

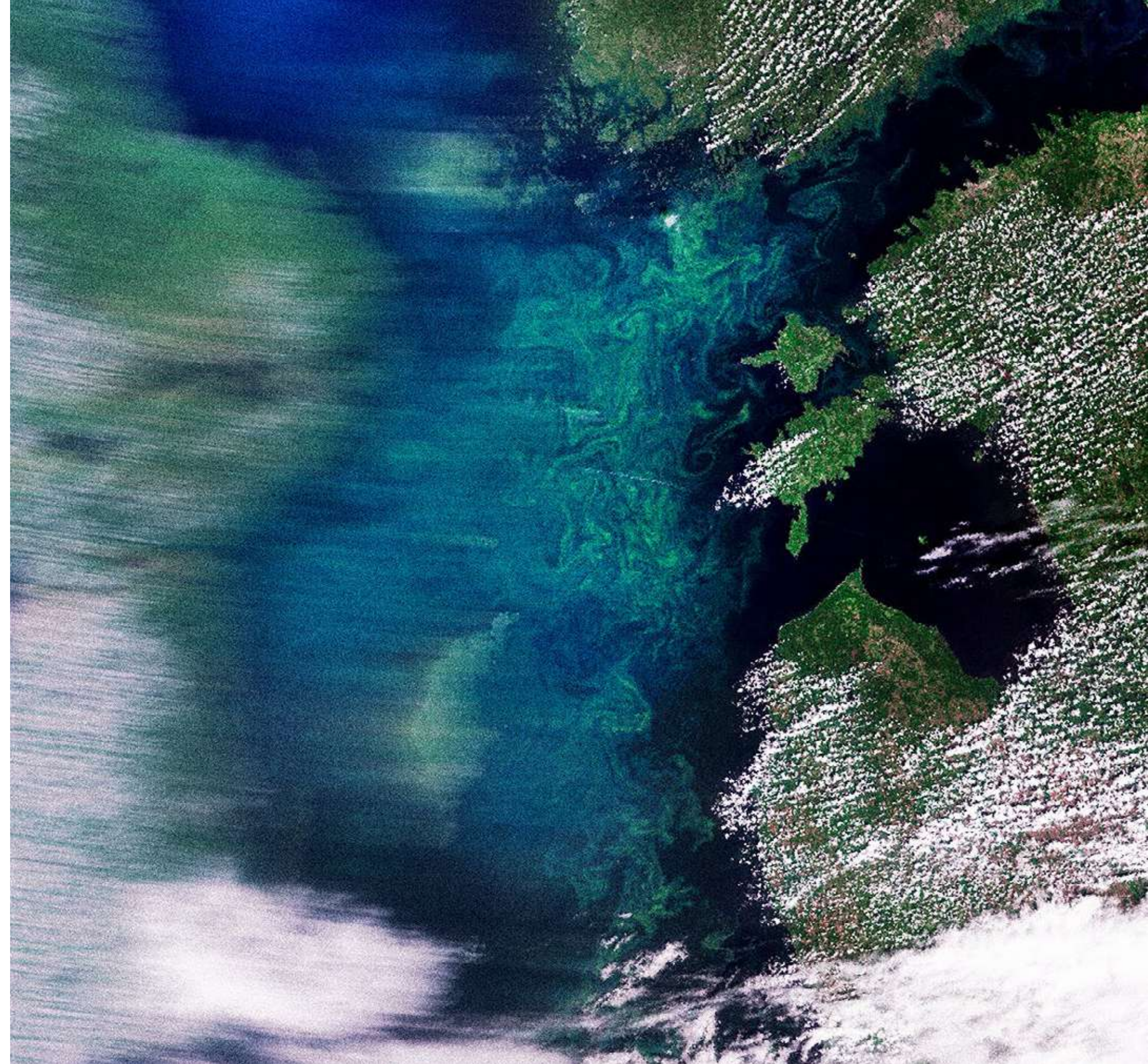


Baltic Private Equity and Venture Capital Market Overview 2025

May 2026



Estonian Private Equity
and Venture Capital
Association



Baltic Private Equity and Venture
Capital Market Overview 2025

Executive summary

Foreword

The KPMG Baltics Deals team and the Baltic VCAs are pleased to present the Baltic Private Equity and Venture Capital Market Overview 2025. Now in its seventh year, and the fourth in collaboration with KPMG Baltics, this report continues to track key developments across the region's PE/VC landscape.

2025 marked a strong rebound in fundraising, with Baltic fund managers raising €749 million, more than double the 2024 total. The geography of capital also reversed sharply: 91.5% came from within the Baltics, while contributions from outside the EU fell to zero. Cumulative capital raised since 2010 surpassed €4.6 billion, and the active fund count reached a new high of 116.

PE fundraising had a record year at €502 million, more than the prior three years combined, while VC managers raised €247 million. All fifteen new 2025 vintage funds carry pan-Baltic, pan-European, or global mandates, reflecting the continued internationalisation of local managers' strategies.

Investment into local companies remained stable in volume at 243 transactions, though total invested capital declined to €144 million as growth and infrastructure investment activity fell sharply. Early-stage VC held steady and buyout volumes rose nearly eightfold, while average deal size dropped to a five-year low of €0.6 million.

Outbound investment reached a record €336 million, 70% of total capital deployed, reinforcing Baltic managers' growing global reach. Dry powder stood at €1.36 billion at year-end, with €671 million expected to be deployed locally and over €600 million earmarked for opportunities abroad.

Exit activity rebounded meaningfully, with divestments at cost rising 175% to €66 million across 53 transactions, driven largely by PE funds and a return of trade-buyer activity to 2021–2022 levels.

Looking ahead to 2026, fund managers expect fundraising and foreign LP attraction to remain challenging amid continued geopolitical uncertainty, but sentiment around investment opportunities is increasingly positive, with 60% of respondents anticipating stronger deal flow.

We hope this report provides valuable insight into the state and direction of the Baltic PE/VC market.



MATISS NEIMANIS

Latvian VCA,
Chairman



HENDRIK REIMAND

Estonian VCA,
Chairman



GERDA SAKALAUŠKAITĖ

Lithuanian VCA,
Chairwoman



DMITRI ŠEVOLDAJEV

KPMG Baltics,
Head of M&A



The scope of this report is data collected from Baltic-based Private Equity and Venture Capital funds. It includes data from funds that are members of the Baltic VCAs or have significant presence/direct link (for example, Baltic founding partner) to the Baltics.



Baltic Market Highlights

HIGHLIGHTS IN NUMBERS

4.6B EUR raised since 2010

749M EUR raised in 2025

1.4B EUR dry powder as at the end of 2025

671M EUR of dry powder expected to be deployed in the Baltics

243 deals involving Baltic companies in 2025

144M EUR amount invested into Baltic companies in 2025

336M EUR outbound investments in 2025

116 active funds as at end of 2025





HENDRIK
REIMAND

Estonia

In 2025, Baltic funds invested €75 million into Estonian companies across 102 transactions, the highest activity among the Baltic states and a 70% year-on-year increase in value. Buyout funds led at 53% of capital deployed, while ICT and energy & environment continued to attract the bulk of investment.

Fundraising by Estonian-linked managers continued, though all new funds launched carry pan-Baltic or broader mandates. Estonian LPs contributed 17% (€125 million) of total capital raised by Baltic fund managers in 2025, with growing involvement from family offices.

Exit activity picked up modestly, with divestments reaching €15 million across 20 transactions, led by sales to trade buyers.

With €225 million of dry powder earmarked for Estonian companies, the outlook for 2026 remains cautiously optimistic.



MATISS
NEIMANIS

Latvia

2025 was Latvia’s quietest PE/VC year in recent memory. Baltic funds invested just €11 million into Latvian companies across 39 transactions, the lowest in recent years, driven almost entirely by early-stage VC.

But beneath the subdued deal flow, confidence in the Latvian market is growing. Latvian investors committed €122 million to Baltic fund managers during the year nearly matching the total contributed over the entire 2020–2024 period combined and foreign investors provided 95% of total venture capital raised by Latvian startups, the highest foreign capital share among the three Baltic states.

The slowdown reflects a structural cycle rather than a shift in sentiment: the majority of Latvian funds concluded their investment periods in 2024–2025. With several new funds preparing to enter the market, Latvia is well-positioned for a more active 2026.



GERDA
SAKALAUSKAITĖ

Lithuania

Lithuania’s PE/VC market demonstrated resilience and growing maturity in 2025, even as investment volumes moderated.

Baltic funds invested €52 million into Lithuanian companies across 102 transactions - the highest deal count among the Baltic states and a 36% year-on-year increase. Investment was led by early-stage VC at 50% of capital deployed, while energy & environment and ICT remained the dominant sectors.

Lithuanian LPs committed €436 million to Baltic fund managers in 2025 alone - surpassing the entire 2020-2024 period combined - reflecting strong domestic confidence in the region’s funds.

Exit activity reached a record high, with divestments at cost rising 178% to €46 million across 25 transactions - the highest ever recorded for Lithuania.

With €86 million of dry powder earmarked for Lithuanian companies and deal flow expected to strengthen in 2026, Lithuania’s market is well-positioned to build on this momentum.

Landscape of PE/VC funds that invest in the Baltics as at 31st December 2025

Funds raised by funding source and fund period (vintage and termination year), EUR M¹

Institutional funding
Private funding
Corporate funding
Funds investing solely in one Baltic country

¹Excludes evergreen funds. Excludes funds which have not fundraised or disclosed fundraising



Methodology

SCOPE OF THE MARKET OVERVIEW

The Baltic Private Equity and Venture Capital Market Overview 2025 (“Report”) was collaboratively developed by the Estonian Private Equity and Venture Capital Association (ESTVCA), Latvian Private Equity and Venture Capital Association (LVCA), Lithuanian Private Equity and Venture Capital Association (LTVCA) (collectively “VCAs”) and KPMG Baltics (“KPMG”).

Extensive data collection and analysis has enabled us to present thorough insights of the Baltic Private Equity (“PE”) and Venture Capital (“VC”) market (collectively “PE/VC”) as a whole as well as the Estonian, Latvian and Lithuanian PE/VC markets individually.

THE KEY AREAS OF ANALYSIS INCLUDE:

- Capital raised by PE/VC funds
- Investments made by PE/VC funds
- Dry powder and capital invested by PE/VC funds
- Realisation of investments previously made (“Divestments”) by PE/VC funds
- PE/VC fund views on Environmental, Social and Governance (“ESG”) matters & market sentiment

The study covers funds that are members of the Baltic VCAs or have significant presence/direct link (for example, Baltic founding partner) to the Baltics. The data was collected from the PE/VC funds as a survey, largely based on definitions and methodology prescribed by the European Data Collective. The data was not audited and KPMG cannot provide assurance to the accuracy, completeness or quality of the data. A total of 48 fund managers were included in the 2025 report as detailed below.

FUND MANAGERS LIST

- | | |
|---|---|
| 1. BaltCap (historical data only since 2024) | 25. Aneli Capital (fmr. Verslo Angelu Fondas) |
| 2. NordicNinja (historical data only since 2024) | 26. 70 Ventures (historical data only since 2025) |
| 3. BPM Capital | 27. Equite (historical data only since 2024) |
| 4. Change Ventures | 28. Coinvest Capital |
| 5. Karma Ventures | 29. 1 Asset Management |
| 6. Siena Secondary Fund | 30. Nter |
| 7. Superangel | 31. Baltic Sandbox Ventures |
| 8. Specialist VC | 32. Capitalia (historical data only since 2023) |
| 9. Tera Ventures | 33. Raft Capital |
| 10. Trind Ventures | 34. Superhero Capital (new addition) |
| 11. Startup Wise Guys | 35. Zabolis and Partners (historical data only since 2025) |
| 12. Smartcap | 36. Buildit Latvia |
| 13. 2C Ventures | 37. Commercialization Reactor |
| 14. Plural; | 38. Expansion Capital |
| 15. Equity United (historical data only since 2023) | 39. Fly Cap |
| 16. Nordic Science Investments (new addition) | 40. Livonia Partners |
| 17. Contrarian Ventures | 41. Overkill Ventures (historical data only since 2025) |
| 18. INVL Asset Management | 42. ZGI Capital |
| 19. Iron Wolf Capital | 43. Merito Capital |
| 20. LitCapital | 44. Bad Ideas Fund |
| 21. Envolve Capital (fmr. Modus Asset Management) | 45. Imprimatur Capital Fund Management (hist. data only since 2023) |
| 22. Open Circle Capital | 46. ASP Asset Management |
| 23. Practica Capital | 47. AJ Power |
| 24. Firstpick | 48. Outlast (new addition) |

RESULTS & COMPARABILITY

The report follows a similar methodology to last year’s report, Baltic Private Equity and Venture Capital Market Overview 2024. However, the data cannot be directly compared as there have been changes in approaches used in certain areas, changes in certain categorizations, revisions by fund managers of prior years data, as well as enhanced data collection from the funds (follow up emails for missing information from last year’s and this year’s report).

Furthermore, three new fund managers (as listed above) have been included in this year’s report with both new and historical data. Given the addition of new fund managers, which may have had historic funds, the historic numbers may have changed compared to last year’s report.

Additionally, nine fund managers did not submit data for this year’s study, meaning no updated information was available; however, their historical data has been retained. Since no commentary was provided on this historical information, some of the data presented may be outdated (for example, a fund’s portfolio company composition as some companies may have been divested).

FUNDRAISING

FOR THE PURPOSE OF THIS REPORT, PE/VC FUNDS ARE DEFINED AS:

- Companies incorporated in any legal form and in any jurisdiction
- Primary purpose was investing from pre-seed to buyout stage
- Members of the Baltic VCAs or have significant presence/ direct link (for example, Baltic founding partner) to the Baltics
- Can independently select investments from the market i.e. the majority of managed funds are not directly or indirectly owned by funds management
- Not publicly traded

Assumptions were made regarding the classification of funds between Baltic, Estonia, Latvia and Lithuania. Fund managers were asked to indicate whether each of their funds had a fund geographic focus of ‘National’, ‘Pan-Baltics’, ‘Pan-European’ or ‘Global’. ‘National’ funds invested solely in one Baltic country. ‘Pan-Baltic’ funds invested in more than one Baltic country. ‘Pan-European’ funds invested in more than one European country. ‘Global’ funds invested in more than one country within different geographic regions.

As part of the methodological approach, it was assumed that Baltic funds included ‘Pan-European’, ‘Global’ and all ‘Pan-Baltic’ funds as capital is deployable in the Baltics. Individual country (Estonian, Latvian, Lithuanian) funds included their respective ‘National’ funds as well as ‘Pan-Baltics’, ‘Pan-European’ and ‘Global’ funds as capital raised is not

exclusive and is deployable in that individual country (in many cases capital is raised and invested cross-border in the Baltics). This explains why fundraising and capital under management are similar for the Baltics, Estonia, Latvia and Lithuania as the only difference are ‘National’ funds. If a different approach was to be used, the analysis and its outcomes would differ.

Funds were categorized into one of six fund investment stage focuses: ‘Early ventures’, ‘Late ventures’, ‘Growth investments’, ‘Mezzanine’, ‘Buyout’ or ‘Infrastructure & Real assets’ (solely real estate investment focused funds or solely private credit funds without an equity component were not included in this analysis).

THE FUNDS LANDSCAPE GRAPH ALSO INCLUDED THE CATEGORIZATION OF FUNDS RAISED UNDER THE FOLLOWING INVESTOR CATEGORIES:

- **Institutional funding contains:** academic institutions, government agencies, pension funds, insurance companies, fund of funds, banks, sovereign wealth funds, other asset managers, capital markets, endowment funds and foundations.
 - » Inter-governmental organisations such as EIF and similar are considered under the ‘government agencies’ category.
- Private funding contains: private individuals, GP commitments and family offices.
- Corporate funding contains: corporate investors.

FUNDRAISING - SOURCE OF FUNDS

To ensure consistency with last year’s report, the same methodology of using vintage year as the fundraising year was adopted. Six years (2020-2025) of the cumulative fundraising graph was displayed, however, the cumulative values start from 2010, not 2020. Evergreen funds had inflows and outflows as their sources of funds.

Not all data pertaining to source of funds was provided by the funds, therefore it may not be fully representative of the true values.

FUNDRAISING - CAPITAL UNDER MANAGEMENT

Total amount of capital under management is equal to capital available plus capital invested. Capital available was defined as capital currently available for investments, including amounts committed by the LPs, but not yet invested. Capital invested was defined as the amount of funds already invested (at cost) and not yet divested.

Not all data pertaining to capital under management was provided by the funds, therefore it may not be fully representative of the true values.

INVESTMENTS

Investments in companies by funds include direct equity, quasi equity and mezzanine investments. Investments were allocated to countries by their indicated country of headquarters.

Funds selected the types of investment as either: ‘Early ventures’, ‘Late ventures’, ‘Growth investments’, ‘Buyout’, ‘Mezzanine’, ‘Infrastructure & Real assets’ or ‘Other’ (in rare cases). Other includes for example turnaround/rescue, replacement capital or secondaries.

Funds could choose between 14 main company activity sectors for their portfolio companies which included the following: ‘Business and industrial products’, ‘Business and industrial services’, ‘Chemicals and materials’, ‘Communications (services)’, ‘Construction’, ‘Consumer goods and retail’, ‘Consumer services’, ‘Energy and environment’, ‘Financial services’, ‘ICT (Computer and consumer electronics)’, ‘Infrastructure & Real assets’, ‘Life science (Biotech and healthcare)’, ‘Transportation (Logistics and mobility)’ and ‘Other’.

Funds were asked to follow the precedent that if it is a sector & ‘Tech’ i.e. FinTech, it is preferable to put it into Financial services, rather than ICT, and to follow this logic for other scenarios. A portion of invested company activity sectors were either not disclosed by funds or funds entered their own activity sector rather than choosing from the official categories. As a result, KPMG used public databases and judgement to fill in the missing ones.

The investment into Baltics and the total of Estonian, Latvian and Lithuanian investments do not match as a fund, Plural, did not provide a per investment or per country breakdown. This also impacts investments by sector and outbound investments.

Portfolio company data (revenue, profit and taxes paid) was also asked for and collected, however due to very low reporting by fund managers, the results of the analysis have been excluded due to insufficient representativeness of the underlying data.

Not all data pertaining to investments was provided by the funds, therefore it may not be fully representative of the true values.

INVESTMENTS - VC DEEP DIVE

As part of our enhanced analysis, we also gathered data from a number of public & non-public sources to estimate the total value of funds raised by Baltic start-up and scale-up companies.

PUBLIC SOURCES INCLUDE:

 Estonia [↗](#)

 Latvia [↗](#)

 Lithuania [↗](#)

Non-public sources include Pitchbook and Mergermarket.

Significant judgement was used in distinguishing late ventures from PE growth investments. Factors such as overall funding journey and age of company were used.

A number of deals were identified for which investment amounts were not publicly available and thus could not be added to our analysis.

The split between the data that was collected as part of this report and the rest of VC capital is an approximation as the sources for the two values differ.

DIVESTMENTS	ESG AND MARKET SENTIMENT
Divestments from portfolio companies were defined at historical investment cost. This is not a measure of performance as this survey does not factor in capital gains/losses and thus the true value may be potentially higher/lower. Divestments were allocated to specific countries based on the company’s country of headquarters. Methods of divestment included for this study are as follows: ‘IPO - First divestment following flotation’, ‘Management/Owner buy-back’, ‘Repayment of preference shares/ loans or mezzanine’, ‘Sale of quoted equity post flotation’, ‘Sale to another private equity firm’, ‘Sale to financial institutions’, ‘Sale to private individual/ family office’, ‘Sale to trade buyers’, ‘Write off’ and ‘Other’ (in rare cases). Divestment in the Baltics exclude divestments from outbound companies. Partial divestments were included in the number of divestments as separate divestments. Exit value at cost by type of divestment was detailed for the Baltics overall, but not for Estonia, Latvia and Lithuania separately as for some stages there were only 1-2 exits, which had the potential to disclose confidential information. Not all data pertaining to divestments was provided by the funds, therefore it may not be fully representative of the true values.	Separate sections were created in the survey to get insight on fund manager views regarding ESG topics (incl. gender diversity) as well as market sentiment. On the ESG questionnaire this year 100% of fund managers (total number of potential respondents is 39 as it excludes historical only funds) shared their views on how ESG factors impact their investment decisions. 95% of fund managers also responded to the Market Sentiment questionnaire in which views were shared regarding the current and future state of fundraising, attracting foreign LPs, investment opportunities and exit environment. Please note that the survey was completed by fund managers before the start of the US-Iran conflict.

Baltic Private Equity and Venture
Capital Market Overview 2025

Private Equity & Venture Capital in the Baltics

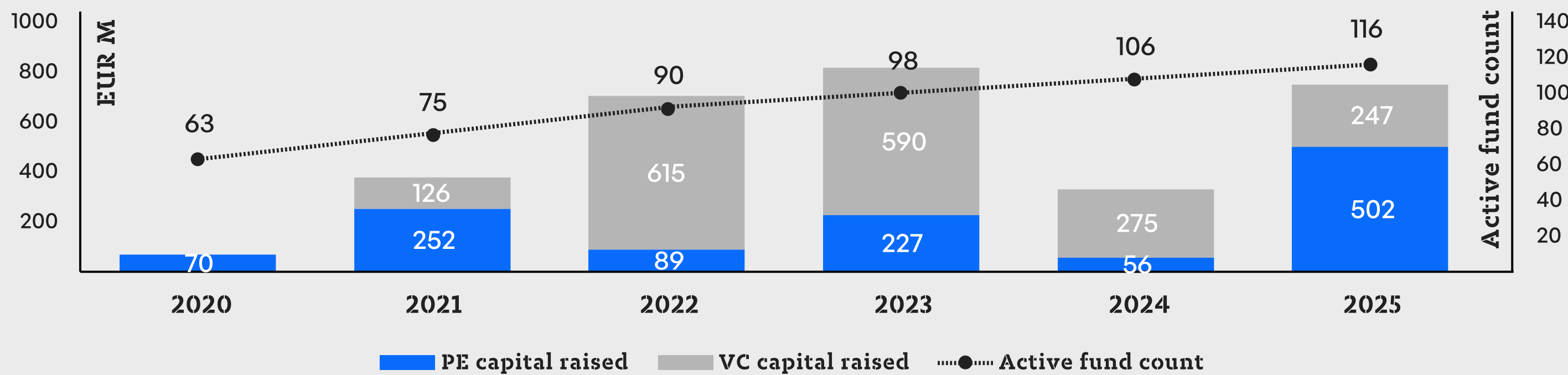
Private Equity & Venture
Capital in the Baltics

Baltics Fundraising

Fundraising in the Baltics 2020-2025

TOTAL FUNDRAISING *(split into VC & PE) incl. active fund count*

Capital raised annually during 2020-2025, EUR M¹



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Fundraising by Baltic PE/VC funds picked up in 2025, more than doubling compared to 2024 & reaching a total for the year of €749 million.

On the back of a softer fundraising year in 2024 with €331 million raised by Baltic fund managers, 2025 saw fundraising activity increase to €749 million (an increase of 126% YoY). The increase demonstrates the resilience and capabilities of the local fund managers, as the strong result was achieved despite the continued complex macroeconomic and geopolitical environment. Over the year, the total number of active funds increased by ten, reaching a new high of 116, having grown at a CAGR of 13.0% over the period 2020-2025.

PE fundraising had a record year in 2025, with a total of €502 million raised. The result was more

than the combined amount raised by PE funds in the prior three years & is the first time since 2021 that PE fundraising eclipsed VC fundraising. Three new PE funds were established during the year, which are managed by existing fund managers. Within the PE space, fundraising was largely led by INVL (for Private Equity Fund II) as well as 1 Asset Management and FlyCap.

VC funds raised a total of €247 million of new capital, which made up one-third of the total capital raised by Baltic fund managers in 2025. A number of new VC funds were established during the year, of which one (Outlast Fund I) is managed by a fund

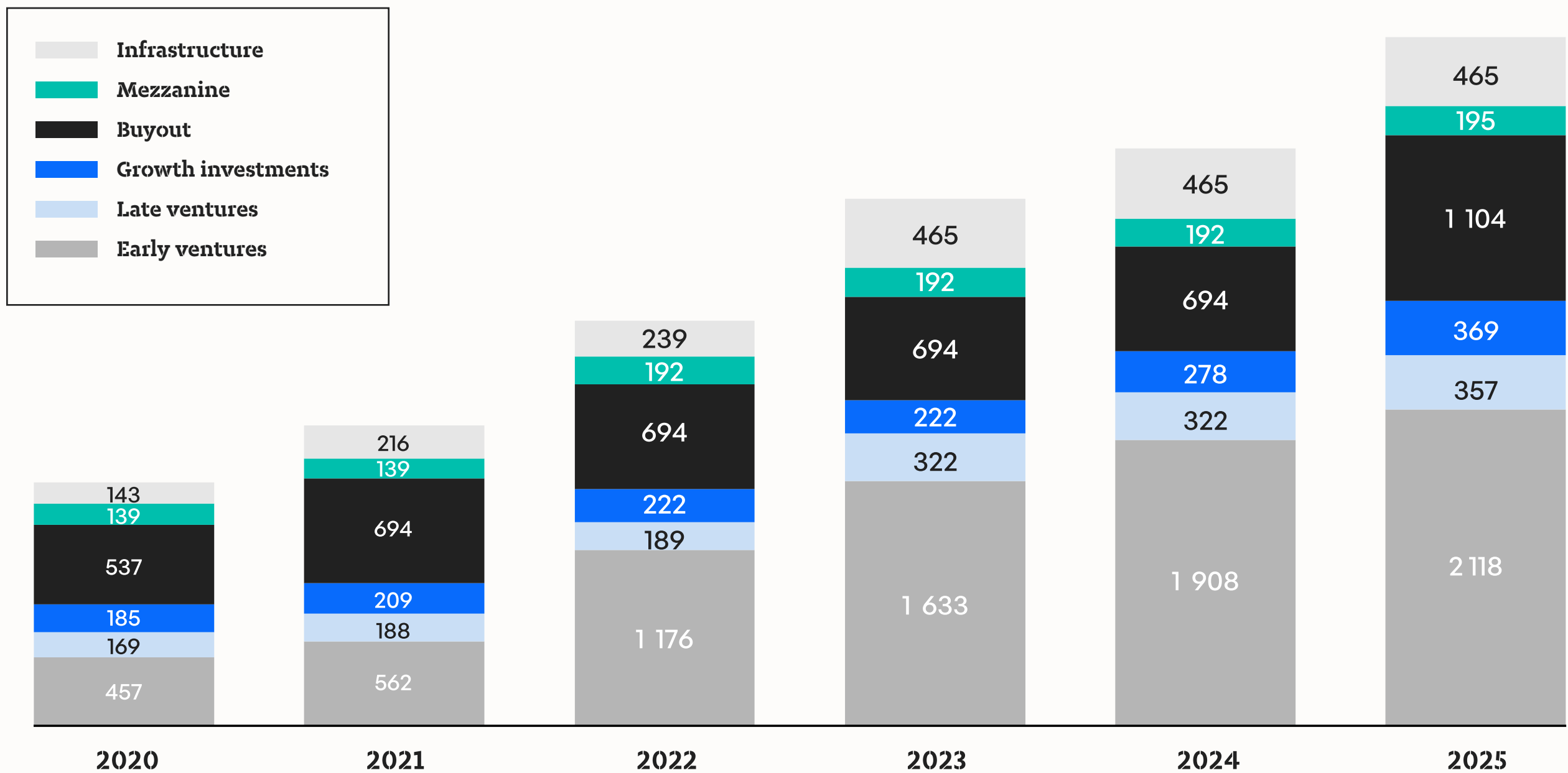
manager participating in the study for the first time. The VC funds that raised significant capital in 2025 include SmartCap (Defence Fund) as well as Aneli Capital, Siena Secondary and Iron Wolf. All of the new funds have a multi-country investment strategy and have a pan-Baltic, pan-European or even global investment mandate.

¹Fundraising date is defined by the fund's vintage year. Please see methodology section for further information.
Given the addition of new fund managers which may have had historic funds, the historic numbers may have changed compared to last year's report.

Fundraising in the Baltics 2020-2025

TOTAL CAPITAL RAISED BY PE/VC FUNDS *by fund stage focus in the Baltics*

Cumulative capital raised in 2010-2025, EUR M¹



By the end of 2025, the total cumulative capital raised by Baltic fund managers reached €4.60 billion. Funds focusing on early-stage VC investment remain the largest single category for total cumulative capital raised, making up nearly half or €2.1 billion of the total. Compared to 2020, the cumulative capital raised by early stage VC funds has grown more than fourfold. Buyout fundraising, on the other hand, had remained flat from 2021-2024 until INVL Private Equity Fund II reached final close of €410 million in 2025, reinforcing buyout as the second largest category, constituting 24% or €1.1 billion of the total.

“

In 2025, cumulative capital raised by Baltic fund managers surpassed €4.6 billion.

With regards to the remaining categories, funds focusing on growth stage investments had a good year with cumulative funds raised increasing by 33% YoY. Funds focusing on infrastructure & real assets, late venture, growth and mezzanine investments account for somewhat similar proportions of total capital raised (10%, 8%, 8% and 4%, respectively).

On a fund level, Plural has cumulatively raised the most capital to date in the VC space, while in the PE space INVL & Baltcap have raised the most to date. Plural, INVL & Baltcap combined have raised close to €2.1 billion, approximately 45% of the total capital raised by Baltic fund managers.

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Cumulative capital raised by buyout funds has crossed €1 billion, representing about a quarter (€1.1 billion) of all capital raised by Baltic fund managers.

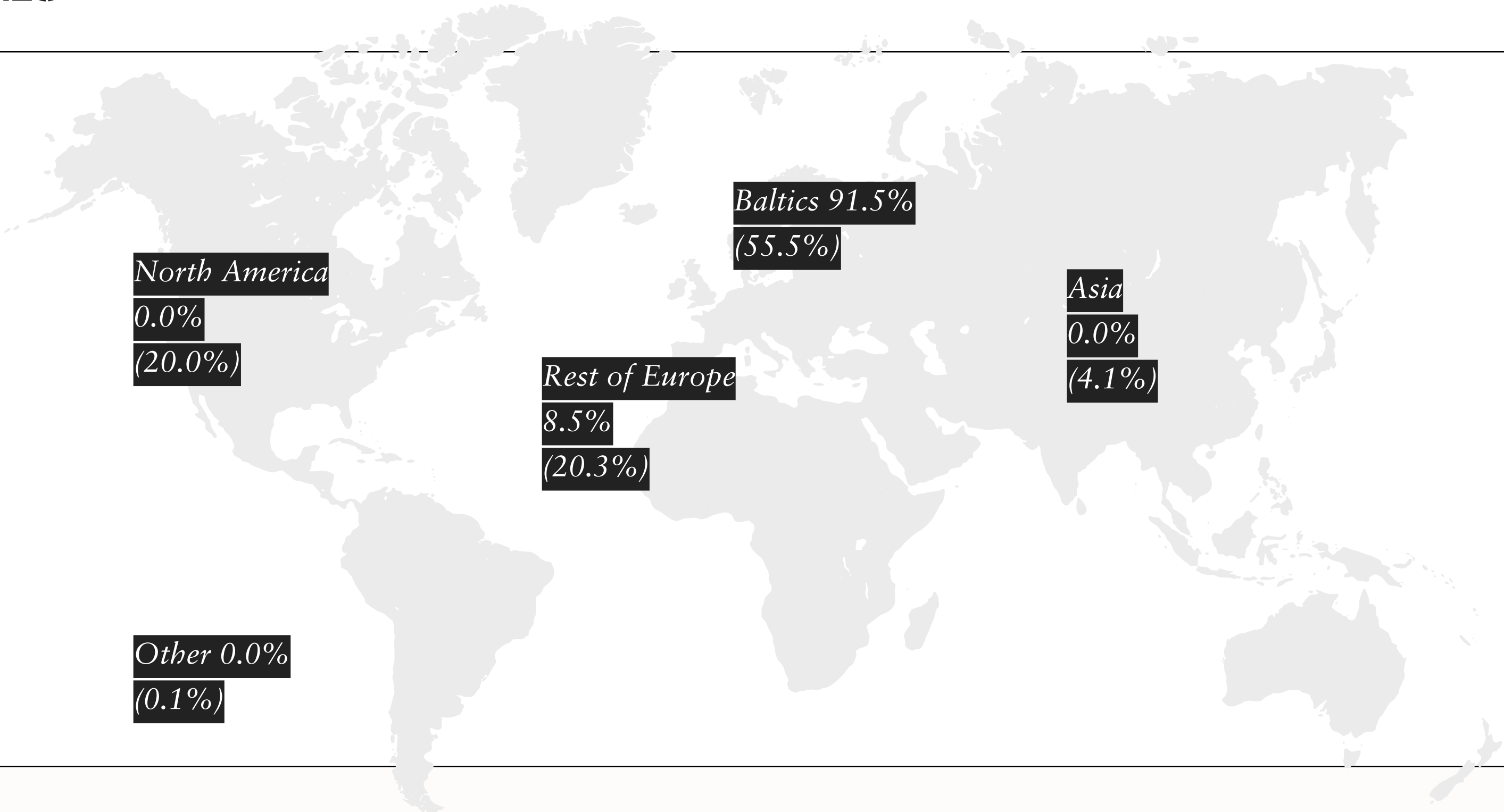
¹2020 includes the cumulative fundraising since 2010. Given the addition of new fund managers which may have had historic funds, the historic numbers may have changed compared to last year's report.

