

A solid blue square graphic located to the left of the company name.

Sharq Ventures

sharqvc.com | GP@sharqvc.com | +965 9899-9090

[Hamoud Al-Sabah & AbdulRazag Al Mutawa](#)



Sharq Ventures

LOGO 2

2016
Founded



+30
Investment
Opportunity

a Kuwait Based Venture Capital

A solid blue square graphic.

MISSION

To create a pioneering business model that leads Sharq Venture Capital to be amongst the industry leaders in the regional venture capital market.

To establish strategic partnerships with underserved SME's in the GCC and the MENA regions that will result in their expansion, growth, development and higher profitability.



VISION

To become leading Venture Capital in Kuwait and motivating businesses to achieve growth.

To bridge the gap between private equity market and the public.

To maximize investors' return through professional planning and providing a new prosper direction to the private equity industry.



Values

- The foundation of SVC values laid on following principles:
 - Collective Performance
 - Innovation
 - Client-centric approach
 - Teamwork
 - Comply with rules and regulations
- The adoption of international standards and global best practices will govern the culture of SVC.



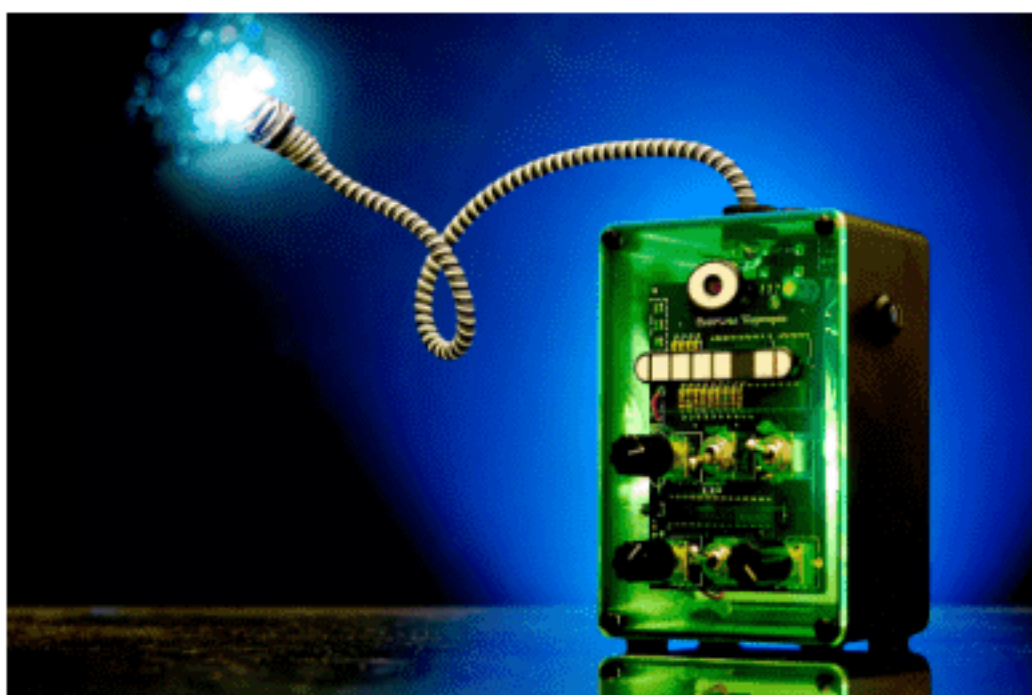
Target Market

Software Industry
FinTech
Media and Entertainment

Market Size: The Company is entering the market at a time when the industry is experiencing substantial growth. According to market research firm IBISWorld, the Venture Capital Industry has seen an average annual growth rate of 6.3% over the last five years, positioning industry revenue to be around \$30.2 billion in 2014. These trends are expected to continue over the next several years, as is the overall growth in the industry. The Venture Capital industry is projected to see an average annual growth rate of 3.9% over the next three years, placing industry revenue at \$36.6 billion in 2019. These trends bode extremely well for organizations such as Sharq Venture Capital, as they show the long-term potential investment opportunities.

“ Sharq Venture Capital is registered in Kuwait and headquartered in Sharq, Kuwait City. Ownership is held by Hamoud AlSabah & Abdulrazag AlMutawa

About the Founders



Connect solutions



into our daily adventures



for a Simpler life



OBJECTIVES

To achieve the Company's objectives, SVC is seeking \$4 million in total funding. The funding will be deployed in three different investments over the next 12 months. The team already started exploring opportunities and will sign a Non-Disclosure Agreement (NDA) agreement by June 2017.

An estimate of \$57,000 operating cost for the first 12 months will be allocated in a variety of ways including staffing, operations, and marketing initiatives. SVC financial model will target consistent growth for the company and aims investments that will help her reach their objectives over the next five years. By year 2021, the target for Sharq Venture Capital is to raise \$42MM in capital.



