dilutive grants such as **Innovation Vouchers**, **Talent Co-financing**, and **export support** from LIAA and RITA are also highly valued. Alongside funding, there is strong demand for **mentorship and expertise**, especially from experienced **scale-up founders**, **DeepTech commercialization specialists**, and advisors on **fundraising and cross-border expansion**. Programs like **Founders2Founders**, **BADideas.fund's Fundraising School**, and **UniLab Venture Catalysts** are addressing these gaps. Access to **international markets** through trade missions and innovation fairs is another priority, as is **talent**

acquisition, particularly for technical roles in AI, Data Science, and DeepTech. Finally, start-ups seek **affordable infrastructure**, including **coworking spaces, prototyping labs**, and **hardware facilities**, with demand growing outside Riga to support regional innovation activity.

1.Financial Assistance (Funding), always top priority.

Types sought:

- **Seed / Pre-seed funding** — demand growing, new ALTUM-backed funds are awaited.
- **Series A+ funding** — very hard to secure, key growth bottleneck.
- **Non-dilutive funding (grants)** — highly valued (e.g. LIAA Innovation Vouchers, Talent Co-financing).
- **Export support** — LIAA programs for participation in international fairs, export missions.

Key programs:

- **Startup Law tax reliefs** and **Talent co-financing**.
- **Innovation Vouchers** — R&D, prototyping, piloting.
- **LIAA Business Incubation**.
- **Regional funding via Riga Investment and Tourism Agency (RITA)**.

2.Mentorship and Expertise

Strong demand for:

- **Experienced scale-up mentors** — a known ecosystem gap.
- **DeepTech commercialization mentors** (being addressed via UniLab and Commercialization Reactor).
- **Fundraising know-how** — BADideas.fund runs Fundraising School, in demand from first-time founders.
- **Cross-border market entry mentors** — sought especially for entering Germany, Nordics, US.

Key initiatives:

- **Startup House "Founders2Founders" program**.
- **BADideas.fund Fundraising School**.
- **UniLab Venture Catalysts**.

3.Market Access & Internationalization

Highly prioritized:

- **Export support / trade missions** — LIAA missions are heavily used.

- **Access to international innovation fairs** — DeepTech Atelier, Web Summit, Slush.
- **Participation in cross-border startup programs** — EIT Community Latvia, FINEST SCALEUP.

Programs used:

- **LIAA Export Support**.
- **RITA ecosystem support** for early-stage startups.
- **TechChill internationalization tracks**.

4.Talent & Team Building

Start-up needs:

- **Senior technical talent** (AI/ML, Data Science, DeepTech) — strong ecosystem gap.
- **Team building & recruitment support** (programs like UniLab Elevate).
- **Startup-specific HR support** (Stock options guidance, startup-friendly labor law) — Latvia progressing but startups still request more clarity.

5.Physical Infrastructure / Community

Strong demand for:

- **Affordable, start-up friendly working spaces** (Startup House Riga highly popular).
- **DeepTech labs** — mainly centralized in Riga, demand for regional labs growing.
- **Hardware / Prototyping facilities** — startups in MedTech, DefenseTech request more such spaces.

Table 13. Support Types Sought by Startups

Support Type	Details / Programs
Financial Assistance	VC funding (seed → Series A+), grants (LIAA), export support
Mentorship	Scaleup expertise, fundraising skills, DeepTech mentoring
Market Access	Export missions, trade fairs, international programs
Talent Support	Tech talent recruitment, HR support, team building
Infrastructure	Startup spaces, prototyping labs, hardware labs

2.1 Skills and talent gaps that limit start-up growth

Here is a clear summary of the **skills and talent gaps that limit start-up growth in Latvia**, based on the Latvian Startup Report 2024 and ecosystem insights:

1.Shortage of Senior Tech Talent

- Latvian startups report an **acute lack of experienced AI/ML, Data Science, and Deep Tech engineers**.
- **Senior product and tech leadership** (CTOs, Lead Engineers) is limited in the local market.
- High competition for top talent → frequent **migration of top engineers** to Nordic countries or Germany.

