

Sports Investment: Global Development and
Egypt's Opportunity

The New Frontier in Egypt's Sports

From Niche Asset Class to Institutional
Powerhouse

*An Analysis of Global Trends and Emerging
Opportunities*

Defining Sports Investment: Scope, Evolution, and Asset Types

Definition & Scope

Sports investment is the strategic deployment of capital into sports-related businesses, teams, leagues, and media rights. It encompasses direct ownership as well as investments in sports-adjacent sectors like technology, data analytics, and real estate.

The Evolution of the Model

- **20th Century:** Revenue primarily from local ticket sales and concessions. Franchise value tied to matchday attendance.
- **Modern Era:** A diversified, multi-channel ecosystem spanning media rights, digital engagement, and live entertainment, representing a \$2.5 trillion global market.

Key Investment Characteristics

- **Scarcity Premium:** A limited number of professional teams globally drives valuations.
- **Resilience:** Sports assets compound at roughly 13% annually, resisting macro disruption.
- **Durable Revenue:** Long-term, inflation-linked media contracts provide infrastructure-like cash flows.

Primary Asset Classes

- Direct ownership stakes in teams and leagues
- Media rights financing and acquisition
- Sports technology and data analytics platforms
- Stadium and venue real estate development
- Adjacent businesses (esports, betting, merchandise)

Drivers of Private Capital: Why Institutional Investors are Entering Sports

Scarcity Premium

A limited number of professional teams globally creates artificial scarcity. As the number of billionaires has increased exponentially while team supply remains fixed, valuations are driven upward.

Media Rights Explosion

Live sports remain the last form of appointment viewing. The NFL's media rights grew from \$2.2B annually in 2000 to over \$10B today, with streaming platforms aggressively competing for exclusive rights.

League Liberalization

Leagues have systematically opened to private equity. The American National Football League (NFL) recently lifted its ban on institutional ownership (2024), following progressive relaxation by the Major League Baseball, National Basketball Association, and other major leagues in the USA.

Franchise Valuation Growth

Substantial growth in team valuations has outpaced the capacity of individual owners, creating a financing gap and distinct opportunities for institutional capital to provide liquidity.

Who is Deploying Capital Now?

Private Equity: Apollo, Ares, KKR seeking operational growth.

Institutional: Sovereign Wealth Funds (PIF, ADQ), Pension Funds.

Strategic & HNWIs: Tech giants (Apple, Amazon), Former Athletes, Celebrities.

The Global Sports Industry Reaches \$2.5 Trillion as Institutional Capital Enters

The global sports industry has evolved dramatically from a localized, ticket-driven business into a massive global ecosystem spanning media rights, merchandise, wellness, and live entertainment.

This transformation reflects three fundamental shifts:

1. The rise of television and streaming platforms that monetized content globally.
2. The expansion of sponsorship and licensing revenue streams.
3. The emergence of digital platforms enabling direct fan engagement and commerce.

These durable, inflation-linked revenue streams have attracted institutional investors—pension funds, private equity firms, and sovereign wealth funds—who increasingly recognize sports as a resilient, culturally entrenched asset class.

\$2.5T+

Global Ecosystem

Total addressable market spanning leagues, venues, media, and merchandise.

\$60B+

Annual Media Rights

The primary driver of franchise valuations and revenue stability.

13%

Annual Compounding

Historical growth rate over six decades, demonstrating exceptional resilience.

Four Structural Changes Unlocked Sports as an Institutional Asset Class

1

Scarcity

The limited number of professional teams contrasts sharply with the exponential growth in billionaires and institutional capital seeking investment opportunities.

2

Media Rights Explosion

The NFL's annual media rights value grew from \$2.2 billion in 2000 to \$10 billion today, demonstrating how broadcasting agreements have become the primary value driver.

3

Regulatory Liberalization

Leagues have progressively opened ownership to private equity and institutional investors, moving beyond individual billionaire ownership models.

4

Valuation Growth

These structural changes have driven substantial appreciation in team valuations, with franchises now trading at multiples reflecting their media rights potential and diversified revenue streams.

