

Development of E-sport venues

INVESTMENT OPPORTUNITY

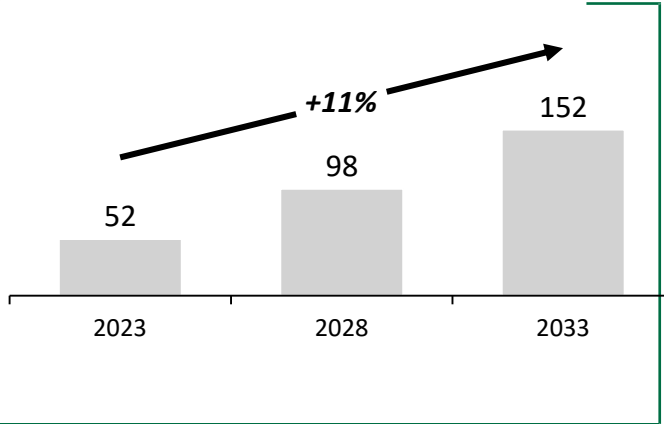
ICT



OPPORTUNITY DESCRIPTION: Constructing state-of-the-art of venues that are dedicated to hosting different sized Esport events

DEMAND

MARKET SIZE, # of events



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Opportunity to consider different operating models - FDI with 100% ownership or joint venture with local private or government player(s)
- EBITDA of ~ 51% is expected by 2033
- IRR of 9% is expected within KSA
- Expected Investment size 2711 Mn SAR

VALUE PROPOSITION

- Large local market with over 5.0 Mn Saudi E-sport viewers expected by 2025, and the majority willing to pay
- Aims to become global Esports hub by hosting the most prestigious Esports events
- Supportive government institution that are providing numerous enablers and incentives to develop the E-sport ecosystem

KEY DEMAND DRIVERS

- KSA is one the largest gaming markets in the world, with consumers actively engaging with E-sports community
- Increase in monetization of the E-sports through sponsorships and prize pools, making it a viable career pathway
- 89% of Centennials and 79% of Gen Xers use mobile devices for gaming

MARKET OVERVIEW

Market Readiness

- There is one dedicated Esports arena in KSA, with two others planned in Qiddiya and NEOM
- Most events are held in retrofitted venues, that are not up-to par with state-of-the-art facilities
- More venues are necessary in KSA to meet the expected growth and forecasted calendar of events

GLOBAL TRENDS

- Rise in E-sport viewership, with over 600 Mn viewers annually
- Rise in the development of E-sport dedicated venues and complexes to support growing talent
- Increase in E-sport professional players and teams due to increased monetization



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Public / متاح



ENABLING FACTORS

SUPPLY

SCALABILITY AND LOCALIZATION

- KSA is an optimal location within the EMEA region, and can continently host regional and International E-sport events
- Gaming and Esports is a key priority for KSA's vision 2030 as evident by the National Gaming strategy, with multiple government entities leading efforts to continuously ensure strong ecosystem in KSA

ENABLERS & INCENTIVES

- SEF is supporting E-sport stakeholders to develop and identify attractive opportunities within country

Ecosystem analysis

Esports is rising in KSA, and SEF is aiming to attract local and international players, develop training academies, host international competitions, etc.

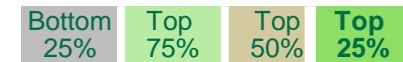


COST OF DOING BUSINESS IN KSA

Factor	Ranking amongst regionalpeers			
ICT access index ¹ (1-10, 2020)				8.0
ICT use index ² (1-6, 2021)			3.64	
ICT Spend ³ (% GDP, 2022)			3.8	
R&D index ⁴ (Count, 2022)			448	
Video game penetration ⁵ (%, 2021)				91

Bottom 25%
 Bottom 50%
 Top 50%
 Top 25%

KEY STAKEHOLDERS



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	Business 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	Global trends	Latest business developments within the sector/product category
7	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
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	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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