Impact:

- Slows the development of scalable, competitive products.
- Limits participation in DeepTech and AI-driven global markets.

2.Lack of Experienced Founders and Scaleup Talent

- Ecosystem lacks a **critical mass of serial founders**.
- SSE Riga notes: "We are still lacking critical mass and a recognizable social identity" in the startup scene.
- Few founders with proven experience in **scaling start-ups to Series B and beyond**.

Impact:

- Many promising startups **plateau after seed stage**.
- Slower emergence of "anchor companies" that drive the ecosystem.

3.Shortage of Business Development and Sales Talent

- Startups report a **strong need for international sales and business development expertise**.
- Lack of:
  - Experienced B2B sales leaders
  - Global partnerships managers
  - Product marketing experts

Impact:

- Limits **export growth** and market entry in key regions (Germany, Nordics, US).
- Forces many startups to rely heavily on founders for all growth activities.

4.Digital & Data Literacy in Broader Ecosystem

- While **Riga TechGirls** and **StartSchool** are improving skills:
  SMEs and public sector partners often lack data-readiness and modern digital literacy.

Creates **barriers to adoption** for Latvian startup solutions (e.g. GovTech, HealthTech).

Impact:

- Slows domestic reference-building for Latvian startups.
- Increases go-to-market friction.

5.Entrepreneurial Mindset in Universities

- Progress at **UniLab**, RTU, RSU, LU is encouraging.
- But large parts of the university system still lack:
  - **Entrepreneurial culture**
  - **IP commercialization expertise**
  - **Cross-disciplinary startup education**

Impact:

- Limits the pipeline of **university spinouts** and startup talent.
- Fewer teams ready to tackle **DeepTech and complex challenges**.

Table 14. Skills and talent gaps that limit start-up growth

Gap Area	Impact on Startups
Senior AI/ML & DeepTech Engineers	Slower innovation, weak competitive edge
Experienced Scaleup Founders	Ecosystem lacks strong scaling role models
International Sales & BD Talent	Limits export & scaling potential
Digital Literacy in Ecosystem	Slows local adoption of innovations
Entrepreneurial Mindset in Universities	Limits university-born startups

2.1 Insights from local start-ups on their biggest roadblocks to success

Latvian start-ups identify several recurring barriers that hinder their ability to grow and scale effectively. **Access to funding**, particularly at the **Series A+ stage**, remains one of the most pressing challenges, with many founders forced into bridge rounds due to heightened investor expectations and limited pre-seed availability. While public grants such as those from LIAA are helpful, the application and reimbursement processes are often described as **lengthy and resource-intensive**, especially for small teams. In addition, there is a **critical shortage of senior tech talent and experienced scale-up founders**, which limits the ecosystem's maturity and growth velocity. Startups also report **difficulty in international expansion**, citing a lack of market-entry guidance, sales

talent, and access to global networks. Finally, **ecosystem fragmentation**—with startups, corporates, universities, and policymakers often working in silos—continues to obstruct more cohesive, strategic collaboration across the innovation landscape.

1.Funding Access & Complexity

"2024 was still a tough year for fundraising, with Series A and growth rounds still very hard to come by, as the performance bar for raising capital shot up dramatically."

"Pre-seed and seed rounds were also not easy to come by as seed stage startups tended towards bridge rounds."

Key points:

- Series A+ is extremely difficult to raise → forces bridge rounds.
- Pre-seed was also bottlenecked while waiting for new ALTUM funds.
- Public grants are valuable but the **application and refunding process is lengthy and meticulous**.

2.Talent Shortage & Scaleup Experience

"We are still lacking critical mass and a recognizable social identity." — SSE Riga

Key points:

- Shortage of **senior tech talent**, especially in AI/ML, Data Science.
- Lack of experienced **scale-up founders and operators**.
- Not enough **serial entrepreneurs** in the ecosystem.

2.Bureaucracy & Regulatory Challenges

"The process of application and refunding [LIAA grants] can be lengthy and meticulous at times." — Orbit8 founder

Key points:

- Public funding is critical but burdensome for small teams.
- Many startups lack staff to manage complex public grant reporting.
- IP commercialization law reform is still in progress (to simplify university spinouts).