Streaming Platforms and Direct-to-Consumer Models Create New Price Discovery Mechanisms

The Inflection Point

The sports media landscape stands at a critical juncture as big tech companies and direct-to-consumer streaming platforms compete aggressively for broadcasting rights.

This competition has sparked a wave of bundling, unbundling, and strategic partnerships that fundamentally alter how fans consume sports content and how leagues monetize their properties.

The New Competitors

Traditional broadcasters now face fierce competition from tech giants like Netflix, Amazon Prime Video, and Apple TV+.

These platforms are willing to pay premium rates for exclusive content that drives subscriber acquisition and retention, shifting the balance of power in media negotiations.

Price Discovery & Value

This process has revealed that fans will pay substantial premiums for live sports—the last form of appointment viewing in an on-demand world.

Consequently, media rights contracts have become the most prized intellectual property in media, commanding captive audiences that few other content categories can replicate.

The Multi-Faceted Revenue Opportunity: Commercial, Event Day, and Media

Sports franchises and leagues have evolved from relying primarily on local ticketing into sophisticated, diversified businesses generating revenue across three main pillars.

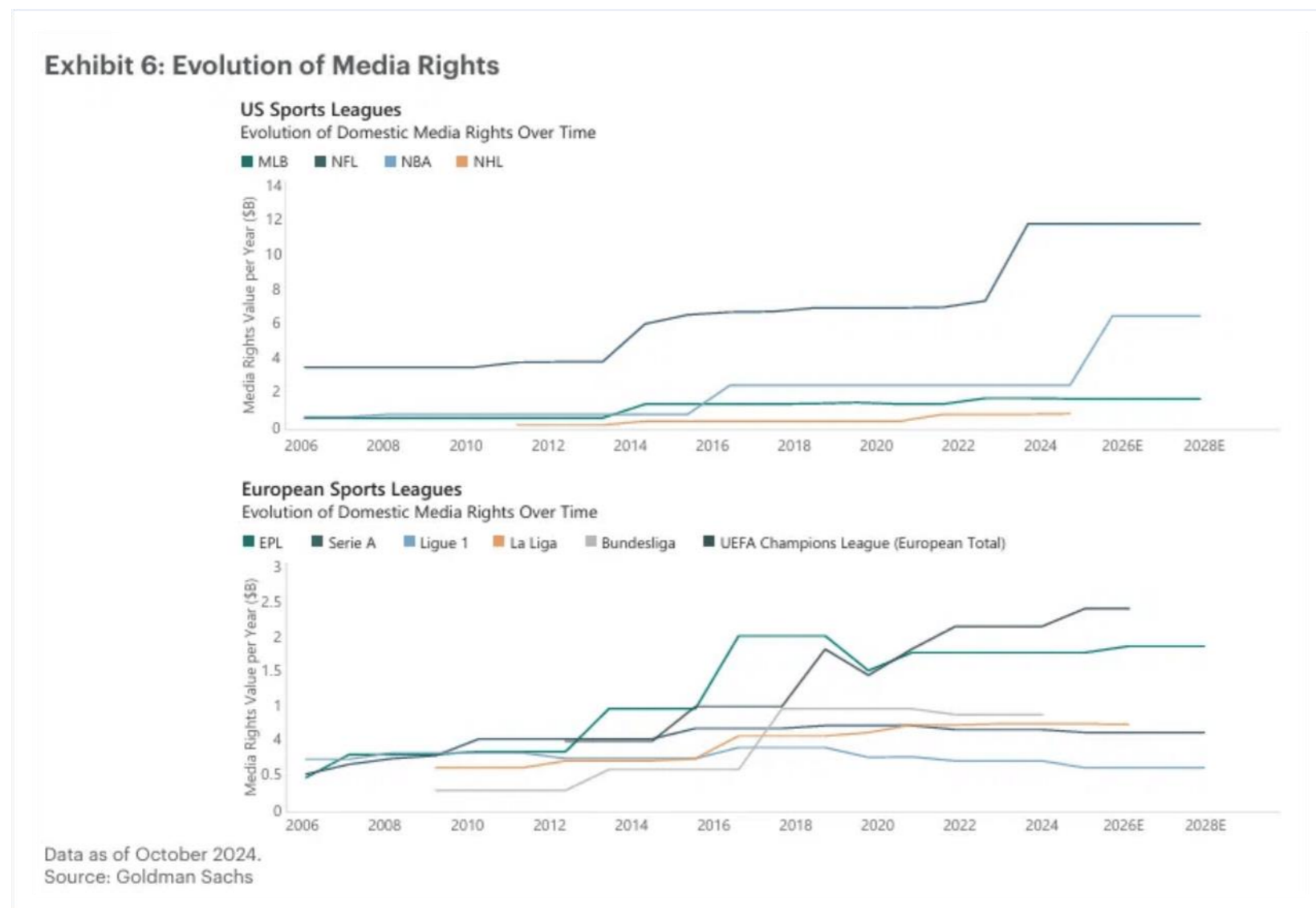
Commercial Revenue: Includes sports apparel, licensing, sponsorships, data analytics, and the rapidly growing sports gaming sector.