Fundraising in the Baltics 2020-2025

PE/VC CAPITAL RAISED *by geographic region %*

2025 (2020-2025)¹

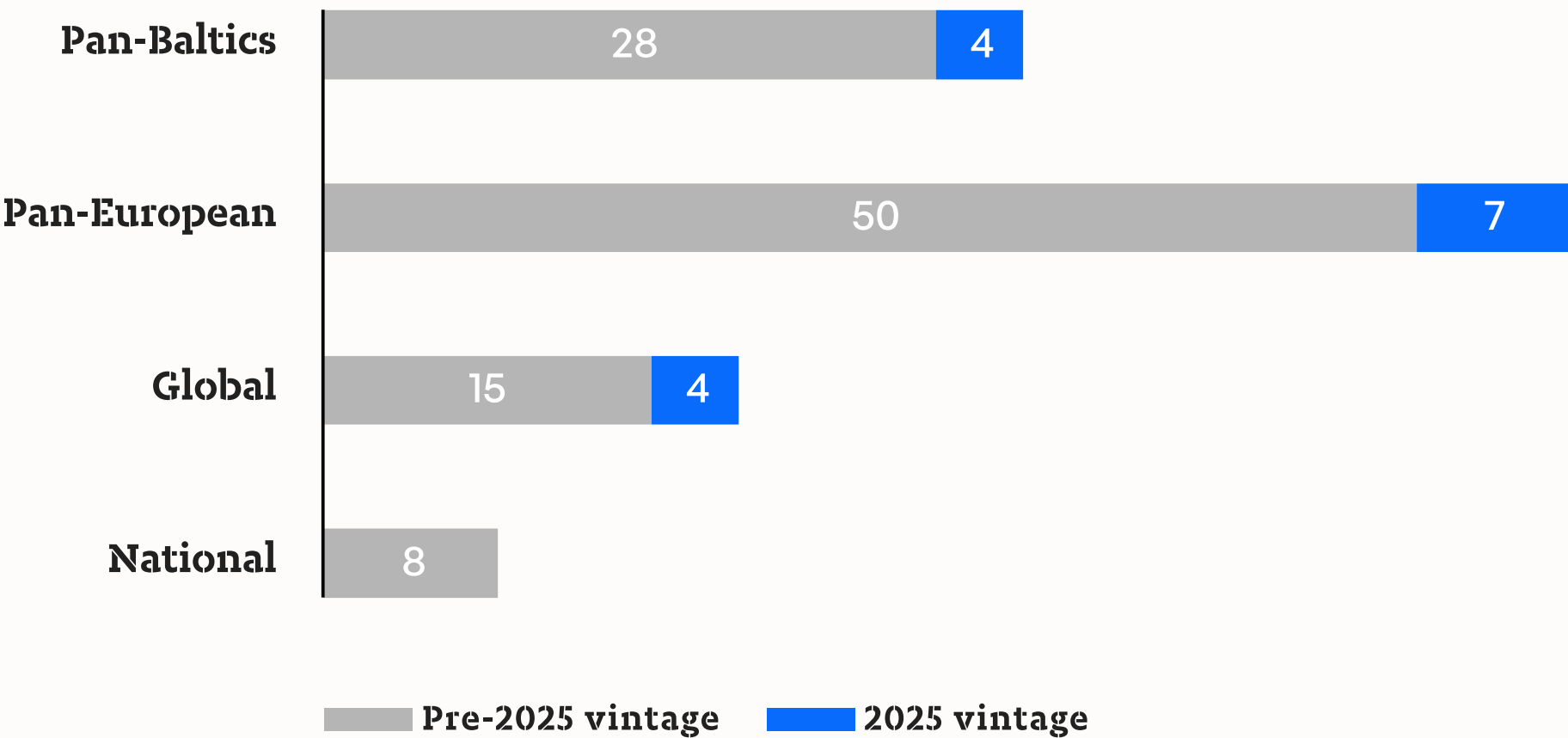
Over the longer term (2020–2025), capital committed by Baltic Limited Partners (“LPs”) has accounted for the largest share—55.5%—of total funds raised by local fund managers. If 2024 saw fundraising shift to outside the Baltic region with close to 70% of the capital raised originating from North America and the Rest of Europe, then 2025 saw a reversal of fundraising concentrating back within the Baltic region. Given that PE funds dominated fundraising in 2025, historically their funding has been concentrated more on local LPs. Even though, fundraising from outside of the EU (North America, Asia & other) fell to 0% in 2025, over the period of 2020-2025 Baltic funds have raised capital from more than 30 different countries.



NUMBER OF ACTIVE FUNDS

by geographic focus

Split into Pre-2025 vintage and 2025 vintage



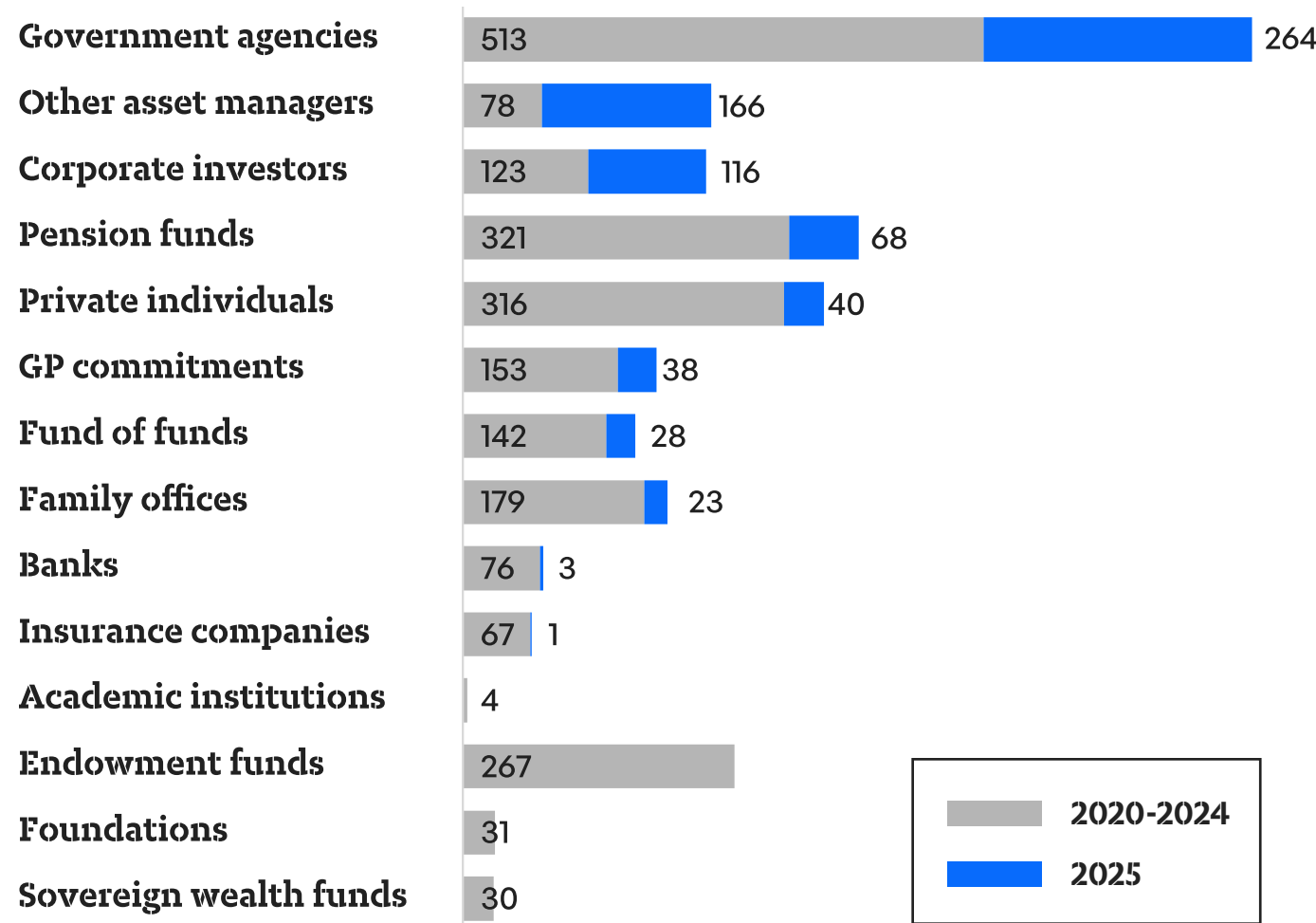
All of the fifteen 2025 vintage funds have a multi-country investment strategy, as opposed to a national focus. Compared to prior years, a smaller share of the new funds have a pan-Baltic strategy, with most being pan-European or Global.

¹Not all funds provided detailed data for their country of fundraising, therefore it may not be fully representative of the true values.

Fundraising in the Baltics 2020-2025

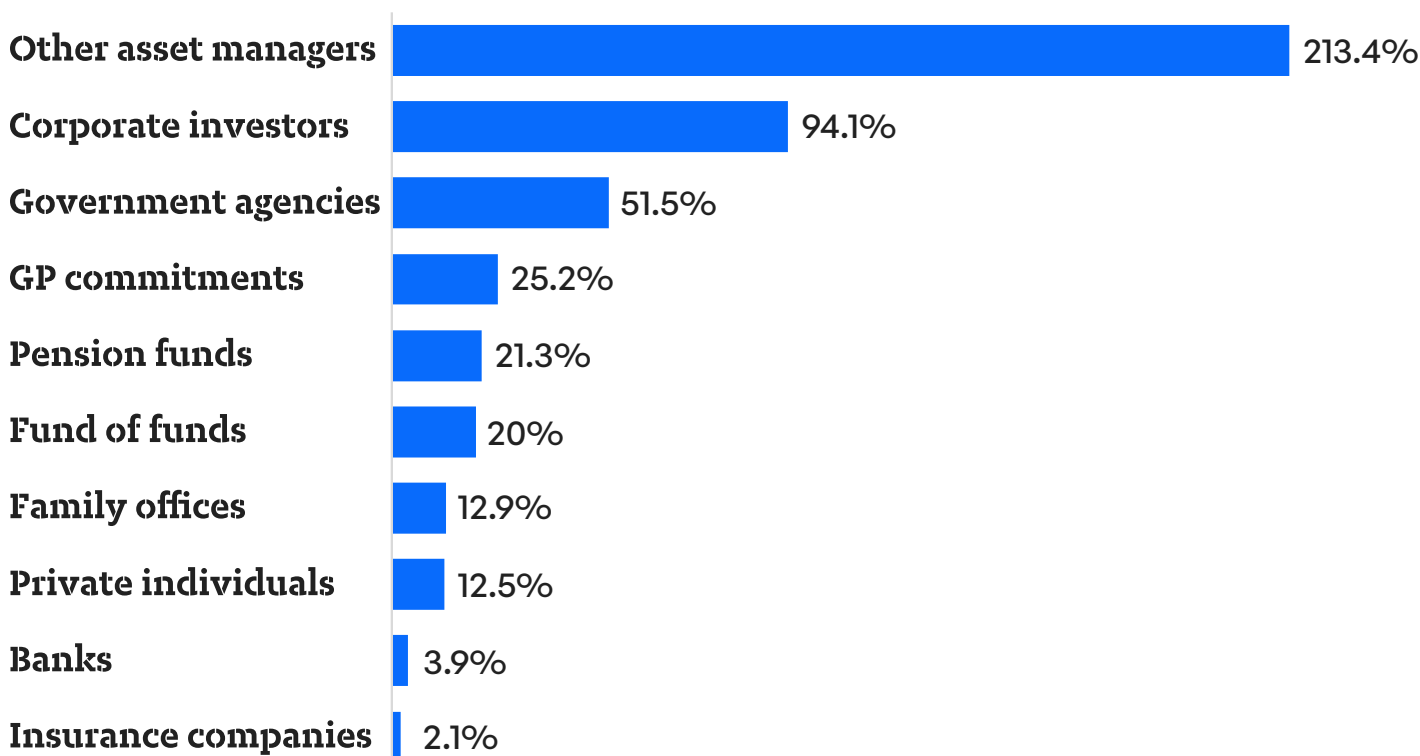
CAPITAL RAISED *by investor type*

2020-2025, EUR M



PE/VC INVESTMENT GROWTH

by investor type in 2025 comparing to 2020-2024 period



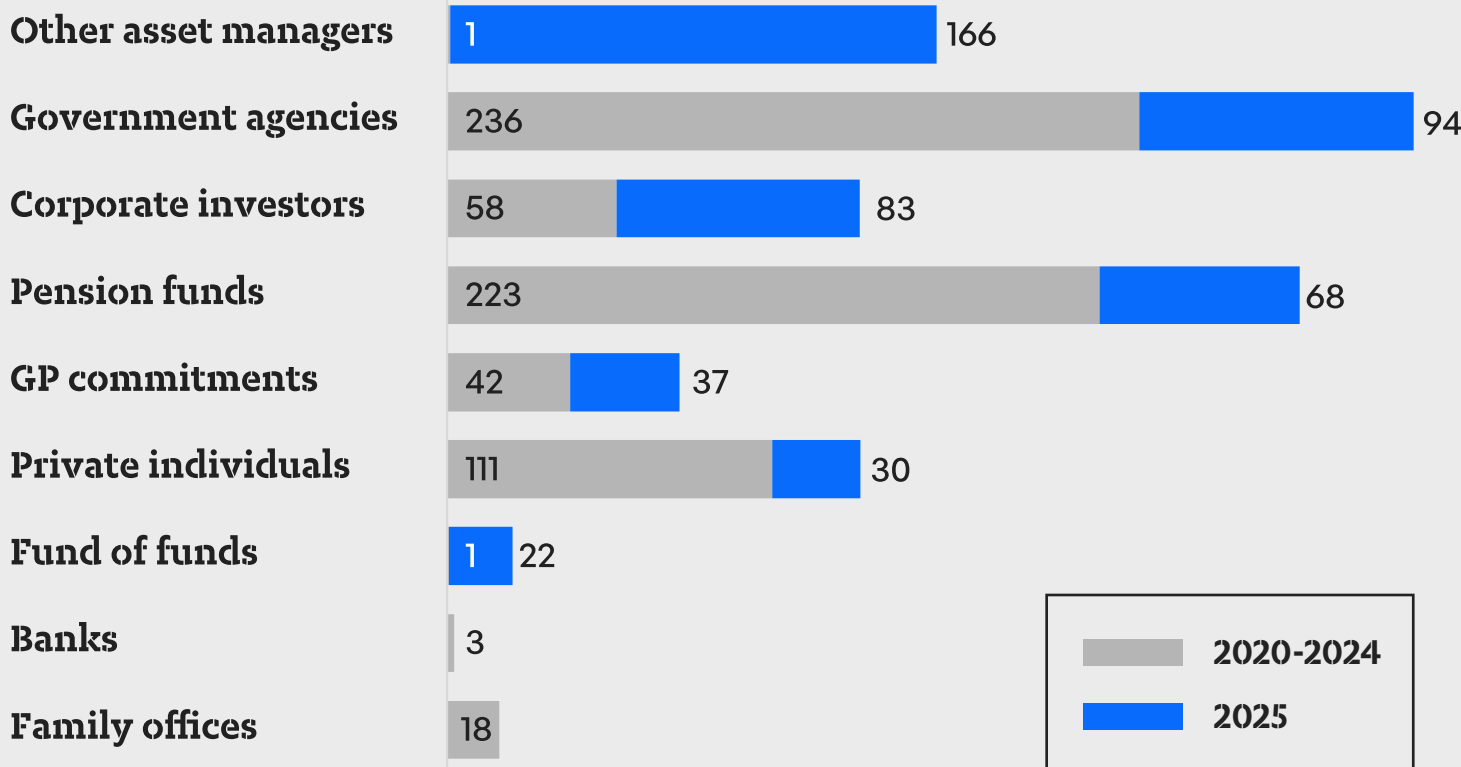
Government agencies remain a key funding source for Baltic fund managers, contributing 35% of total capital raised in 2025, an increase from the 25% share over the 2020–2024 period. 2025 also saw a substantial increase in funds raised from other asset managers (feeder funds) and corporate investors, with funds raised from these sources more than doubling compared to the prior five years. Significant funding was also raised from pension funds, private individuals, fund of funds and family offices. The ability to raise funds from a wider pool of capital sources is a sign of growing maturity for the region’s fund management sector.

Traditionally, PE funds raise capital mainly from three investor types - government agencies, pension funds and private individuals; in 2025, this pattern changed, with over 60% of capital coming from other asset managers, corporate investors, GPs and fund of funds. These are positive developments and illustrate confidence in the region’s PE funds. Fundraising from ‘Other asset managers’, which includes feeder funds, and corporate investors has been particularly successful, with significant increases compared to the prior five years.

PE CAPITAL RAISED

by investor type

2020-2025, EUR M

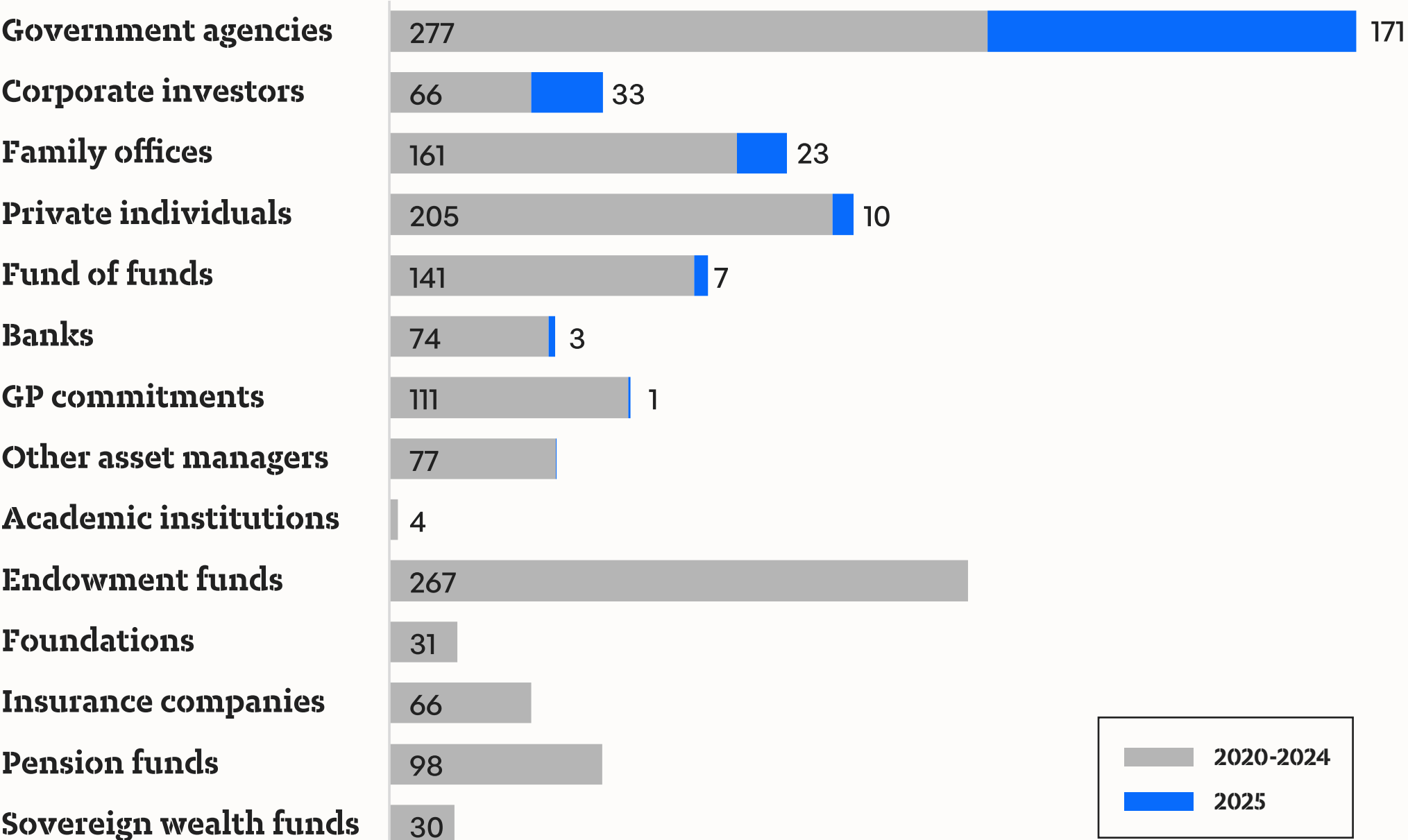


Categories below a minimum threshold were left out. Given the addition of new fund managers which may have had historic funds, the historic numbers may have changed compared to last year’s report.

Fundraising in the Baltics 2020-2025

VC CAPITAL RAISED *by investor type*

2020-2025, EUR M



After several years of VC fund managers steadily reducing their reliance on government funding, the trend reversed in 2025, with close to 70% of VC capital raised during the year coming from governmental sources. On one hand, this indicates that the tough fundraising environment for VC fund managers continued in 2025, but, on the other hand, it is positive that during these tough times government agencies have stepped in to support the local fund management sector. It is also worth noting that over €60 million was raised from other sources such as corporate investors (€33 million), family offices (€23 million) and private individuals (€10 million). Funds raised from corporate investors grew by 50% in 2025, compared to 2020-2024.

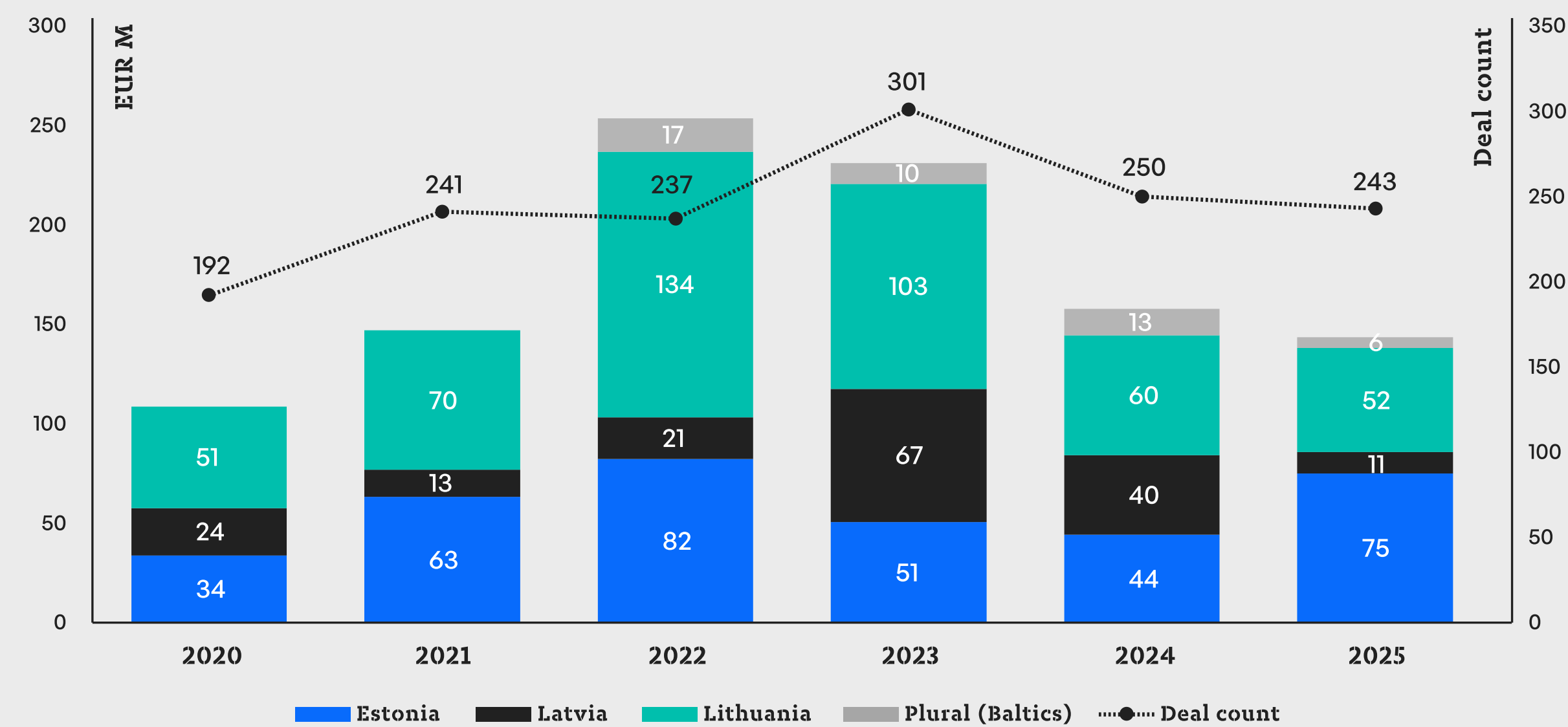
Private Equity & Venture
Capital in the Baltics

Baltic Investments

Investments

FUNDS' INVESTMENTS INTO THE BALTICS *including count*

2020-2025, EUR M¹



Investment activity into local companies in 2025 was on par to the levels seen the past 4 years (excluding 2023) with over 240 investments made into Baltic companies. Overall, deal activity dipped only 3% YoY, but the regional split shifted significantly: deal count was up by 36% & 30% YoY for Lithuania and Estonia respectively, while for Latvia it fell by close to 60%.

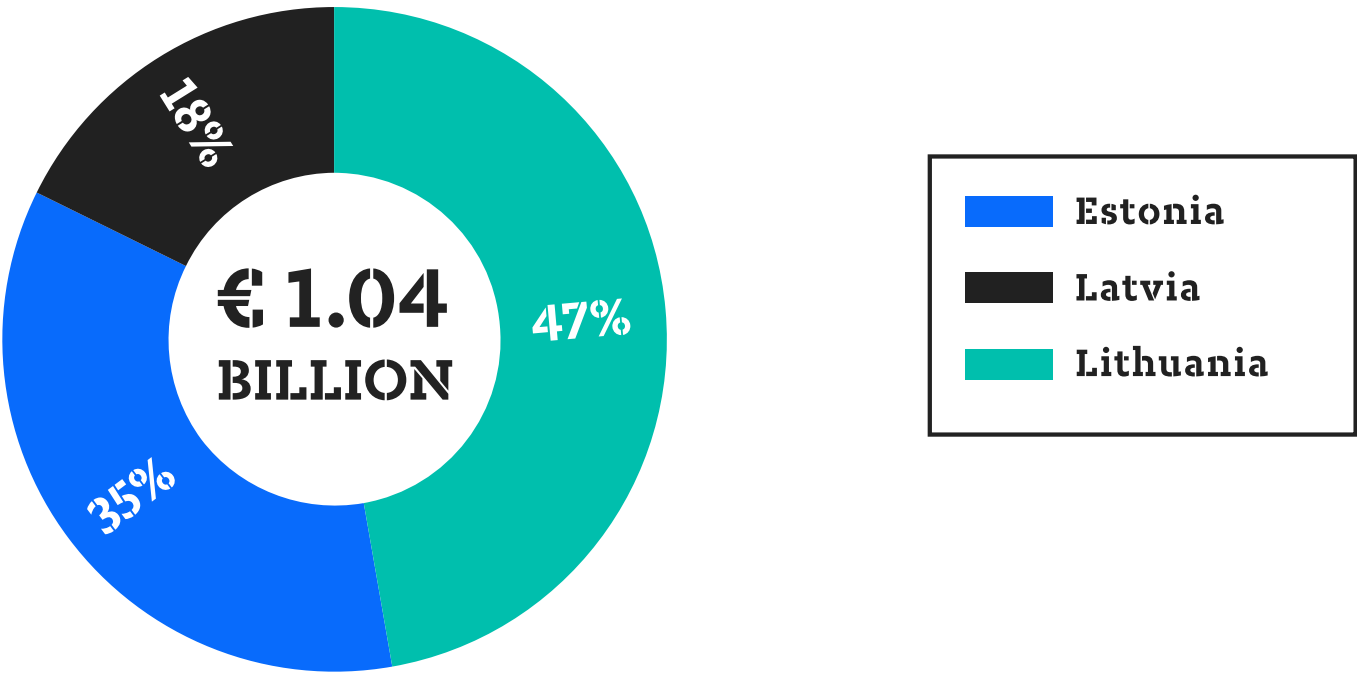
Investment values saw a slightly steeper decline, with a total of €144 million invested over the year, which is a 9% decrease compared to 2024 & close to 40% compared to 2023. The average deal size was €0.6 million, decreasing by 6% YoY and marking a five-year low. The YoY decline in total investments & deal size is partly driven by reduced PE investment activity (esp. In the growth investments and Infrastructure & real assets segments), which generally have larger deal sizes.

Estonia overtook Lithuania as the top Baltic investment destination by value, ending Lithuania’s five-year run, with investments in 2025 totalling €75 million (YoY growth of 70%). Lithuania experienced a moderate YoY drop of 13%, while the decrease for Latvia was much steeper at 73%.

PERCENTAGE OF CAPITAL INVESTED

by country

2020-2025



“

Baltic PE/VC funds made a total of 243 investments into local companies at a total value of €144 million.

¹ Plural did not provide a per country breakdown. Please note that funds which did not submit 2025 data are reflected only in historical values, their 2025 activity is not included.

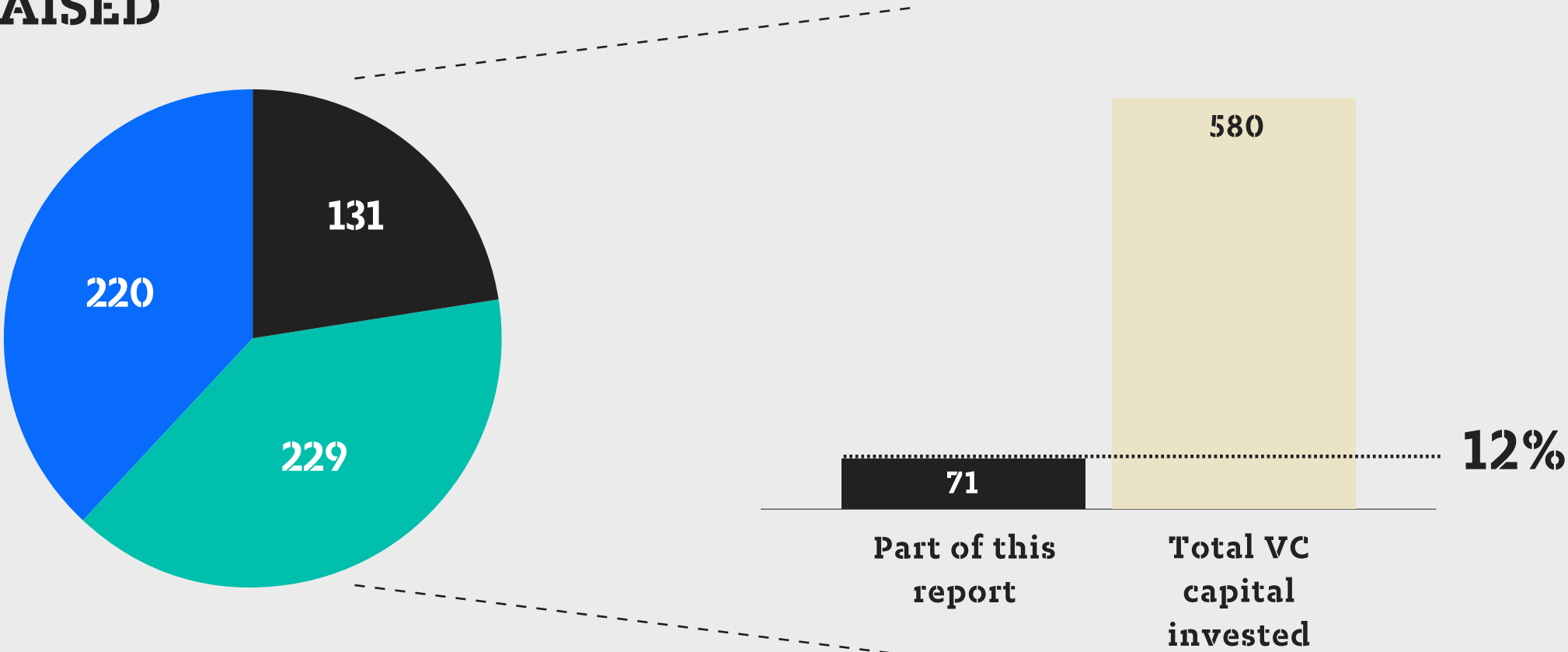
Investments – VC deep dive

As part of our enhanced analysis, we also gathered data from a number of public & non-public sources to estimate the total value of funds raised by Baltic start-up and scale-up companies. Based on our analysis, Baltic companies raised €580 million venture capital funding in 2025, a 29% increase YoY. Of this total, approximately 12% or €71 million was invested by VC funds that are part of this report, a 20% investment total increase over last year, indicating that local investors largely scaled proportionally with the total investment pool. The remaining 88% was primarily provided by foreign institutional investors, with the minority made up of high-net worth individuals/angel investors as well as some Baltic funds not covered in this report.

Overall, Baltic funds invest in a larger proportion of deals compared to foreign investors, yet account for less deal value. This, to a large extent, can be explained by the fact that Baltic VC investors participate in earlier rounds, which are smaller in size, while foreign investors enter at later stages providing larger sums.

TOTAL VC CAPITAL RAISED

by Baltic startups | EUR M



For example, in the top 4 VC fundraisings for 2025 a very large part of the funding came from outside of the Baltics:

- Cast.AI (Lithuania) - €95 million Series C led by G2 Venture Partners and SoftBank
- Aeronos (Latvia) - €54 million financing led by Activate Capital and S2G
- Pactum (Estonia) - €47 million Series C, led by Insight Partners
- Blackwall (Estonia) - €45 million Series B led by Dawn Capital

Lithuanian-headquartered startups attracted the largest share of total VC capital raised (39%), displacing Estonia (38%) from the top spot. Latvia remains behind its Baltic neighbours (23%), though the gap is significantly smaller than in 2024

Additionally, Latvia was relatively more successful in attracting foreign VC capital in 2025: only 5% of the €131 million raised came from Baltic funds, compared with 14% in Lithuania and 12% in Estonia.