4.Internationalization Barriers

"We need more experienced mentors and support for international market entry."

Key points:

- Many startups lack **international sales talent**.
- Difficulty in navigating **internationalization programs**.
- Access to **cross-border mentoring and networks** remains limited.

5.Ecosystem Fragmentation

"Still work to bring all ecosystem members under one roof."
— Startup House Riga CEO

Key points:

- Ecosystem progress is strong but still fragmented.
- Collaboration between **startups, corporates, universities, and policymakers** remains inconsistent.

Table 15. Insights from local start-ups on their biggest roadblocks to success

Roadblock	Founder Insights
Funding gaps	Series A difficult, public grants complex
Talent shortages	Lack of senior tech talent & scaleup founders
Bureaucratic hurdles	Lengthy grant processes
Internationalization challenges	Limited support for global scaling
Ecosystem fragmentation	Silos between ecosystem actors

5. Barriers for Women and Minorities in Accessing Innovation Support Services

2.1 Challenges women and minority entrepreneurs face in accessing funding and resources

Early Stage: No major barriers in university/startup environments.

Venture Capital Landscape:

- Dominated by **male / white networks**.
- Women-led startups are increasing, but still **receive disproportionately less funding**.
- **Male teams bond more easily** with other male teams, creating bias.

Masculine business culture still prevails.
Emphasis on the "female founder" **label reinforces separation** and systemic assumptions (e.g., questioning women's capability).

Progress Achieved

- **26.4%** of Latvian startups now include **at least one female shareholder**.
- **7.4%** of startups are **fully female-founded teams** — up from 6.3% in 2023 (+17.4% increase).
- **Riga TechGirls** is leading **skills, mentoring, and pre-acceleration programs** for women in tech:

    - Women in Tech Hackathon
    - Female Founders Lunch
    - SPRING UP Pre-acceleration program.

Quote: "We're encouraged by the increasing presence of women in the startup landscape... Riga TechGirls celebrates this progress and remains committed to fostering a more inclusive and gender-balanced startup ecosystem."

Key Challenges

1.Access to Funding

- **Female founders face more difficulty raising capital**, especially at:
    - Pre-seed / Seed stages → lower representation in VC portfolios.
    - Series A+ → compounded by the general Series A gap in Latvia.
- Despite **positive programs** (e.g. BADideas.fund Fundraising School, Riga TechGirls activities), women founders remain **underrepresented among VC-backed scale-ups**.

2.Pipeline & Representation Gaps

- Only **7.4%** of startups are fully female-founded — still relatively low.
- Fewer female entrepreneurs are entering **DeepTech and AI sectors**, which dominate VC interest.

3.Mentorship & Networks

- Lack of **female mentors with scale-up experience** → most ecosystem mentors still male-dominated.
- Many women founders cite **lack of access to trusted investor networks**.

4.Structural Barriers

- **Social biases** persist — female founders often face **higher scrutiny** on "business readiness" in pitch processes.
- Minority founders face similar issues, though data is lacking — no systematic reporting yet on **ethnic or migrant founder challenges** in Latvia.

Table 16. Challenges women and minority entrepreneurs face in accessing funding and resources

Challenge Area	Women / Minority Founders Impact
Funding access	More difficult, lower VC representation
DeepTech participation	Lower participation in AI/DeepTech fields
Mentorship availability	Lack of experienced female scale-up mentors
Networks	Less access to trusted investor circles
Social bias	Higher scrutiny, pitch barriers
Data gaps (minorities)	Lack of structured data on minority founders

2.1 Specific barriers in networking, mentorship, or business development

1.Networking Barriers

- **Underrepresentation in key networks**:
  - Although Riga TechGirls is fostering progress, **women remain underrepresented in key founder and investor networks**, particularly in DeepTech and AI fields.
  - Fewer women regularly attend major investor-facing events (e.g. Slush, TechChill) compared to male counterparts.

- **Limited access to informal networks**:
  - Women founders cite difficulty in accessing the **"inner circles"** of more experienced serial founders and VC partners.
  - These circles often serve as **gateways to trusted introductions and high-value deals**.

