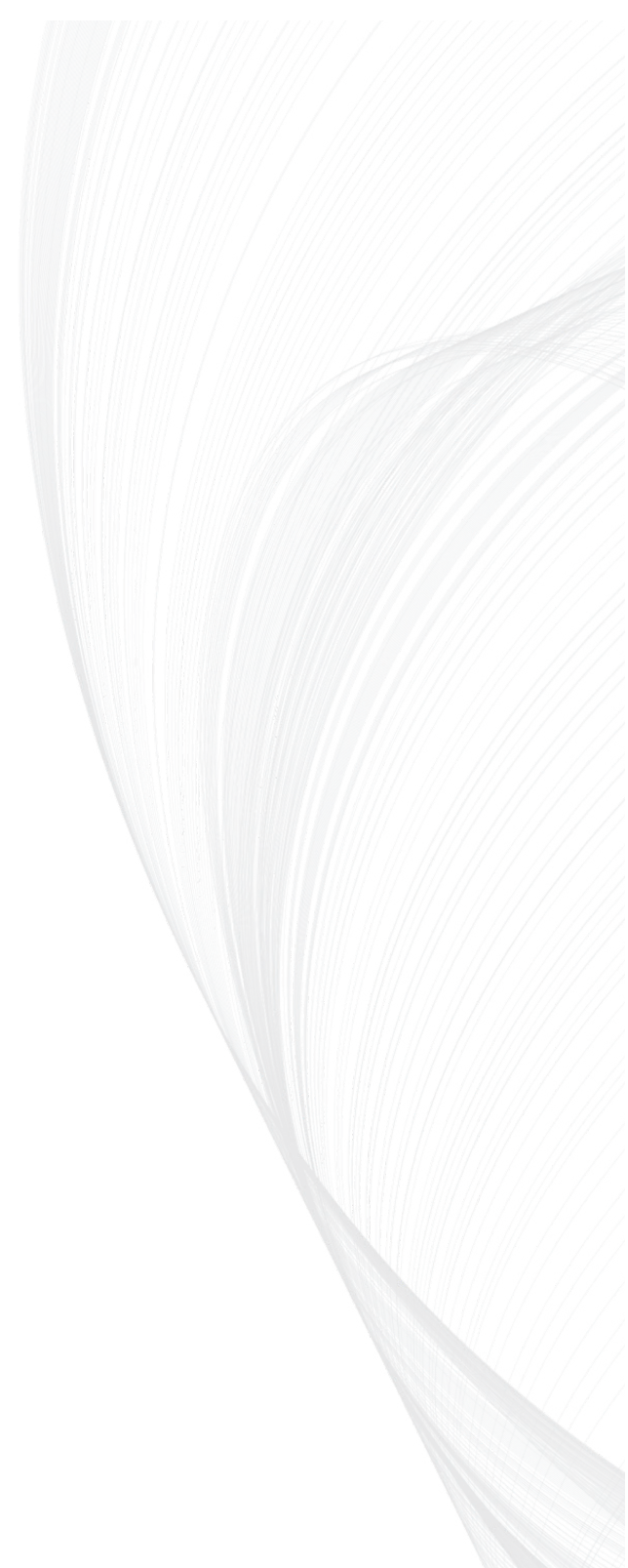


Investing In Startups

The Game, The Rules and Investors



A grayscale photograph of two men in business attire (suits and ties) sitting at a table, looking at a tablet or document together. The man on the left is wearing glasses and has a slight smile. The man on the right is also smiling and pointing at the document. The background is a bright, out-of-focus office environment. A purple semi-transparent banner is overlaid on the bottom left of the image, containing the text 'Startup Fundamentals' in white.

Startup Fundamentals

Business Models

Traditional

- Owner Control
- Debt Funded

Franchise

- Infrastructure
- Branding

“Startup”

