

# VENTURE CAPITAL IN LATVIA: WHAT WE NEED

## SMART MONEY & SILICON VALLEY TERMS

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# SMART MONEY

- Just two people in Latvian VC industry with any operating experience: Nikolai Adamovitch & Vitaly Rubstein
- Everyone else is a banker or financial analyst
- Little ability to give startups good operating advice
- Startups see when investors have not “walked a mile” in their shoes

# SILICON VALLEY TERMS

- Investors in Latvia often propose short-sighted, bad terms for entrepreneurs:
  1. Want too much % for their money - Disincentive for entrepreneurs to make it big
  2. Large liquidation preferences, milestone-based tranche investments, participating preferred share - force next investors to make terms even worse