2.Mentorship Barriers

- **Shortage of female scaleup mentors**:
  - The ecosystem lacks **sufficient female mentors with Series A+ or international scale-up experience**.
  - Riga TechGirls provides early-stage mentorship (140+ sessions in 2024), but **deep scaling mentorship** is still rare.

- **Sector gaps**:
  - Women are still **underrepresented in DeepTech, AI, and DefenseTech** → fewer mentorship opportunities in those high-growth fields.

3.Business Development Barriers

- **Limited visibility in key business development forums**:
  - Fewer female founders participate in **corporate-startup matchmaking events**.
  - Some corporate partners still display **implicit bias** — women founders report being asked for **more "proof of business readiness"** than male peers.

- **Structural barriers for minority founders**:
  - Currently, Latvia lacks **structured tracking or dedicated programs for ethnic/migrant minority founders**.
  - Anecdotal evidence suggests **migrant founders face additional language and local-network barriers** not yet systematically addressed.

Table 17. Specific barriers in networking, mentorship, or business development

Area	Barrier
Networking	Underrepresentation in key VC/founder networks, limited informal access
Mentorship	Shortage of female mentors with scale-up experience, sector gaps (DeepTech, AI)
Business Development	Less visibility in corporate/BD forums, implicit bias in readiness assessment
Minority Founders	No structured support or tracking yet; language/network barriers remain

2.1 Regional policies or programs aimed at improving inclusion and diversity in the innovative ecosystem

National & Regional Initiatives

1.Riga City Council & Riga Investment and Tourism Agency (RITA)

- **Explicit focus on female founder empowerment**:

  "The Riga City Council startup ecosystem support programs are essential for empowering founders, particularly early-stage female founders while fostering a more inclusive and dynamic startup environment."

- Programs supported by Riga City in 2024–2025:

  - **Accelerator and Incubator Support Program**.
  - **NEW! Support Program for Start-up Centers**:
    Startup House Riga selected as a facilitator, promoting **inclusive access to ecosystem resources**.
  - Specific co-financing for: **Riga TechGirls** hackathons and pre-acceleration programs and community events with **inclusion and diversity objectives**.

- MoU with 17 ecosystem organizations for **inclusive ecosystem cooperation**.

2.Riga TechGirls (RTG)

- **Primary national-level initiative driving gender inclusion** in the Latvian tech & startup ecosystem.
- 2024 activities:

  - **Women in Tech Hackathon**.
  - **Female Founders Lunch**.
  - **Pre-acceleration program SPRING UP**.
  - **140+ mentorship sessions, 11,347 participants impacted from 95 countries**.

- Vision:
  Latvia as a Tech Powerhouse with equality and inclusion in tech and a digitally educated society.

3.Startin.LV EU-financed Digital Explorers II Project

- Aims to build a **cross-border, inclusive and gender-equal DeepTech ecosystem**:

  - Latvia + Estonia + Lithuania + Finland + Poland.
  - Focus on **talent mobility** and **gender-balanced innovation**.
  - Includes knowledge exchange, job shadowing, and professional placements.

4.University-based Programs

- **RSU Innovation Centre** & **B-Space incubator**:

  - **Open access** for students, researchers, employees.
  - Healthcare innovation with **continuous learning and diversity focus**.

- **UniLab** (Latvia's leading university startup accelerator):

  - Runs **Entrepreneurial Gene** to foster **inclusive entrepreneurial culture** in universities.
  - Collaborates with female entrepreneurs and underrepresented student groups.