- Equity Share
- Private Investment

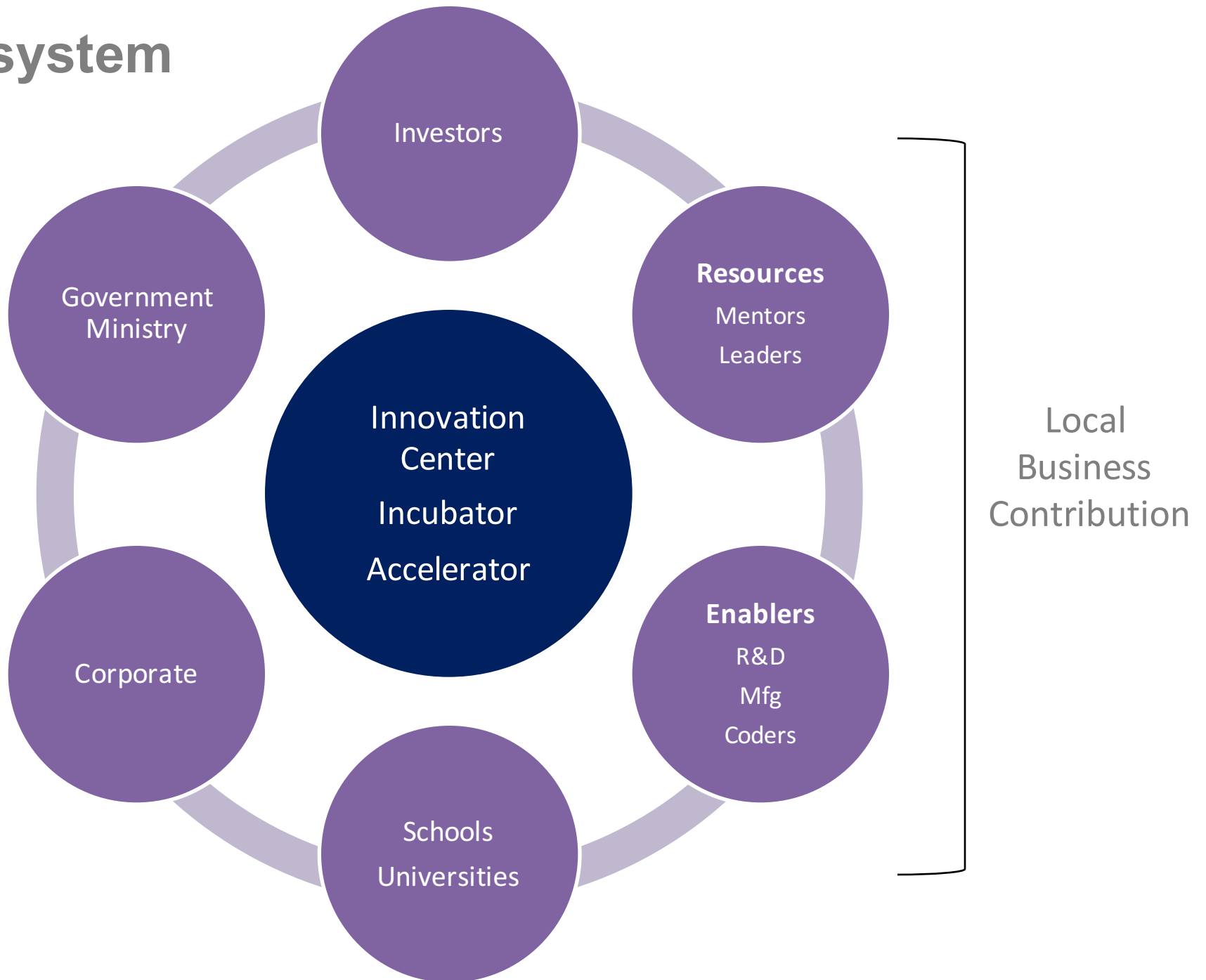
Startup Model

“A startup is a **human institution** designed to **deliver** a new product or service under conditions of extreme uncertainty.” - *Lean Startup*

What makes it unique – investor exit, rapid growth, acquisition (>90%)