Strategy

Criteria for Potential Start-ups:

- Early Stage Start-ups (not Seed Stage)
- Strong Management
- Promising Product
- Unified Partners and Board of Directors

- Participate in the Board of Directors (BOD)
- Create a Synergy with Existing Investments and Partners
- Provide the management with
 - o Expansion Plan
 - o Assistance and Implementation Guidelines
- Provide Technical Support
- Provide Managerial Support
- Provide Connections and Influence
- Provide Financial Support
- Exit from the Stake
 - o Selling Stake
 - o Initial Public Offering (IPO)

Action & Control

Sharq Venture Capital will provide the following services:

- Participate in the Board of Directors (BOD)
- Create a Synergy with Existing Investments and Partners
- Provide the management with
 - o Expansion Plan
 - o Assistance and Implementation Guidelines
- Provide Technical Support
- Provide Managerial Support
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- Exit from the Stake
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 Action

General Demands:

- Board Seat
- No Capital Increase without Venture Capital Consent
- No Partial Exits from Founding Partners without the Company's Consent

 Control

Sharq Venture Capital's Screening Process Will Include:

- Synergy with existing investment partners
- Assessing and exploring the team's credentials and influence on the project
- Invest in a revenue-generating venture, being the Company not seeking an angel investor
- Analyze financial projections of the Company to check if they meet Sharq's required rate of return
- Complete due diligence including; industry, competition and legal structure

 Tactics



Market size

According to market research firm IBISWorld, the Venture Capital Industry has seen an average annual growth rate of 6.3% over the last five years, positioning industry revenue to be around \$30.2 billion in 2014. The Venture Capital industry saw an average annual growth rate of 9.1% over the last three years, placing industry revenue at \$42.9 billion in 2016. These trends bode extremely well for organizations such as Sharq Venture Capital, as they show the long-term potential investment opportunities.

The nature of the industry is highly fragmented, which implies that industry concentration is quite low. Institutional venture capital companies that employ teams of financial professionals, executives and industry experts account for just a small percentage of employment and enterprises in the industry. There are no participants in this industry that have significant market share as volatile market conditions have forced institutional companies to be more selective in making investments