Table 18. Regional policies or programs aimed at improving inclusion and diversity in the innovative ecosystem

Program / Initiative	Focus	Target Group
Riga City Council programs	Inclusive startup support	Female founders, early-stage founders
Riga TechGirls	Gender equality in tech	Women, underrepresented genders
Digital Explorers II	Cross-border inclusive DeepTech ecosystem	Women, minorities, DeepTech founders
RSU Innovation Centre & B-Space	Inclusive health innovation	Students, researchers
UniLab	Inclusive university-born entrepreneurship	Students, underrepresented groups

2.1 Recommendations for making innovation support services more inclusive

1.Opportunities & Recommendations:

- **Diverse teams** are crucial to command broader respect and credibility.
- **More women investors** → better support for women-led startups.
- Positive examples from **UK and Sweden** where this shift is happening.
- **Women are generally more risk-aware**, leading to thoughtful decisions—should be seen as a strength, not a weakness.
- **Wage issues** may be an additional barrier for women. Support mechanisms could be implemented.

2.Ongoing Efforts & Support:

- **Riga Tech Girls:** Achieving measurable success in supporting women in tech/startups.
- **Level 20 Venture:** Supports executive women in private equity.
- General support exists, but needs scale and visibility.
- **Family considerations** still play a role in participation.

3.Broaden Target Groups in Program Design

Move beyond gender alone — proactively include:

- **Migrant and ethnic minority founders**
- **LGBTQ+ entrepreneurs**
- **Founders with disabilities**

- **Founders from low-income backgrounds / non-capital regions**

Example: **Start-up Estonia** has specific outreach for migrants and expats.

4.Expand Inclusive Outreach & Communication

Ensure **accessible communication** for all target groups:

- Program calls in **multiple languages** (Latvian, English, Russian, other key languages for minorities).
- Visuals and branding reflect **diverse founder profiles**.
- Events proactively invite **diverse role models** as speakers and mentors.

Example: **Barcelona Activa** uses multilingual outreach + targeted campaigns for female migrants.

5.Diversify Mentorship Pools

Actively recruit **female mentors** and **mentors from underrepresented backgrounds** to:

- Public incubators and accelerators (LIAA Business Incubators, UniLab).
- Startup House programs.
- RITA-funded initiatives.

Example: **Startin.LV** can drive this via its coordination role.

6.Targeted Funding & Access to Finance

Create **dedicated funding streams**:

- Female founder microgrants (as in **Startup Portugal**).
- Minority entrepreneur innovation vouchers.
- Diversity-linked LIAA grant bonuses (tested in Sweden).

Example: Riga City Council could pilot this through its co-financing calls.

7.Inclusive Physical & Virtual Spaces

Ensure **physical spaces** (Startup House, LIAA Incubators) and **online platforms** are:

- **Accessible to persons with disabilities** (physical access, website accessibility).
- Designed with **diverse founder needs** in mind (child-friendly, culturally sensitive).

Example: **Amsterdam Startup Village** promotes universal design & inclusion.

8. Build Data & Accountability Mechanisms

Introduce **optional diversity tracking**:

- Procentage of female, migrant, minority, LGBTQ+, disabled founders in program KPIs.
- Regular reporting → inform future program design.

Example: **Tech Nation UK** and **Startup Estonia** publish annual diversity reports.

9. Empower University Inclusion Initiatives

Support **inclusive entrepreneurship programs** at universities:

- Funding for **student founder clubs** with a diversity lens.
- Programs like **Entrepreneurial Gene** at UniLab → expand to **regional universities**.

Example: **Aalto University** in Finland integrates D&I in all startup education.

Table 19. Recommendations for making innovation support services more inclusive

Recommendation Area	Key Actions
Target groups	Include migrants, LGBTQ+, disabled founders
Outreach & comms	Multilingual calls, diverse visuals
Mentorship	Recruit diverse mentor pool
Funding	Dedicated grants & bonuses for diverse founders
Spaces	Universal design, inclusive facilities
Data	Diversity KPIs, annual reporting
Universities	Inclusive student entrepreneurship programs

6. Key Recommendations for Strengthening the Regional Innovation Ecosystem

To address structural gaps and unlock the full potential of Latvia's startup ecosystem, a coordinated set of short- and medium-term actions is recommended. In the area of **funding**, key steps include accelerating the launch of **ALTUM-backed VC funds**, introducing **corporate co-investment incentives**, and enabling **pension fund**

participation in VC/PE. To enhance **collaboration**, formalized ecosystem roundtables, **cross-sector mentoring pools**, and **corporate-startup pilot programs** should be established. Tackling the **skills gap** requires launching a **national AI & DeepTech skills academy**, expanding regional programs like StartSchool, and introducing initiatives such as **founder sabbaticals** and international mentor engagement. For **diversity and inclusion**, measures include setting KPIs in public programs, offering **microgrants for underrepresented founders**, and creating **inclusive innovation spaces**. Finally, tapping into **European-level opportunities**—through programs like **EIC Accelerator**, **NATO DIANA**, and **EIT Health/Digital**—will position Latvia more competitively in the continental innovation landscape.

