Investment Rationale Memo

EX Sports DMCC Holdings – Sportzlab Global (Pre-Series A)

Sector: Sports Entertainment / Experiential Technology
Round: Pre-Series A
Raise: SAR 18M for 10% equity (SAR 180M valuation)
Lead Asset: Sportzlab Riyadh (Launch April 2026 – Cenomi Westfield)

1. Executive Summary

EX Sports DMCC, the global IP owner of Sportzlab, is developing a network of high-tech sportainment hubs blending sports, fitness, esports, and immersive brand experiences. The flagship project, Sportzlab Riyadh, launches in April 2026, anchored in a premium Cenomi Westfield location — positioning it as the region's first fully integrated sportainment destination.

The Pre-Series A round offers investors an equity position in the holding company with exposure to all global revenue streams (royalties, management fees, licensing income) and built-in anti-dilution protection through Series A.

2. Strategic Rationale

a. Sector Alignment & Growth

The Sportainment segment is expanding rapidly, merging physical activity, digital gaming, and entertainment — driven by Gen Z and experiential consumer behavior. Saudi Arabia and the UAE are globalizing their sports ecosystems under Vision 2030 and Abu Dhabi Vision 2035, creating substantial demand for localized, tech-integrated attractions.

b. Prime Flagship Location

Cenomi Westfield Riyadh ensures high visibility, retail integration, and consistent footfall. Backed by SAR 14M secured contractor contribution, demonstrating external confidence and reducing capital risk.

c. Scalable, IP-Driven Model

EX Sports DMCC holds all global IP rights for Sportzlab, enabling a franchise and licensing strategy with multiple recurring revenue layers:
- Management Fees: 10–15%
- Royalties: 5–8%
- Franchise & Licensing Fees
- EBITDA Participation: 50–80% in JV locations

3. De-Risking & Governance

BOT Agreement with Al Othaim Investment generating SAR 5M annual retainer. Contractor participation via convertible equity (5%) — aligning execution incentives.

Investor Protections:
- Guaranteed 10% retention post-Series A (anti-dilution)
- Optional conversion into Saudi entity or Riyadh SPV within 12 months.

4. Growth & Valuation Upside

Milestone	Valuation (SAR)	Catalyst
Q1 2025	100M	Riyadh build underway
Q4 2025	160–180M	MOUs signed (UAE, London, Tokyo)
Apr 2026	200–220M	Riyadh launch
Q4 2026	250M+	Global rollout in progress

Projected 1.4–1.6x valuation uplift in ~18 months, with Series A (Summer 2026) targeting SAR 250M pre-money valuation.

5. Expansion Pipeline

Five additional Sportzlab sites are in active negotiation or MOU stage:
- Riyadh (Flagship), Jeddah, Abu Dhabi, Dubai, Tokyo, London
- 50% developer co-funding per site significantly reduces CapEx burden.

6. Investment Thesis

Pillar	Rationale
Sector Fit	Positioned at the intersection of sports, tech, and entertainment — ideal for Sports VC thesis.
Strategic Timing	Aligns with regional sports diversification and Vision 2030 initiatives.
IP Value	Global licensing and royalty-based scalability.
De-Risked Entry	Secured partnerships, co-funding, and BOT agreements.
Upside Potential	Short-term valuation uplift pre-Series A; multi-location growth potential.

7. Exit Outlook

Series A (2026) at SAR 250M+ valuation offers early markup opportunity. Long-term exits possible through strategic acquirers (retail, entertainment, sovereign funds) or public market listing as the network matures globally.

8. Recommendation

Invest SAR 18M for 10% equity in EX Sports DMCC Holdings. The investment provides regional anchor exposure, global IP upside, and participation in the next wave of experiential sports entertainment — with mitigated risk through structured protections and co-funded expansion.