Event Day Economics: Beyond ticketing, modern venues monetize through high-margin concessions, premium hospitality, and year-round stadium infrastructure utilization.

Media & Broadcasting: The most powerful growth engine, encompassing traditional networks, direct-to-consumer streaming platforms, and digital media rights that provide long-term, predictable cash flows.



Media Rights Evolution Drives Exponential Valuation Growth in Global Sports



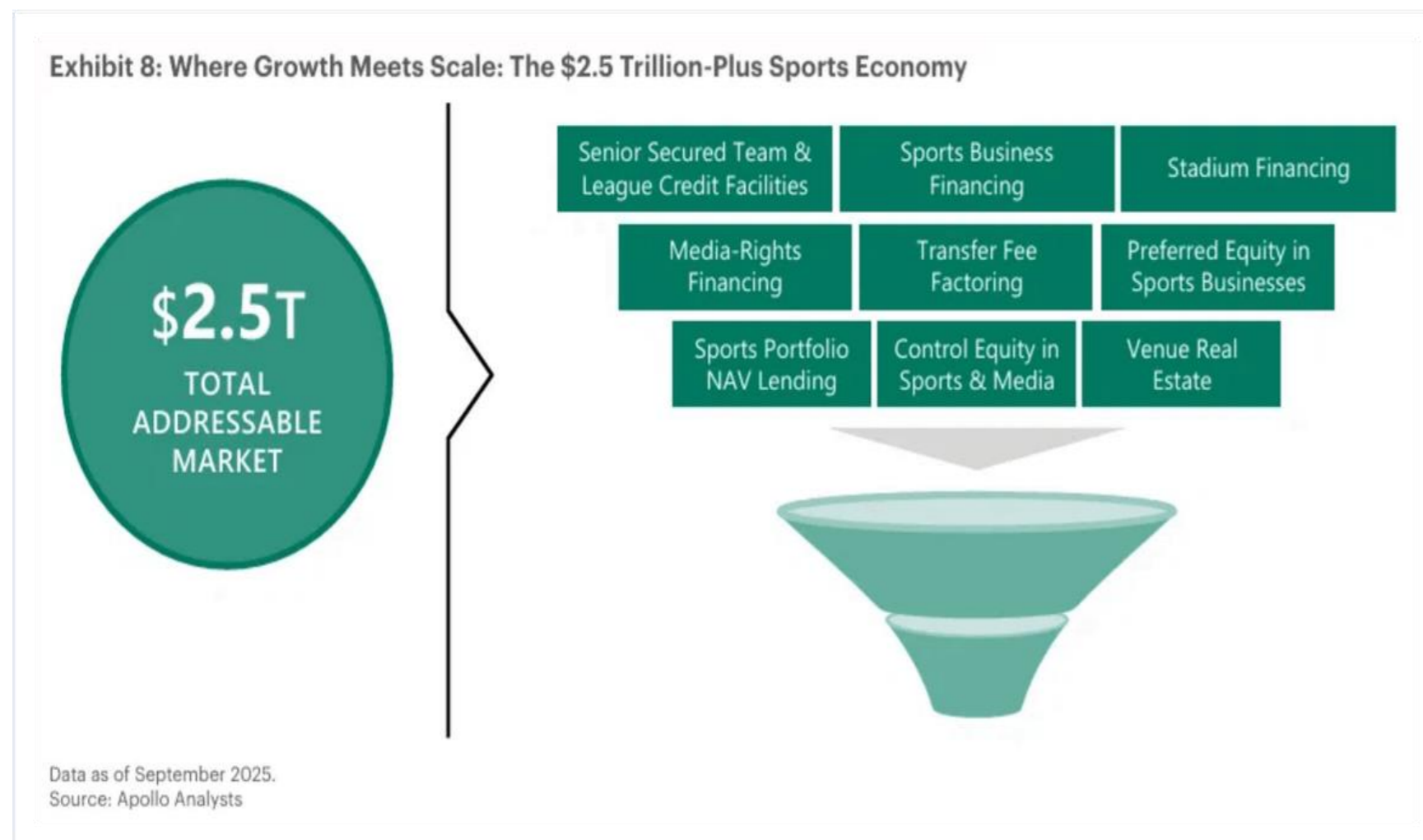
Media rights represent the single most powerful driver of value creation across the sports ecosystem. As the last form of live, appointment viewing in an on-demand world, sports content commands unprecedented premiums.