2.1 Actions to improve access to funding and investment opportunities

Short-term (1–2 years):

- **Accelerate launch of ALTUM-backed VC funds** + communicate transparent timelines to startups.
- **Introduce corporate co-investment incentives** → tax benefits for corporate venture arms (Spanish & Estonian models).
- Expand **LatBAN syndicate support** → match syndicates with government co-investment at pre-seed level.
- Promote **export-focused funding** for scaling startups entering EU markets (Digital Explorers II as example).

Medium-term (3–5 years):

- Enable **Latvian pension funds** to allocate % to VC/PE, learning from Estonia.
- Support **crowd-equity platforms** with clear legal frameworks (Spain, Lithuania models).

2.1 Ways to Enhance Collaboration between Start-ups, Corporates, Academia, and Government

Immediate:

- Formalize **ecosystem roundtables** → Riga City, Startin.LV, LIAA, corporates, universities → quarterly.
- Use **Riga TechGirls** and UniLab as models to build **cross-sector mentoring pools**.
- Map & publish **corporate innovation points-of-contact** to ease startup access.
- Encentivise tax regulation supporting startups in early stage. Currently startups are competing with regular companies with the same tax preasure.

Medium-term:

- Incentivize **corporate-startup pilot programs** with targeted grants (tested in Germany, Finland).
- Build **joint IP commercialization pathways** → integrate university tech transfer with startup accelerators.

2.1 Initiatives to Address Skills Gaps and Talent Development

Short-term:

- Launch **national DeepTech & AI skills academy**, public-private (RTU + SSE Riga + RSU + LIAA).
- Scale **StartSchool**, Riga TechGirls to regions → include digital leadership & founder training.
- Introduce **"Founder Sabbaticals"** in universities to promote entrepreneurial activity.

Medium-term:

- Develop **"returnee" program** to attract Latvian talent back from EU/Nordics/UK.
- Incentivize **international tech mentors** to embed in Latvian ecosystem.

2.1 Policies or Interventions to Promote Diversity and Inclusion

Immediate:

- Mandate **diversity KPIs** in LIAA / RITA funded programs.
- Provide **micro-grants** for women / minority-led startups (Portugal & Sweden models).
- Ensure all public incubators **track and publish diversity data** (Startup Estonia does this).

Medium-term:

- Support **inclusive innovation spaces** across regions → accessible, child-friendly, culturally sensitive.
- Integrate **diversity coaching** into founder education (Spain's Barcelona Activa model).

2.1 Emerging Opportunities for Regional Start-ups at the European Level

- **Horizon Europe & EIC Accelerator** — Latvia should **scale-up support for EIC applications** (Lithuania is ahead here).

- **NATO DIANA network** → position Latvia as regional DeepTech/DefenseTech leader (UniLab & RTU lead here).
- **EIT Digital, EIT Health** → underutilized, expand Latvian participation via RSU, RTU, Riga TechGirls.
- **Digital Explorers II** → continue momentum for cross-border talent & market access.