 <https://www.ibisworld.com/industry/default.aspx?indid=1314>

Source



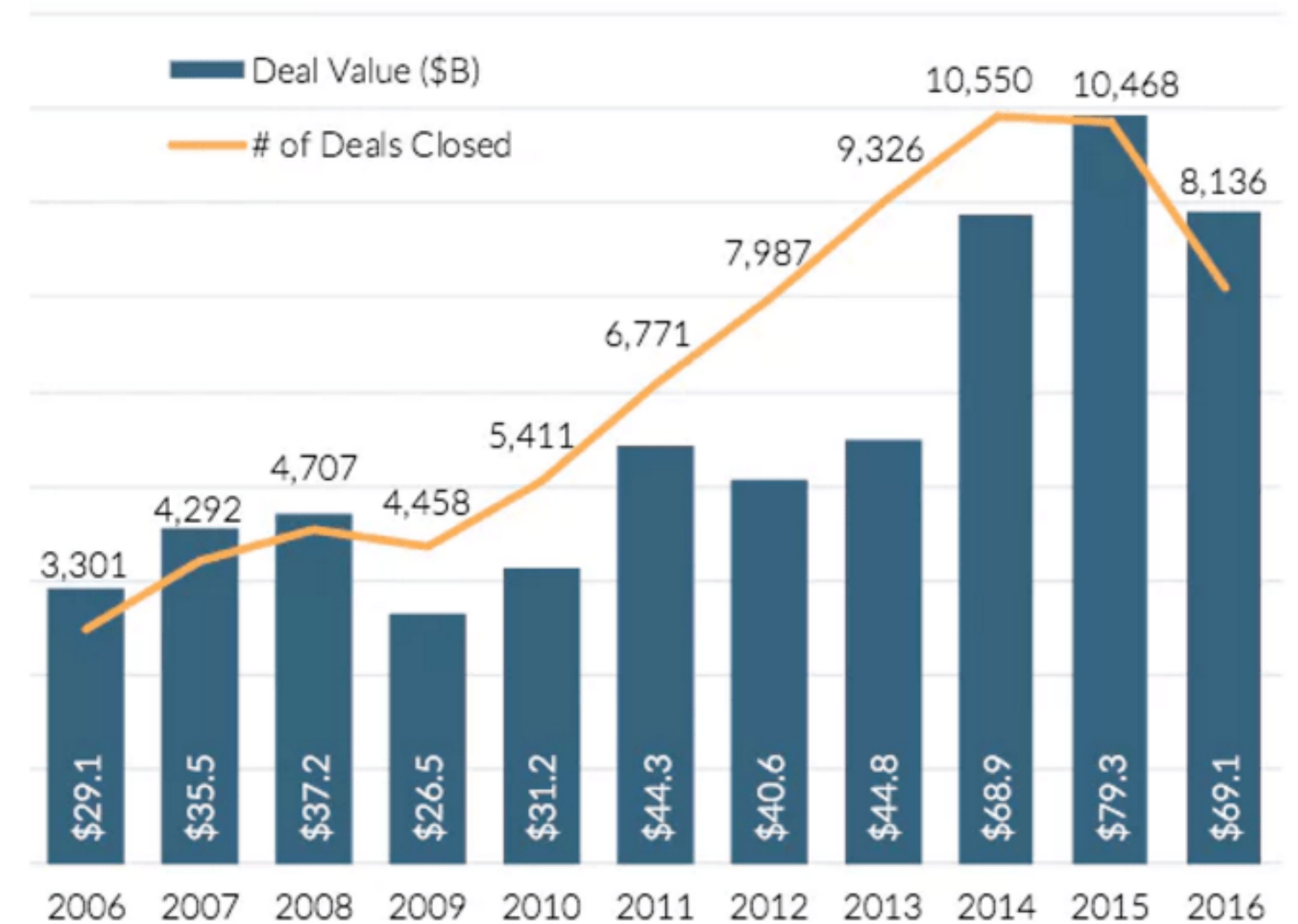
Market Overview



The 2016 venture environment remained relatively healthy. Deal count and aggregate transaction value for the year did decline from the numbers seen over the previous two years, but whereas the forth in 2014 and 2015 were forged by mega-rounds and new unicorns, 2016 saw investment pace return to a more manageable level, yet private valuations certainly didn't decrease. Deal sizes grew or stayed flat across the board during the year keeping deal value high on a relative basis. Much of the dialogue throughout the year focused on investors setting higher benchmarks for startups as the search for deals went beyond simply growth metrics and back to core fundamentals. Moreover, easy capital that was available during the past couple years became much tougher to raise, resulting in even well-funded companies looking to preserve their capital runway.