Significant judgement was used in distinguishing late ventures from PE growth investments. Factors such as overall funding journey and age of company were used.
The split between part of this report and the rest of VC capital is an approximation as the sources for the two numbers differ. Source: Pitchbook, Mergermarket, Estonia VC ecosystem data, Latvia VC ecosystem data, Lithuania VC ecosystem data

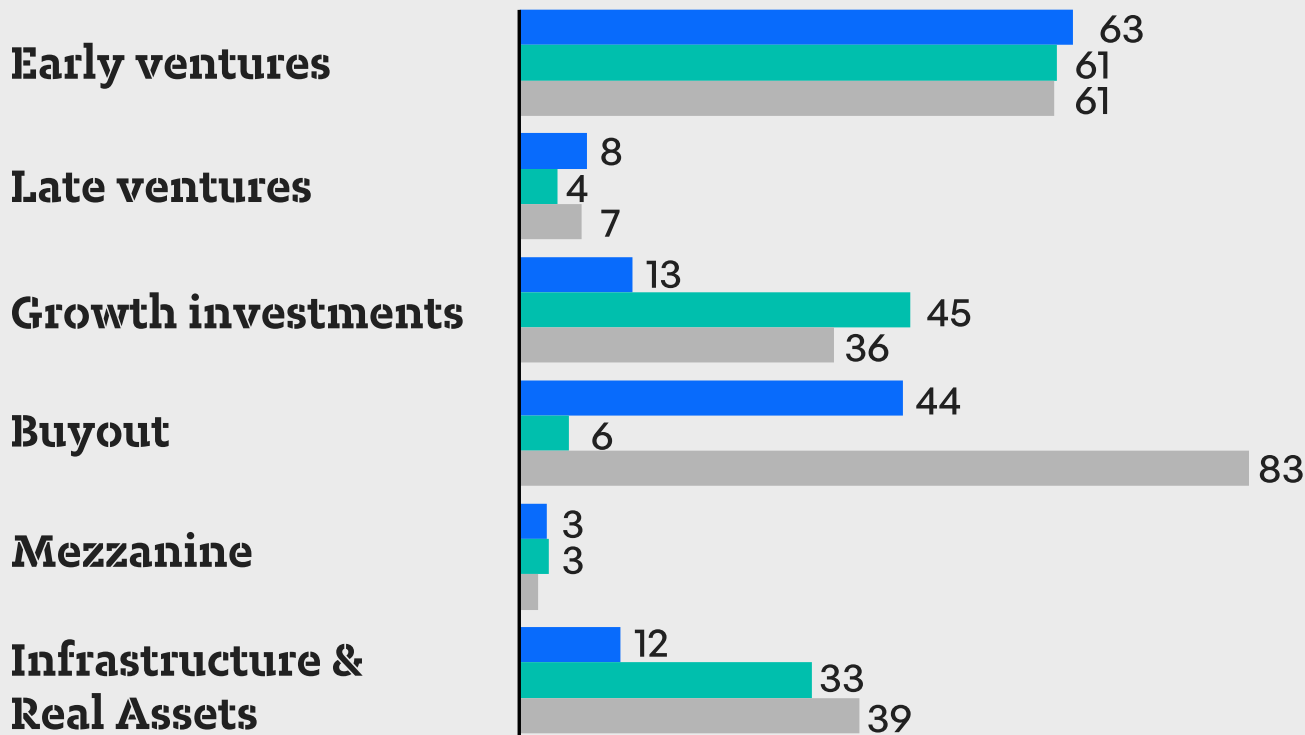
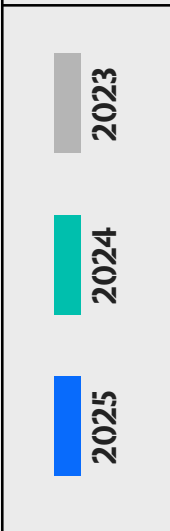
Investments – Stage

2023-2025, EUR M



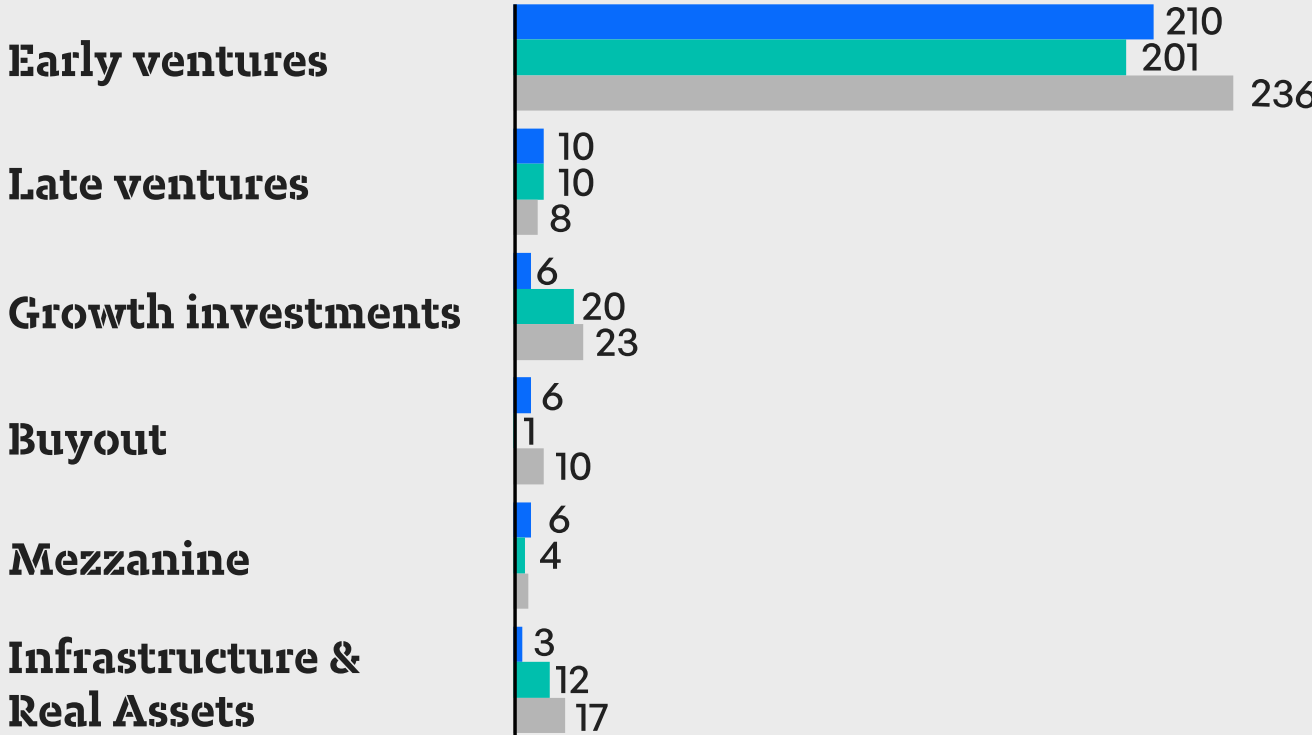
2025 was a solid year for early-stage VC and buyout activity, whereas growth and infrastructure investing saw large declines.

TOTAL INVESTMENT AMOUNT *by stage*



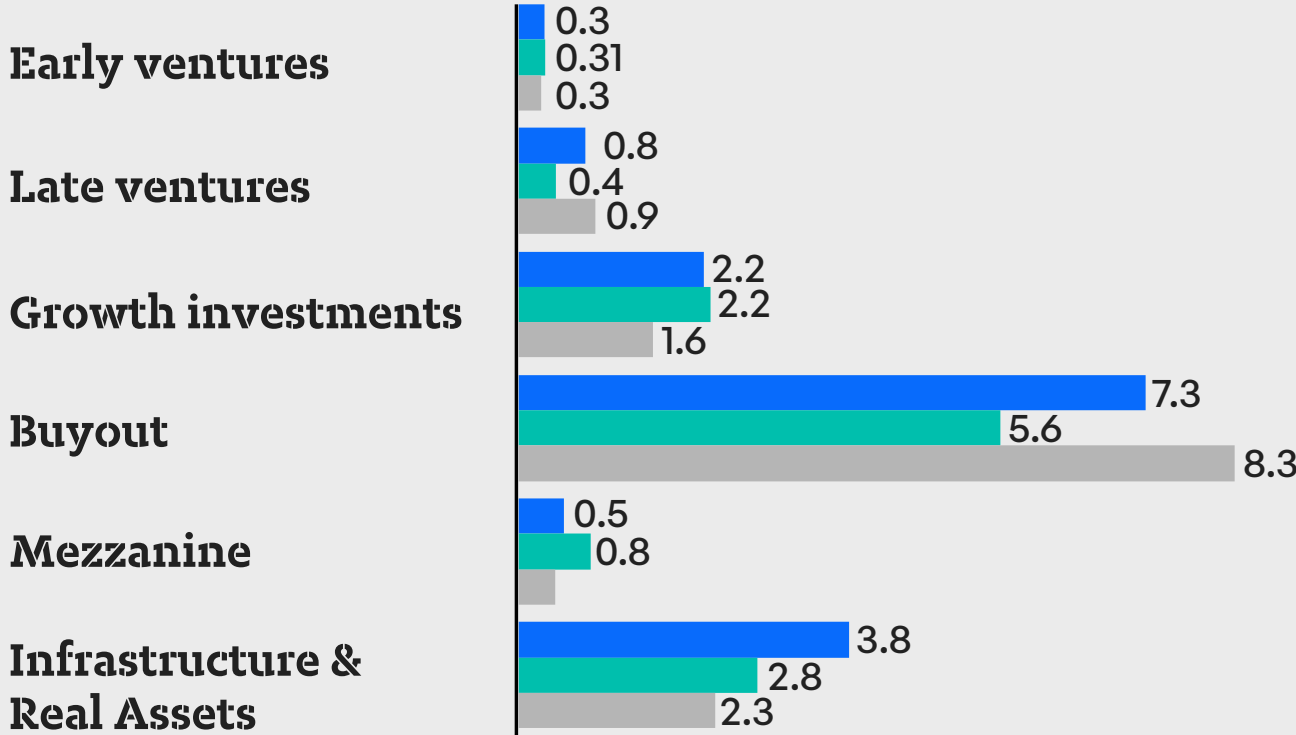
- » The 2025 investment landscape was varied, without a clear shift towards earlier or later stage investing: early ventures have shown stable performance for the past 3 years, while buyout funds had a strong year, with volumes increasing by nearly 8x YoY.
- » On the other hand, two later-stage investment strategies saw significant declines in 2025: growth investment volumes decreased over 70% YoY, while infrastructure & real asset activity fell by a comparable 65% YoY.

NUMBER OF INVESTMENTS *by stage*



- » The number of total deals decreased by 3% YoY, mainly driven by significant declines in growth and infrastructure investments.
- » Early venture deal count rebounded slightly with a 4% increase, while buyout and mezzanine also recording increased activity both ending the year with 6 deals.
- » Late-stage investment tracked 2023 and 2024 levels, showing stability, while the number of growth and infrastructure investments have dropped to the lowest level seen in recent years.

AVERAGE INVESTMENTS *by stage*



- » Although the total average investment amount reached a five-year low, it is worth noting that three out of seven investment stages experienced a significant YoY increase in average investments.
- » The largest growth in average investment was observed for late stage ventures, for which the YoY increase was 79%. The buyout and infrastructure & real asset spaces also saw YoY average investment increases of over 30%.
- » Mezzanine is the only stage with a notable decrease in 2025, though it is consistent with the level seen in 2023.

Categories below a minimum threshold were left out.

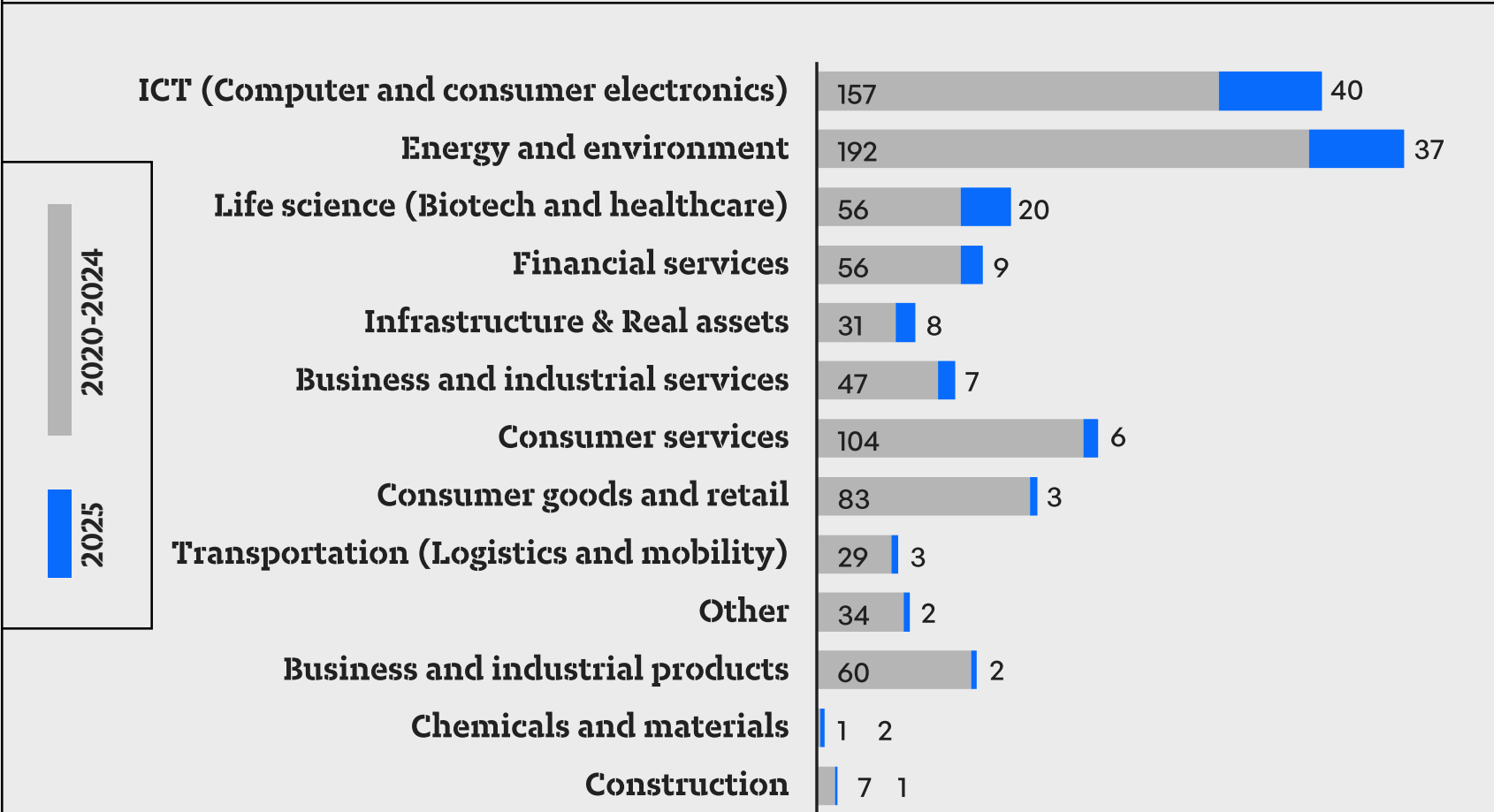
Investments – Sector

2020-2025, EUR M

“

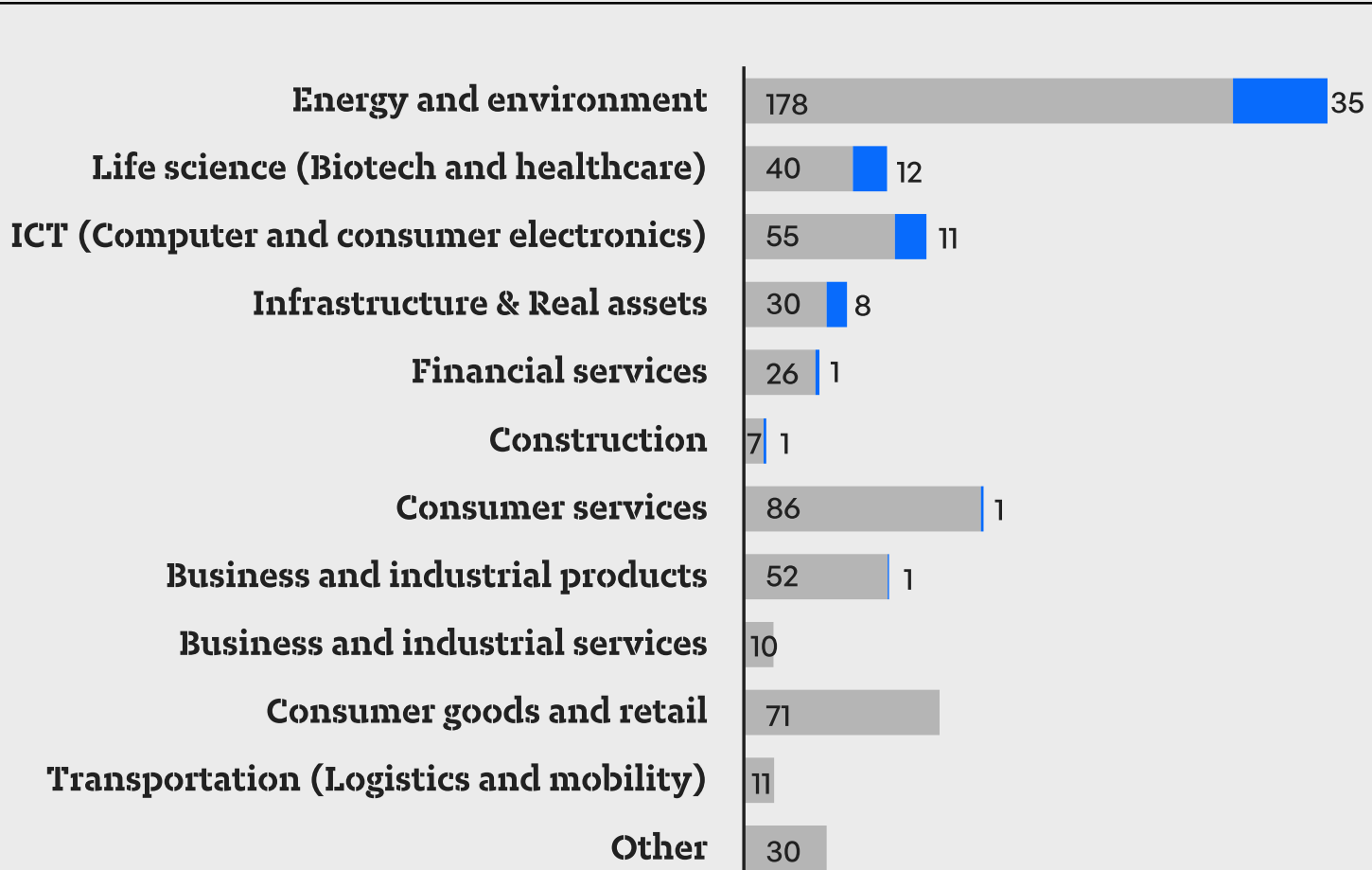
From a sector perspective, the focus in 2025 was on information & communication technology, energy & environment, and life science.

PE/VC INVESTMENT *by sector*



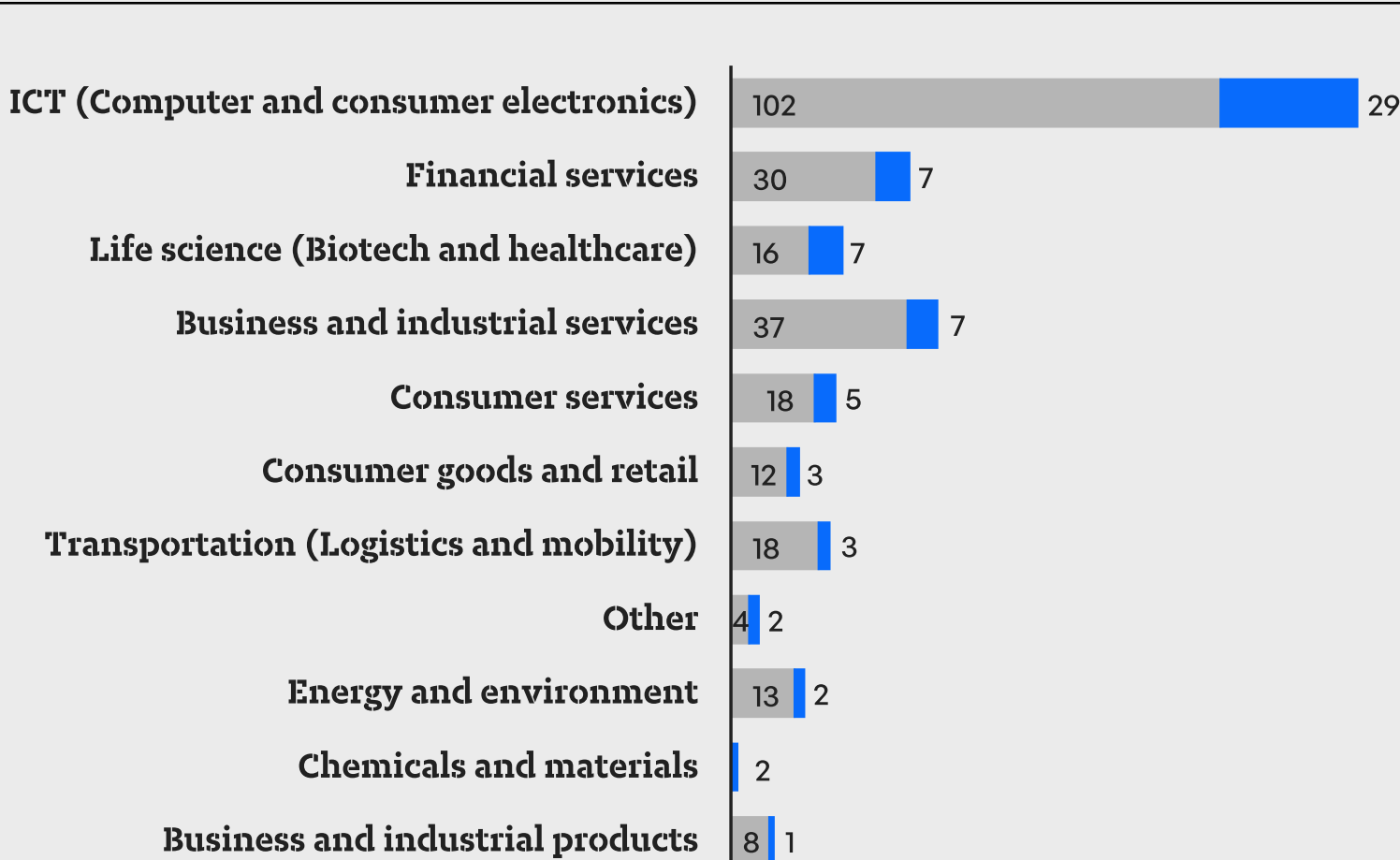
- » The ICT space attracted the most investment volume in 2025, though value fell 18% YoY to €40 million.
- » Energy & environment remains top overall, and saw a 10% YoY increase in volumes, ending 2025 at €37 million.
- » Overall, the concentration of the top 2 sectors slightly decreased to 56% it remains above the 5-year baseline of 47%.
- » In 2025, life science received 3.5x more investment than in 2024, reaching its second-highest level in the past decade.

PE INVESTMENT *by sector*



- » In 2025, PE investing continued its shift away from more traditional industries like industrial and consumer products, with both barely attracting any investment.
- » Energy & environment remained a key investment sector for PE funds, attracting €35 million in 2025 – nearly 50% of total PE investment and the highest top-sector concentration in the past five years.
- » Life science (€12 million) and ICT (€11 million) completed the top three for PE investment.

VC INVESTMENT *by sector*



- » ICT remains the sector attracting the most investments from Baltic VC's with €29 million of investment in 2025, over 40% of total investment.
- » Other sectors which attracted Baltic VC fund interest are financial services (€7 million), life science (€7 million), business and industrial services (€7 million) and consumer services (€5 million).
- » Compared to 2024, 3 sectors at least doubled annual investment volume: life science, business and industrial services, chemicals and materials.

Categories below a minimum threshold were left out. The totals may not match as Plural did not provide per investment breakdown.



INVL Private Equity Fund II

acquired Eesti Keskkonnateenused (EKT), the largest waste management group in Estonia.

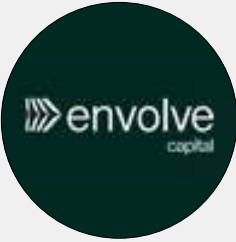
ACQUISITION



Livonia Partners Fund II

acquired Medicum, one of the leading providers of general and specialized medical services in Estonia.

ACQUISITION



Envolve Capital's Clean Energy Infrastructure Fund

deployed capital in Lithuania for renewable energy project development.

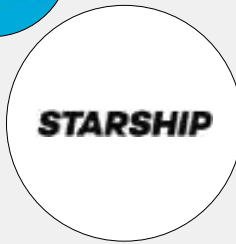
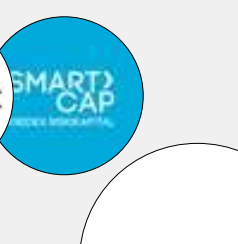
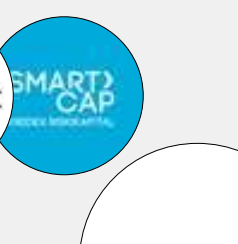
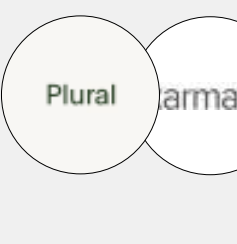
CAPITAL DEPLOYMENT



Raft Capital Baltic Equity Fund

invested in Paupio Namai, a company providing social care and nursing services in Lithuania.

INVESTMENT



Plural, Karma Ventures, and SmartCap

invested in Starship Technologies' €42 million Series C round, the Estonia-based global leader in autonomous delivery.

INVESTMENT



Karma Ventures

participated in Pactum AI's €47 million Series C round, an Estonian procuretech company offering an agentic AI platform for automating supplier contract negotiations.

INVESTMENT



Change Ventures

participated in Aerones' €54 million financing round, a leading provider of robotic inspection, maintenance, and AI-driven solutions for wind turbines from Latvia.

INVESTMENT



Practica Capital

participated in Atrandi Biosciences' €24 million Series A, a Lithuanian company pioneering next-generation single-cell analysis technology.

INVESTMENT

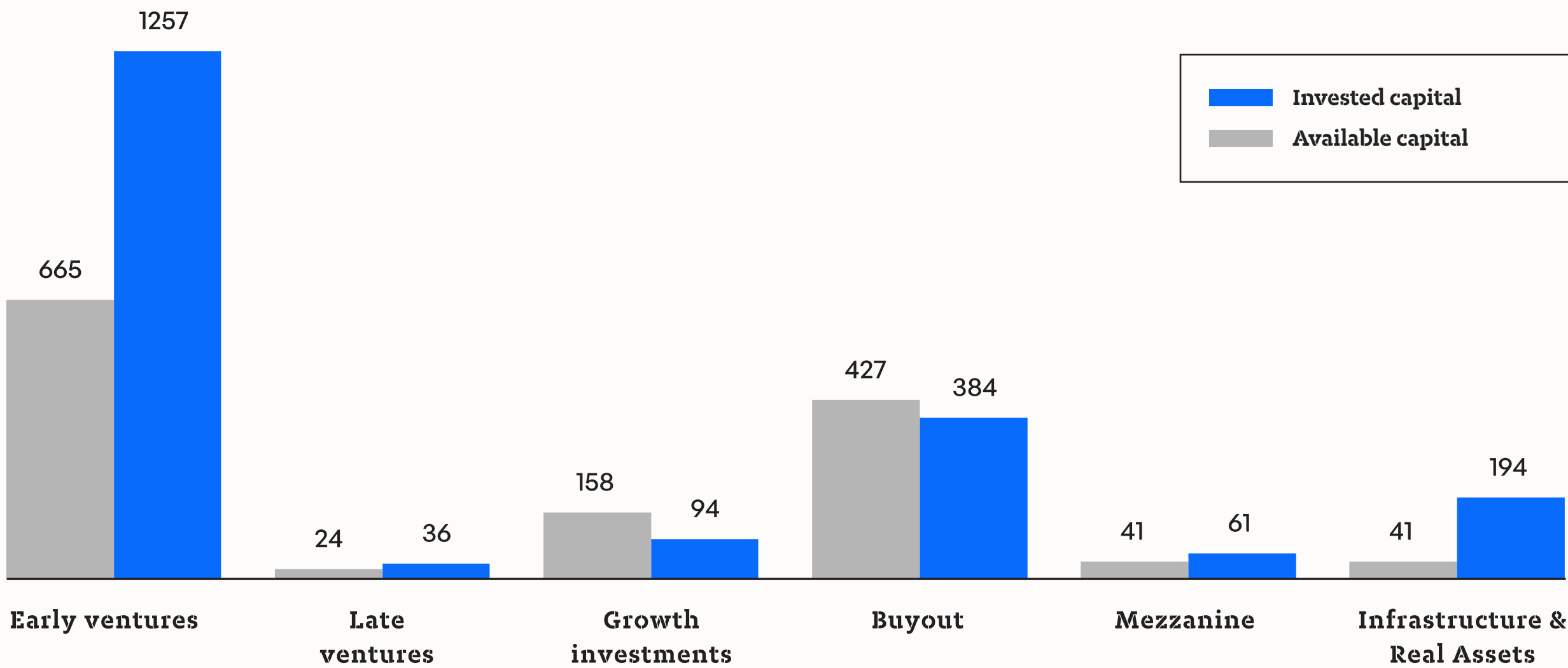
Investments

Noteworthy investments within
PE/VC in the Baltics in 2025

Investments – Dry Powder

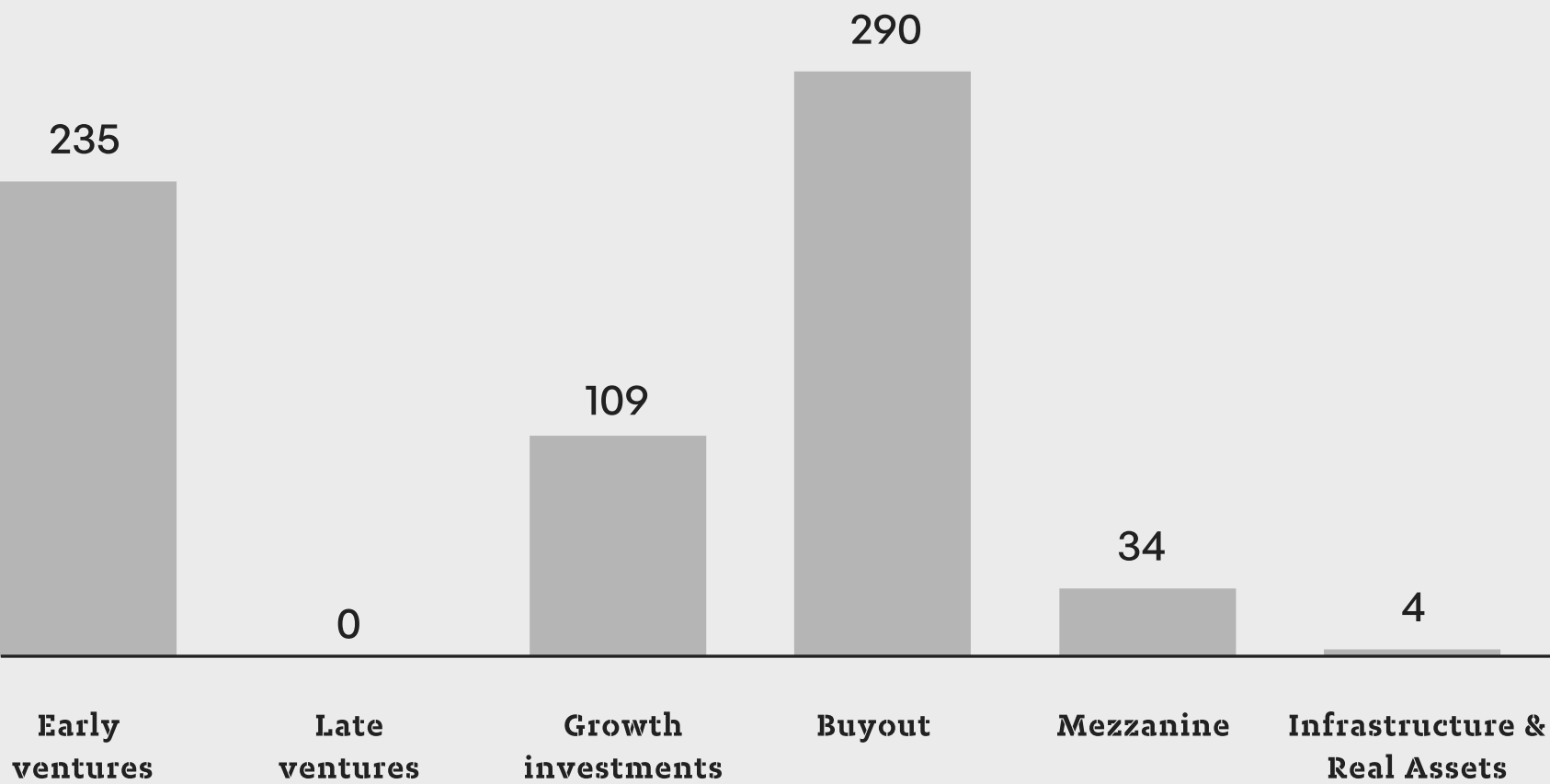
CAPITAL AVAILABLE FOR INVESTMENTS *by funds strategy*

as at 31 December 2025, EUR M



TOTAL CAPITAL AVAILABLE EXPECTED TO BE DEPLOYED IN THE BALTICS *(estimate)*

as at 31 December 2025, EUR M | c.a. 80% fund manager response rate



By the end of 2025, total dry powder for Baltic PE/VC funds stood at €1.36 billion an over 20% increase compared to last year. While early venture still holds the most dry powder by stage (€665 million), available buyout capital has risen sharply, largely on the back of INVL Private Equity Fund II's €400 million+ raise in 2025. There is also significant dry powder for growth stage & late venture investments while that for mezzanine and especially infrastructure have reduced considerably.

“

Baltic PE/VC funds have over €1.3 billion in dry powder, with €671 million expected to be deployed locally.

For the first time, we asked fund managers to estimate how much capital they expect to deploy in the Baltics. Based on their responses, €671 million or 50% of the dry powder is expected to be deployed locally. On one hand this indicates that there is considerable capital to be deployed to support local entrepreneurs, but in addition this shows the growing ambition of local fund managers as over €600 million is planned to be deployed outside the home region.