Challenges – culture, infrastructure, loss of control/dilution, quality Startups

Shared Risk Ecosystem

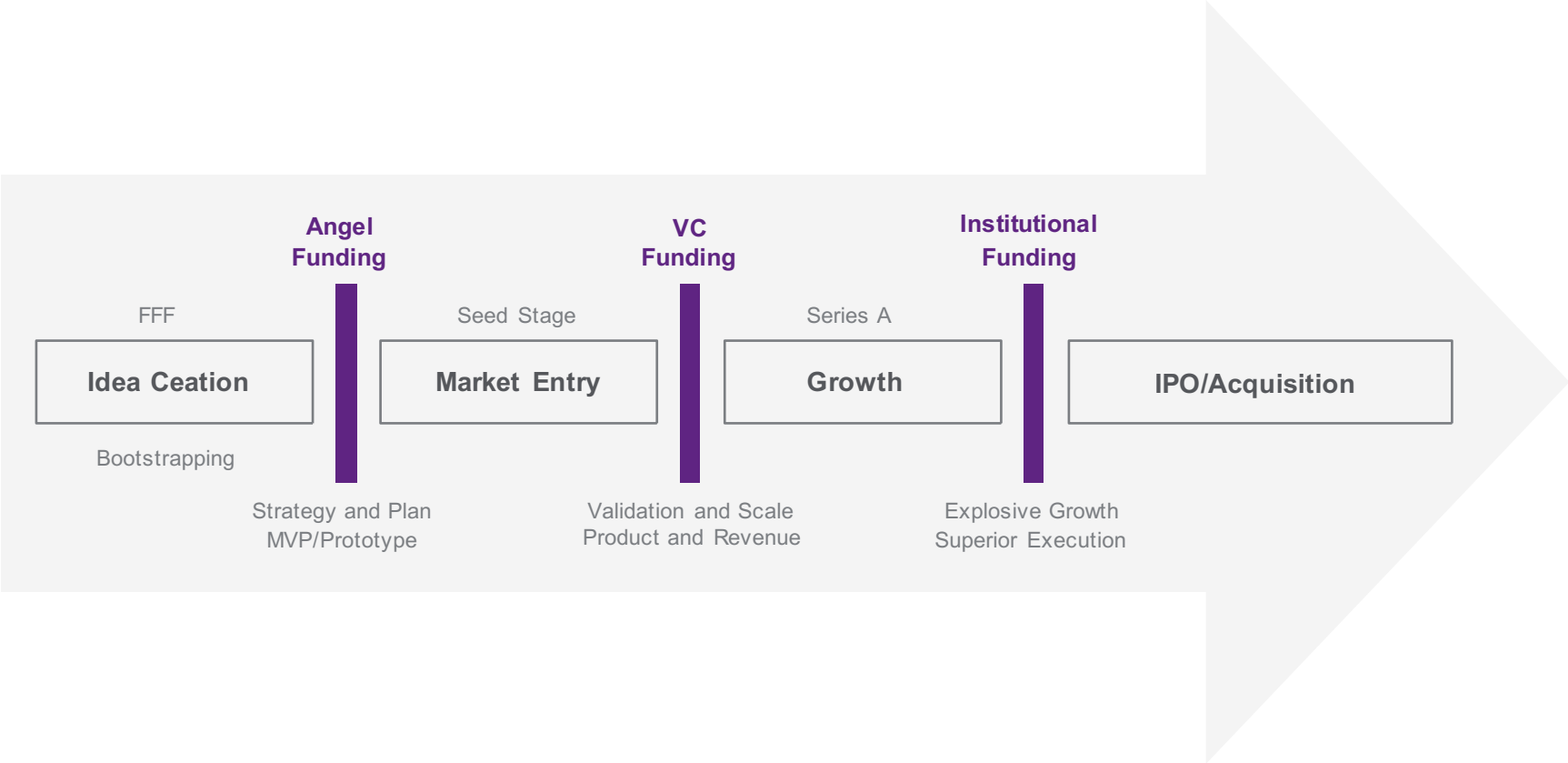


Purpose and Value Proposition

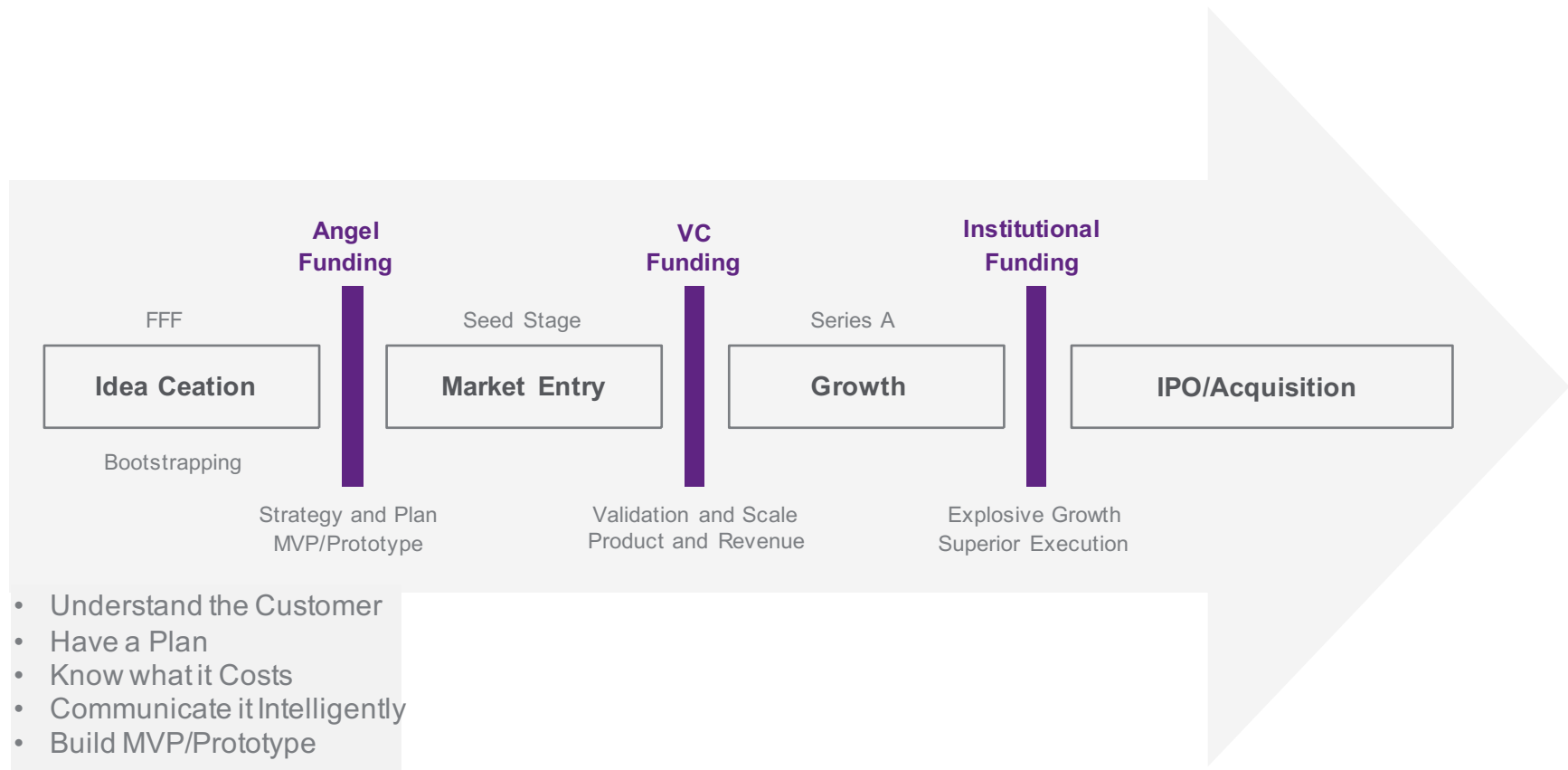
- Innovation Centers – **Quality Startups, Access**
- Ecosystem - **Commercialization of ideas**