While activity drops, VC invested remains strong

US VC activity by year



Source: PitchBook

Source: NVCA

First Financing Deals Overview

Deal count declines for sixth consecutive quarter

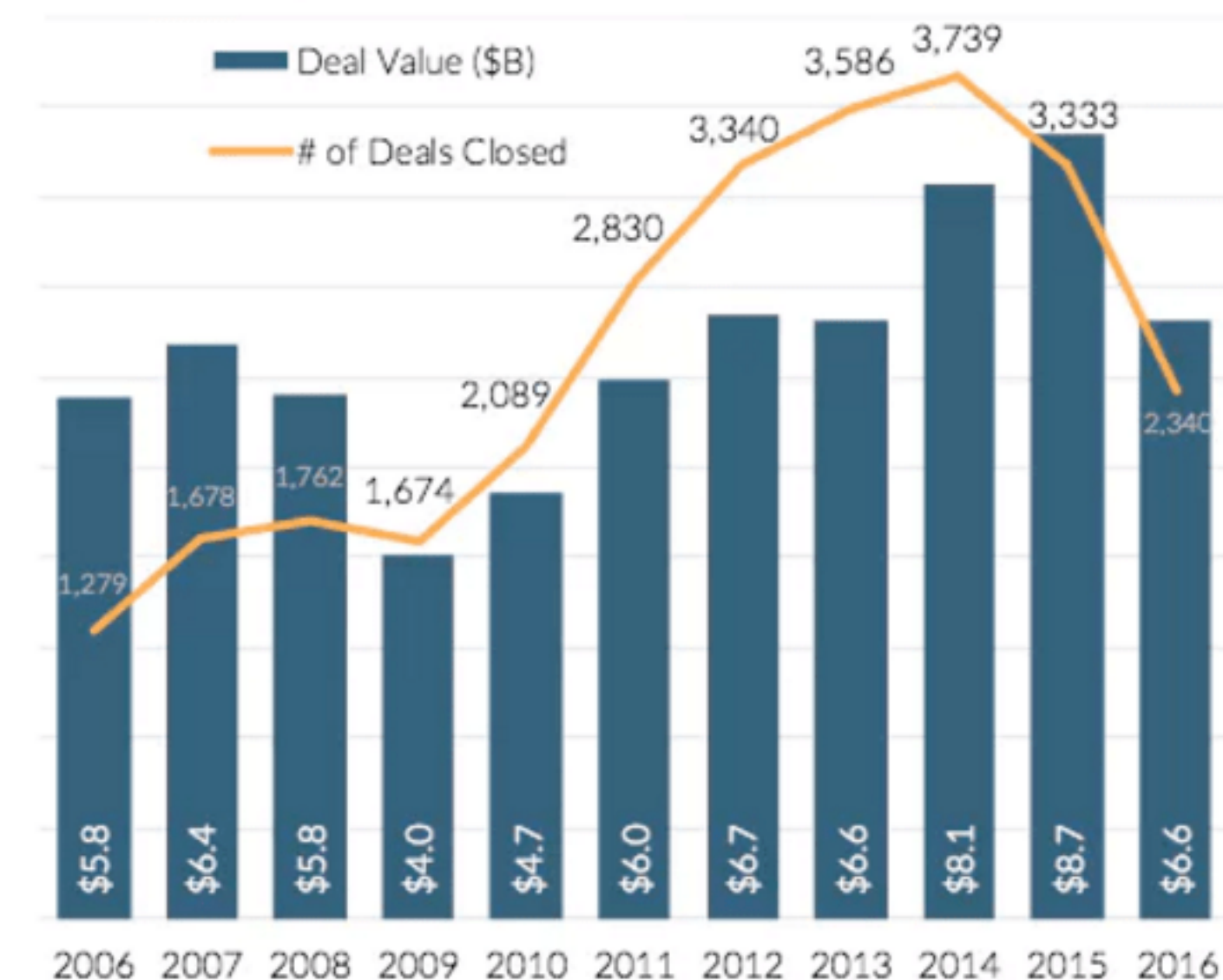
US first financing VC activity



Source: PitchBook

First financing activity takes dip

US VC activity (#) in first financings



Source: PitchBook

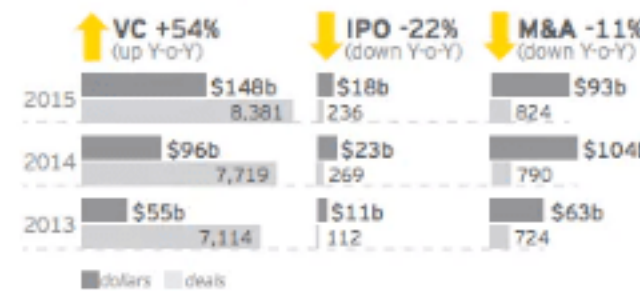
Source: NVCA

Global venture capital highlights 2015

Deal activity at a 10-year high

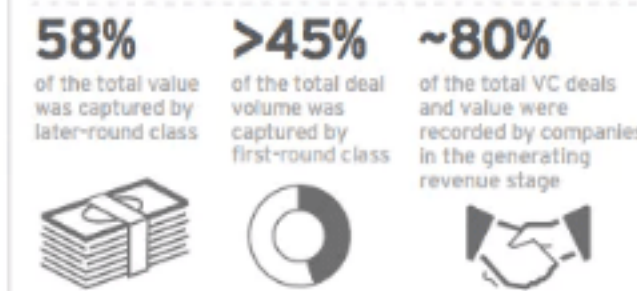
VC activity has grown steadily

while exit activity saw a decline on a Y-o-Y basis



Investors make bigger bets

on established businesses through later rounds



The US dominates global VC activity by deals and value



Two out of three top deals were China-based

- \$3.3b Beijing China Internet Plus Holding Ltd.
- \$3.0b Beijing Beijing XiaoJu Technology Co. Ltd.
- \$2.1b California Uber Technologies Inc.

Tech-enabled models prominent among new entrants entering unicorn club

*Top two new entrants from key regions based on funding raised

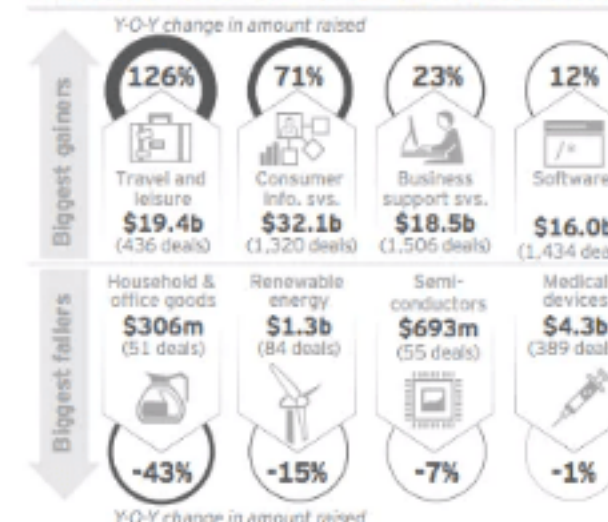
US*	Europe*	China*
Zenefits: US\$500m Series C (May 2015)	BlaBlaCar: US\$200m Series D (Sep. 2015)	Dada: US\$300m Series D (Dec. 2015)
ContextLogic: US\$500m Series C (May 2015)	Funding Circle: US\$150m Series E (Sep. 2015)	TuJia Online IT: US\$300m Series D (Jun. 2015)

Source: CB Insights

Top 5 Global VC investors by number of deals

- 1) New Enterprise Associates (113)
- 2) Sequoia Capital (82)
- 3) IDG Capital Partners (82)
- 4) Matrix Management Corp. (71)
- 5) Andreessen Horowitz (70)