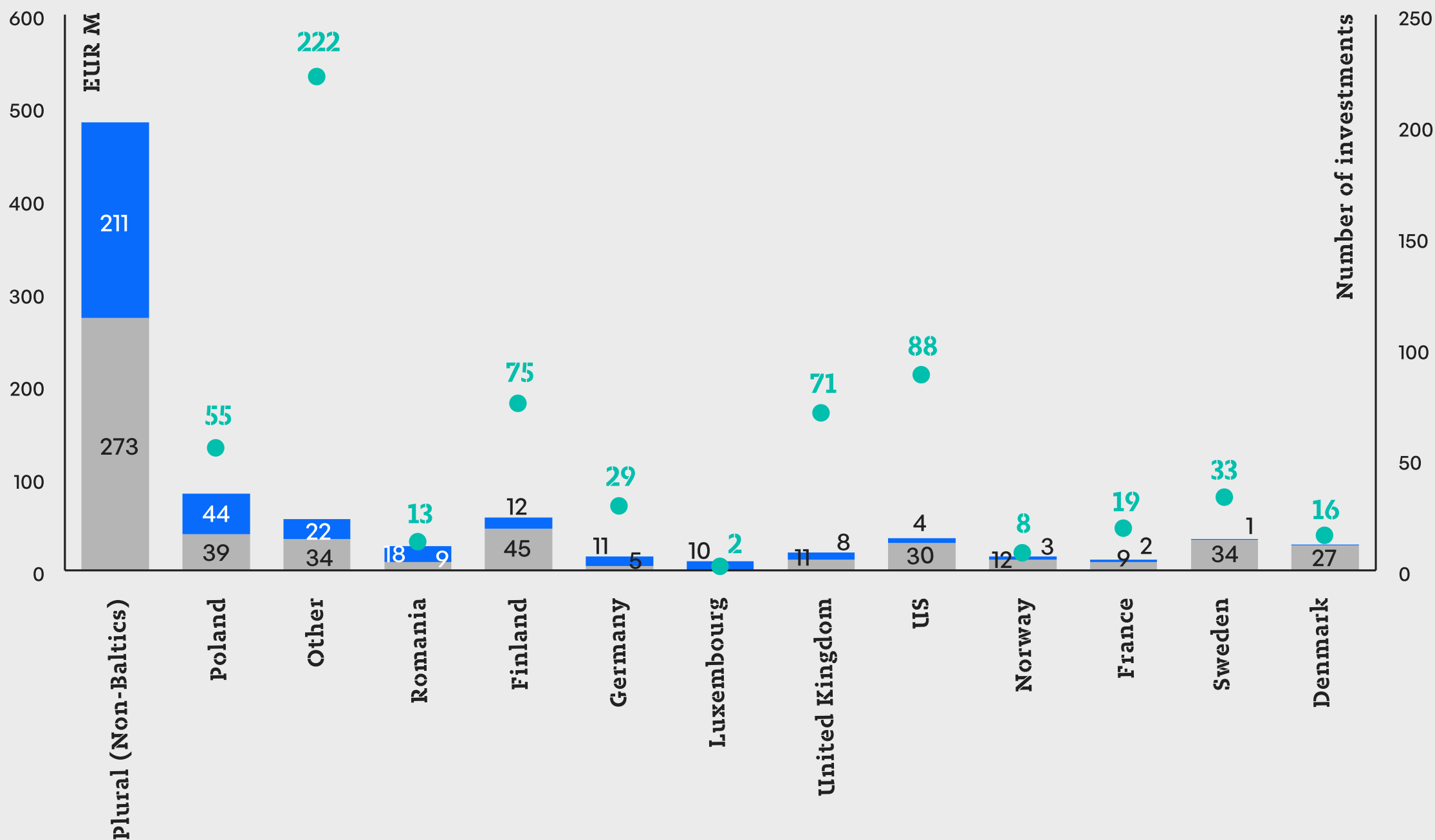
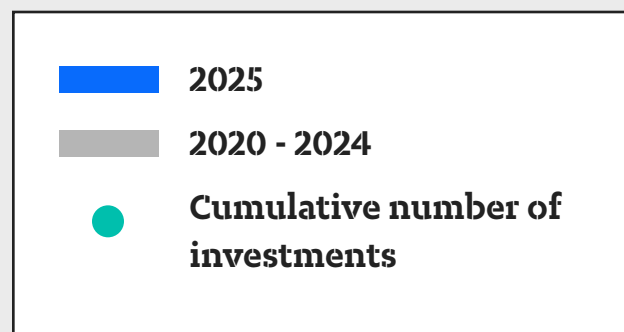
¹As some funds became historicals only (ceased reporting), their capital under management has not been included.

Investments – Outbound

INVESTMENTS BY OUTBOUND COUNTRY

incl. count.

2020-2025, EUR M

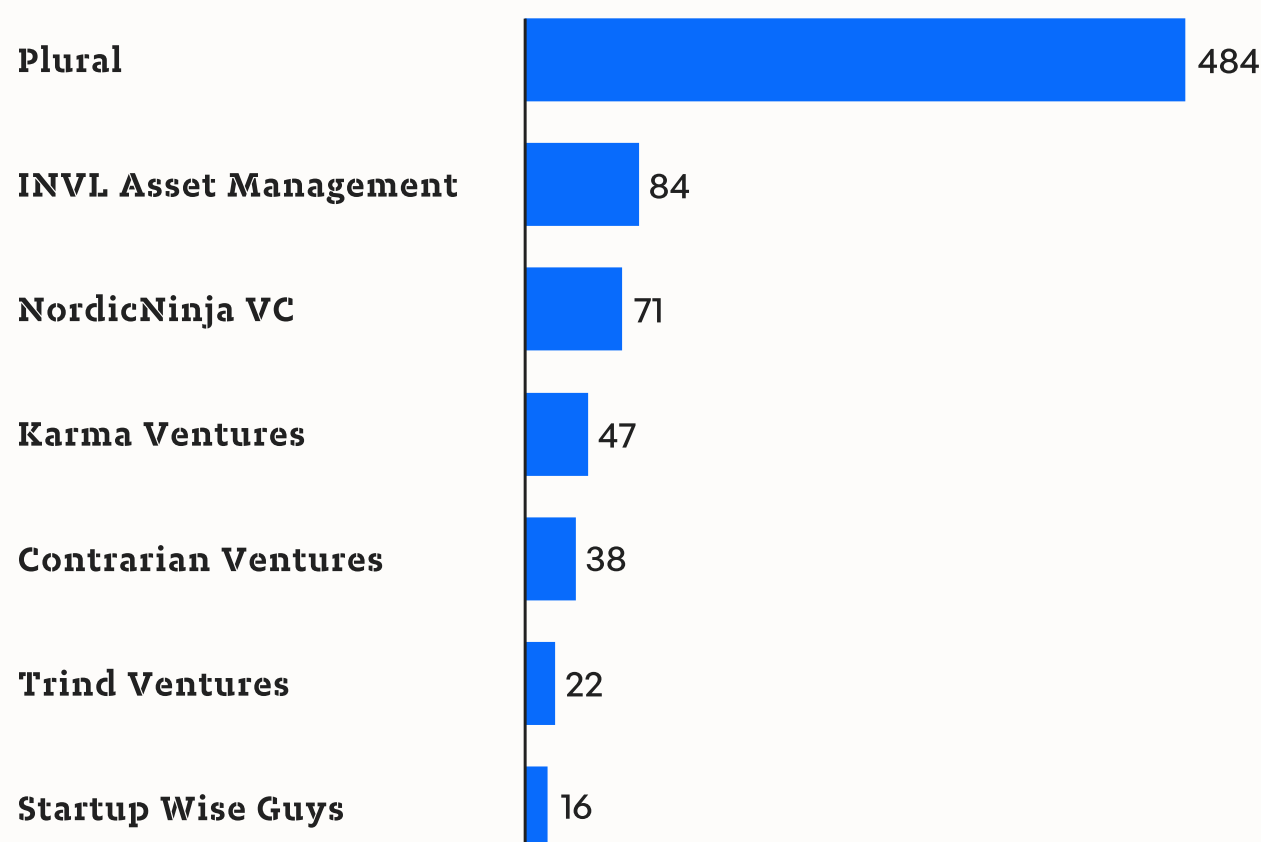


In 2025, there was €336 million of outbound investment, another year of record amount by Baltic fund managers, which made up 70% of the total €480 million invested during the year. The growth in outbound investment is driven primarily by the strong outbound activity of Plural (62% of the total outbound investments for 2025), but also the increasing share of funds having a multi-country investment strategy. The average outbound deal size nearly halved YoY to €1 million, converging with the average size of Baltic investments. On a country basis, in 2025 most outbound investment went into Poland, Other¹, Romania and Finland. It was a first in years that no new investment destinations were added.

TOP FUNDS

by outbound investment amount

2020-2025, EUR M



Since 2020, Baltic VC funds have made outbound investments totalling €742 million, with over 25 VC fund managers having made at least one investment outside of the Baltics. Plural has invested the largest amount of capital outside of the Baltics, with €484 million (65% of total) deployed by the end of 2025. Other active outbound investors include, NordicNinja VC, Karma Ventures, Contrarian Ventures, Trind Ventures and Startup Wise Guys.

Since 2020, Baltic PE funds have made outbound investments of €122 million, with over 5 PE fund managers having made at least one investment outside of the Baltics. INVL has been the most active PE fund manager investing €84 million outside of the Baltics.

¹11 countries, incl. Spain, Italy, and Switzerland. Plural did not provide a per country breakdown.



INVESTMENT

INVL Private Equity Fund II

alongside a consortium of foreign funds, invested in Polmed, one of Poland's largest private multi-profile medical service providers.



INVESTMENT

IAM Petcare Growth Fund

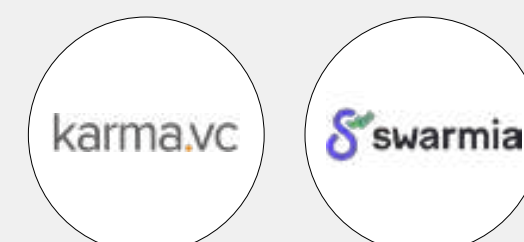
made an investment in LuxVet Group, a veterinary clinic operator in Poland and Romania.



FINANCING

BPM Mezzanine Fund II

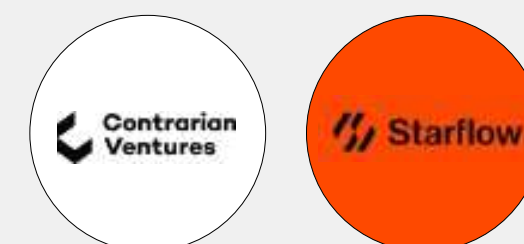
provided financing to Clarpac, a leading Polish manufacturer of PP/PET/PE rigid packaging.



INVESTMENT

Karma Ventures

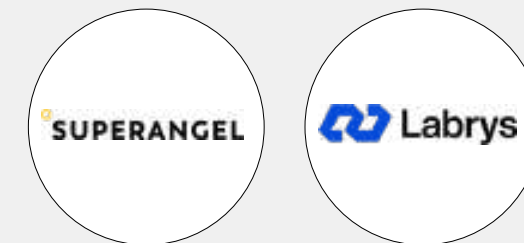
co-led Finnish Swarmia's €10M Series A round, a platform helping software engineering teams improve developer productivity and experience.



INVESTMENT

Contrarian Ventures Net Zero 2022

led the seed round of Norwegian Starflow, developing a system that combines solar panels, battery storage, EV charging, and energy management into a single interface.



INVESTMENT

Superangel Two

participated in the €17 million Series A round of UK-based Labrys, a defence technology company building digital verification infrastructure for contested environments.

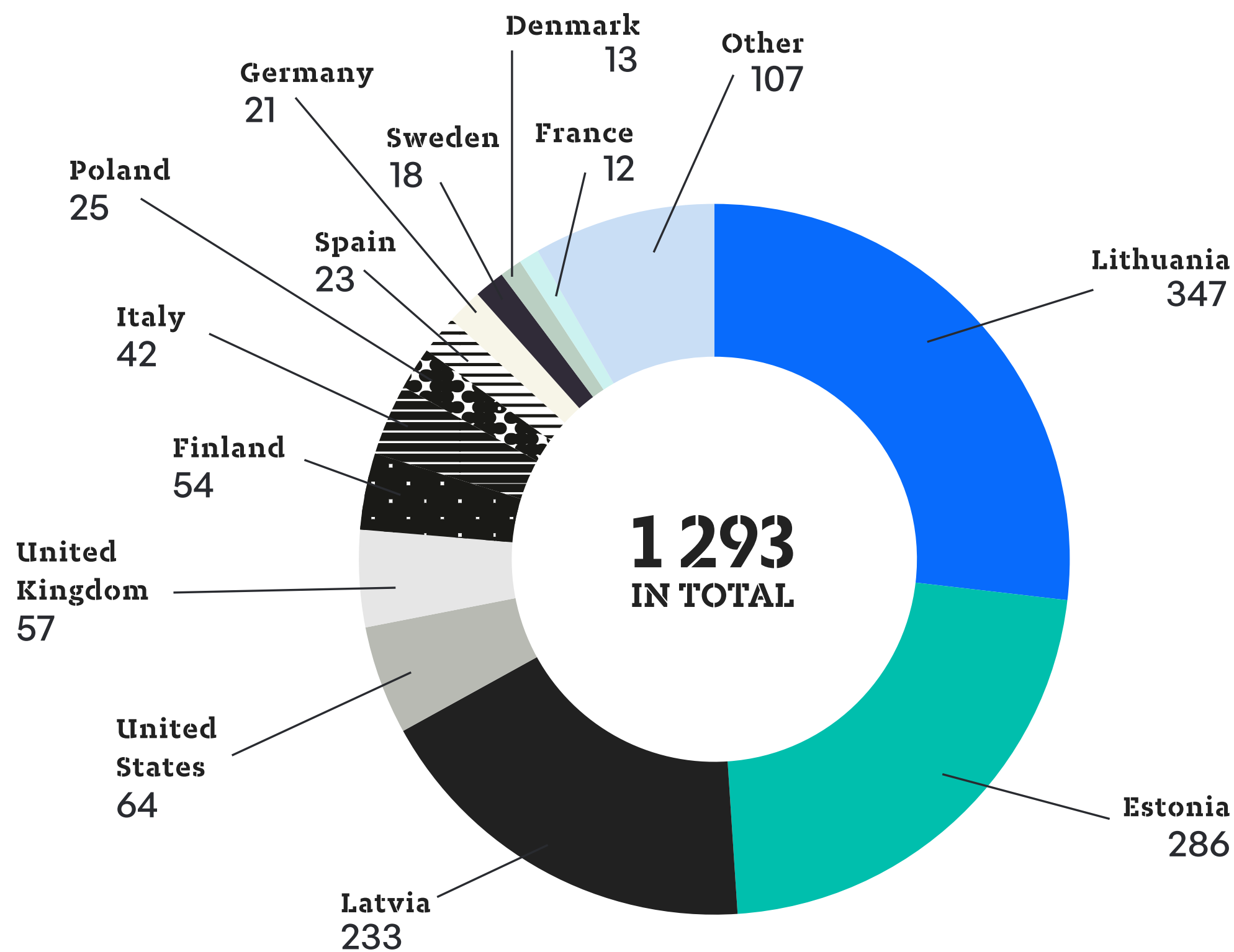
Investments – Outbound

Notable outbound investments by Baltic fund managers in 2025

Investments – Portfolio companies

NUMBER OF ACTIVE PORTFOLIO COMPANIES *by HQ.*

As at 31 December 2025, those which have not yet been divested

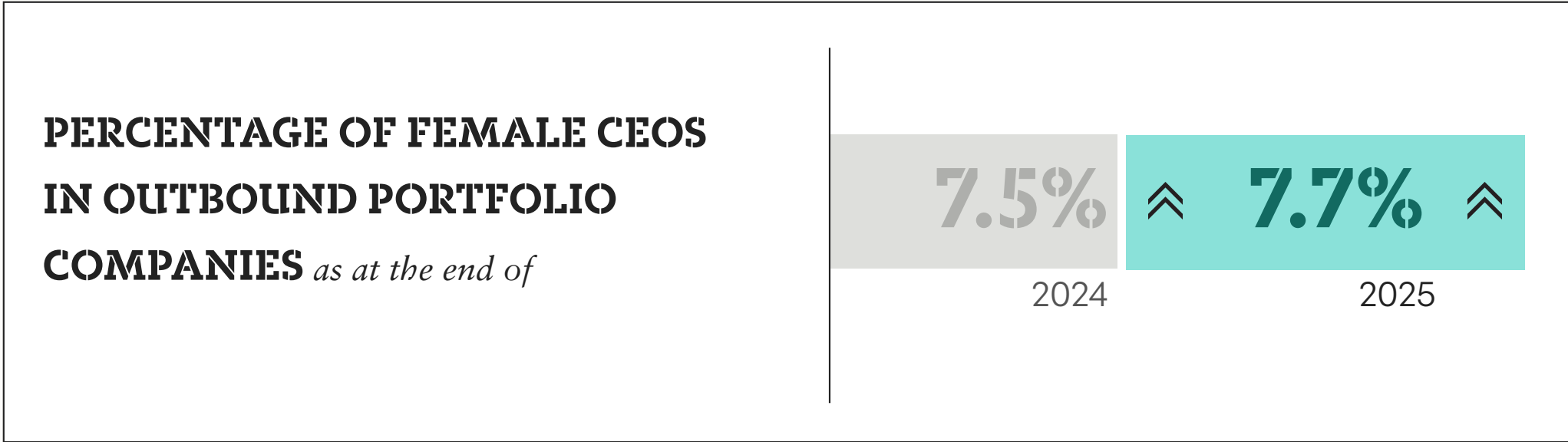


The number of active portfolio companies held by Baltic funds as at the end of 2025 reached 1,293. Of those 67% or 866 are headquartered in the Baltics, of which 347 are headquartered in Lithuania, 286 in Estonia and 233 in Latvia. 427 companies are headquartered in the rest of Europe, of which the top three destinations are the UK (57), Finland (45) and Italy (42). The remaining companies are spread around the globe, with the U.S (64) being the largest non-European destination. In terms of workforce, outbound portfolio companies have, on average, twice as many employees as Baltic companies.

Not all funds provided detailed data for their portfolio companies, therefore the results presented may not provide full representation.

As some funds became historicals only (ceased reporting), some of their portfolio companies may be falsely listed as active.

Investments – Portfolio companies



The share of female participation in high level positions of Baltic portfolio companies is considerably higher than in outbound portfolio companies, especially in the share of female CEOs

Private Equity & Venture
Capital in the Baltics

Baltic Divestments

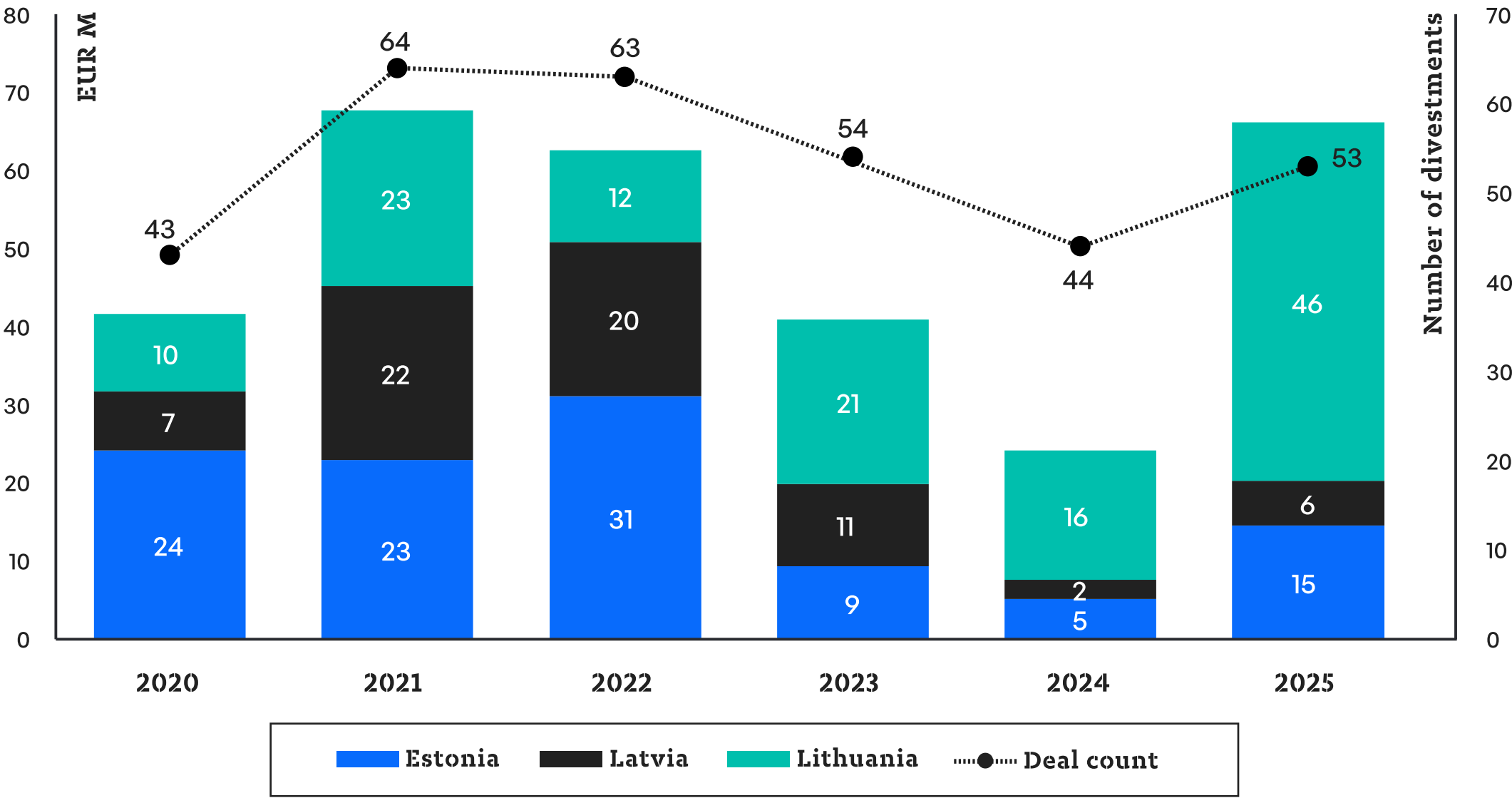
Divestments

“

Despite continuing macro level headwinds, divestment activity saw a strong rebound in 2025, led by a handful of larger deals

DIVESTMENTS AT COST IN BALTICS *including count*

2020-2025, EUR M¹



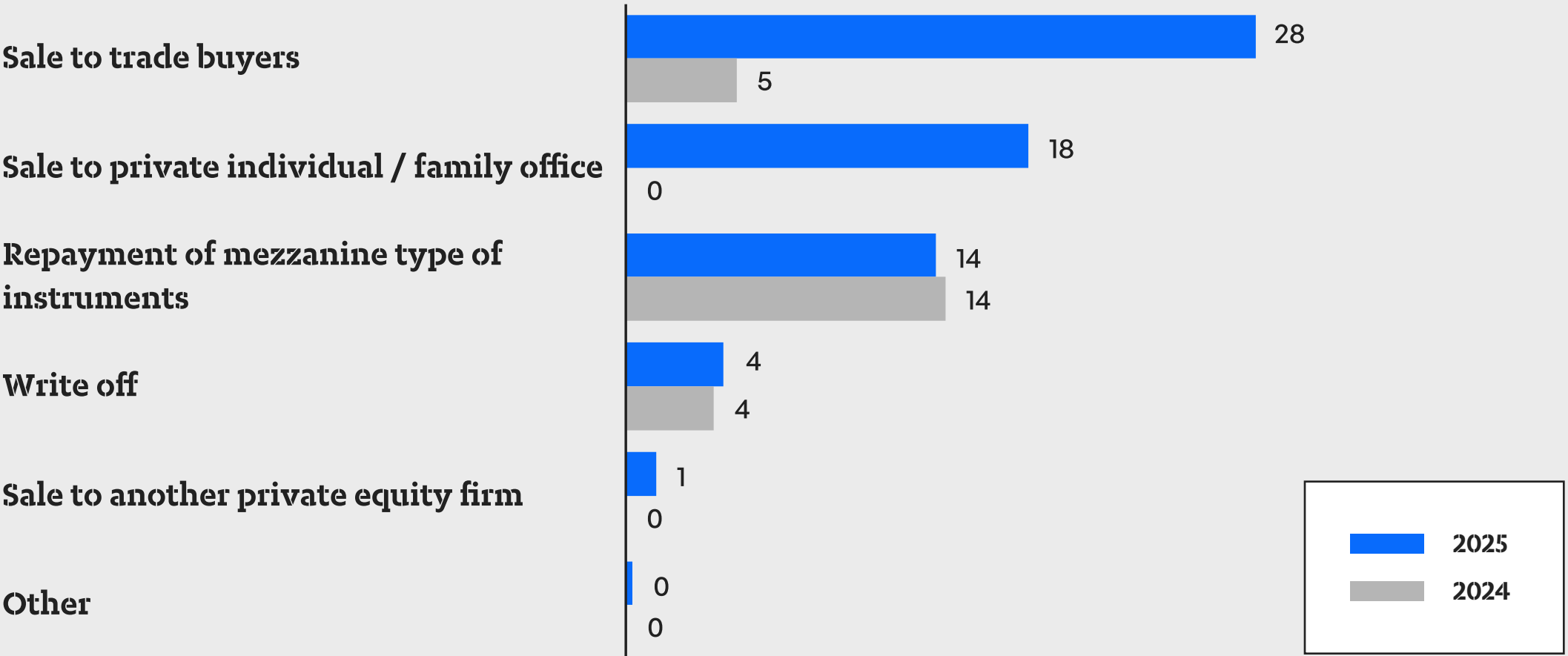
» Despite a continued challenging economic and geopolitical environment, 2025 saw a considerable increase in divestment activity. Exit value at cost increased by 175% YoY to €66 million, with the number of exits also increasing YoY by 20% to 53.

» High-quality mature assets continue to attract investor interest despite market headwinds, as PE funds accounted for approximately 87% of total exit value at cost across 24 transactions.

» Most of the exit value at cost (70%) and transactions (47%) were observed in Lithuania, which on a macro level has achieved stronger economic performance & growth than its neighbors.

» Concentration of divestments in exit value was large - top 3 reported exits accounted for 64% of total divested value at cost.

EXIT VALUE AT COST IN BALTICS *by type* | EUR M



» In contrast to the previous year, 2025 saw a notable rebound in both exit value and the number of divestments to trade buyers, returning to levels seen in 2021 and 2022.

» Divestment to private individuals/family offices is a new exit route that was not present for several years, with exit value at cost totalling €18M.

» Repayment of mezzanine-type instruments remains a stable source of capital returns, totalling €14 million across 12 transactions.

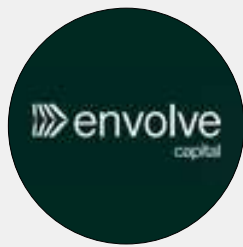
» Despite a persistently challenging economic environment and high capital costs, the number of write-offs remained at similar levels as in 2024, considerably below the levels seen in 2023. This suggests that the wave of post-COVID bankruptcies may have passed and that portfolios have become more resilient.

» With regards to fund strategy, most divestments by count were related to early venture companies.

¹ Divestments are at cost, they do not factor in capital gains/losses. To note that outbound divestments are not presented in this report.

Divestments

Notable divestments by Baltic funds during 2025



Envolve Capital

fully divested its stake in its operational Lithuanian solar PV portfolio.

DIVESTMENT



Livonia Partners

fully divested its shareholding in Glassense, a pan-Baltic glass manufacturer, to Danish-owned Barrus, a timber processing company in Estonia.

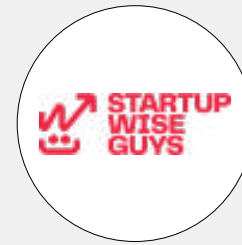
DIVESTMENT



ZGI-4

fully divested its shareholding in Echoo Group, a building automation company in Latvia, to PE-backed Nordomatic, a Building Management System integrator in the Nordic region.

DIVESTMENT



Startup Wise Guys

fully divested its stake in Ready Player Me, an avatar design platform for apps and games based in Estonia to Netflix, the global streaming platform.

DIVESTMENT



FlyCap Mezzanine Fund II

fully divested its stake in Visual Media Group, a large-format advertiser in Latvia.

DIVESTMENT

Private Equity & Venture
Capital in the Baltics

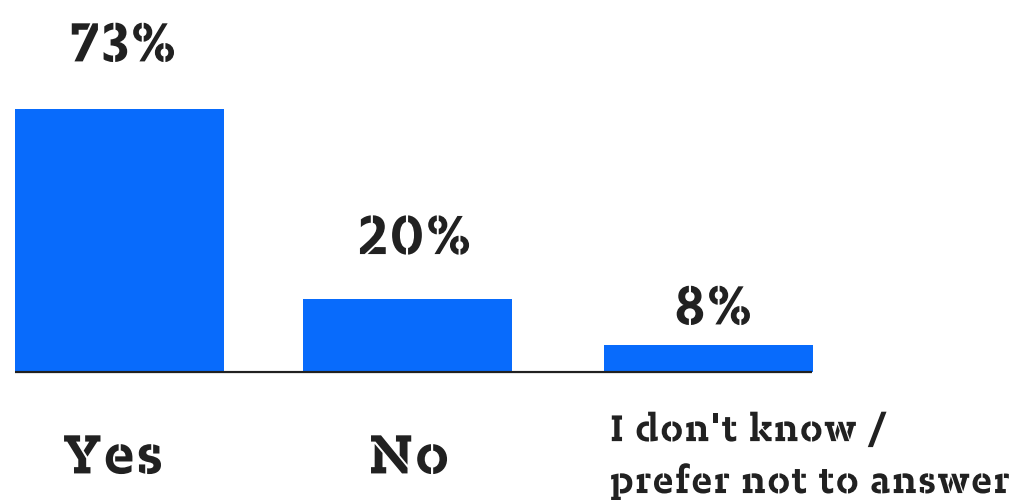
ESG & market sentiment

ESG – The nexus between Baltic PE/VC and ESG

22
Nr. of funds that are
Article 8 or above

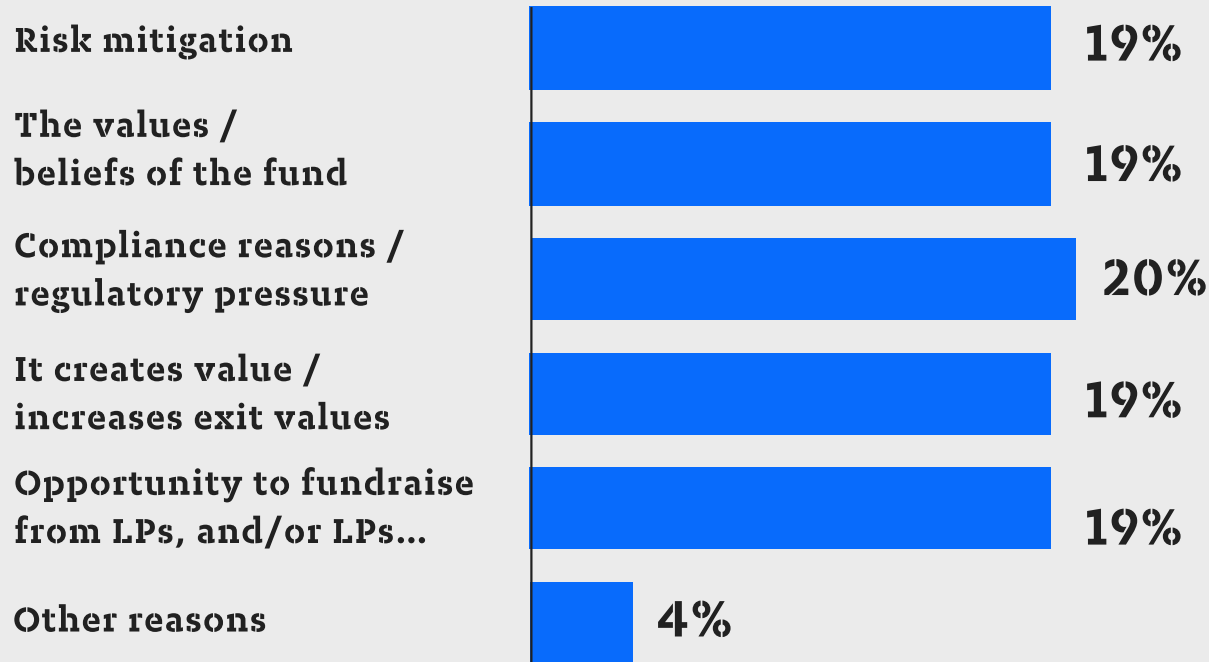
100% of fund managers¹ responded to the questionnaire, which gathers insight on the role of and attitude towards environmental, social and governance (ESG) factors within the Baltics PE /VC investment space.

Are ESG considerations currently on your investment agenda?



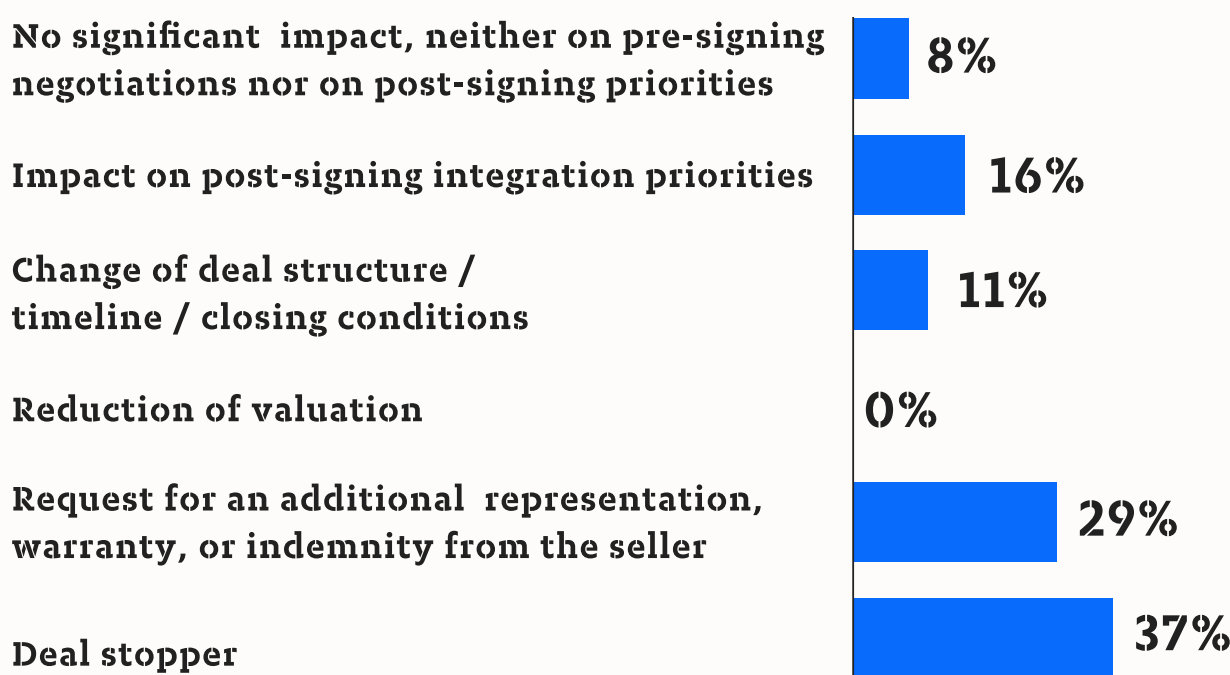
- » Out of those surveyed, 42 funds are at least Article 6, an increase of 35% YoY. Of these 22 are Article 8 or above, an increase of 38% YoY. Several funds that were not yet Article 9 compliant noted that they were going through the process of achieving Article 9 status.
- » 73% of fund managers surveyed indicated that ESG considerations are part of their investment agenda compared to two-thirds in the prior year. However, given the evolving geopolitical and regulatory landscape the opinion of several fund managers is that the focus and influence of ESG will decline slightly in the upcoming years.