KSA - **Economic growth and home grown organic sustainability**

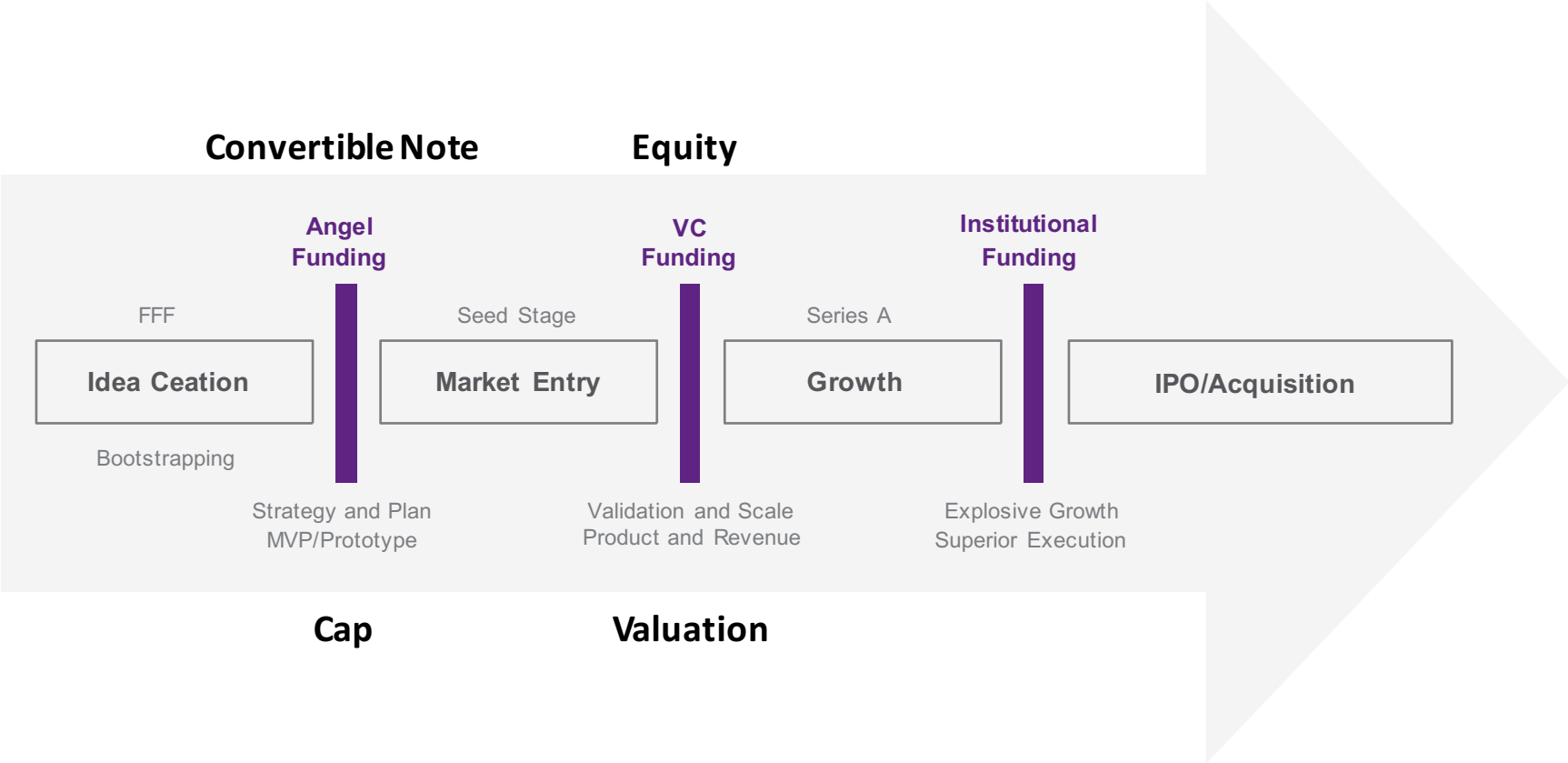
Life Cycle - Where are You and What is Important



Life Cycle - Where are You and What is Important



Life Cycle - Where are You and What is Important



Convertible Note Vs Equity

- Convertible Note
 - Quick and easy to create
 - Based on a Cap
 - Debt until converted
- Equity
 - Complex, more time to complete
 - Based on valuation

What is a Cap in a convertible note?

A convertible note cap sets the maximum valuation at which the investment made via the convertible note can convert into equity. Investors in the convertible note typically get converted at the lesser of the valuation of the next qualified priced round and the cap.