Investors skew toward consumer services sector



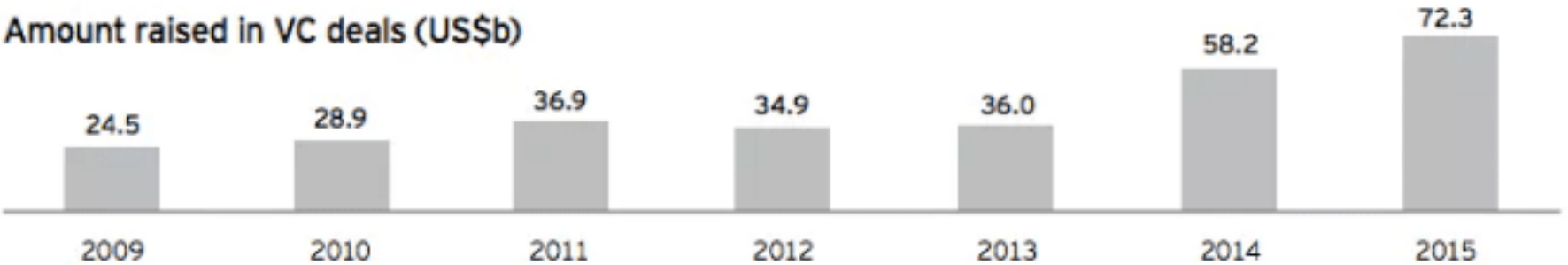
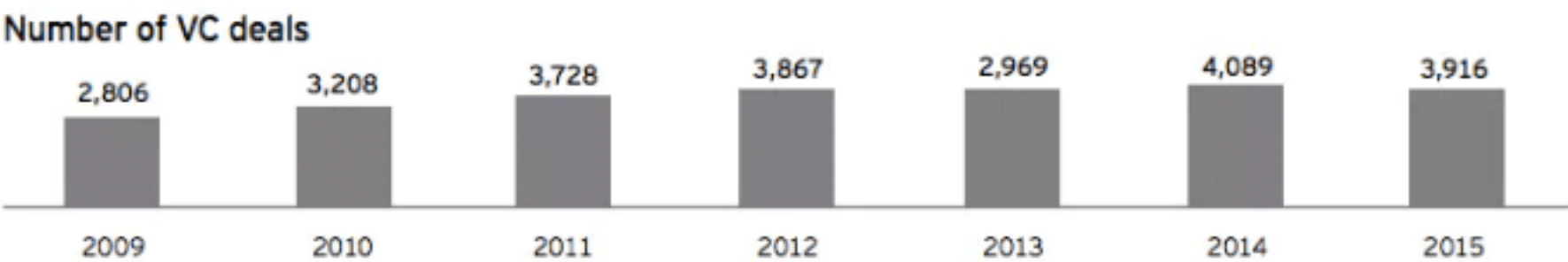
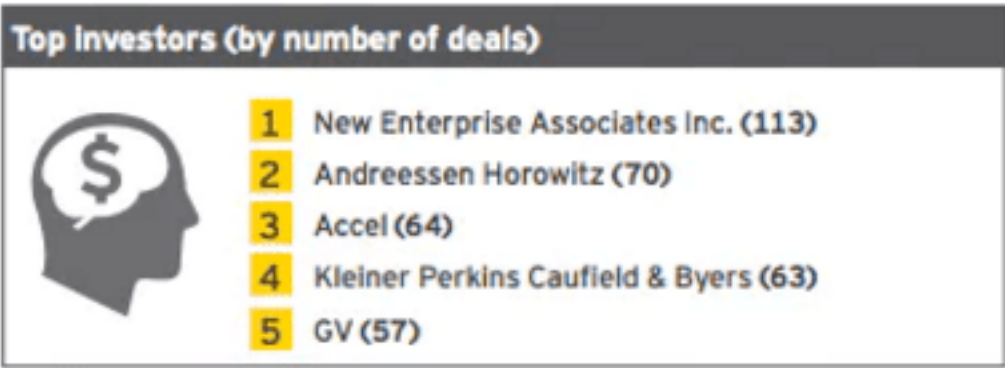
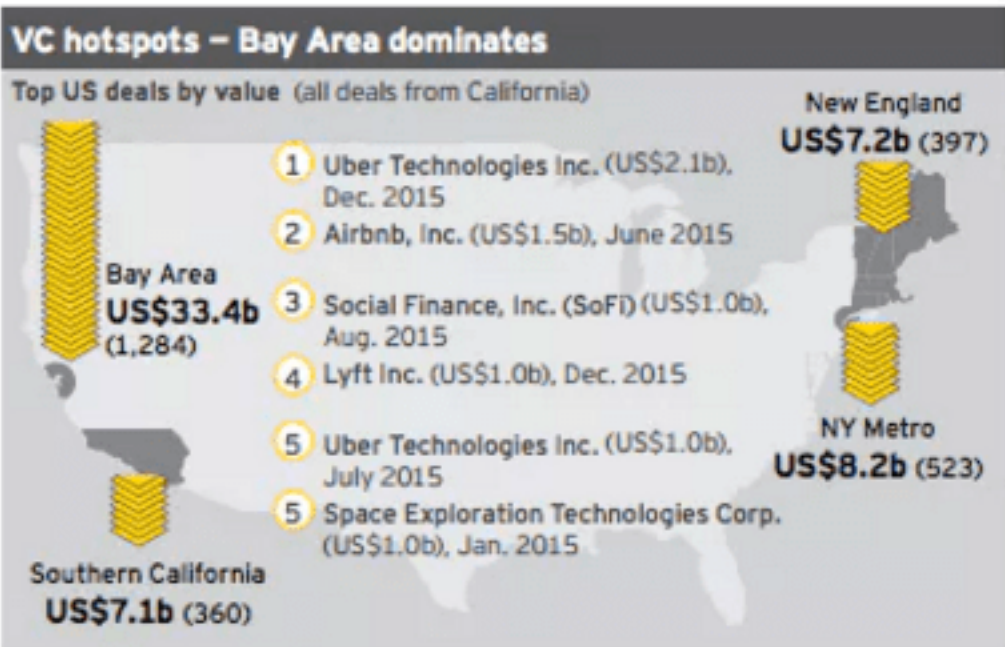
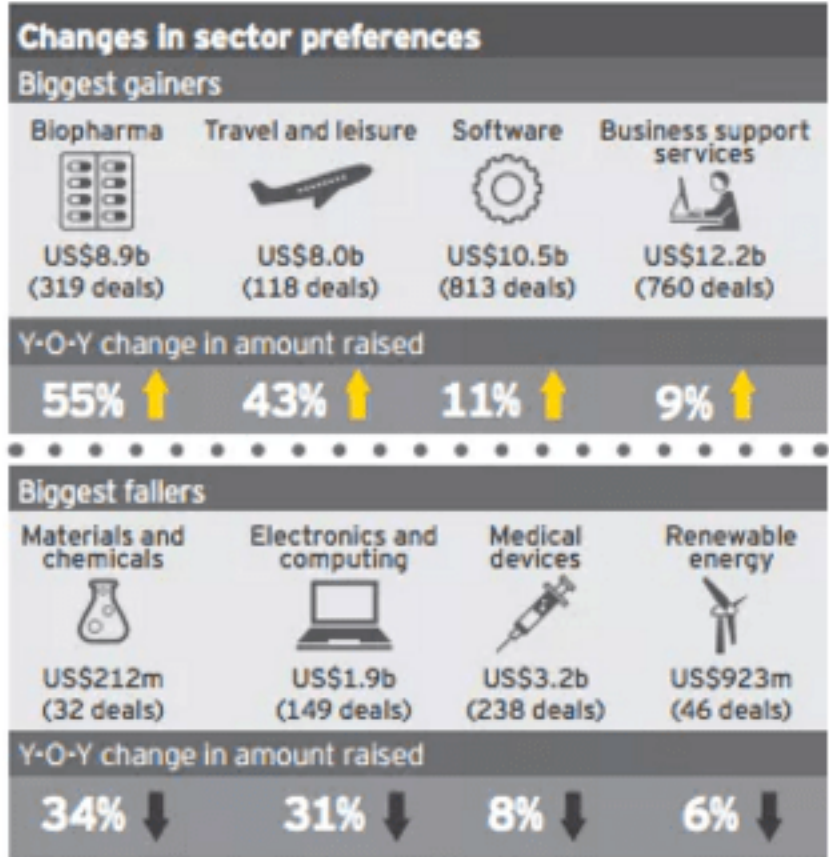
