

DEVELOP 4 STAR RESORT IN AL BAHAH

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



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Restricted / مقيد

High Potential

Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: : Opportunity to develop 4 stars resort in Al Bahah

DEMAND

- Expected demand for numbers of keys in 2019:
 - Total of Trips 1,518K
 - Total Tourist Receipts 1,681M SAR
 - Avg. Visitor Spend 1,145 SAR
 - Avg. Occupancy: Hotel 57%, Apartment 57%
- Expected demand for number of keys in 2025 is 4K and in 2030 is 10K



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- To develop 4 star resort 300-400 keys
- Expected Investment size 250-350 Mn SAR
- Investment model options: leasing, shared revenue model or 100% ownership
- Location: Al Bahah
- Estimated Project IRR: 10-12 %

VALUE PROPOSITION

- Currently there is no 5-star hotels or 1st-class apartments, therefore there is a high need for such projects
- Opportunity to develop 10K number of keys in Al Bahah by 2030
- Al Bahah, a high altitude city in the Hijaz region is a place of storied towers, lush forests and winding valleys. Sitting 2,500 meters above sea level, the city enjoys moderate temperatures and is an ideal place to hike, picnic or camp. The ancient Ghamid and Zahran tribes forged a unique cultural identity in the area, building 1,001 stone qasbah lookout towers that are only found here, as well as setting up a bustling souq. Al Bahah has many Sightseeing and nature destinations such as Shada Mountain Reserve, Zee Ain Village, Al Bahah Mountains, and Baljurashi Old Town. For entertaining activities Visiting Baha's Summer Festival is a must as well as the International Honey Festival, and the poetry and story telling sessions.

MARKET OVERVIEW

KEY DEMAND DRIVERS

- KSA is the largest economy in MENA, contributing 20%+ to the total regional GDP and is expected to grow at 2.9% post Covid-19 pandemic crisis which will result in booming tourism sector
- Investments made in infrastructure projects, ease and affordability of tourist visas and overall progress made in tourism sector are set to have a major impact on the growth of Al Bahah's city hospitality sector

MARKET READINESS

- In line with Saudi vision 2030, KSA aims to become an international tourist destination, with aspirations to attract 100 million visitors annually by 2030
- Well established tourism ecosystem led by the Ministry of tourism supporting investors across their journey which includes the tourism development fund, the Saudi tourism authority and Ministry of investment

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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