Rate individually (up to a score of 5 being highly important) each of the following motivations behind your fund placing more importance on ESG



- » When it comes to key motivations for prioritizing ESG matters, responses were evenly distributed across the main answer categories and remain relatively unchanged YoY.

Which consequence would negative material ESG findings have on a potential investment?



- » The consequences of negative material ESG findings on a potential investment have become less severe, with 37% suggesting it would be a ‘deal stopper’ for them, dropping from close to 50% last year. Consequences have shifted rather towards ‘change of deal structure’ and ‘post signing integration’ as well as ‘request for an additional representation, warranty, or indemnity from the counterparty’, which was stated by 29% of respondents. Further, only 8% of fund managers said that a negative material ESG finding would have ‘no significant impact’ on a deal, down from 10% reported last year.

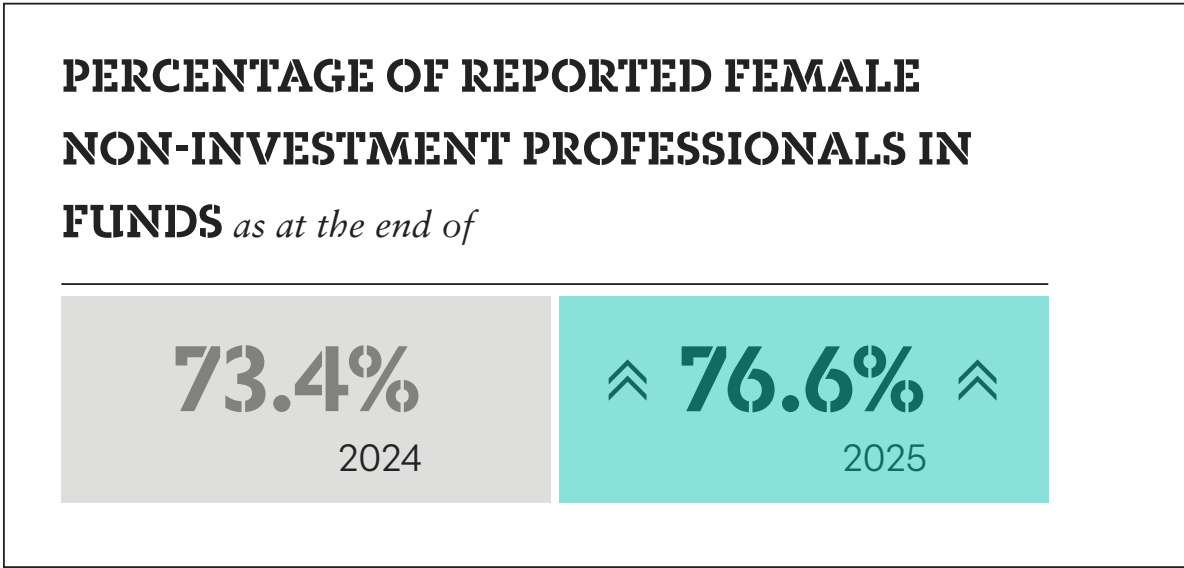
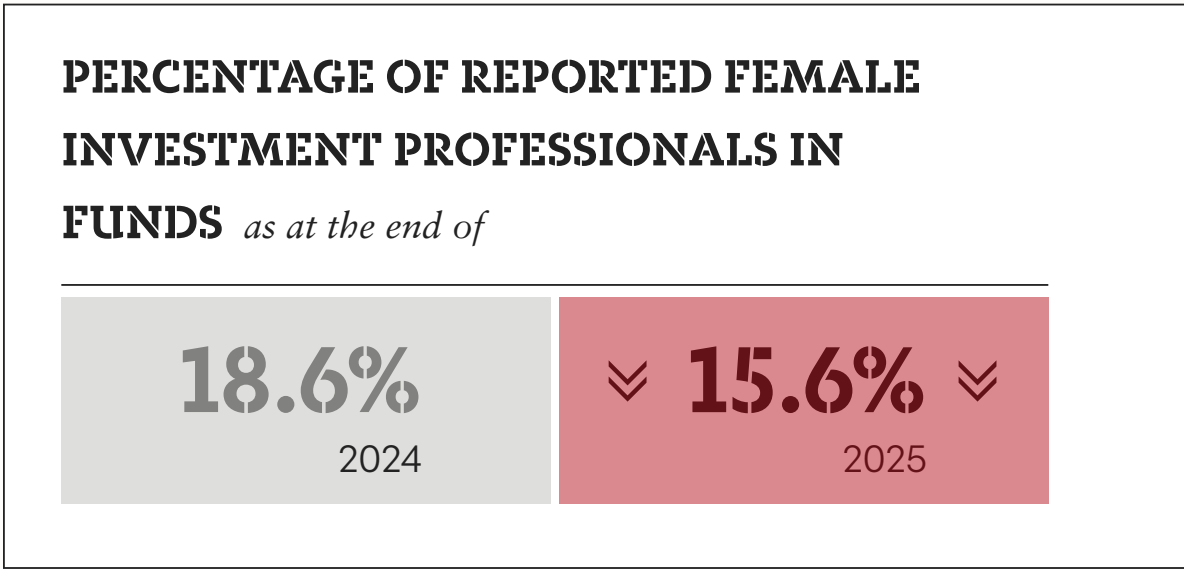
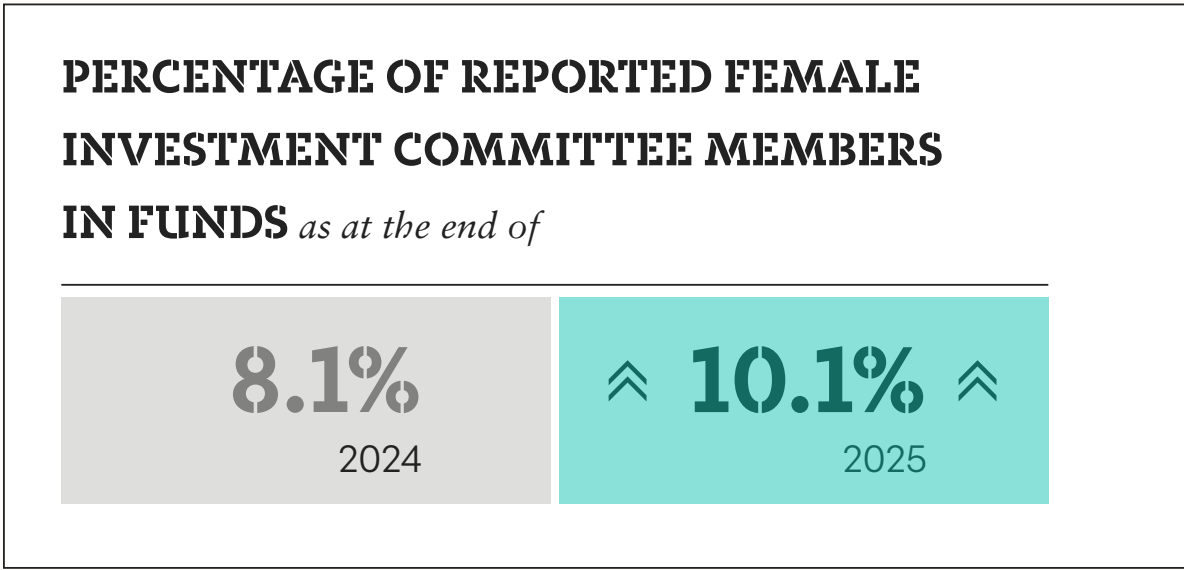
¹The total number of potential respondents is 39 as it excludes historical only funds.

Baltic PE/VC funds through the lens of gender balance

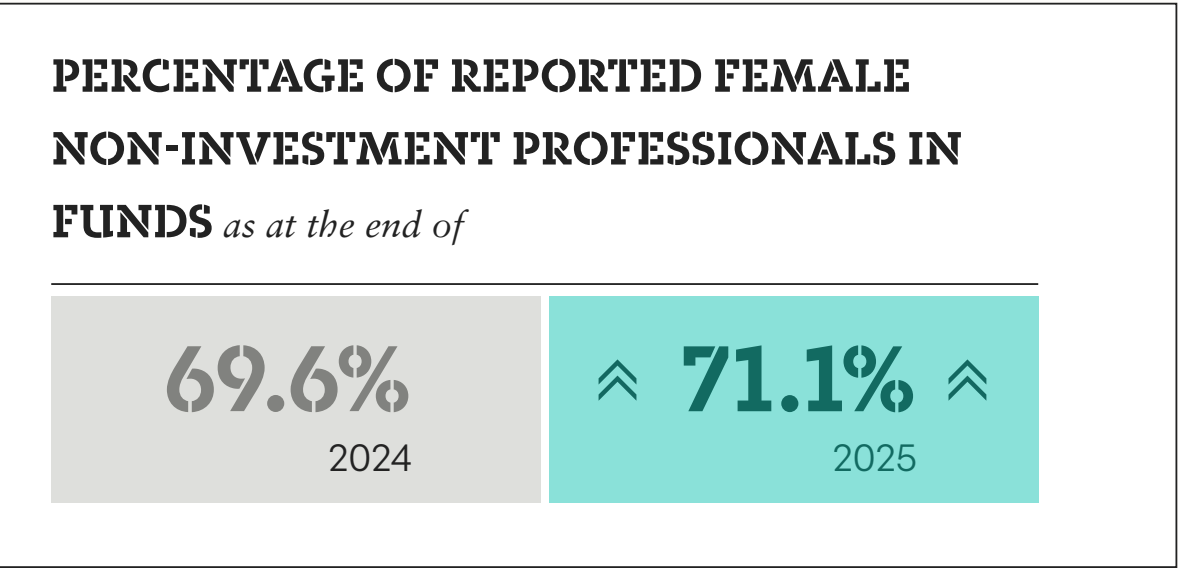
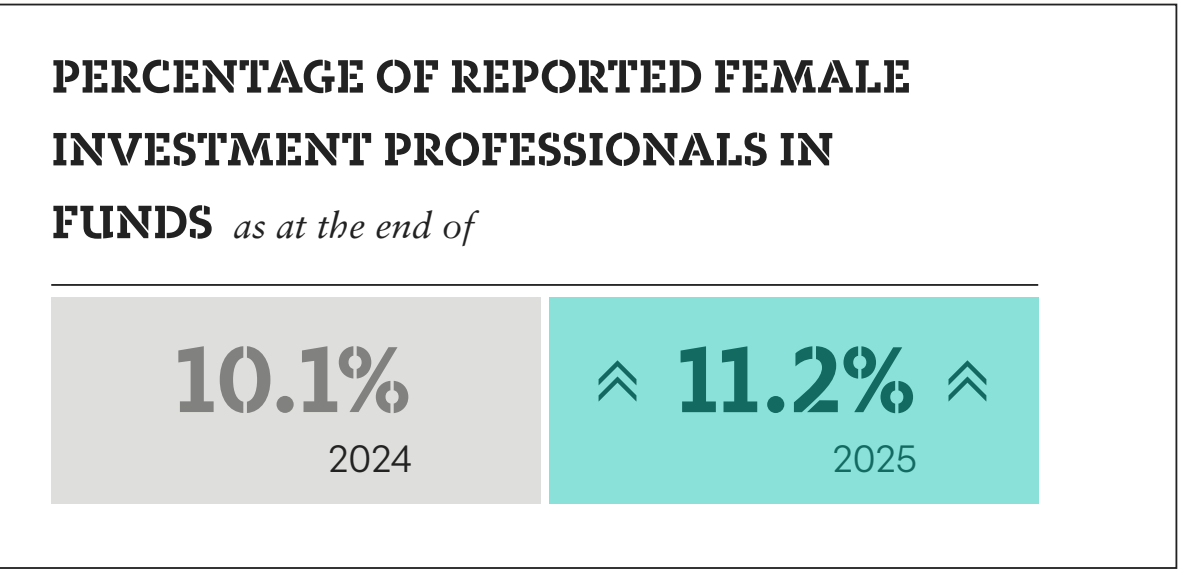
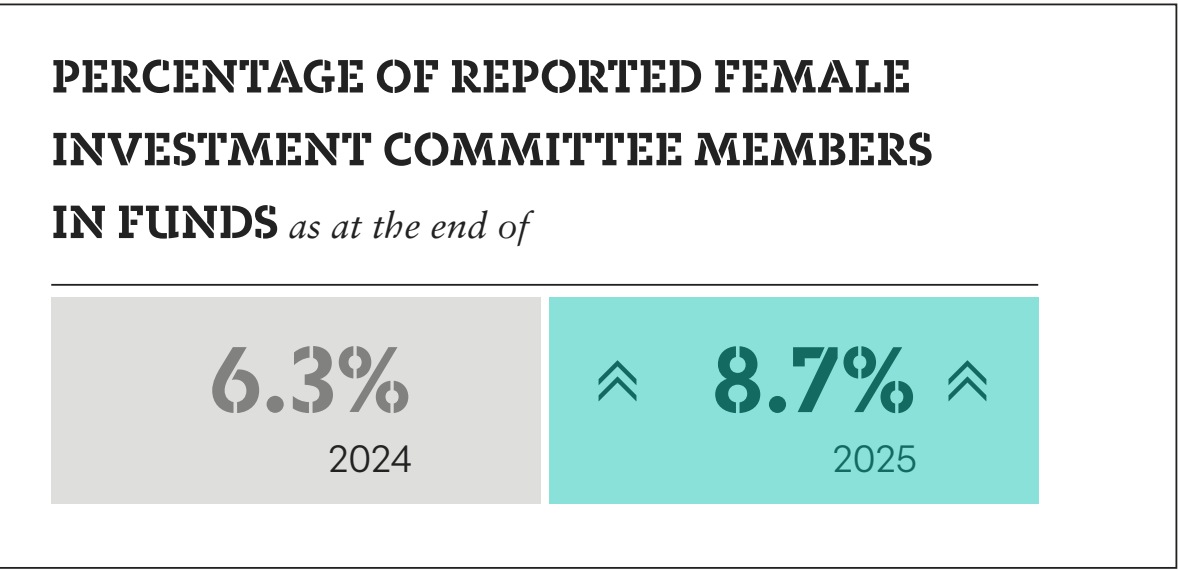
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Even though there have been minor improvements in the share of female representation at the investment committee level, overall female representation in investment professional roles remains low.

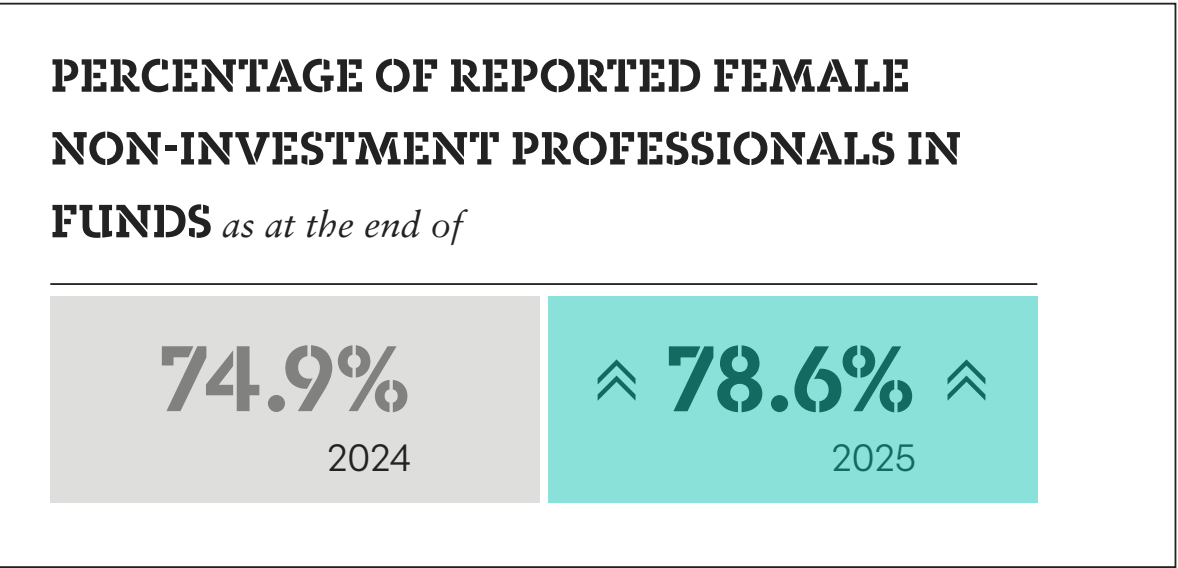
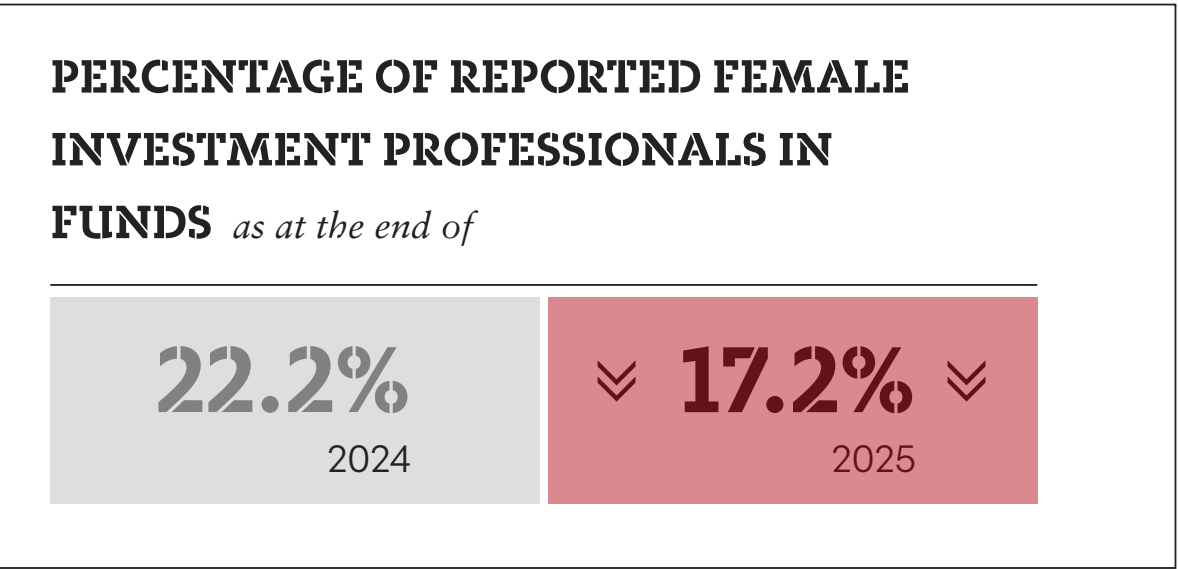
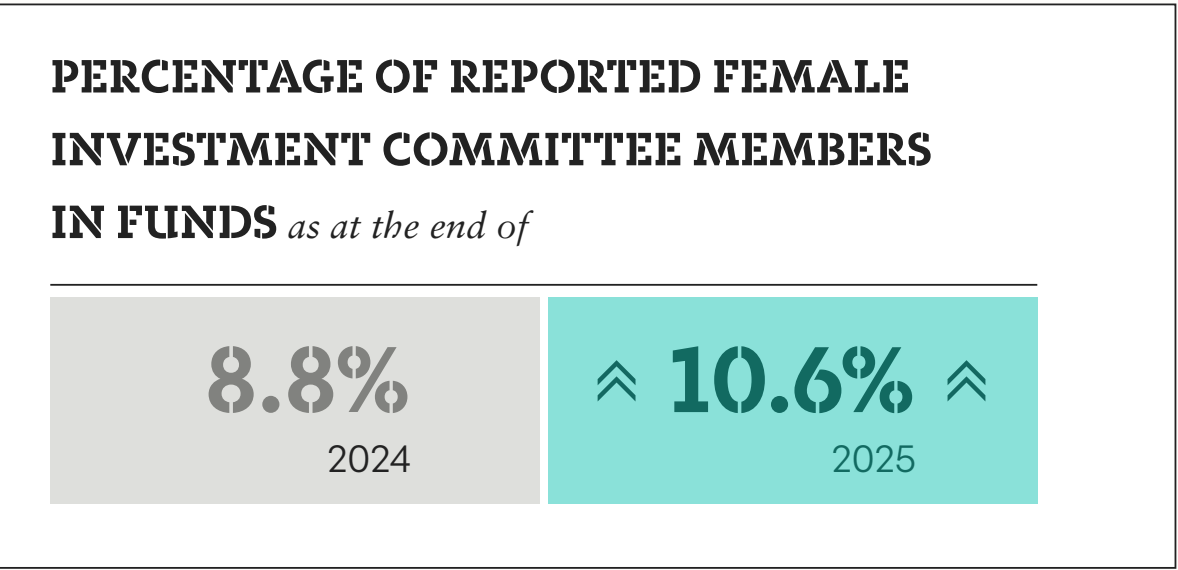
Baltic PE/VC funds through the lens of gender balance:



Baltic PE funds through the lens of gender balance:



Baltic VC funds through the lens of gender balance:



Market Sentiment

100% of fund managers¹ responded to the questionnaire, which gathers insight regarding their perspective on the market conditions in 2025, as well as their expectations for 2026.

FUNDRAISING

“Difficult in 2025, with no improvement or even slight worsening expected in 2026”

- » In aggregate, fund managers found fundraising to be more difficult in 2025, with no fund manager believing that conditions improved compared to 2024.
- » Looking forward, the fundraising environment in 2026 is expected to remain the same or even worsen slightly. Based on recent geopolitical events, it is likely that the expectations may have further decreased.

FOREIGN LP ATTRACTION

21% Found it more difficult in 2025 vs 2024

- » General partners (GPs) found attracting foreign LPs 21% more difficult in 2025, driven by continued geopolitical uncertainty in the region.
- » In 2026, GPs expect attracting foreign capital to be even more challenging than it was in 2025.

INVESTMENT OPPORTUNITIES

53% of respondents reported that there were more in 2025 vs 2024

60% of respondents expect even more opportunities in 2026

- » Fund managers are most bullish about the quantity & quality of investment opportunities, with 53% of respondents agreeing that the number opportunities increased in 2025.
- » Looking ahead to 2026, sentiment is even more upbeat, with 60% of fund managers expecting more investment opportunities to emerge compared to the previous 12 months.

EXIT DIFFICULTY

75% of respondents believed that it was unchanged between 2025 & 2024

- » GPs perceived the exit environment to be relatively unchanged in 2025, with three-quarters being of the opinion that while market conditions have made exits more selective, high-quality companies continue to attract buyer interest.
- » In 2026, fund managers anticipate a similar exit environment to 2025.

“Expected similar exit activity in 2026”

“2025 was a difficult year and most Baltic fund managers do not anticipate any major improvements in 2026”

¹The total number of potential respondents is 39 as it excludes historical only funds. Please note that the survey was done in Jan-Feb’26 before the US-Iran war.

Baltic Private Equity and Venture
Capital Market Overview 2025

Private Equity & Venture Capital *in Estonia*

Over the period 2020 – 2025, Estonian LPs have provided 19% or €546 million of the total capital raised by Baltic PE/VC funds that invest into Estonia.

KEY HIGHLIGHTS ESTONIA

Investment activity was driven by buyout funds, which accounted for 53% of the total amount invested into Estonian companies.

KEY HIGHLIGHTS ESTONIA

In 2025, Baltic PE/VC funds invested €75 million into Estonian companies across 102 transactions - the most across the Baltic countries.

KEY HIGHLIGHTS ESTONIA

Similar to prior years, in 2025 the ICT and the energy & environment sectors continue to attract the most capital in Estonia.

KEY HIGHLIGHTS ESTONIA

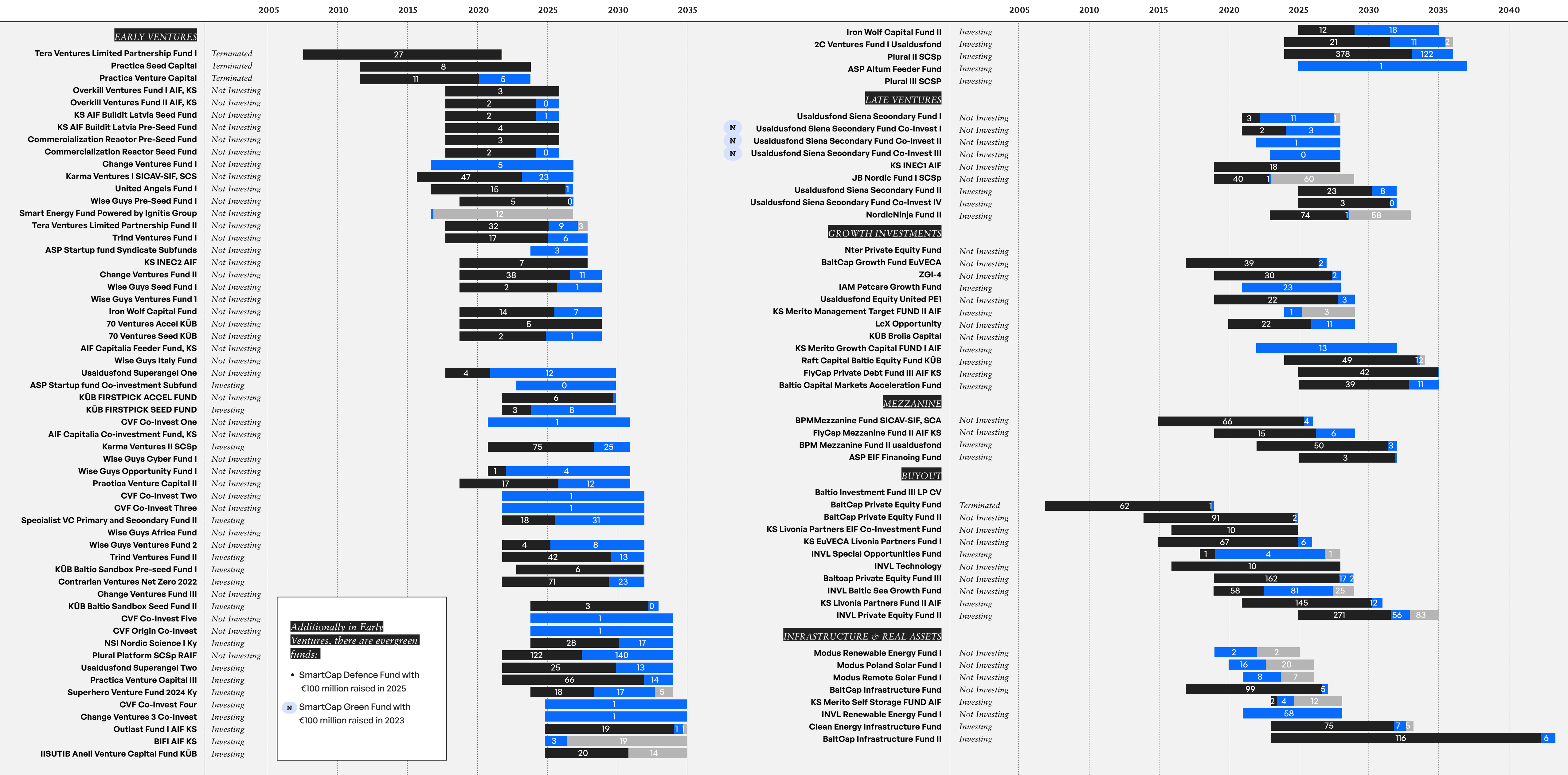
Of the close to €1.4 billion of dry powder held by Baltic fund managers, at least €225 million is expected to be deployed into Estonian companies.

KEY HIGHLIGHTS ESTONIA

Estonian market

Key highlights

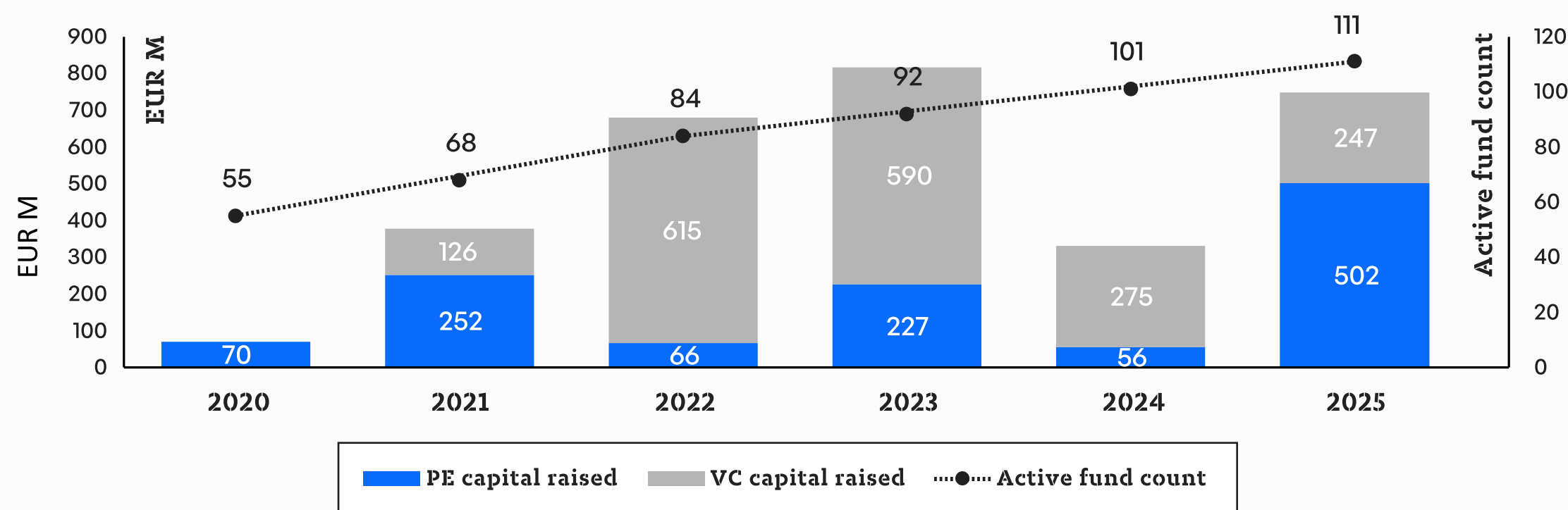
Landscape of PE/VC funds that invest *in Estonia* as at 31st December 2025

Funds raised by funding source and fund period (vintage and termination year), EUR M¹

Fundraising in Estonia

TOTAL FUNDRAISING (SPLIT INTO VC & PE) *incl. total fund count*

Capital raised annually during 2020-2025¹, EUR M



Of the 15 new funds established in the year, all have a Pan-Baltic, Pan-European or global focus, as such no new fund had been established which focus purely on investing into Estonian based companies (also referred to as funds with a “National” focus). Overall, over the last 6 years funds with a National focus account for less than 4% of total capital raised.

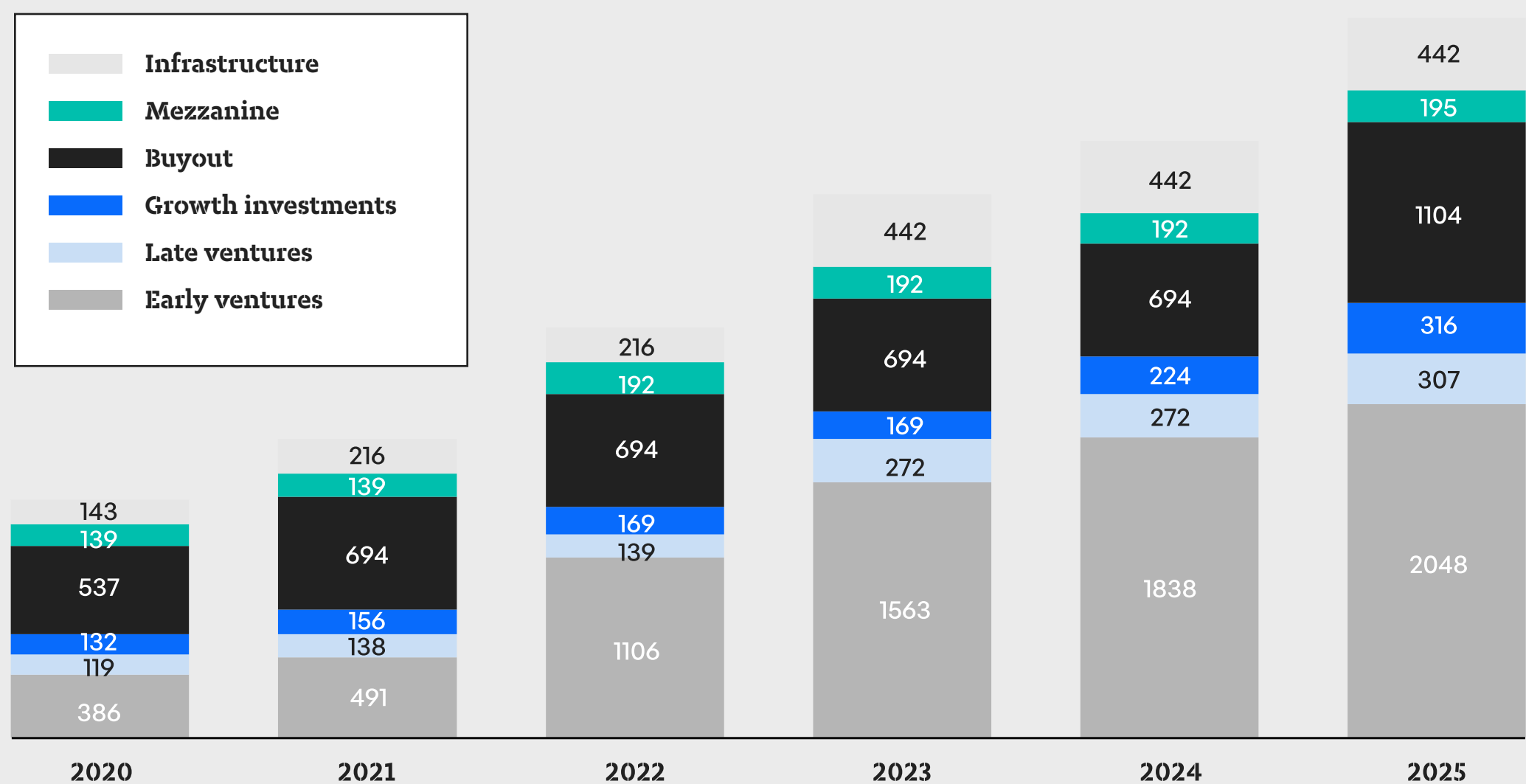
¹Fundraising date is by the fund’s vintage year. Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

²2020 includes the cumulative fundraising since 2010.