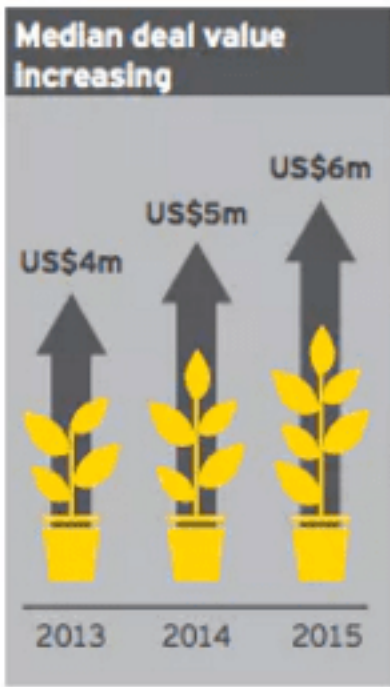
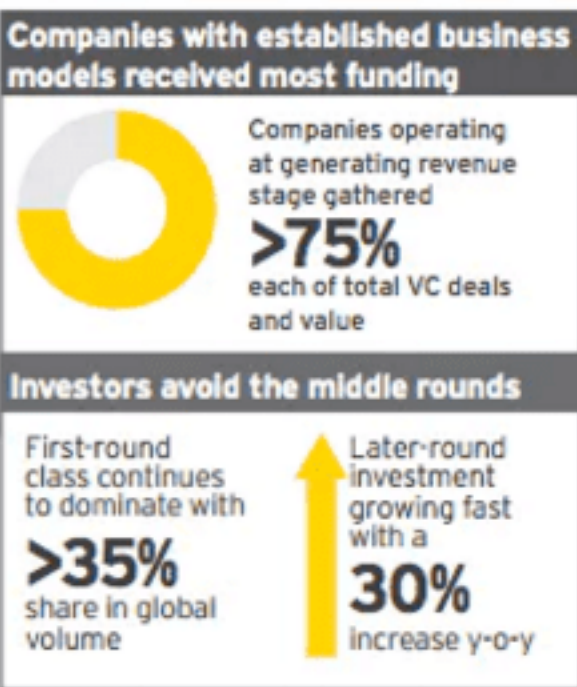
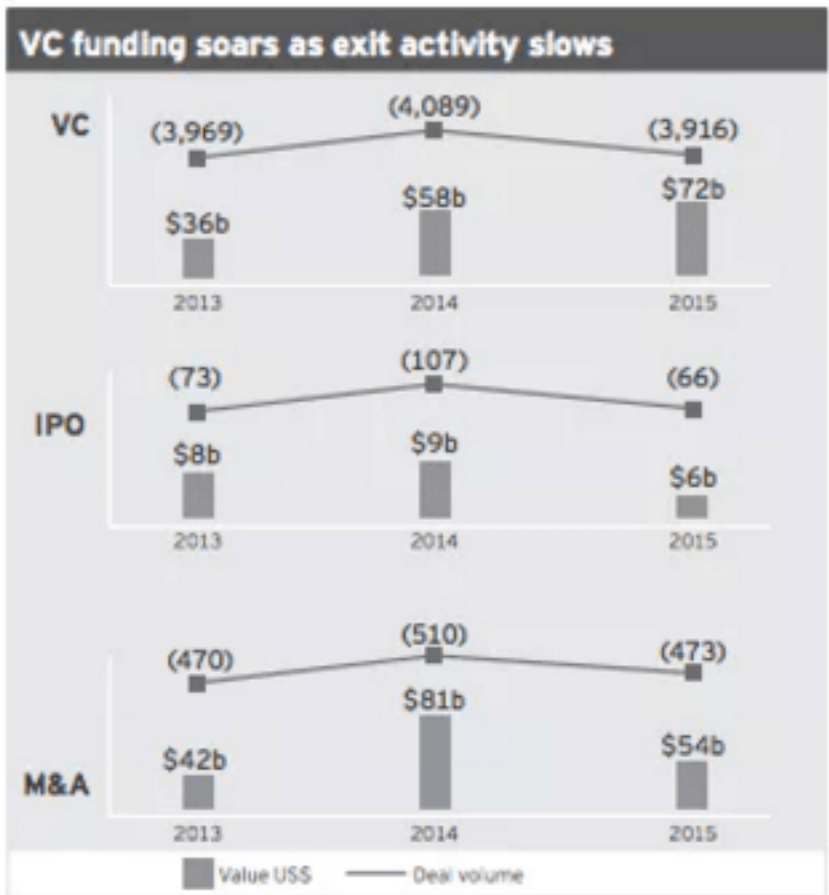
All data is in US dollars. Figures may not appear to sum due to rounding.
Source: Dow Jones VentureSource unless otherwise noted.