**The
Environment**

KSA Environment

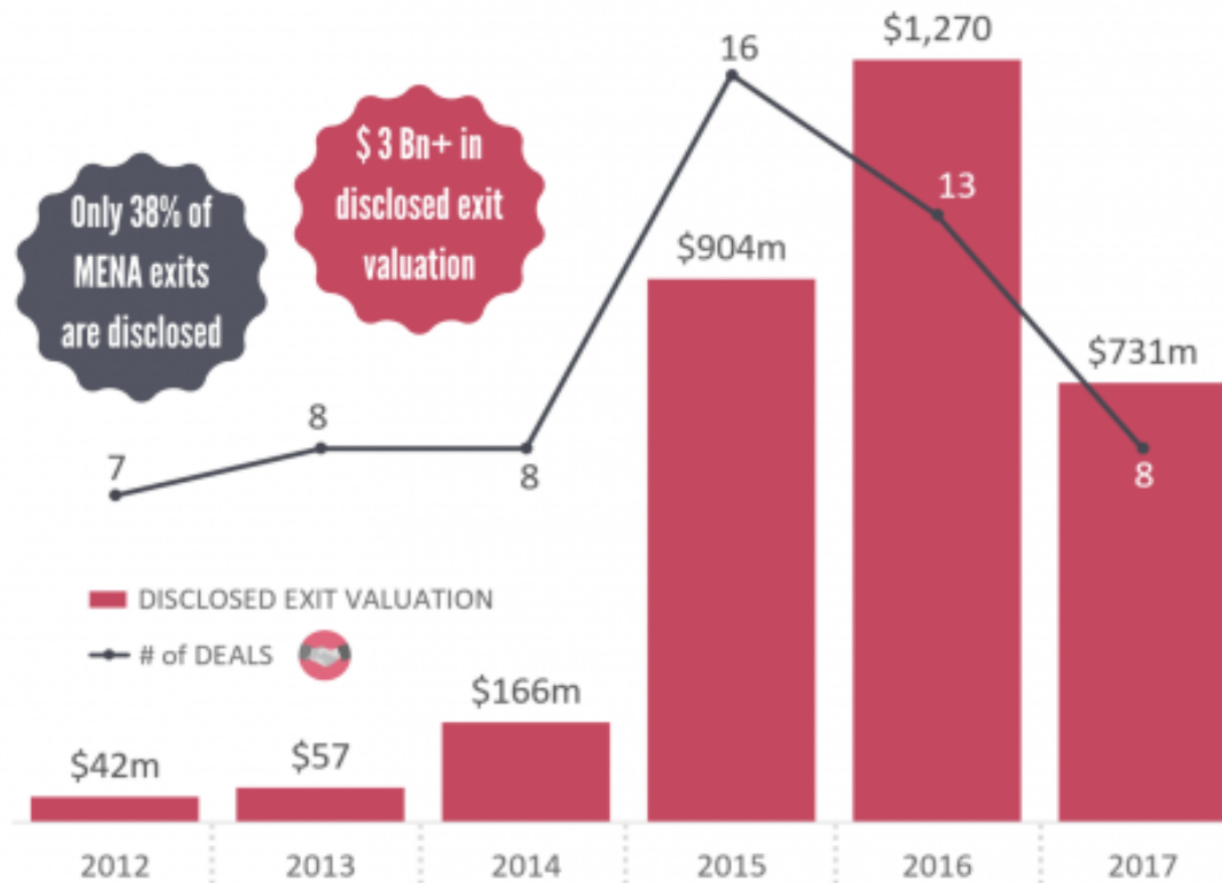
- Ecosystem – Young, unskilled
- VC – Mature, in Dubai
- Angels - Unorganized
 - Take too much equity
 - Often not engaged
- Startups – unprepared
- Culture – shared risk and acquisition is new
- Universities – Patents not Commercialization
- Government - Build infrastructure