Given the addition of new fund managers which may have had historic funds, the historic numbers may have changed compared to last year’s report.

TOTAL CAPITAL RAISED BY PE/VC FUNDS *by fund focus stage*

Cumulative capital raised in 2010-2025, EUR M²



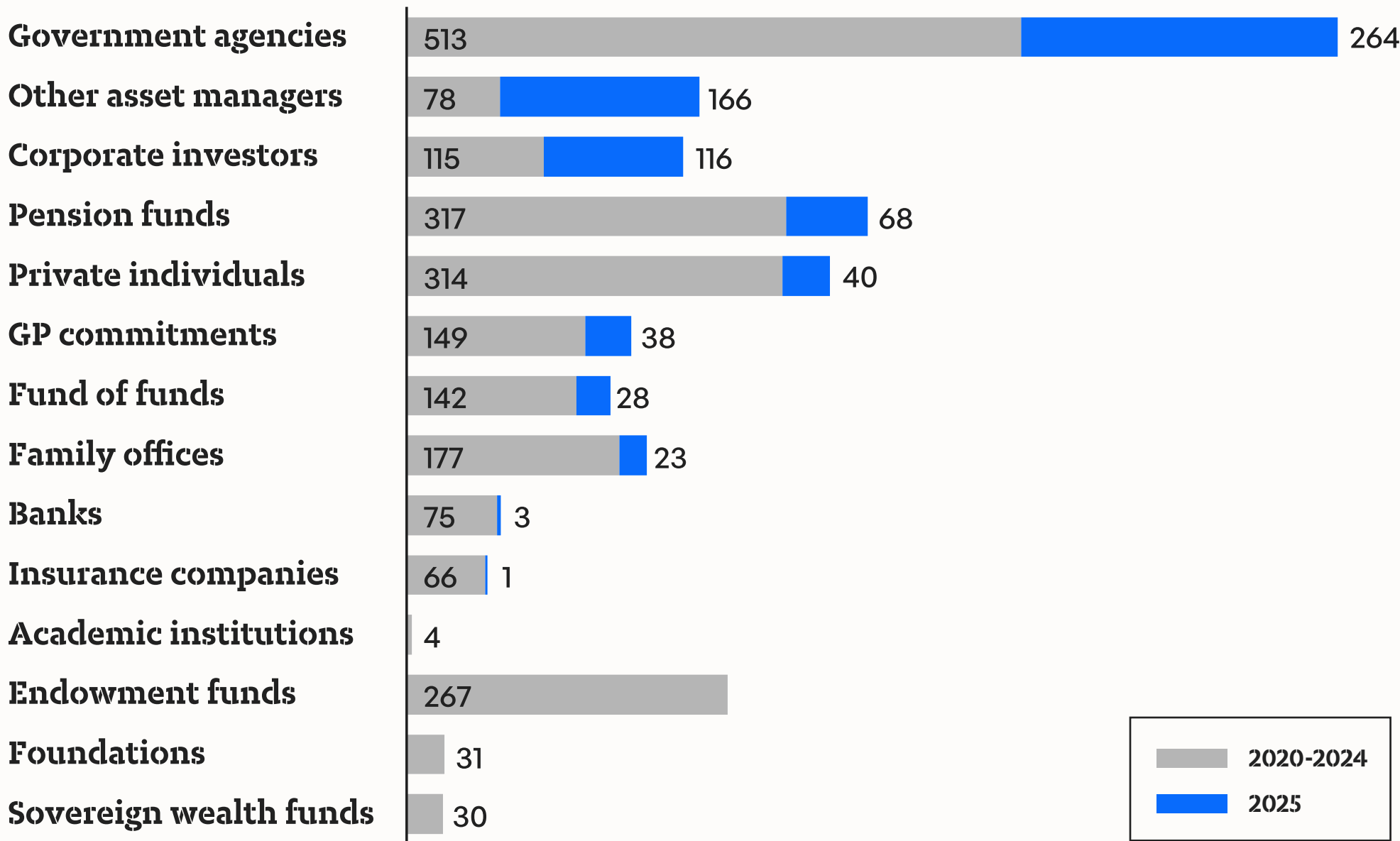
“

Over the period 2010 to 2025, Baltic funds whose mandate is solely focused on or includes investing into Estonian companies have cumulatively raised €4.41 billion

Fundraising in Estonia

CAPITAL RAISED *by investor type*

2020–2025, EUR M¹



Government agencies remain a key funding source for local fund managers, contributing 35% of total capital raised in 2025, an increase from a share of 25% over the 2020–2024 period.

2025 also saw a substantial increase in funds raised from other asset managers (feeder funds) and corporate investors, with funds raised from these sources more than doubling compared to the prior five years.

Significant funding was also raised from pension funds, private individuals, fund of funds and family offices. The ability to raise funds from a wider pool of capital sources is a sign of growing maturity for the region’s fund management sector.

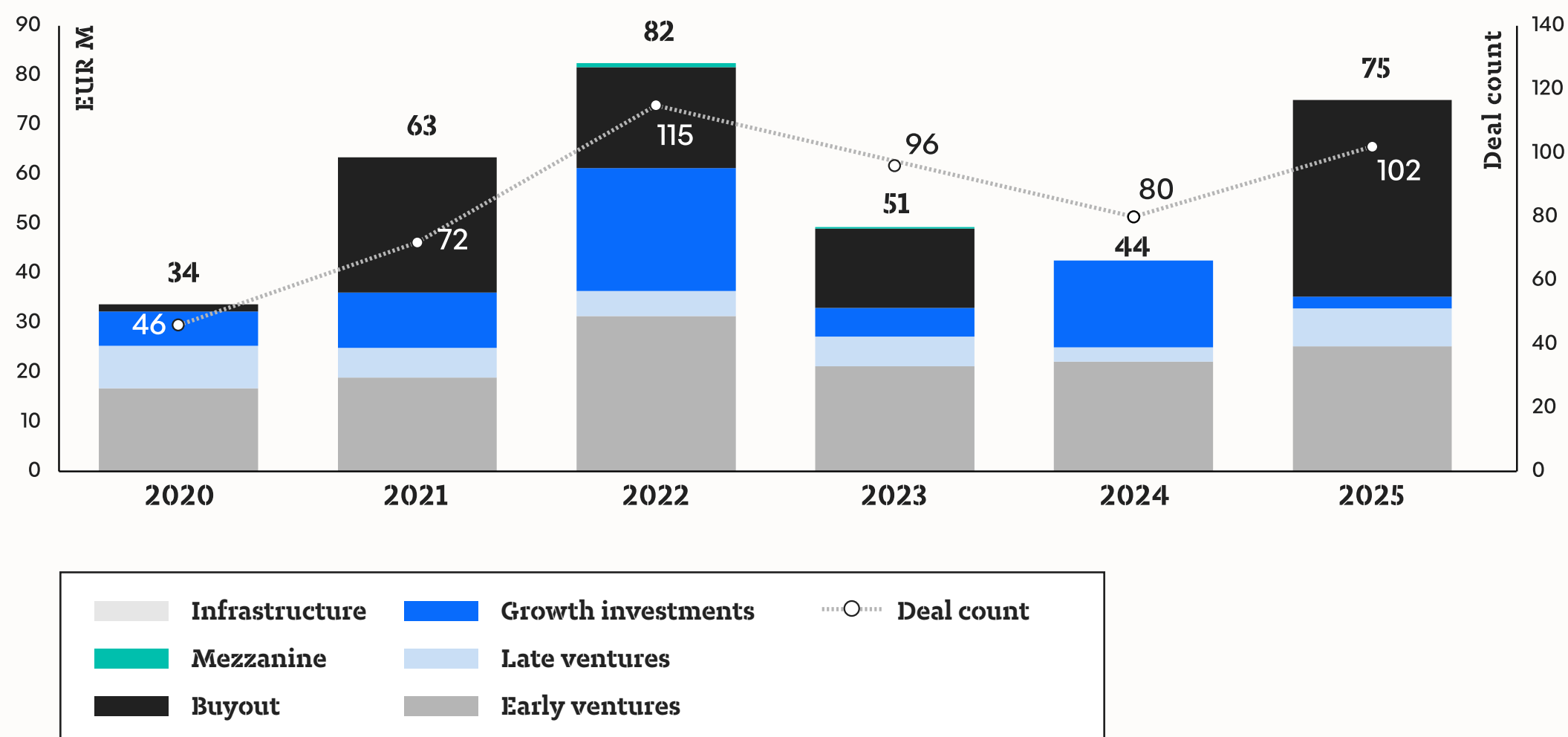
Of the total capital raised by funds since 2020, 19% or €546 million has come from investors based in Estonia, while for 2025 the figure was 17% or €125 million.

¹Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information. Categories below a minimum threshold were left out.

Investments in Estonia

INVESTMENTS BY STAGE *incl. count*

2020-2025, EUR M¹



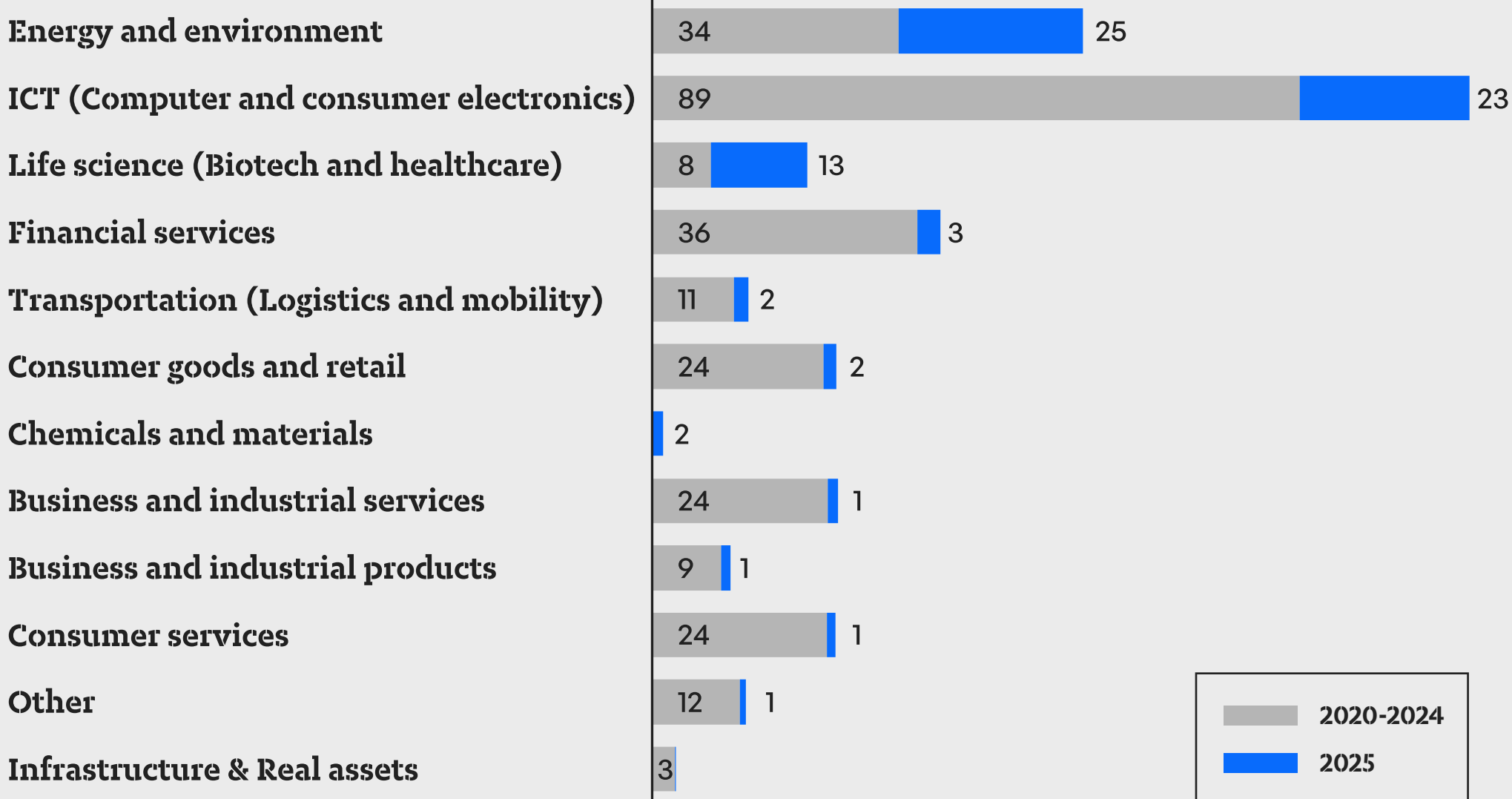
In 2025, the amount invested by Baltic funds into Estonian companies remained the most resilient, increasing 70% YoY to €75 million - similar to the record investment levels observed in 2022. Investment was led by buyout funds, which invested 53% of the total, while the remainder was covered by VC investments (44%) and growth investments (3%). Overall, early stage VC investment has remained the most resilient investment stage in Estonia over

the years. Investment activity has increased less than the total amount invested, as the number of deals closed increased by 28% YoY, eclipsing the 100 deals mark for the first time since 2022.

“ Investments in Estonian companies remained the most resilient across the Baltic states, increasing YoY by 70% in 2025, with a total amount invested of €75 million across 102 transactions.

PE/VC INVESTMENT *by sector*

2020-2025, EUR M¹



» When investing into Estonia, Baltic funds heavily concentrated into the ICT and energy & environment sectors, which attracted 65% of the total funds invested in 2025. Compared to prior years, companies within the life sciences space also had an extraordinary year.

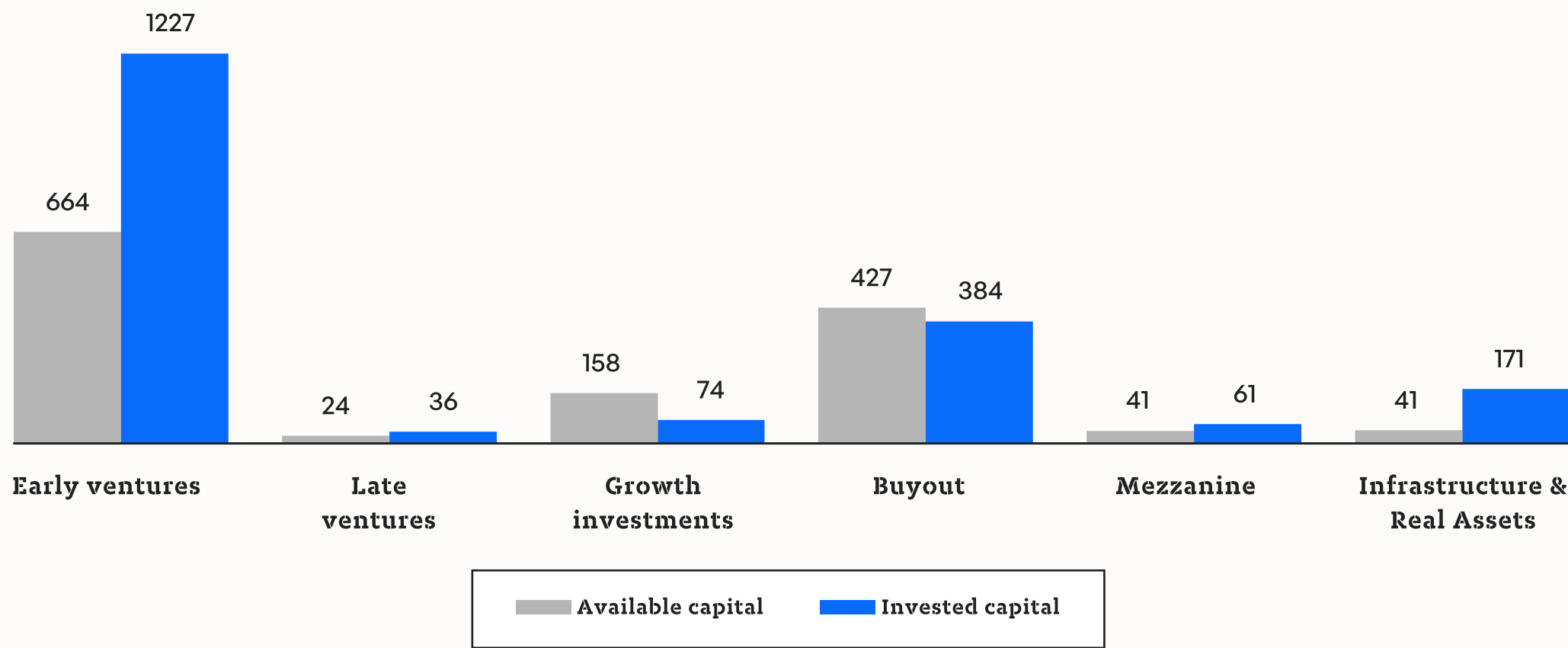
» For the Baltic region overall, Estonia contributed 63% to the investment into the energy & environment, ICT and life sciences sectors in 2025, with its contribution to other sectors being at a much lower level.

¹Categories below a minimum threshold were left out.

Invested capital in Estonia – Dry Powder

CAPITAL AVAILABLE FOR INVESTMENTS *by fund’s strategy*

as at 31 December 2025, EUR M¹



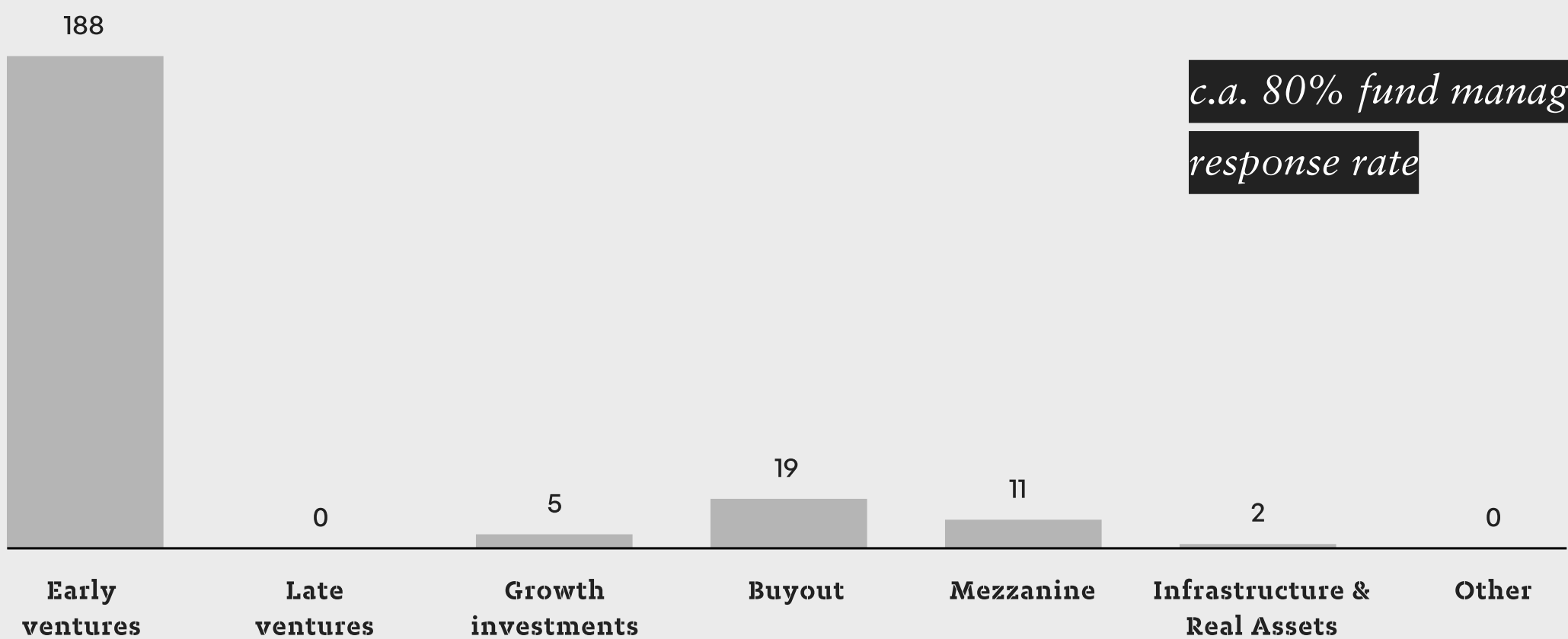
At the end of 2025, 59% of total capital was already deployed, leaving funds with €1.36 billion available for investment into companies based in Estonia. The largest amount of dry powder is held by funds with a focus on the early venture, buyout, and growth investment strategies. Almost all stages have less dry powder than invested capital, potentially indicating renewed fundraising efforts in the following years.

Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

¹As some funds became historicals only (ceased reporting), their capital under management dropped out.

TOTAL CAPITAL AVAILABLE EXPECTED TO BE DEPLOYED in Estonia *(estimate)*

as at 31 December 2025,
EUR M



c.a. 80% fund manager
response rate

“

Baltic PE/VC funds hold €1.36 billion of dry powder, of which at least €225 million is expected to be deployed in Estonia.

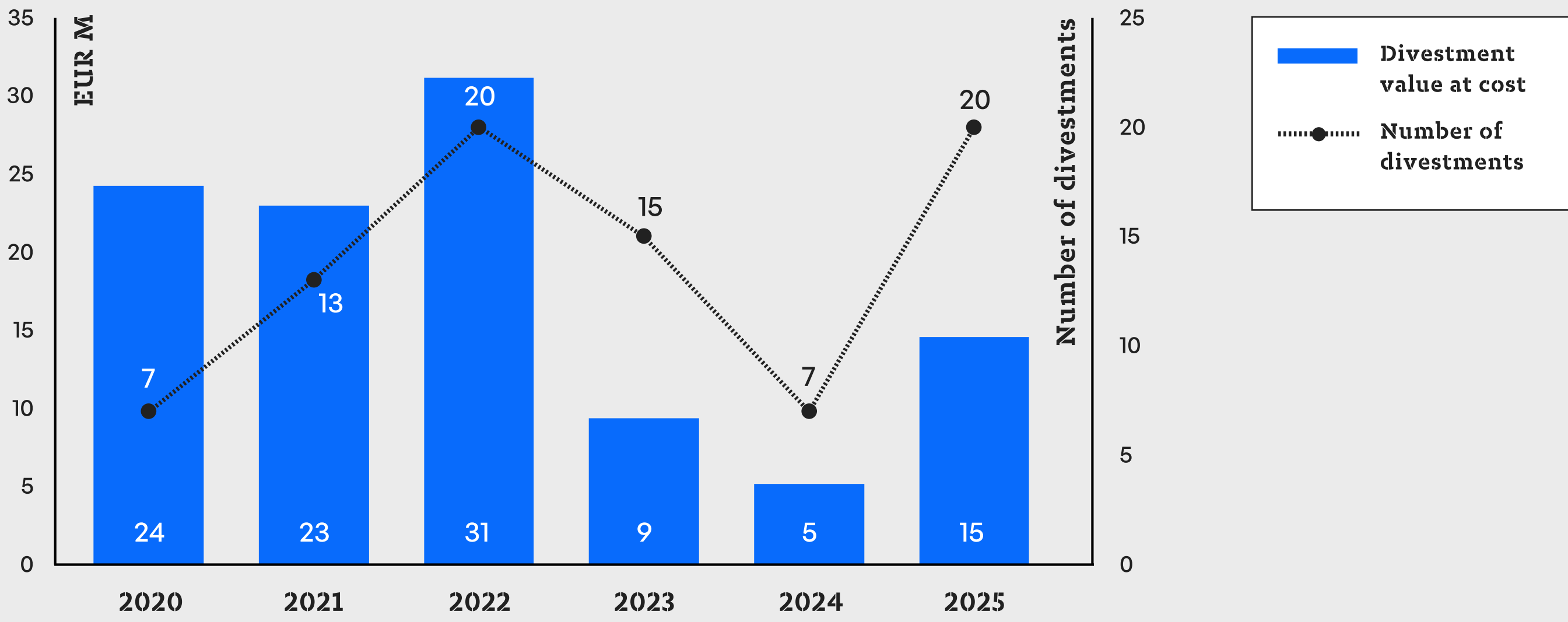
For the first time, we asked fund managers to estimate how much capital from the remaining dry powder they expect to deploy in Estonia. According to their responses, at least €225 million² or 17% of the dry powder is expected to be deployed into Estonian companies.

²Approximately €270M of expected investments into the Baltics was not split between the individual countries, therefore the amount per country is likely to be higher.

Divestments *in Estonia*

DIVESTMENTS AT COST *incl. count*

2020-2025, EUR M



“

A mixed year for divestments as the year witnessed a few successful exits, but also an increase in write-offs

- » Overall, divesting activity for Estonian portfolio companies increased relative to 2023-24 levels, but remains below 2020-2022 levels.
- » Exit value at cost rose YoY by 181% to €15 million, while the number of exits increased by a similar proportion, ending the year at 20.
- » By strategy, divestment activity was concentrated in early stage VC, mezzanine, and buyout.
- » Sale to trade buyers accounted for the highest at cost value, while the year also witnessed 10 write offs.

Divestments are at cost, they do not factor in capital gains/losses.

Baltic Private Equity and Venture
Capital Market Overview 2025

Private Equity & Venture Capital *in Latvia*

Over the period 2020 – 2025, Latvian LPs have provided 8% or €247 million of the total capital raised by Baltic PE/VC funds that invest into Latvia.

KEY HIGHLIGHTS LATVIA

In 2025, Baltic PE/VC funds invested €11 million into Latvian companies across 39 transactions.

KEY HIGHLIGHTS LATVIA

Investment activity was driven by early VC investment funds, which accounted for 57% of the total amount invested into Latvian companies.

KEY HIGHLIGHTS LATVIA

With regards to sector preference, 2025 saw most investment activity going into Latvian companies operating within the ICT sector.

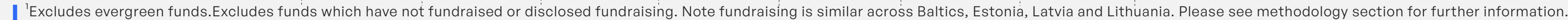
KEY HIGHLIGHTS LATVIA

Of the close to €1.4 billion of dry powder held by Baltic fund managers, at least €89 million is expected to be deployed into Latvian companies.

KEY HIGHLIGHTS LATVIA

Latvian market

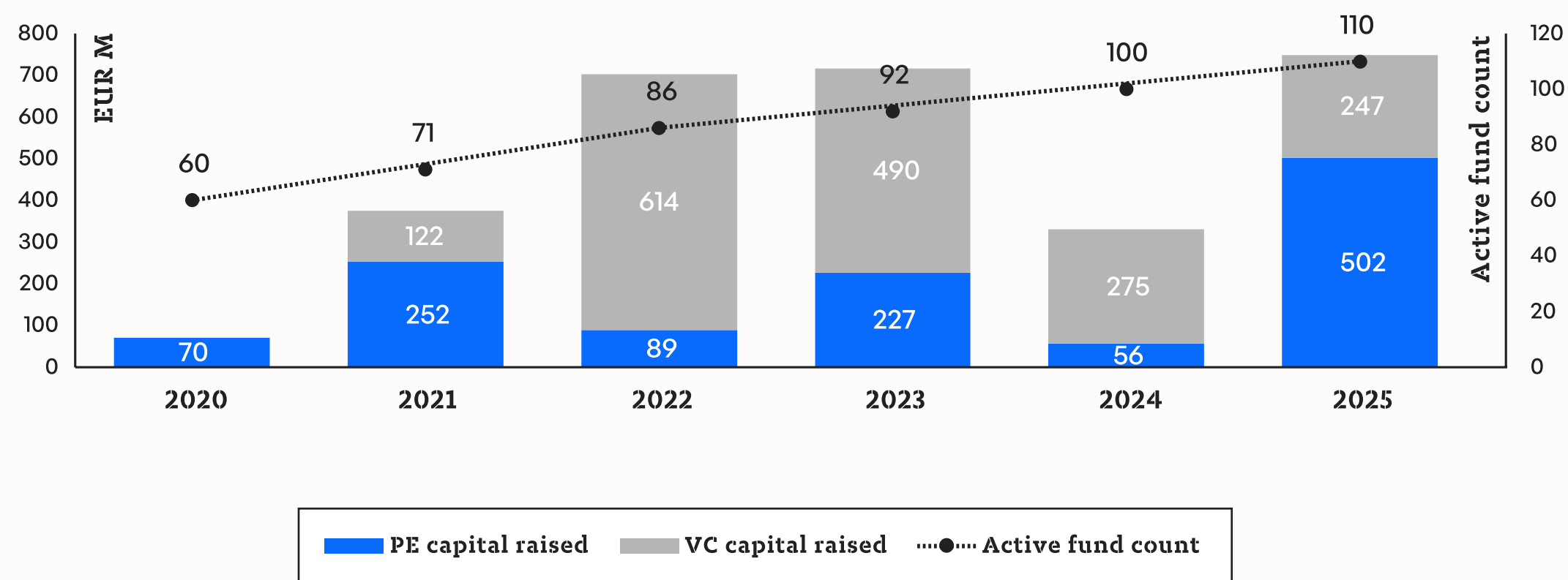
Key highlights

Funds raised by funding source and fund period (vintage and termination year), EUR M¹

Fundraising in Latvia

TOTAL FUNDRAISING (split into VC & PE) incl. total fund count

Capital raised annually during 2020-2025¹, EUR M



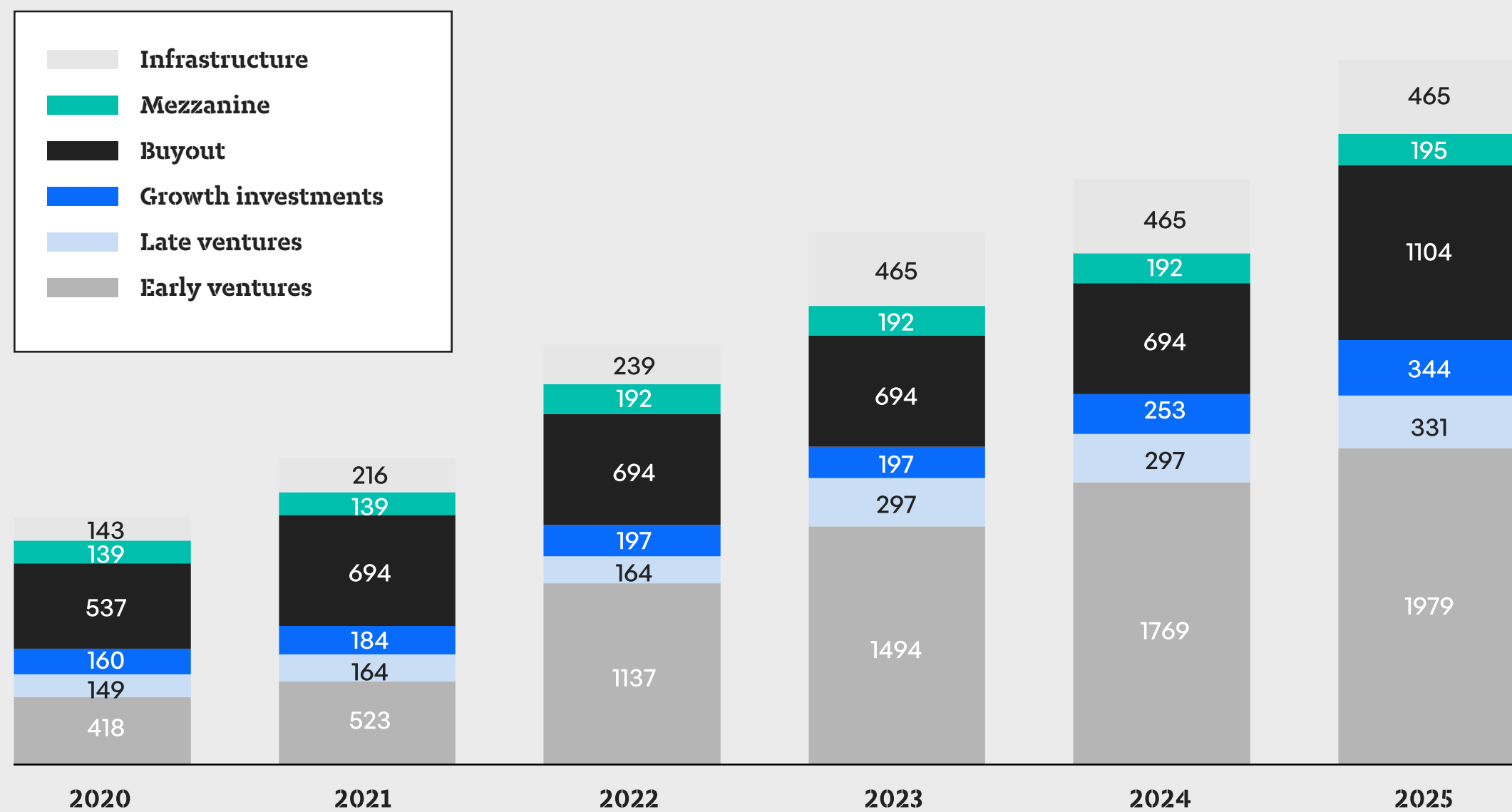
Of the 15 new funds established in the year, all have a Pan-Baltic, Pan-European or global focus, as such no new fund had been established in 2025 which focus purely on investing into Latvian based companies (also referred to as funds with a “National” focus). Overall, over the last 6 years funds with a National focus account for less than 1% of total capital raised.

¹Fundraising date is by the fund’s vintage year. Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

²2020 includes the cumulative fundraising since 2010. Given the addition of new fund managers which may have had historic funds, the historic numbers may have changed compared to last year’s report.