2015 was a standout year for the VC industry in the US. At US\$72b, funding hit its highest point since 1992, rising 24% on the prior year, despite a marginal (4%) decline in deal numbers to 3916, a pattern reflected in the 18% increase in median deal value from M\$5m to US\$6 m.

The year also saw more companies achieve unicorn status than in any previous year. Investment volumes would have been even higher had it not been for a marked falling off during the last quarter of the year of, compared to 3Q15 reflecting concerns around valuations, investment overload and the rate of capital depletion by investees

US venture capital highlights 2015

Deal activity at a 10-year high

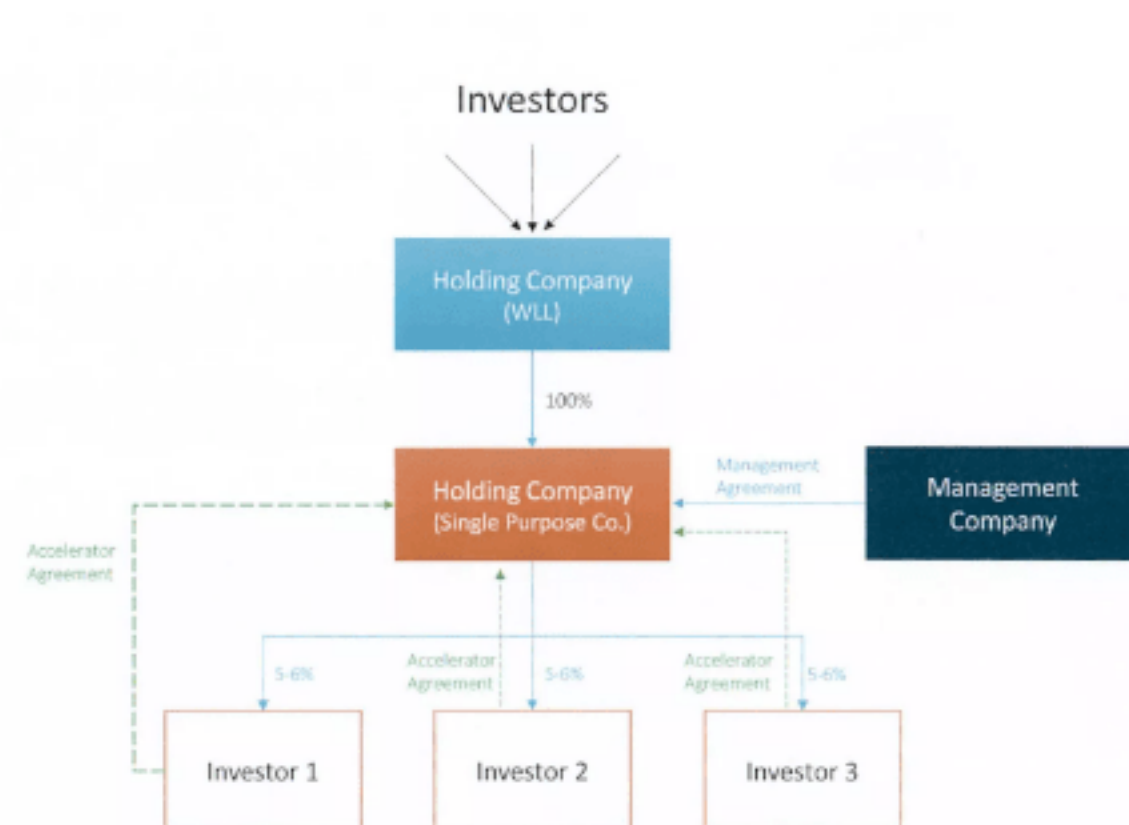


EY Venture Capital Highlights

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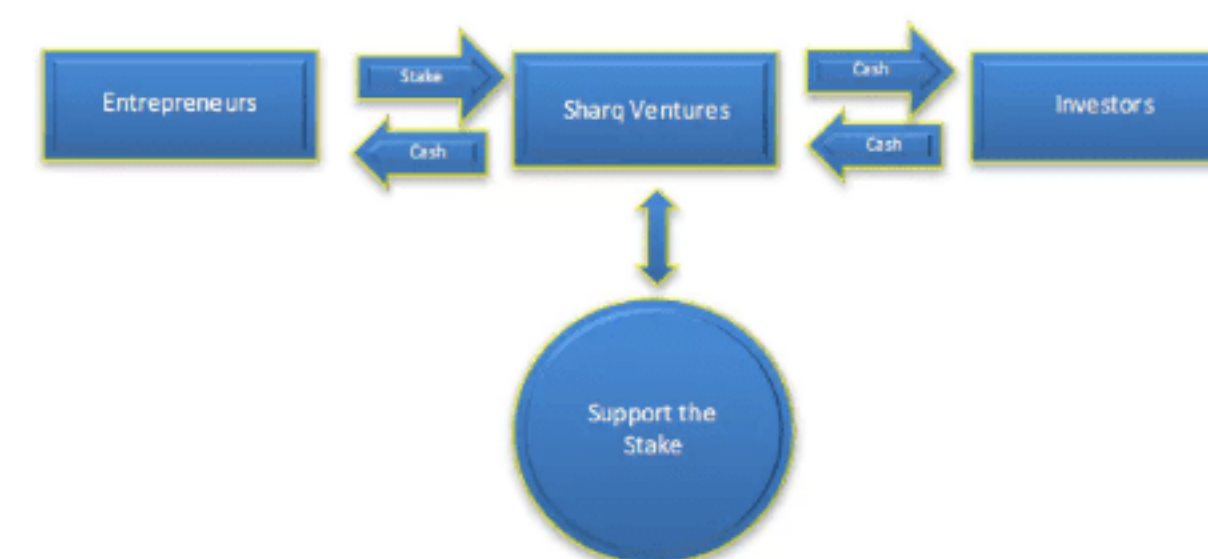


Structure



General Demands:

- Board Seat
 - No Capital Increase without Venture Capital Consent
 - No Partial Exits from Founding Partners without the Company's Consent
- Sharq Ventures will have two main sources of income:
- Management Fees (2%) per annum
 - Carried Fees (20% of profits)





EXIT STRATEGY



After careful consideration, the Company has developed the following scenarios for the investors and management to recover their investments.

- SCENARIO ONE: BUYOUT
 - Sharq Venture Capital, experiences growth and sees an opportunity to expand its brand into additional markets as a successful income-generating operation. Additional markets open doors for additional product offerings and revenue streams. Due to its substantial market growth and industry recognition, major competing brands begin to take notice of the Company. These businesses approach SVC with attractive buyout offers; then the Company negotiates and sells to the highest reputable bidder.
- SCENARIO TWO: MERGER
 - Sharq Venture Capital merges with another company to expand its market reach and development capabilities. Potential merger partners include companies that can offer a more diversified market reach or provide expanded resources for research and development. Sharq Venture Capital's management would maintain majority control of the Company and combine its operational and sales efforts with its merger partner.
- SCENARIO THREE: Initial Public Offering (IPO)