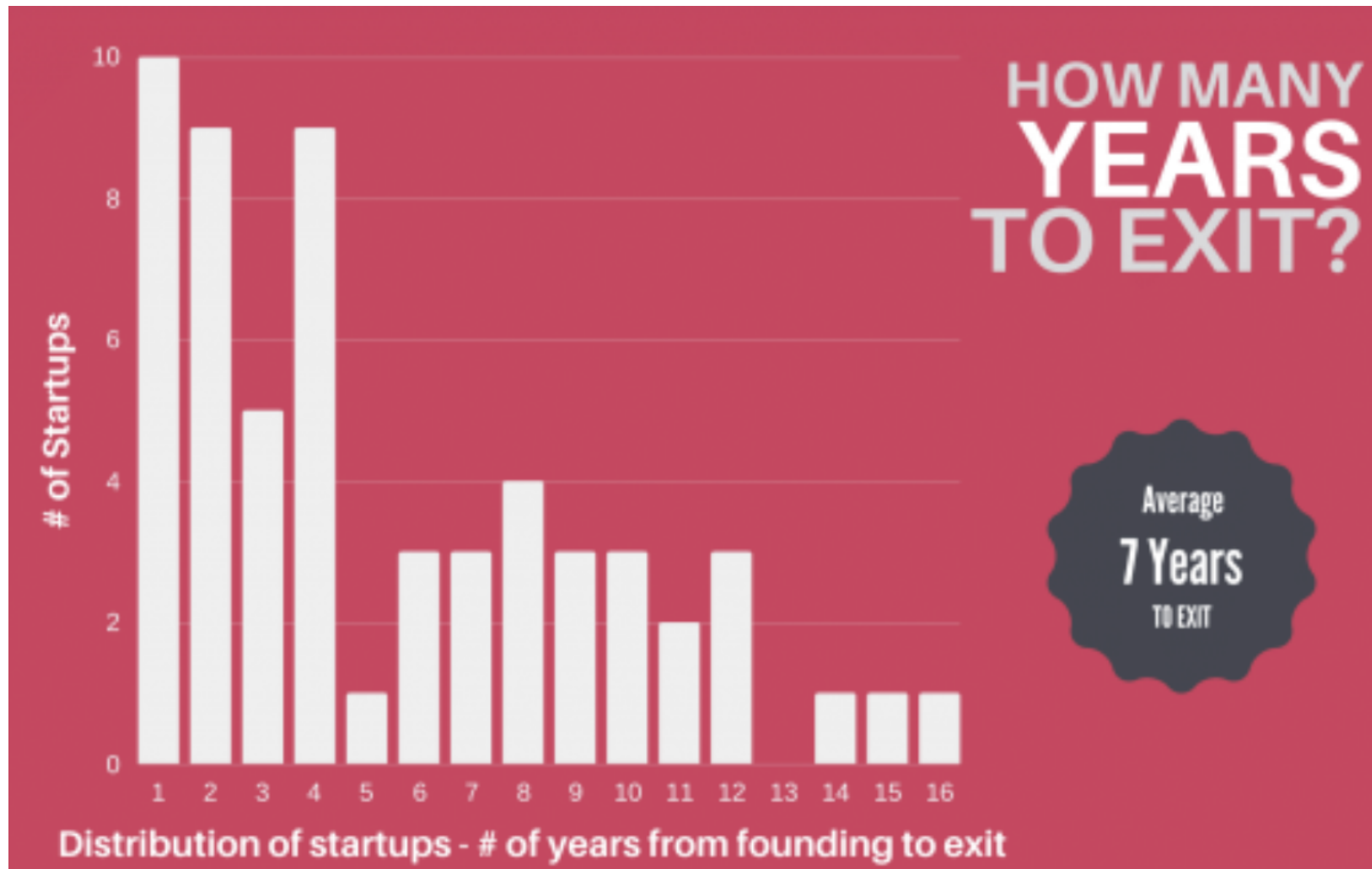
Exits are Growing

60 EXITS ACROSS MENA OVER THE LAST 5 YEARS

Evolution of total exits & aggregated disclosed exit values



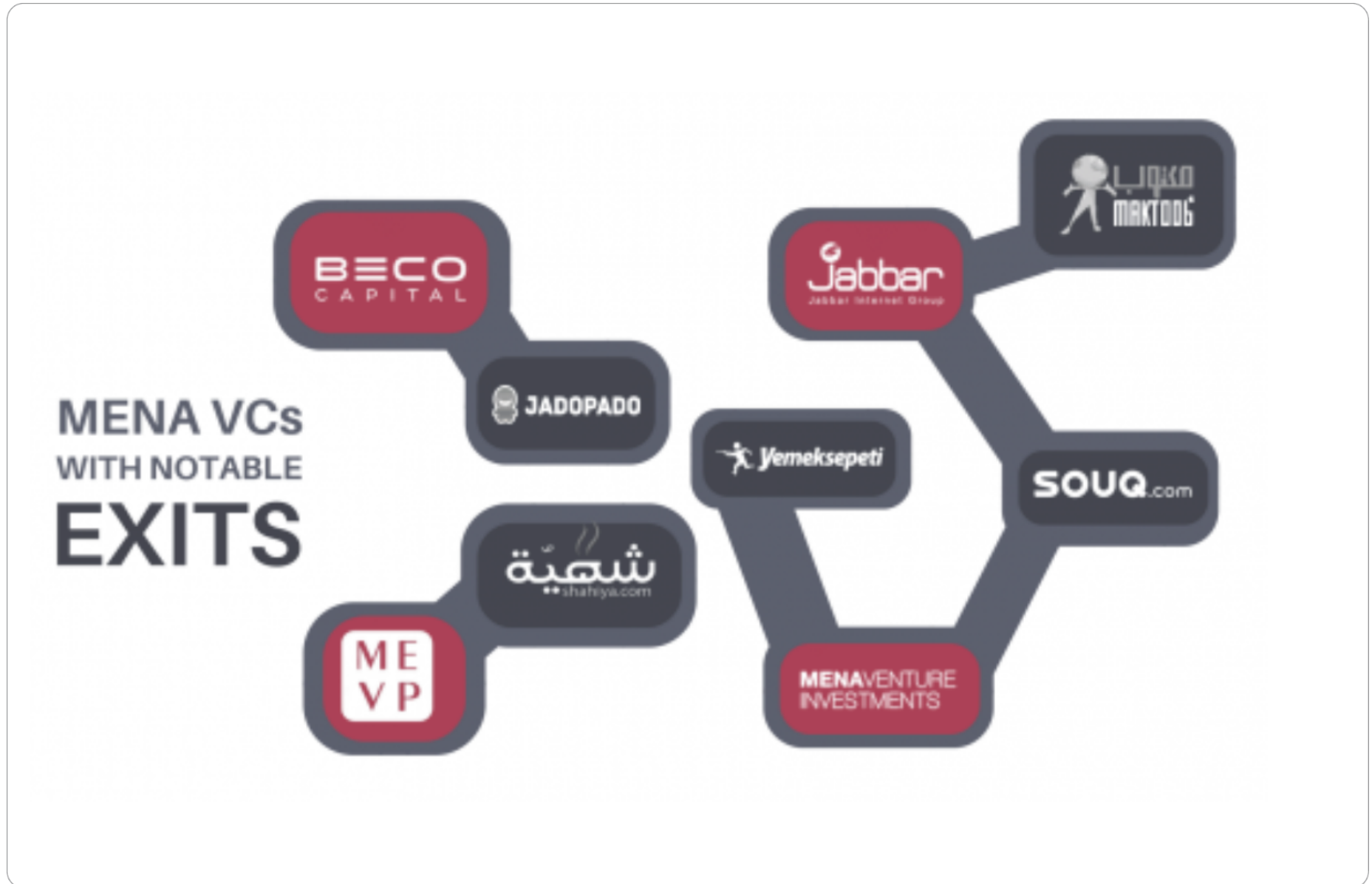
Time to Exit



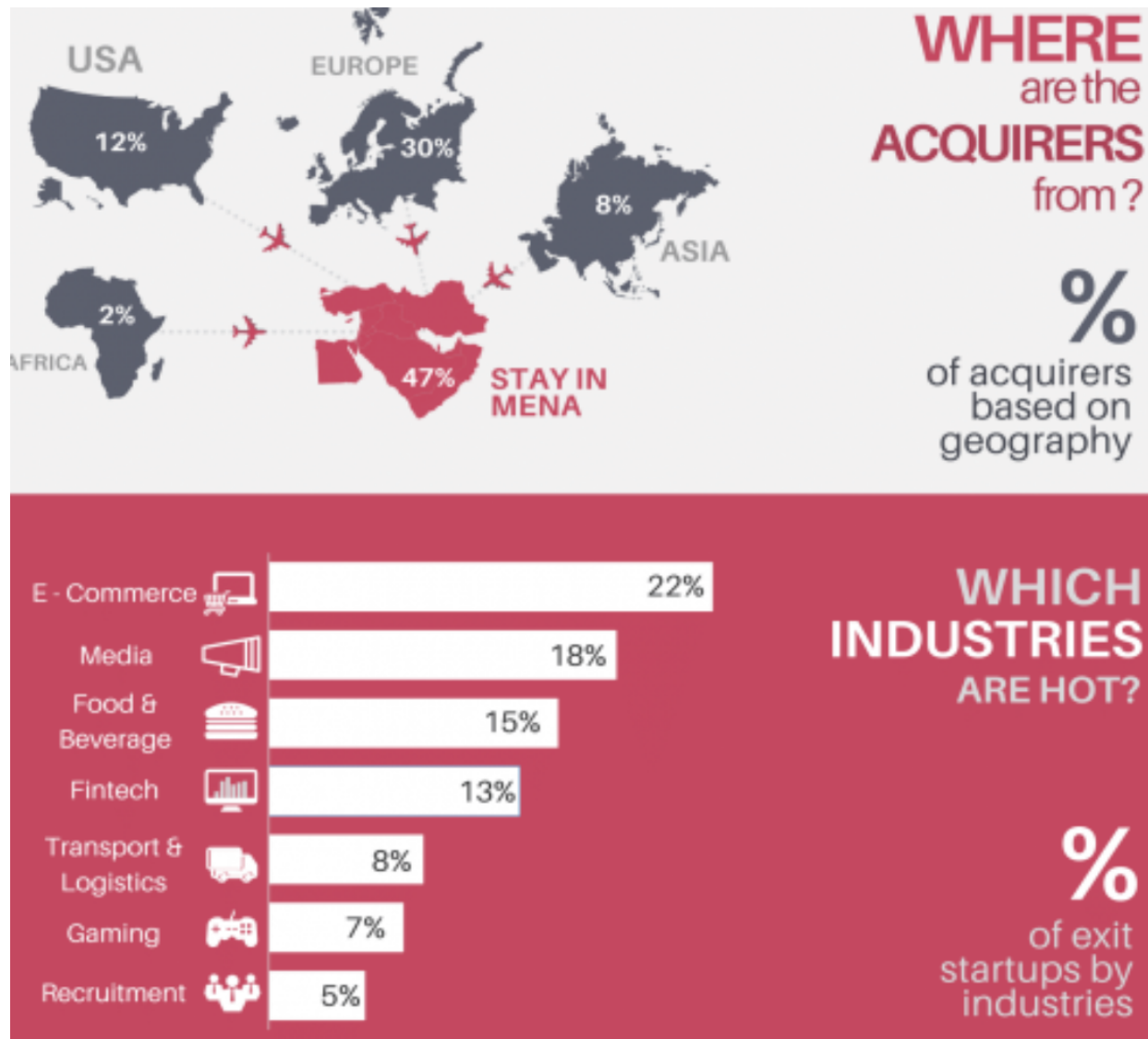
Acquisition not IPO

STARTUP		FOUNDED	INDUSTRY	RAISED	ACQUIRED	YEARS TO EXIT	AMOUNT	ACQUIRER
	2010 UAE			N/A	2016 China	6	\$ 900m	
	2000 Turkey			\$ 44m	2015 Germany	15	\$ 589m	
 	2005 UAE			\$ 425m	2017 USA	12	\$ 580m	
	1989 Egypt			\$ 30m	2016 UAE	27	\$ 340m	
	2011 UAE			\$ 33m	2017 UAE	6	\$ 300m (51% for \$151m)	