TOTAL CAPITAL RAISED BY PE/VC FUNDS by fund focus stage

Cumulative capital raised in 2010-2025, EUR M²



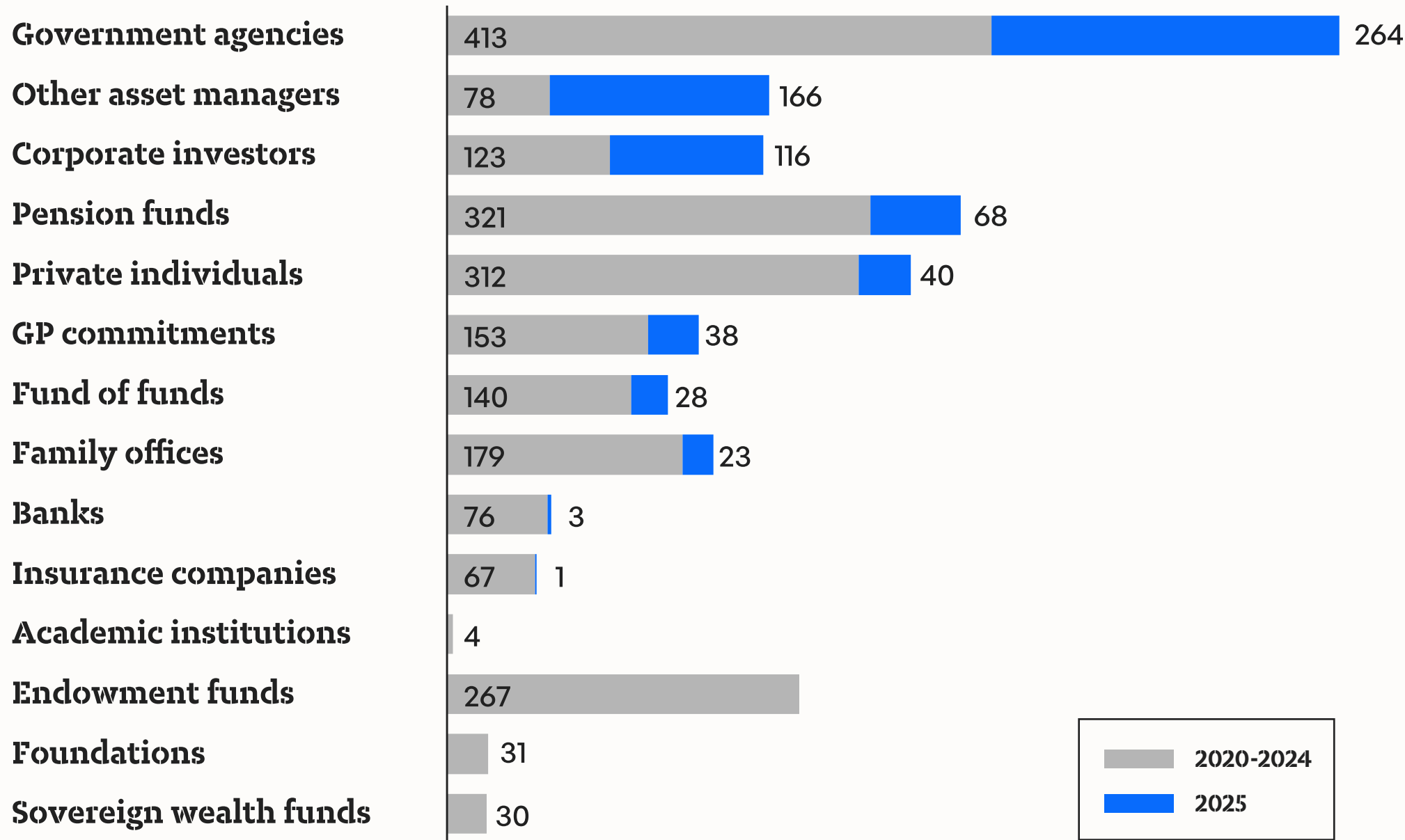
“

Over the period 2010 to 2025, Baltic funds whose mandate is solely focused on or includes investing into Latvian companies have cumulatively raised €4.42 billion.

Fundraising in Latvia

CAPITAL RAISED *by investor type*

2020–2025, EUR M¹



Government agencies remain a key funding source for local fund managers, contributing 35% of total capital raised in 2025, an increase from a share of 25% over the 2020–2024 period.

2025 also saw a substantial increase in funds raised from other asset managers (feeder funds) and corporate investors, with funds raised from these sources more than doubling compared to the prior five years.

Significant funding was also raised from pension funds, private individuals, fund of funds and family offices. The ability to raise funds from a wider pool of capital sources is a sign of growing maturity for the region’s fund management sector.

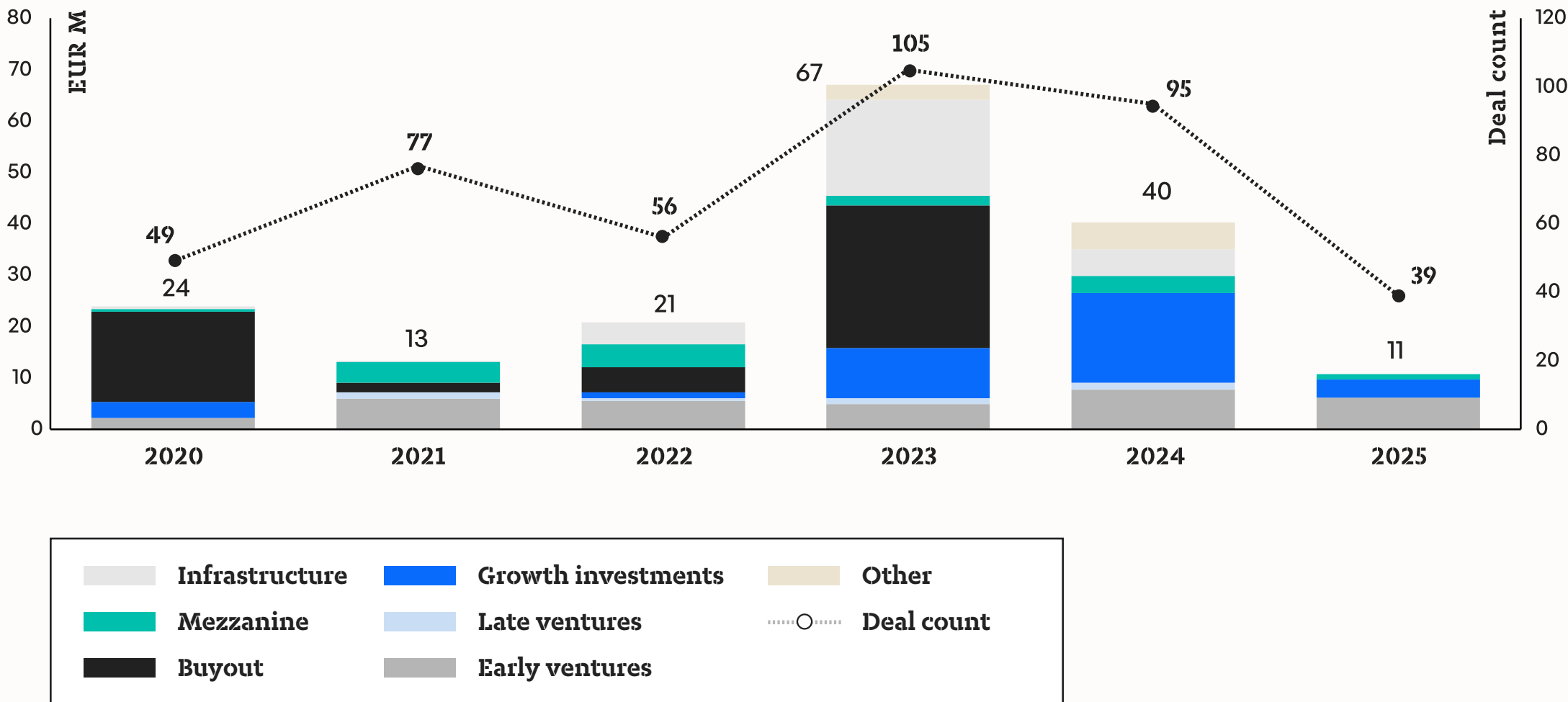
Of the total capital raised by funds in the last 6 years, 8% or €247 million has come from investors based in Latvia, while for 2025 the figure was 16% or €122 million. In 2025 alone, Latvian LPs provided nearly as much capital to Baltic fund managers as they had over the entire 2020–2024 period combined.

Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information. Categories below a minimum threshold were left out.

Investments in Latvia

INVESTMENTS BY STAGE *incl. count*

2020-2025, EUR M¹



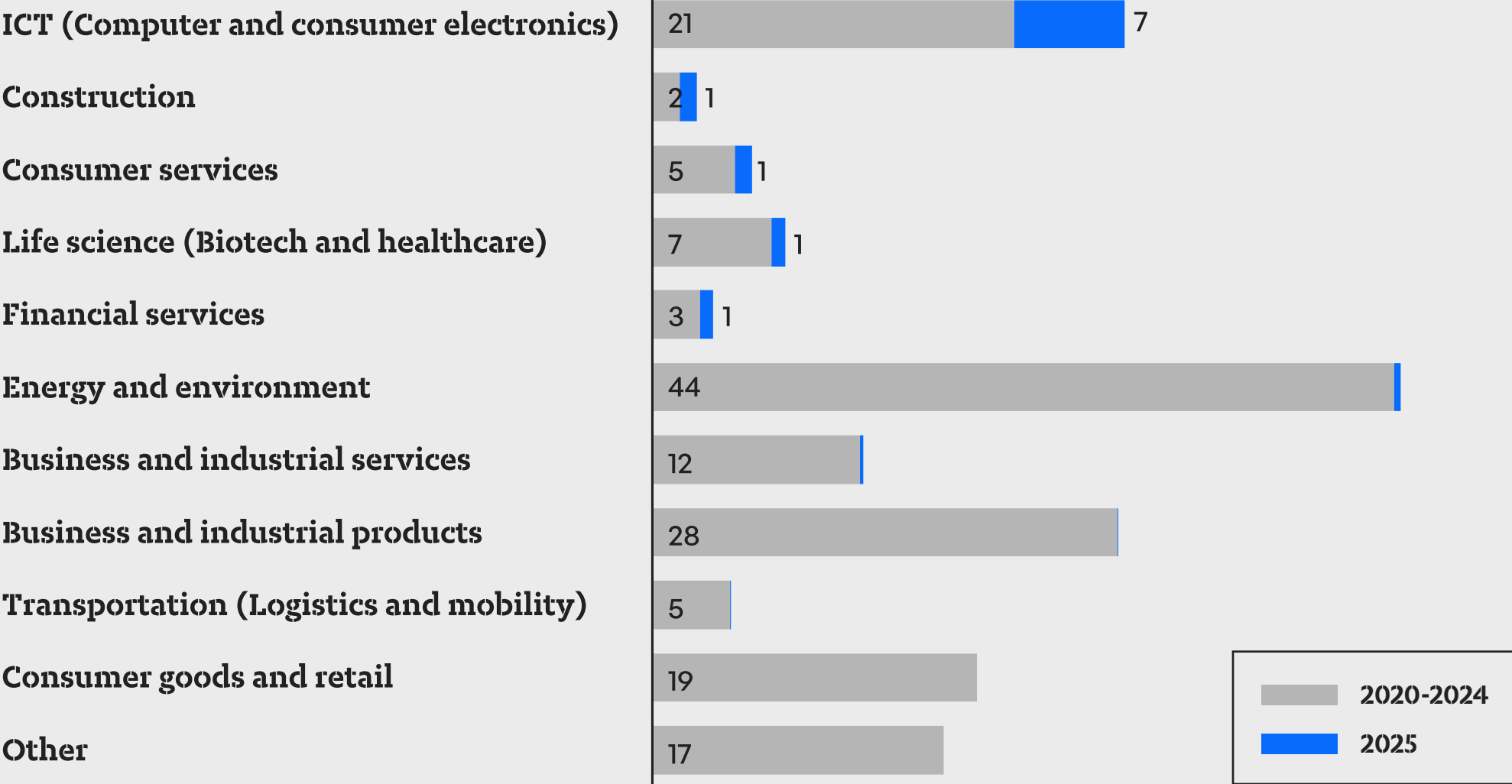
In 2025, Baltic funds invested €11 million into Latvian companies. This marks a 73% decrease from 2024, and remains well below historical averages. Activity was led by early VC investment funds, which invested 57% of the total capital invested in 2025. The number of completed transactions also was well below historical averages at 39, a 59% decrease from 2024.

The average investment size decreased significantly due to a lack of buyout investments and infrastructure & real asset investing.

“ Investment activity into Latvian companies had the lowest performance in recent years, with a total amount invested of only €11 million across 39 transactions.

PE/VC INVESTMENT *by sector*

2020-2025, EUR M¹



» Similar to last year, investment focus remained the ICT sector, which attracted the largest share - 64% of total funds invested in 2025. In contrast, investment in the energy and industrial products segments declined significantly compared to previous years.

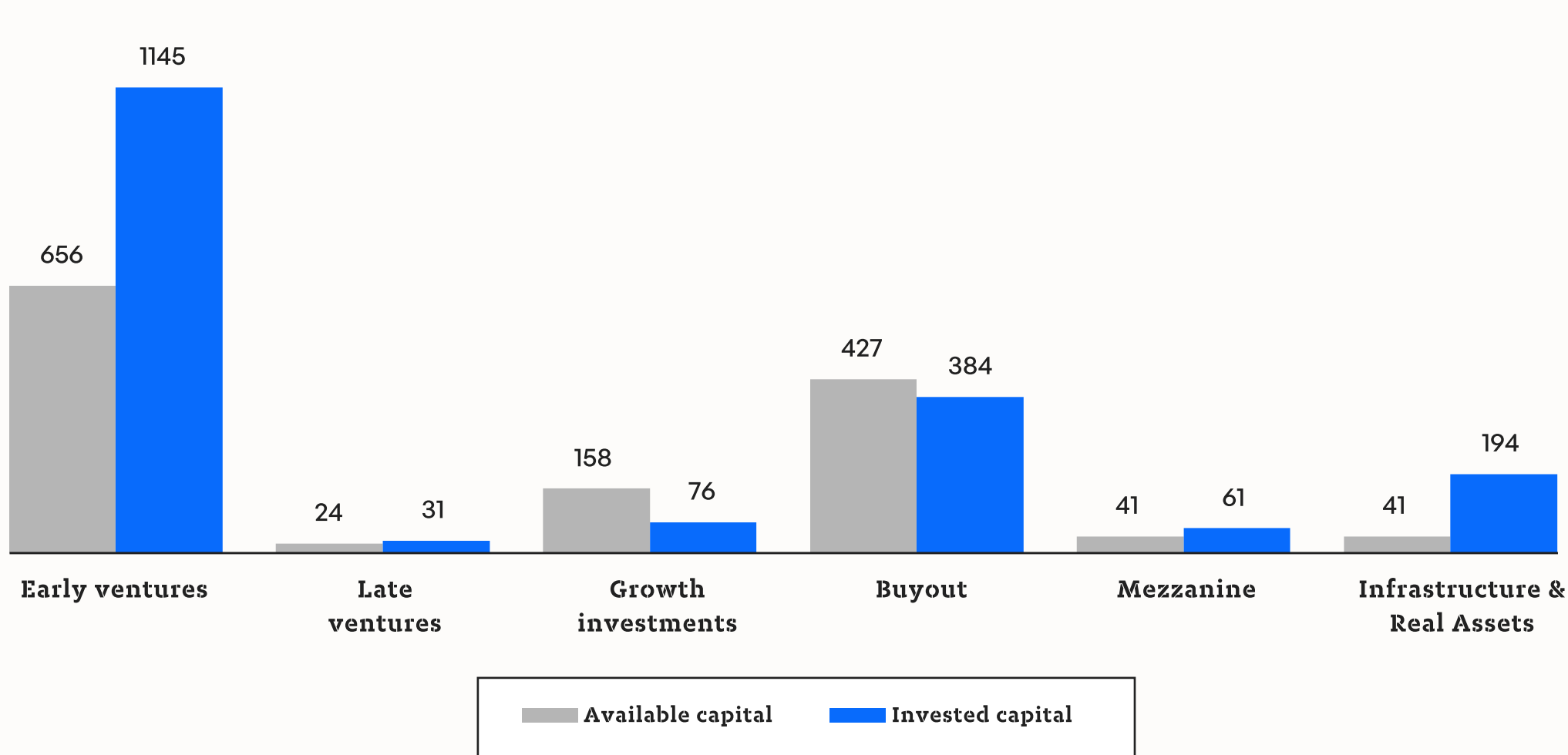
» Overall activity was subdued, with sectors such as construction, consumer services, life sciences & financial services attracting ca €1 million each.

¹Categories below a minimum threshold were left out.

Invested capital *in Latvia – Dry Powder*

CAPITAL AVAILABLE FOR INVESTMENTS *by fund’s strategy*

as at 31 December 2025, EUR M¹



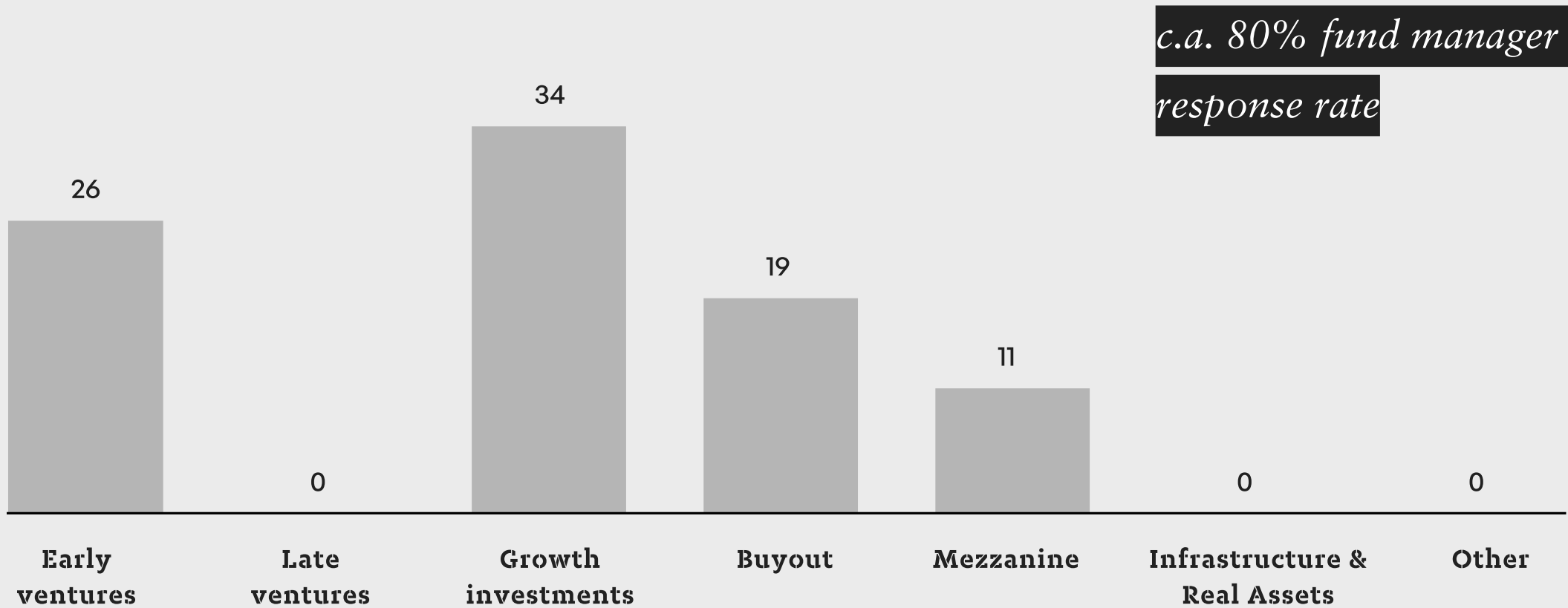
At the end of 2025, 58% of total capital was already deployed, leaving funds with €1.35 billion available for investment into companies based in Latvia. The largest amounts of dry powder are held by funds with a focus on the early venture, buyout, and growth investment strategies. Almost all stages have less dry powder than invested capital, potentially indicating renewed fundraising efforts in the following years.

¹Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

¹As some funds became historicals only (ceased reporting), their capital under management dropped out.

TOTAL CAPITAL AVAILABLE EXPECTED TO BE DEPLOYED *in Latvia (estimate)*

as at 31 December 2025,
EUR M



c.a. 80% fund manager
response rate

For the first time, we asked fund managers to estimate how much capital they expect to deploy in Latvia. According to their responses, at least €89 million² or 7% of the dry powder is expected to be deployed into Latvian companies.

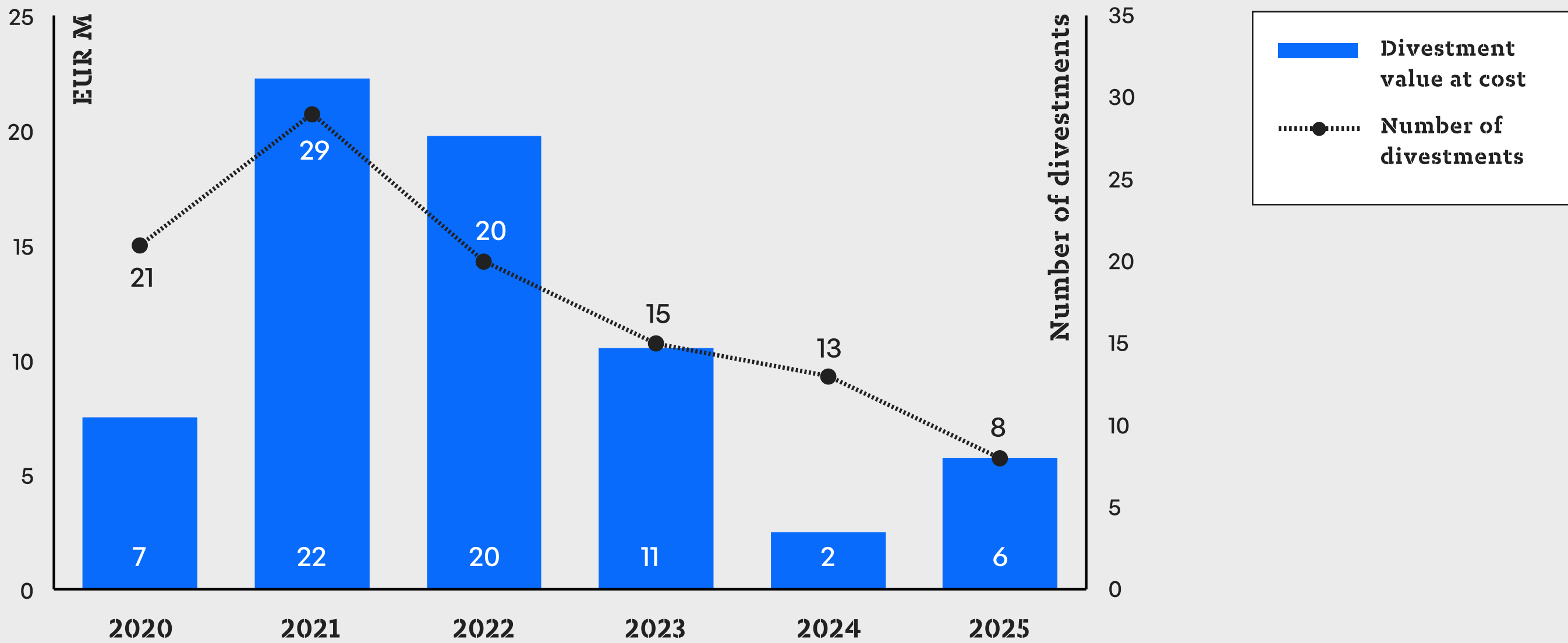
²Approximately €270M of expected investments into the Baltics was not split between the individual countries, therefore the amount per country is likely to be higher.

“
Baltic PE/VC funds hold €1.35 billion of dry powder of which at least €89 million is expected to be deployed in Latvia.

Divestments *in Latvia*

DIVESTMENTS AT COST *incl. count*

2020-2025, EUR M



“

2025 saw Latvian divestment activity remain subdued as geopolitical uncertainty and continued lower valuations seems to have discouraged investors to facilitate exits.

» Overall, divesting activity for Latvian portfolio companies increased relative to 2024 levels, but remain below historical levels.

» While exit value at cost rose YoY by 130% to €6 million, the number of exits continued its downward trend, decreasing by 38% YoY and ending the year at 8.

» Divestments were spread across three strategies: early stage VC, mezzanine, and growth.

» The most common exit route was repayment of mezzanine type of instruments, while the year witnessed no write offs - a strong improvement compared to last year, which saw a total of 9.

Divestments are at cost, they do not factor in capital gains/losses.

Baltic Private Equity and Venture
Capital Market Overview 2025

Private Equity & Venture Capital *in Lithuania*

Over the period 2020 – 2025, Lithuanian LPs have provided 28% or €833 million of the total capital raised by Baltic PE/VC funds that invest into Lithuania.

KEY HIGHLIGHTS LITHUANIA

In 2025, Baltic PE/VC funds invested €52 million into Lithuanian companies across 102 transactions.

KEY HIGHLIGHTS LITHUANIA

Investment activity was driven by early VC investors, who accounted for 50% of the total amount invested into Lithuanian companies.

KEY HIGHLIGHTS LITHUANIA

Similar to prior years, in 2025 the Energy & environment and ICT sectors continue to attract the most capital in Lithuania.

KEY HIGHLIGHTS LITHUANIA

Of the close to €1.4 billion of dry powder held by Baltic fund managers, at least €86 million is expected to be deployed into Lithuanian companies.

KEY HIGHLIGHTS LITHUANIA

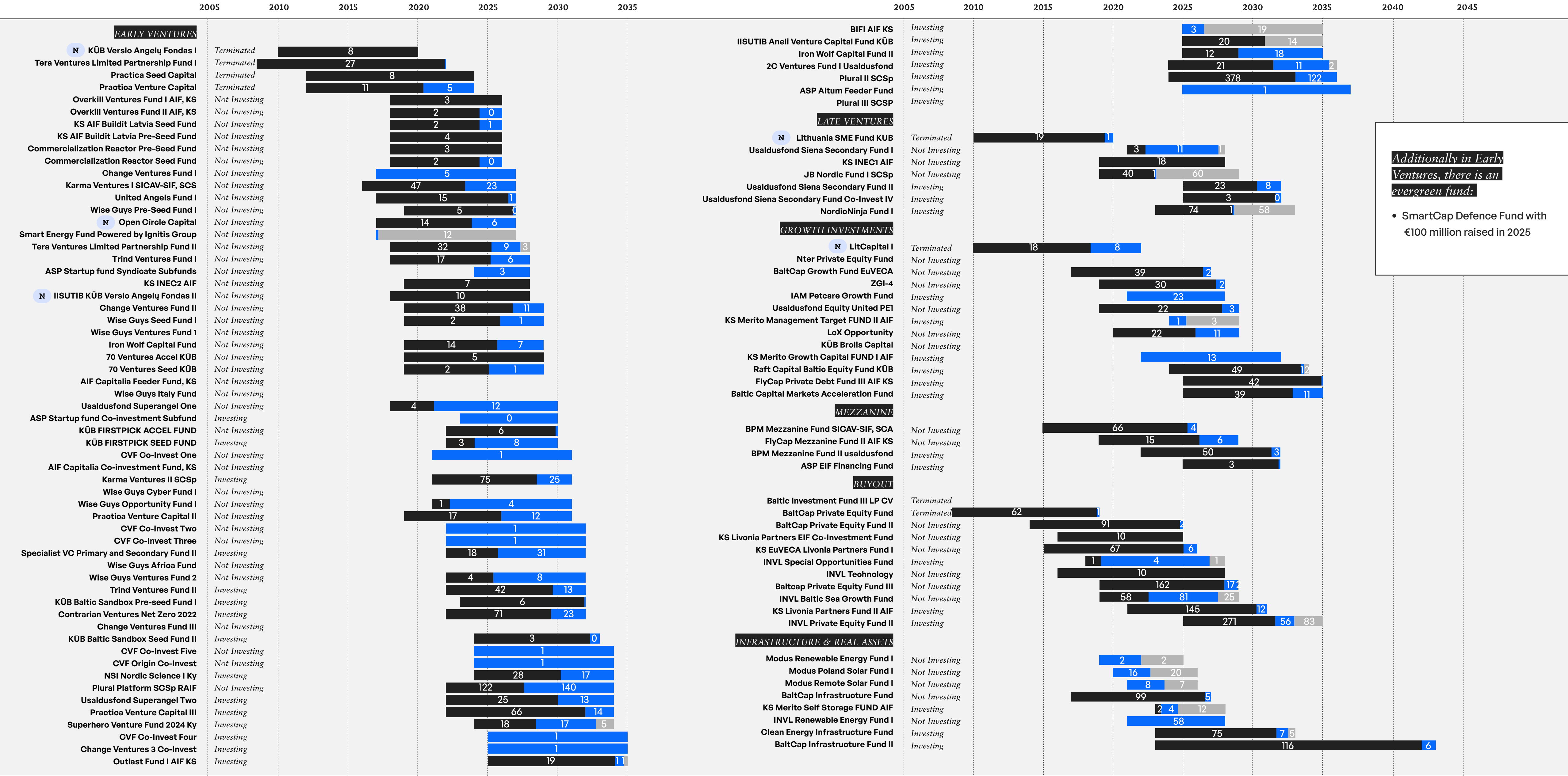
Lithuanian market

Key highlights

Landscape of PE/VC funds that invest in Lithuania as at 31st December 2025

Funds raised by funding source and fund period (vintage and termination year), EUR M¹

Institutional funding
Private funding
Corporate funding
Funds investing solely in Lithuania

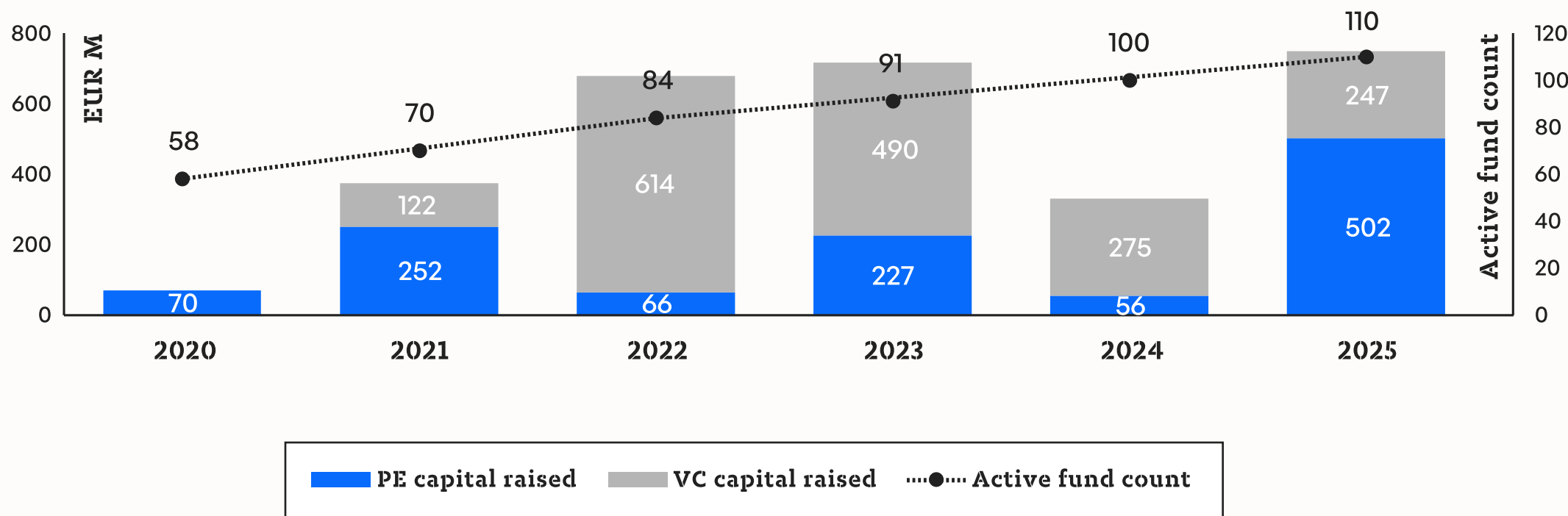


¹Excludes evergreen funds.Excludes funds which have not fundraised or disclosed fundraising. Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

Fundraising in Lithuania

TOTAL FUNDRAISING (split into VC & PE) incl. total fund count

Capital raised annually during 2020-2025¹, EUR M



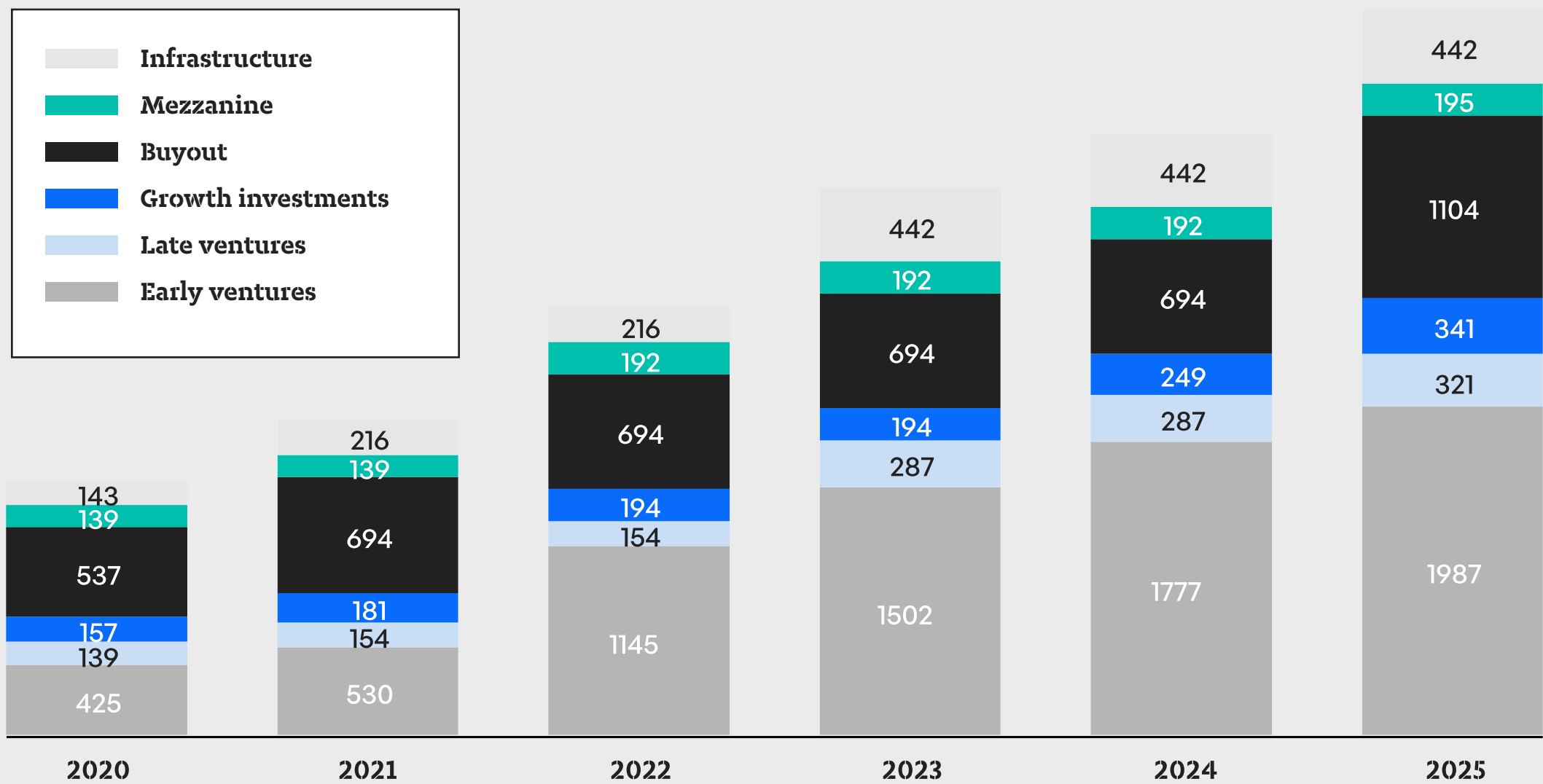
Of the 15 new funds established in the year, all have a Pan-Baltic, Pan-European or global focus, as such no new fund had been established in 2025 which focus purely on investing into Lithuanian based companies (also referred to as funds with a “National” focus). Overall, over the last 6 years funds with a National focus account for less than 1% of total capital raised.