Table 20. Key Recommendations for Strengthening the Regional Innovation Ecosystem

Area	Key Actions
Funding	Accelerate ALTUM funds, corporate VC incentives, crowd-equity legal framework
Collaboration	Formal roundtables, corporate-startup pilots, joint IP pathways
Skills	National AI academy, founder sabbaticals, attract global mentors
Diversity	KPIs, microgrants, inclusive incubator spaces
European Level	EIC Accelerator, NATO DIANA, EIT program scaling

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6. **Commercialization Reactor** – Programs and performance in science-based startup creation.
7. **Riga Investment and Tourism Agency (RITA)** – Regional funding programs and support for startups/events.
8. **BADideas.fund, Buildit, FlyCap, Outlast** – VC fund profiles and investment strategies.
9. **ESA BIC Latvia** – Space-tech incubator activities and affiliation with Commercialization Reactor.
10. **UniLab** – National university startup accelerator and DeepTech/Defense innovation hub.
11. **Riga TechGirls** – Gender inclusion efforts and mentorship statistics.
12. **Startin.LV** – Involvement in EU-funded Digital Explorers II project and national ecosystem coordination.
13. **EIT Health / Digital / Community Latvia** – Participation in European innovation networks.
14. **Green Hexagon Program** – University-led sustainability pre-incubation initiative.
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ANNEX 1 – Key innovation hubs, accelerators, incubators, and research institutions

No	Name	Website	Short Description
1	Investment and Development Agency of Latvia (LIAA)	https://www.liaa.gov.lv/en	National agency fostering innovation, startup growth, and exports. Provides Startup Law support, innovation vouchers, business incubators, and digitalization funding.
2	Commercialization Reactor	https://www.commercialireactor.com	Deep-tech startup creation platform. Operates ESA BIC Latvia and Innovation Nexus. Hosts the Ignition Event and Founder's Dive programs.
3	ESA BIC Latvia	https://www.commercializationreactor.com/esa-bic-latvia-launch	European Space Agency Business Incubation Centre supporting space-tech startups in Latvia.
4	Startup House Riga	https://www.startuphouse.lv	Dynamic innovation hub and collaborative space for startups. Offers pre-accelerator programs and networking events.
5	Buildit Latvia	https://www.buildit.lv	Hardware-focused accelerator investing in both hardware and non-hardware startups.
6	UniLab	https://unilab.lv	University-driven innovation and pre-acceleration programs. Focus on deep-tech and research commercialization.
7	University of Latvia Innovation and Acceleration Centre	https://www.lumic.lu.lv/en	University one-stop shop for technology transfer, incubation, and OpenLab prototyping.
8	Riga Technical University Science & Innovation Centre	https://www.rtu.lv/en/innovations/science-and-innovation-centre	University hub for deep-tech innovation, prototyping, and entrepreneurship. Active in Smart Cities, AI, and DefenseTech.
9	Rīga Stradiņš University Innovation Centre	https://www.rsu.lv/en/innovation-centre	Healthcare-focused innovation hub and home to RSU Business Incubator B-Space and EIT Health RIS Hub.
10	Stockholm School of Economics in Riga (SSE Riga)	https://www.sserига.edu	Business school fostering entrepreneurship through courses, Business Lab Riga incubator, and international programs.
11	Latvian Blockchain Association (LBAA)	https://lbaa.io	Industry association promoting blockchain adoption and Web3 innovation in Latvia.
12	Fintech Latvia Association	https://fla.lv/eng	Industry association supporting fintech companies, advocating regulatory improvements, and promoting ecosystem growth.
13	Latvian Business Angels Network (LatBAN)	https://www.latban.lv	Community of angel investors supporting high-growth startups with investments and mentorship.
14	Riga TechGirls	https://rigatechgirls.com	Non-profit fostering digital skills, gender equality, and diversity in tech. Runs hackathons, accelerators, and educational programs.