	2004 Kuwait			\$ 42m	2014 USA	10	\$ 170m	
	2005 Egypt			\$ 66m	2014 USA	9	\$ 140m	
	2008 UAE			N/A	2014 USA	6	\$ 100m	
	2000 UAE			\$ 5m	2010 USA	10	\$ 85m	
	2010 UAE			N/A	2013 USA	3	\$ 40m	

VC's with Notable Exits are Growing



Trends in MENA





Smart Investing

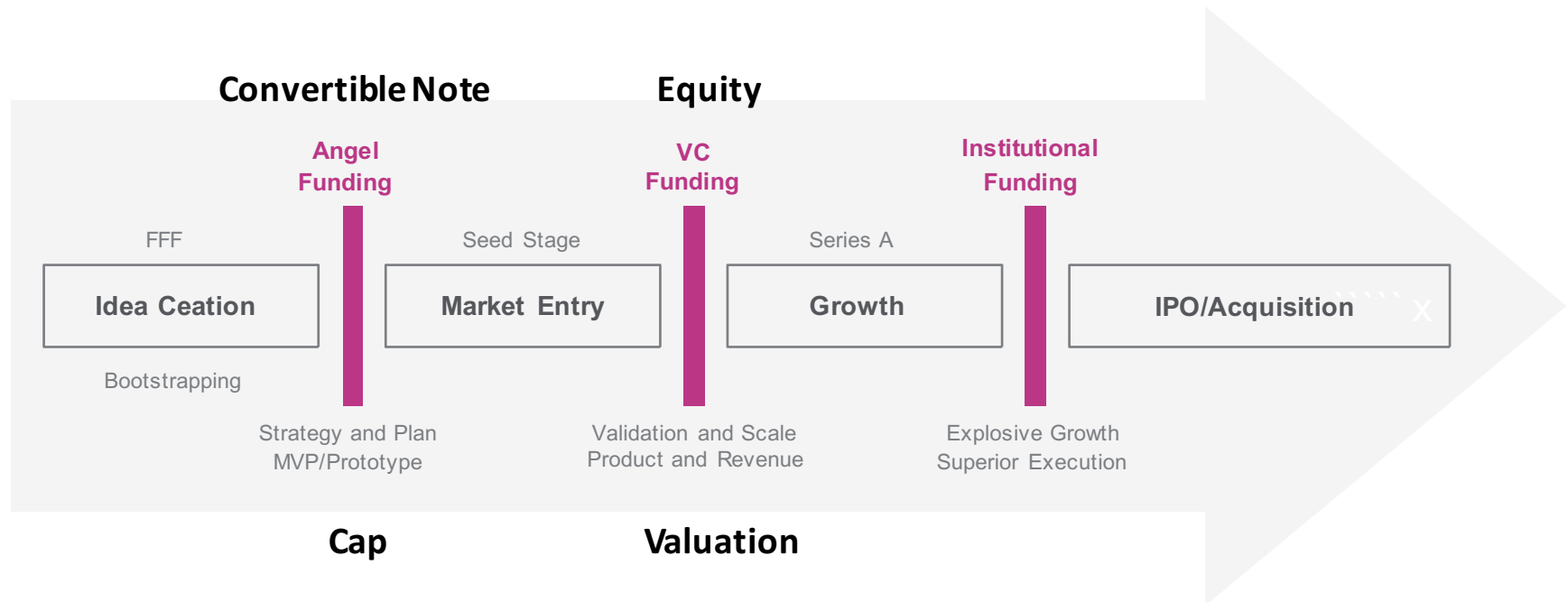
Investing is not a competition

- Share the risk
- Balance your portfolio
- Don't crush the startup



Startup Academy

Startup Life Cycle and Investment



Everyone must win



Equity Share Range

- Founder 10% - 20%
- Executive Team 5% - 20%
- Stock Option Pool 20%
- Angel Investors 10% - 15%
- Venture Capital 40% – 60%

Common

15%
10%
20%
10%
50%

Why Invest?

Beside Making a Difference



**Acquired by Microsoft for
\$8.5 billion**

The Telegraph

Reed Hoffman

Facebook Investor Linked in Founder.....



facebook.

Invested

\$37,000

SR 135,000

ROI

\$137M

SR 500,050,000

BUSINESS
INSIDER

Thank You

We would like to assure you of our confidence and passion to achieve your requirements.
We look forward to hearing from you,,,,,

Sincerely,

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