¹Fundraising date is by the fund’s vintage year. Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

²2020 includes the cumulative fundraising since 2010. Given the addition of new fund managers which may have had historic funds, the historic numbers may have changed compared to last year’s report.

TOTAL CAPITAL RAISED BY PE/VC FUNDS by fund focus stage

Cumulative capital raised in 2010-2025, EUR M²



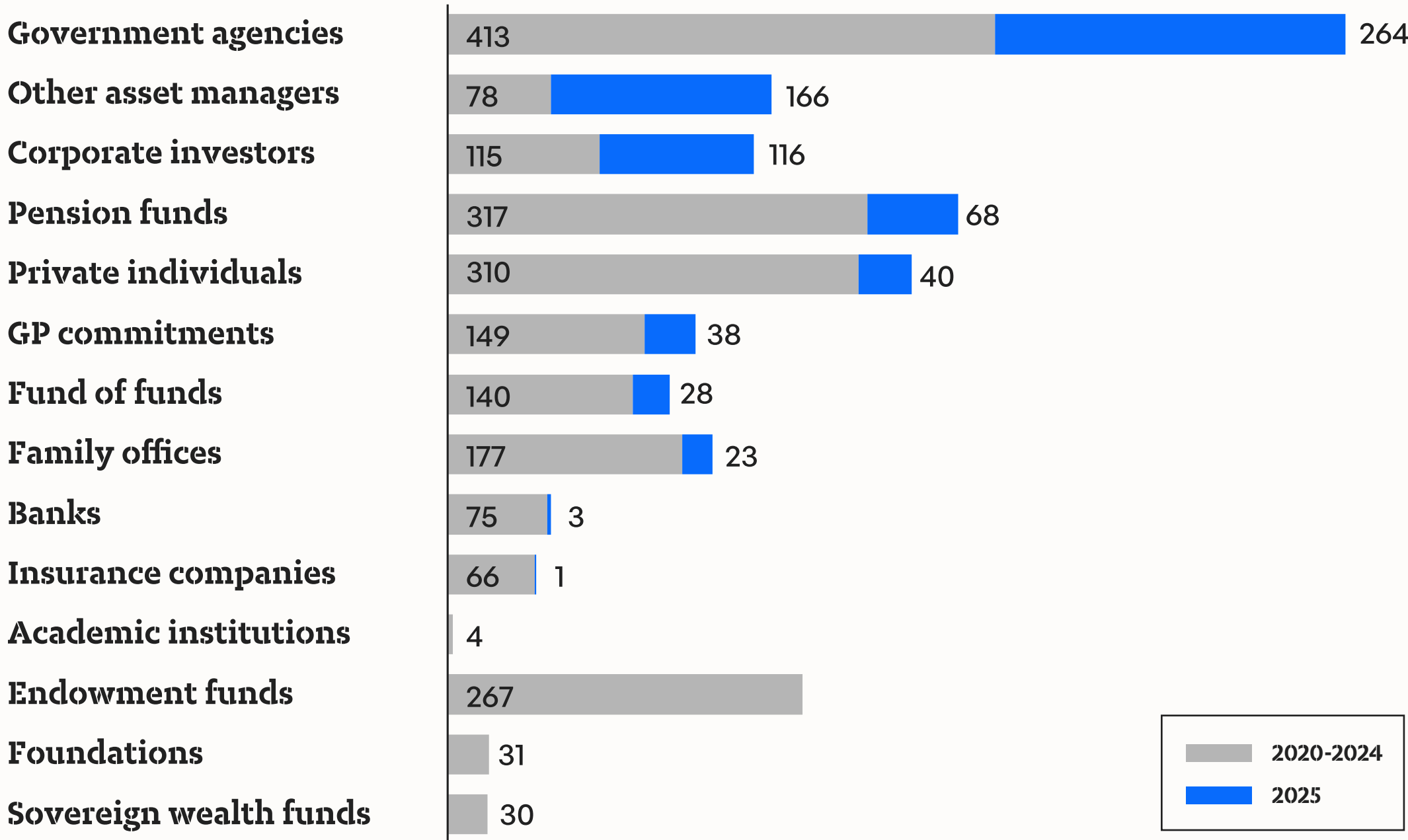
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Over the period 2010 to 2025, Baltic funds whose mandate is solely focused on or includes investing into Lithuanian companies have cumulatively raised €4.39 billion.

Fundraising in Lithuania

CAPITAL RAISED *by investor type*

2020–2025, EUR M¹



Government agencies remain a key funding source for local fund managers, contributing 35% of total capital raised in 2025, an increase from a share of 25% over the 2020–2024 period.

2025 also saw a substantial increase in funds raised from other asset managers (feeder funds) and corporate investors, with funds raised from these sources more than doubling compared to the prior five years.

Significant funding was also raised from pension funds, private individuals, fund of funds and family offices. The ability to raise funds from a wider pool of capital sources is a sign of growing maturity for the region’s fund management sector.

Of the total capital raised by funds in the last 6 years, 28% or €833 million has come from investors based in Lithuania, while for 2025 the figure was 58% or €436 million. As such in 2025 alone Lithuanian LPs provided more capital to Baltic fund managers than had been done altogether in the period 2020 to 2024.

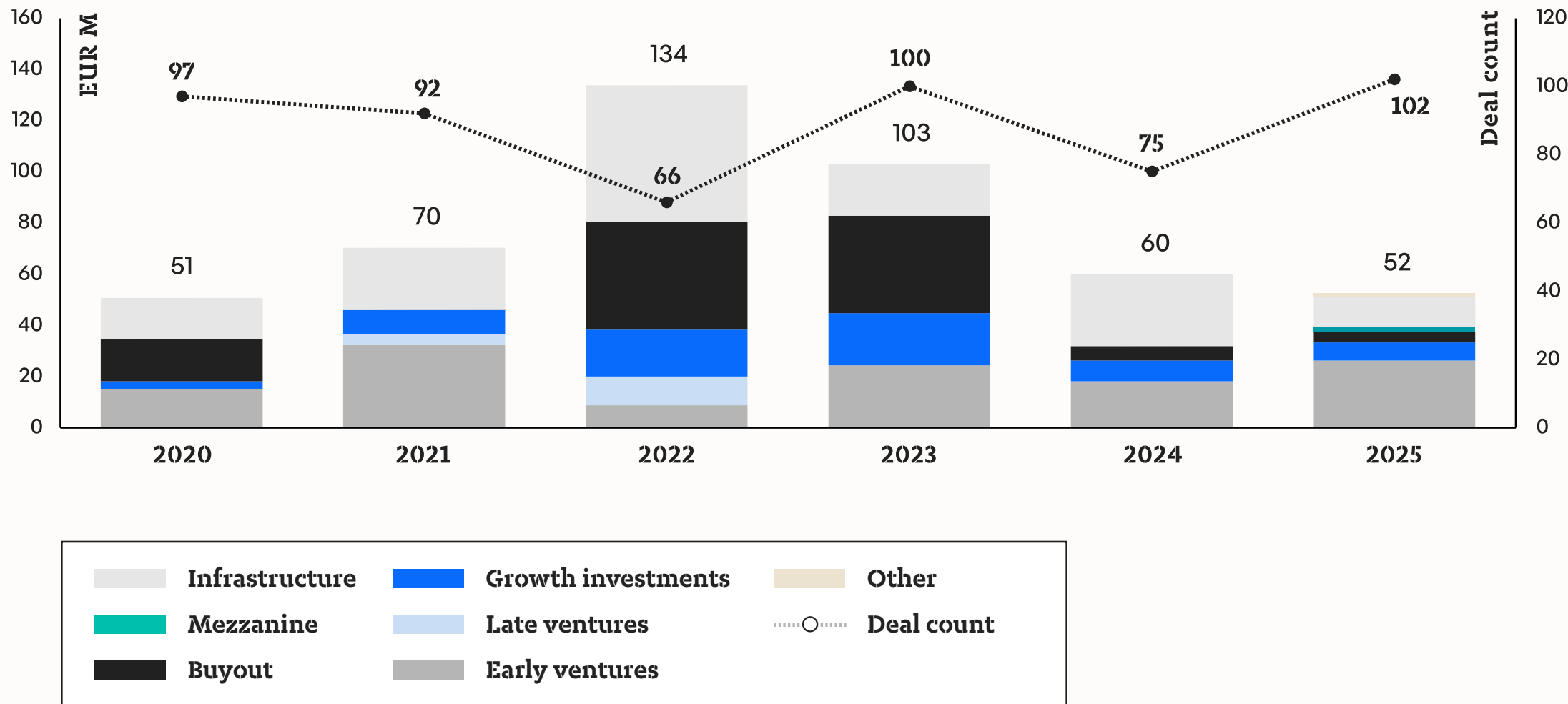
¹Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information. Categories below a minimum threshold were left out.

Investments in Lithuania

“ Capital invested into Lithuanian companies decreased by 13% YoY in 2025 totalling €52 million across 102 transactions.

INVESTMENTS BY STAGE *incl. count*

2020-2025, EUR M¹

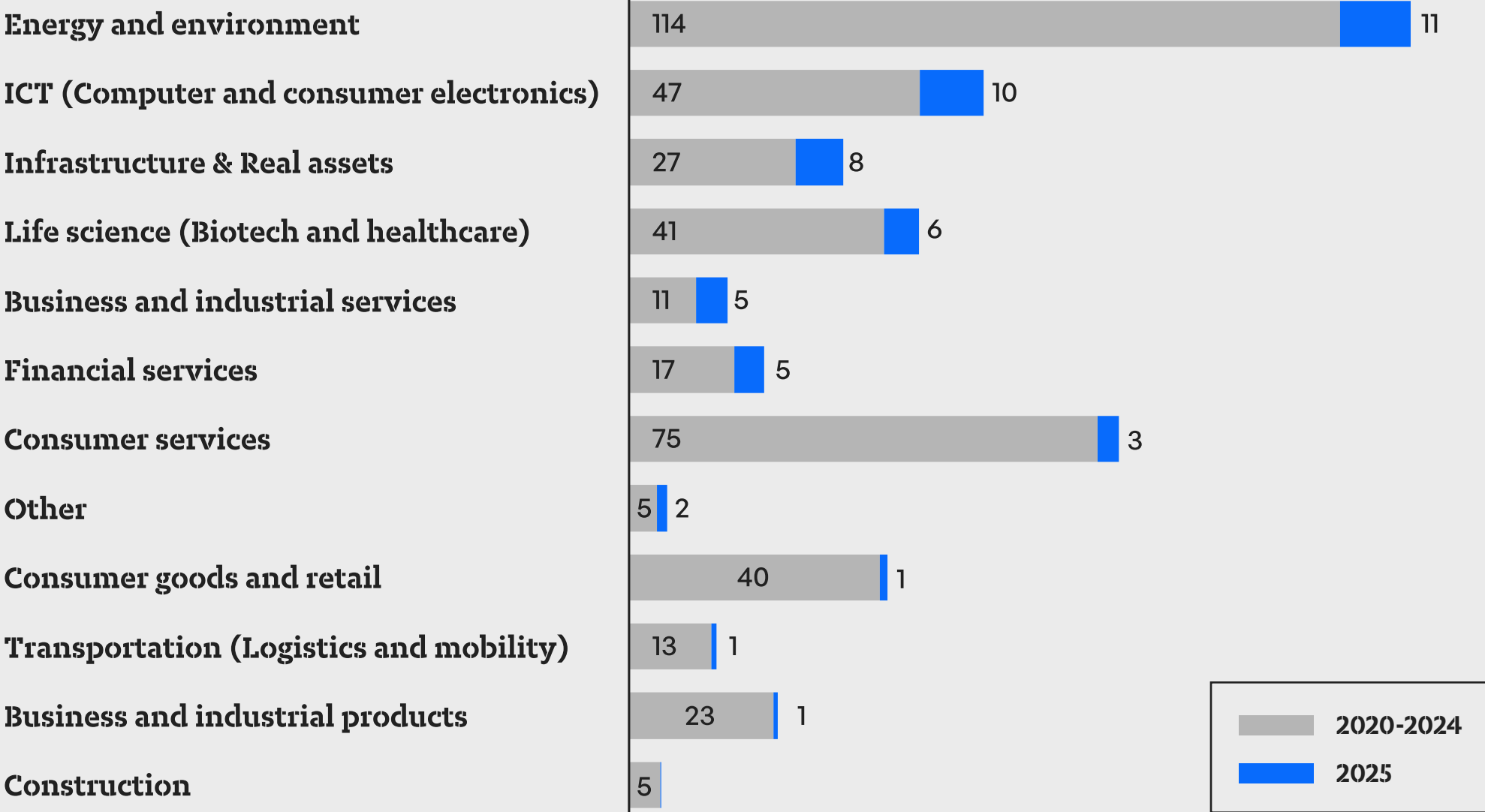


In 2025, the amount invested by Baltic funds into Lithuanian companies fell to €52 million, a decrease of 13% compared to 2024 and the lowest amount invested since 2020. Investment was led by early ventures, that accounted for 50% of the total capital invested in 2025. The total number of transactions, however, significantly

increased (by 36%) due to many early venture and growth investments - the increase was the largest among the 3 Baltic states.

PE/VC INVESTMENT *by sector*

2020-2025, EUR M¹



» Energy & environment remained the most active sector, which received 22% of the total funds invested in 2025. It was followed by the ICT sector at 20% and Infrastructure & real assets sector at 15%.

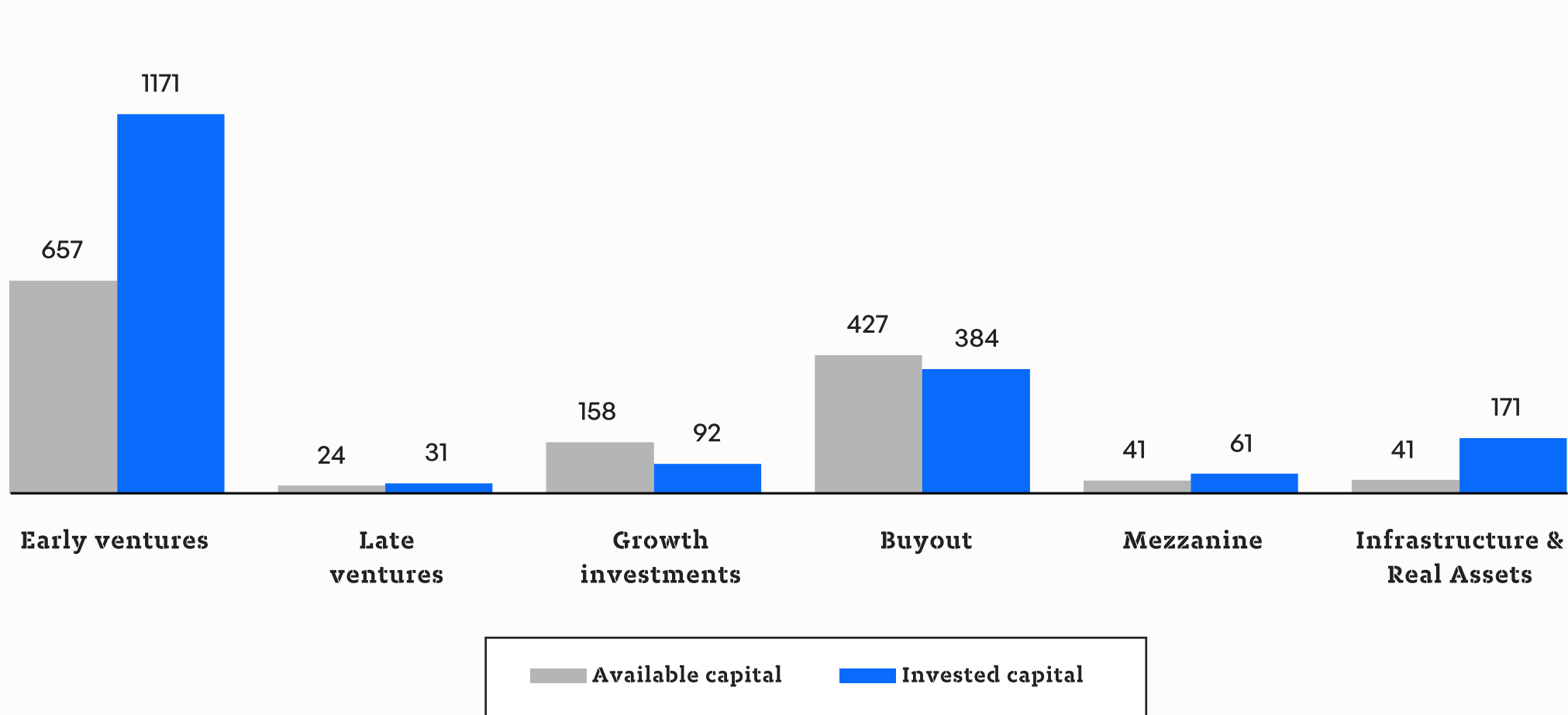
» Overall the energy & environment, ICT and consumer services remain the top sectors in Lithuania attracting the most capital.

¹Categories below a minimum threshold were left out.

Invested capital in Lithuania – Dry Powder

CAPITAL AVAILABLE FOR INVESTMENTS *by fund’s strategy*

as at 31 December 2025, EUR M¹



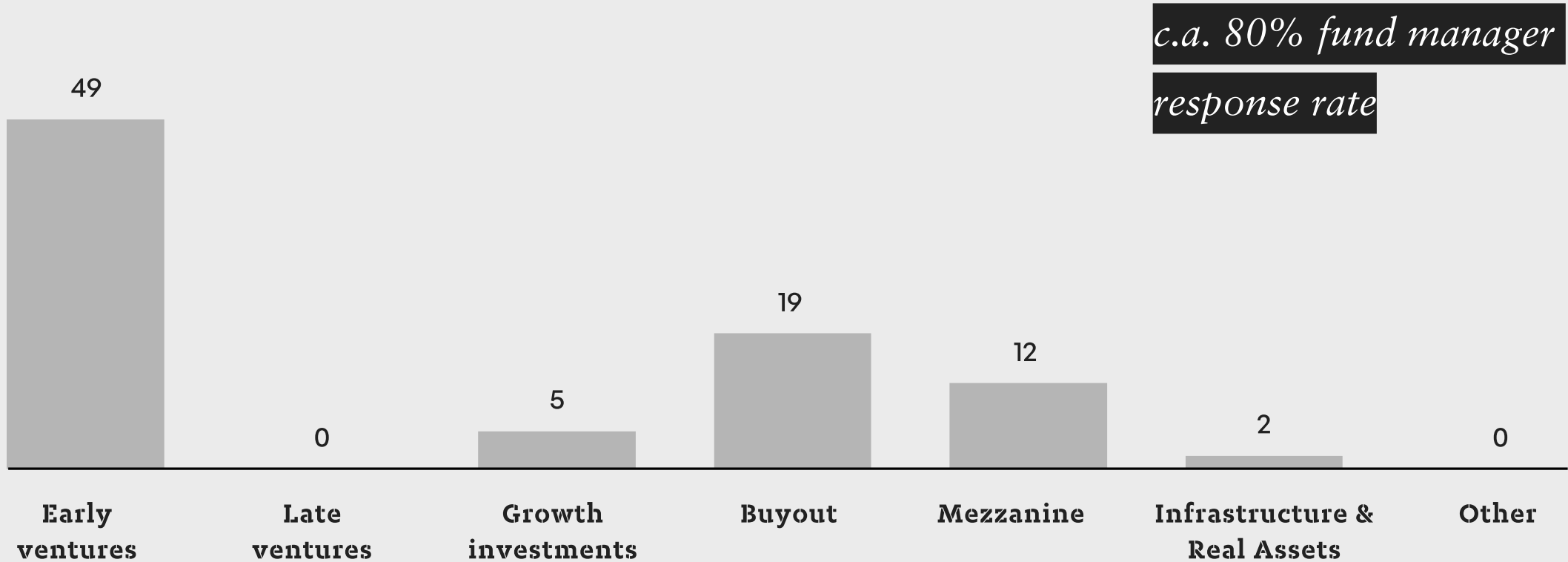
At the end of 2025, 59% of total capital was already deployed, leaving funds with €1.35 billion available for investment into companies based in Lithuania. The largest amount of dry powder is held by funds with a focus on the early venture, buyout, and growth investment strategies. Almost all stages have less dry powder than invested capital, potentially indicating renewed fundraising efforts in the following years.

Note fundraising is similar across Baltics, Estonia, Latvia and Lithuania. Please see methodology section for further information.

¹As some funds became historicals only (ceased reporting), their capital under management dropped out.

TOTAL CAPITAL AVAILABLE EXPECTED TO BE DEPLOYED in Lithuania *(estimate)*

as at 31 December 2025, EUR M



c.a. 80% fund manager response rate

“Baltic PE/VC funds hold €1.35 billion of dry powder of which at least €86 million is expected to be deployed in Lithuania.”

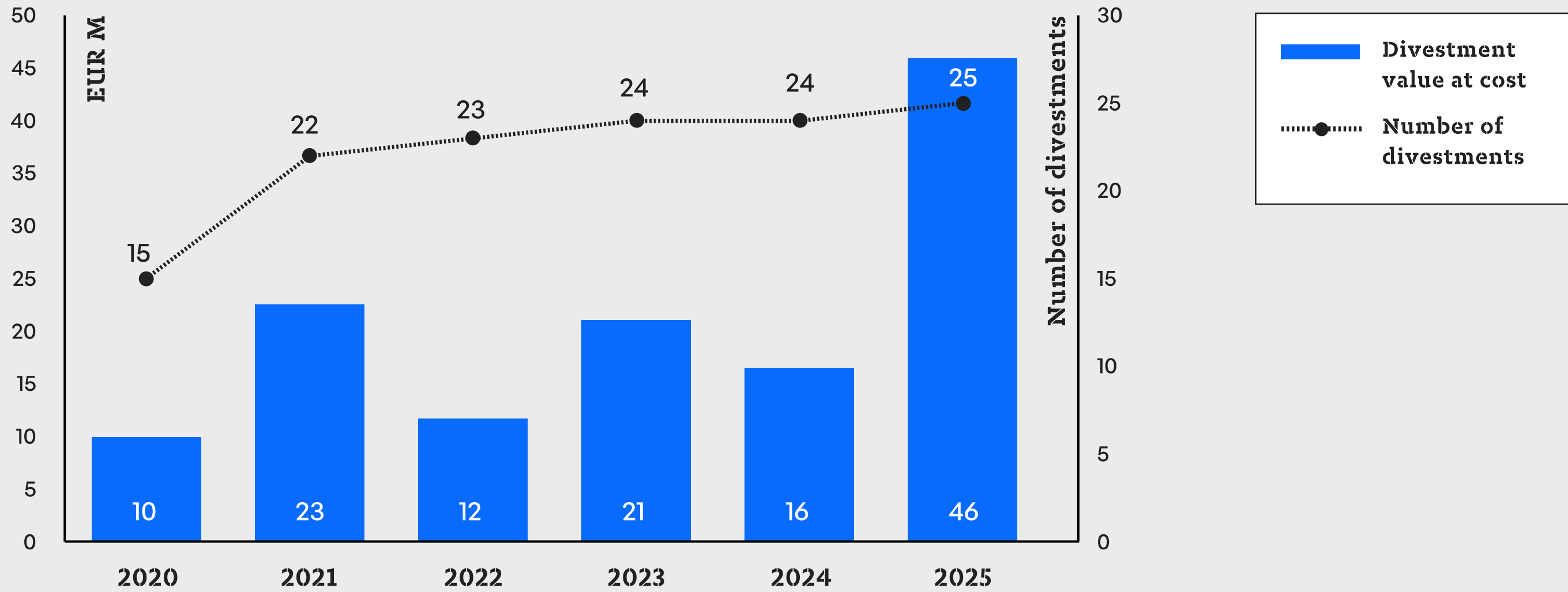
For the first time, we asked fund managers to estimate how much capital they expect to deploy in Lithuania. According to their responses, at least €86 million² or 6% of the dry powder is expected to be deployed into Lithuanian companies.

²Approximately €270M of expected investments into the Baltics was not split between the individual countries, therefore the amount per country is likely to be higher.

Divestments *in Lithuania*

DIVESTMENTS AT COST *incl. count*

2020-2025, EUR M



“

Despite continuing macro level headwinds, Lithuanian divestment activity had a record year in 2025, led by a handful of larger deals.

- » Overall, divestment activity for Lithuanian portfolio companies had a record year in 2025, both for value divested at cost and number of divestments.
- » Exit value at cost rose YoY by 178% to €46 million, while the number of exits increased by 4%, ending the year at 25.

- » Looking at a strategy split, divestment activity took place within the early stage VC, growth, infrastructure & real assets, and buyout investment categories.
- » Even though the year witnessed a number of successful exits to trade buyers & private individuals/family offices, there were also 9 write offs in 2025.

Divestments are at cost, they do not factor in capital gains/losses.

About authors

We help our clients grow, expand and become successful.

We live in a world with a rapidly changing environment. The number of challenges and the speed with which they can be solved are what all companies face and have to deal with. Going in the wrong direction can have a significant impact on a company's performance and value.

KPMG is a global network of independent member firms offering audit, tax, legal and business advisory services with member firms in 154 countries employing a total of more than 275,000 professionals. KPMG has been operating in Estonia since 1992 and the company employs close to 300 professionals. We have a strong Nordic network of more than 5,000 qualified specialists who work closely together to help a wide range of companies – from large Nordic listed companies to smaller companies.

Our experienced advisers help both private and public sector organizations understand their most important value drivers and risk exposures and based on that help achieve tangible and lasting improvements in the organization's performance.

We have long-term experience and in-depth knowledge in advising on all types of transactions

Experienced team

A team of experts with international work experience helps your business grow in both the Nordic and Baltic countries.

Strong network delivers the best results

We offer access that other market participants do not have – we bring to the table professional investors and the best business contacts from the Nordic and Baltic countries.

We understand the transaction scope

Regardless of the complexity or scope of the transaction, we can help you achieve the best result in carrying out the transaction. We offer support from early stage fundraising and first time purchase and sale transactions to multibillion-euro projects.

Integrated services

The unique competencies and integrated approach of KPMG's Estonian and Finnish joint team – in addition to M&A & fundraising advisory we also offer financial and tax due diligence services, and help our clients with company valuations and IT due diligence.

One partner from start to finish

Our approach is to support you on all key aspects throughout the transaction lifecycle from initial strategy development to transaction preparation and execution. We take a long-term view on value creation.

Along with KPMG's other areas and KPMG's experts from Finland, we form the largest team of professionals in the Nordic countries, combining knowledge of the local market and cross-border competence.



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VISIT WEBSITE

The Estonian Private Equity and Venture Capital Association’s membership comprises of the most influential firms and decision makers across the industry.

Including leading Private Equity & Venture Capital funds, Mezzanine funds, Real Estate funds, Infrastructure funds and Family Office’s as well as institutional investors. The goal of EstVCA is to develop a sustainable and attractive ecosystem for the benefit of entrepreneurs, fund managers, institutional investors and to increase the output of innovative and high-growth potential companies in Estonian economy. EstVCA has 57 member organisations and the combined assets under management of Private Equity & Venture Capital houses is close to EUR 2 billion.



VISIT WEBSITE

Latvian Private Equity and Venture Capital Association (LVCA) is the oldest VC association in the Baltic region.

It was established in 2003 by the six then largest companies operating in the Venture Capital industry in Latvia as well as Latvian public institution - Investment and Development Agency of Latvia. The members of the association are fund management companies operating in Latvia and legal and financial consultants working for the industry. Currently, the association unites 40 organizations - the majority of participants in the countries’ venture capital industry. LVCA represents the interests of the industry to state institutions and legislators. Additionally, the association is responsible for informing entrepreneurs and the public about the possibilities of receiving venture capital financing. LVCA promotes the exchange of knowledge and experience between the members of the association. Association also organizes and ensures cooperation with international and foreign Venture Capital associations.



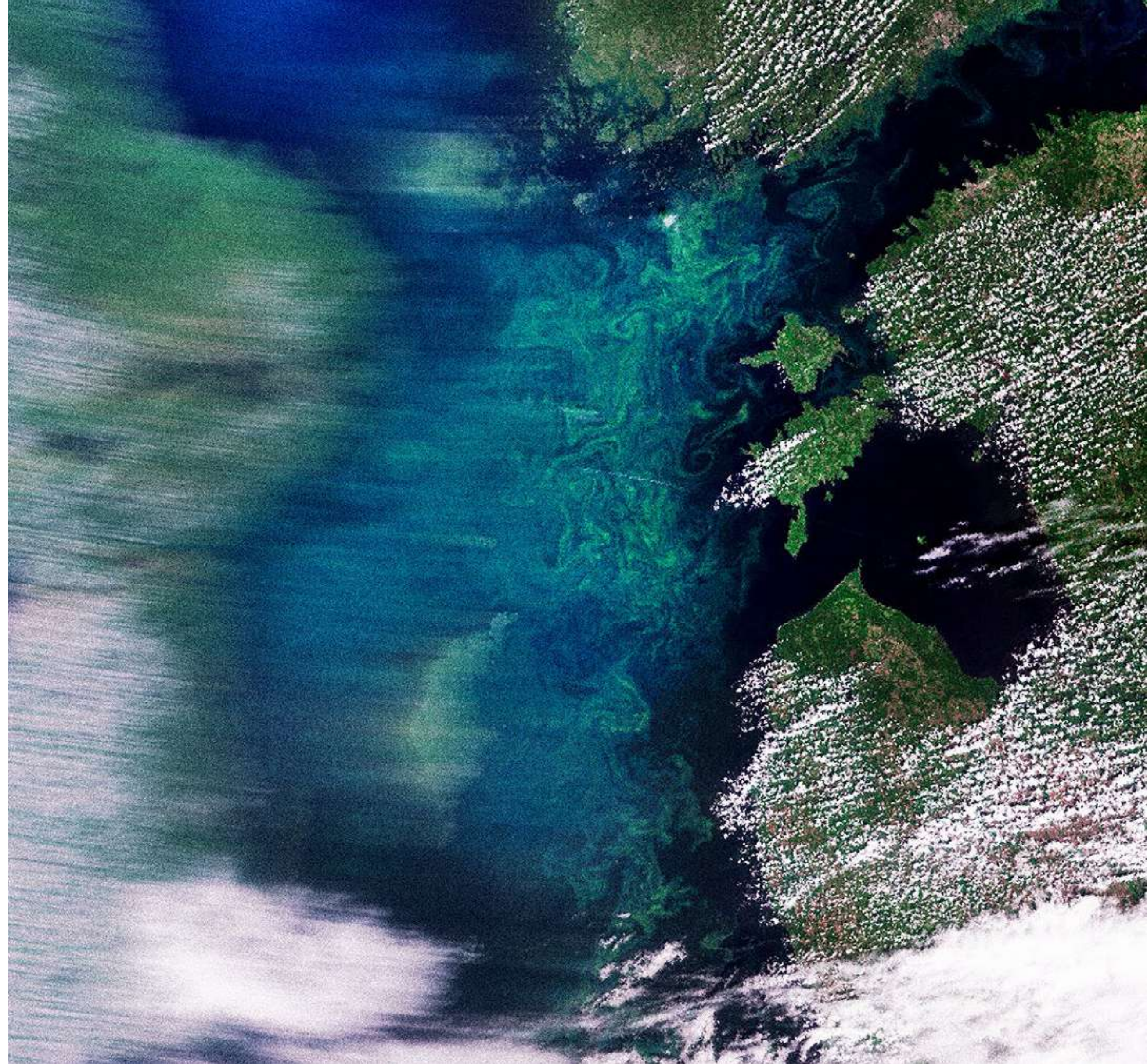
VISIT WEBSITE

The Lithuanian Private Equity and Venture Capital Association (LT VCA) was established in 2009.

Today, it brings together 58 active members, including fund management companies, limited partners, consulting firms, legal advisors, public institutions, and other stakeholders involved in various aspects of the private equity and venture capital ecosystem. These members support and advise both investors and entrepreneurs in structuring and managing their partnerships.

The core mission of LT VCA is to unite professional expertise across the industry and foster the growth of the private equity and venture capital landscape in Lithuania. To achieve this, the Association focuses on four strategic priorities:

- Enhancing the investment climate – Supporting improved access to finance, especially for small businesses, while fostering entrepreneurship and economic growth.
- Education – Providing industry-focused education for students and institutions, and facilitating internship opportunities to attract motivated young talent.
- Networking and collaboration – Organizing local and international events to promote Lithuania as an attractive investment destination and to encourage investor engagement.
- ESG (Environmental, Social, and Governance) – Advocating for new sustainability standards and raising awareness of gender diversity and broader ESG-related topics.



WITH ADDITIONAL SUPPORT OF:

May 2026



Estonian Private Equity
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Association