US Sports Leagues: The NFL's media rights have skyrocketed from roughly \$2.2 billion annually in 2000 to over \$10 billion today, setting the benchmark for domestic rights monetization.

European Football: The English Premier League and UEFA Champions League have similarly demonstrated sustained, long-term growth in broadcasting contract values, underpinning club valuations across Europe.

This evolution from matchday economics to a diversified, media-driven ecosystem ensures that top-tier sports assets provide durable, inflation-linked revenue streams that attract institutional capital.

The \$2.5 Trillion Sports Economy: Financing Opportunities Across the Ecosystem



The business of sports has evolved into a **\$2.5 trillion-plus global ecosystem** spanning media, merchandise, wellness, and live entertainment.

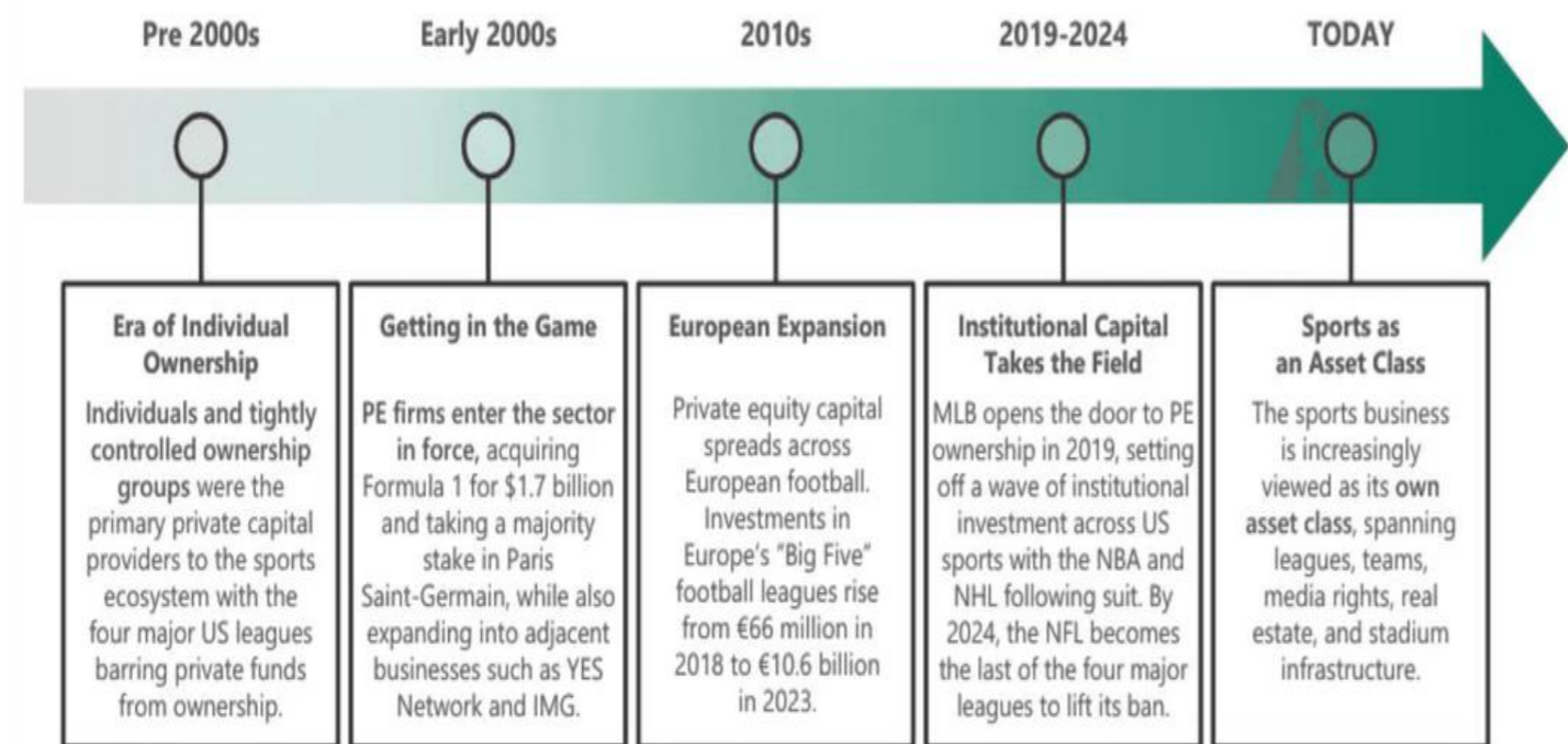
As franchise valuations outpaced the capacity of individual owners, a vast financing gap emerged. Despite record valuations, most franchises remain under-levered at roughly 10% loan-to-value.