15	Latvian Digital Health Association	https://www.linkedin.com/company/digital-health-society-latvia	Industry association fostering digital health innovations and collaborations.
16	TechChill	https://www.techchill.co	Annual flagship tech and startup conference fostering networking, investments, and knowledge sharing.
17	Riga Investment and Tourism Agency (RITA)	https://www.liveriga.com/en	Municipal agency supporting startup ecosystem development in Riga. Provides startup support programs and event funding.
18	Zemgale Business Center	(application portal, varies by project)	Idea-stage incubator supporting early teams across sectors in Jelgava and Zemgale labsoflatvia.com+1vestbee.com+1failory.com+10xyzlab.com+10rsu.lv+10
19	Ventspils High Technology Park	https://www.venta.lv	Supports tech startups with incubation, R&D, and infrastructure in Ventspils
20	UniLab	https://unilab.lv/	Equity-free university-backed incubator for tech-based ideas, run by top Latvian universities
21	Overkill Ventures	(via website, investor portal)	Riga-based B2B deep-tech/saas pre-seed accelerator and angel fund
22	EIT Community Hub Latvia	https://eit-ris.eu/latvia/	Brings together RTU and Commercialization Reactor to support innovators via EIT network
23	Digital Accelerator of Latvia (DAoL)	https://www.edi.lv/en/projects/digital-accelerator-of-latvia-daol-2/	State digital transformation accelerator (DIH) supporting SMEs and public digitalization
24	RSU BSpace Business Incubator	https://www.rsu.lv/en/b-space-business-incubator	Rīga Stradiņš University's incubator providing workspace, mentorship, and community for startups
25	Latvian Biomedical Research & Study Centre	http://biomed.lu.lv/en/	Leading national research carrier in molecular biology, genomics, immunology and biomedicine
26	Latvian Institute of International Affairs (LIIA)	http://www.liia.lv/en/	Premier thinktank and research institute on international relations and security issues
27	Latvian Environment, Geology and Meteorology Centre	(gov.lv domains)	State research center monitoring environment, geology, hydrology, and meteorology
28	Latvian Academy of Sciences	https://www.lza.lv/en/	National academy uniting top scientists across disciplines and supporting research policy
29	Vidzeme University of Applied Sciences	www.va.lv/en	University in Valmiera with research institutes in engineering, socioeconomic and ICT

30	Ventspils University of Applied Sciences	en.venta.lv	Higher-ed institution with centres for entrepreneurship, applied IT, and radio-astronomy

ANNEX 2 – Industry clusters and sectors driving innovation in Latvia

No	Industry Cluster / Sector	Website	Short Description
1	FinTech	https://fla.lv/eng/	Unites Latvian fintech companies (payments, crypto, lending, P2P); promotes Latvia as an emerging fintech hub.
2	Blockchain / Web3	https://lbaa.io/	Drives blockchain and crypto adoption in Latvia; active in regulatory progress and positioning Latvia as a Web3 hub.
3	Digital Health / HealthTech	https://www.linkedin.com/company/digital-health-society-latvia/	Unites leading digital health companies; works on interoperability, health data standards, and national healthcare innovation.
4	AI & Data Science		AI is a growing cross-sector technology in Latvia with startups developing AI-based solutions in healthcare, mobility, business intelligence, and more.
5	MedTech	https://www.commercializationreactor.com/	Strong focus on MedTech and DeepTech startups; enables commercialization of science-based innovation.
6	Mobility & Automotive	https://carguru.lv/	Mobility startups including car-sharing and transportation platforms are an emerging sector.
7	DeepTech	https://deeptechatelier.com/	Flagship event and ecosystem platform for Latvian DeepTech startups, including defense tech, new materials, energy, space.
8	DefenseTech	https://unilab.lv/	Accelerator building dual-use and defense tech startups; collaborating with NATO DIANA program.
9	Latvian Food Cluster	https://latvianfoods.eu	Largest Food Cluster in Latvia with focus on innovation of Food Manufacturers.
10	EdTech	https://rigatechgirls.com/	Focuses on digital education, inclusion, and tech upskilling; contributes to the EdTech sector.
11	SaaS & B2B Software	https://www.printify.com/ / https://www.printful.com/	Latvia hosts strong SaaS and e-commerce infrastructure players; SaaS is a major component of startup activity.
12	SpaceTech	https://www.commercializationreactor.com/esa-bic-latvia-launch/	ESA BIC Latvia supports commercialization of space-related innovations.

13	GreenTech & Bioeconomy	https://www.spirulinanord.eu/ / https://www.algaetree.com/	Emerging sector in sustainable biotech, algae-based products, and circular bioeconomy.
14	Manufacturing & Industrial Innovation	https://www.lumic.lu.lv/en/	Manufacturing innovation supported by academic-industry collaboration; focus on prototyping, patents, and tech transfer.