 - The Company sells its interest in through the sale of stocks in the open market. Going public is an arduous and challenging journey for a Company nevertheless, if achieved, the payout will be highly rewarding. As a public company or IPO, SVC will enjoy increased exposure and prestige, helping it to attract and retain the most talented executives and employees. Sharq Venture Capital's ownership and management may also liquidate its equity through the sale of its ownership shares. If the ownership sells, the new stockholders will own the brand and will be responsible for any future activities

competition



SHARQ VENTURES COMPETITIVE ADVANTAGES

- ♣ Congenial customer service
- ♣ Vast Industry Network
- ♣ Experienced, competent and professional management
- ♣ In-house expertise in key-technical areas
- ♣ Connection and influence
- ♣ Investment banking background of founders
- ♣ Capable investors

Sharq Venture Capital faces competition from several venture capitalists in the marketplace. The most significant competitors are Arzan Venture Capital and Leap Ventures. These companies present a challenge to SVC since they have been in existence in the local market.

Many individuals are entering the market creating their own Venture Capital such as the Mohammed Jaffar in Faith Capital.





Abdulrazag Al Mutawa holds a BA degree in Mass Media from Kuwait University. Al Mutawa is Founder & General Manager of Ghaliah, the leading Social Media Agency in Kuwait & the GCC. Ghaliah was the first agency of its sort in the region. It opted to divert marketing from its typical offline focus & shifted the direction online, to Social Media.

Through Abdulrazag Al Mutawa, vision and reach the company expanded from Kuwait to Saudi Arabia, and then Qatar.



Hamoud Salman Al-Sabah holds a BA degree in Finance from Kuwait University. He has vast knowledge and skills in areas such as merger and acquisition, business strategy, financial analysis, evaluating business opportunities, and evaluating companies in different sectors.



Structure

Sharq Venture Capital (SVC) is registered in Kuwait and headquartered in Sharq, Kuwait City. It is owned by Hamoud AlSabah & Abdulrazag implementation of the pre-agreed growth plans, and offer technical support in key improvement areas. SVC mission is to create a pioneering business model that leads Sharq Venture Capital to be amongst the industry leaders in the regional venture capital market and to establish strategic partnerships with underserved SME's in the GCC and the MENA regions.

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Get in touch with us!



Sharqvc.com



Hamoudss@sharqvc.com