

Aseer Adventure Park

INVESTMENT OPPORTUNITY SCORECARD TOURISM & QUALITY OF LIFE

September 2021



Aseer Adventure Park

OPPORTUNITY'S DESCRIPTION: Opportunity to build an adventure park which can contain a wide variety of activities, including rope climbing exercises, obstacle courses, bouldering, rock climbing, target oriented activities, and zip-lines.

DEMAND

- Expected demand for numbers of keys in 2019:
 - Total of Trips 5,032K
 - Total Tourist Receipts 6,577M SAR
 - Avg. Visitor Spend 1,453 SAR
 - Avg. Occupancy: Hotel 57%, Apartment 55.7%
- Expected demand for number of keys in 2025 is 14K and in 2030 is 32K

INVESTMENT HIGHLIGHTS

- Investment size 60-200 Mn SAR

INVESTMENT OVERVIEW

VALUE PROPOSITION

- In line with Saudi vision 2030, KSA aims to become an international tourist destination, with aspirations to attract 100 million visitors annually by 2030
- KSA is aiming to attract ~USD 59 Bn in investments to its tourism sector by 2023 and more than USD 130 Bn by 2030
- Opportunity to leverage the recent government initiatives to boost tourism and hospitality in the Kingdom such as the launch of tourist visas
- Opportunity to capitalize on the increasing leisure market in KSA
- Vision 2030 aims to increase the spend on recreational/entertainment and cultural activities to 6% of total annual Saudi household spend

KEY DEMAND DRIVERS

- KSA has a rapidly growing and young population which will boost demand for theme parks. More than 50% population of KSA is less than 30 years old
- Theme parks are the top priority for majority of Saudis in terms of preferences for new entertainment activities within KSA and also an important category for picking a foreign travel destination
- The new infrastructure developments, enhancement of the entertainment and leisure sectors and government initiatives such as the relaxation of visas are expected to drive the demand for theme parks
- Cumulative spend in KSA entertainment sector is expected to reach USD 58 Bn by 2030 and total amusement park visits estimated to increase from 6 Mn in 2019 to 21 Mn by 2030

MARKET OVERVIEW

MARKET READINESS

- Current offerings are primarily dispersed across the metropolitan cities of KSA. There exists potential to expand the current offerings in large cities, and create new centres in small cities
- Early market entry would potentially benefit investors to increase geographic footprint and capture larger market share in the medium-long term

COMPETITOR ANALYSIS

- There are currently only 10 theme parks in KSA, all of them being small sized (less than ~2 hectares) and only located in the large cities (Riyadh, Jeddah, Dammam, and Madinah)

GLOBAL TRENDS

- Global amusement park market expected to grow by 9% pa between 2020- 30
- Most tourism trends are based on general changes in consumer behavior, like the need for healthy and organic food & drinks, sustainability, personalized service, rising demand of digitalization and increased use of technology
- Additional health precautionary and safety measures adopted across the globe due to Covid – 19 induced pandemic are leading to increased operational costs for entertainment and cultural spaces

DEFINITIONS

| # | SCORECARD SECTION | DEFINITIONS |
|----|-------------------------------|--|
| 1 | Market size | Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources |
| 2 | Demand drivers | A select number of factors that will influence future demand for the related product/service |
| 3 | Investment highlights | An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size |
| 4 | Value proposition | Summary of key differentiators that position KSA as a strategic choice over other regional/global peers |
| 5 | Market readiness | An overview of KSA market structure, market maturity and level of participation by local and global players |
| 6 | Competitor analysis | List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share |
| 7 | Global trends | Latest business developments within the sector/product category |
| 8 | Scalability and localization | Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components |
| 9 | Import dependency | An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports |
| 10 | Value chain analysis | The process or activities that would potentially need to be carried out to deliver the underlying product or service |
| 11 | Key stakeholders | Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service |
| 12 | Enablers | Factors that enable investment in the underlying opportunity |
| 13 | Cost of doing business in KSA | Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of \$1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance |

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