This creates substantial potential for **hybrid and private credit solutions** across multiple verticals:

- Senior Secured Team & League Credit
- Media-Rights Financing
- Stadium Financing & Venue Real Estate
- Transfer Fee Factoring

Institutional Capital Evolution: From Individual Ownership to Professional Asset Class

Exhibit 9: Evolution of Institutional Capital in Sports



Data as of November 2025.
Sources: Chronograph, Meketa, Arcana

The sports investment landscape has undergone a profound transformation over the past two decades. Moving away from the **Era of Individual Ownership** (Pre-2000s) where major leagues barred private funds, the sector saw the initial entry of Private Equity in the early 2000s. This was followed by significant **European Expansion** in the 2010s. Between 2019 and 2024, US leagues systematically lifted bans on institutional ownership, culminating in the NFL's recent policy change. Today, sports is recognized as its own distinct, mature **Asset Class**, attracting sophisticated institutional capital globally.

Institutional Investors Now Access Sports Through Minority Stakes and Consortium Acquisitions

As franchise valuations have soared, minority stakeholder positions have become essential components of the capital structure in professional sports.

Rather than requiring complete team ownership, institutional investors can now acquire meaningful stakes that provide exposure to sports assets while distributing risk across multiple investors.

These structures introduce heightened legal complexity—requiring careful attention to governance frameworks, control rights allocation, ownership limitations, and league approval processes—but they have substantially expanded the investor base.

Democratized Capital Access

Enables pension funds, private equity firms, and family offices to participate without deploying the massive capital required for majority control.

Consortium-Led Acquisitions

Increasingly prevalent in high-value and international transactions, allowing investors to pool capital and share governance responsibilities.

Broadening Interest

Women's sports, emerging leagues, and established franchises are all attracting serious institutional interest through these flexible minority stake structures.

Technology, Data Analytics, and Fan Engagement Platforms Emerge as Core Infrastructure

As the commercial demands of sports ownership have intensified, a surge of sports-adjacent businesses has emerged to help leagues and teams improve operations, diversify revenue streams, and capture value.

Sports Technology

Companies providing performance analytics, injury prevention tools, and integrated systems that serve as foundational infrastructure across the sports ecosystem.

Data & Fan Engagement

Firms monetizing fan behavior and predictive insights, alongside media platforms that distribute content and drive direct-to-consumer relationships.

Esports & Gaming

Esports infrastructure and gaming platforms that capture highly engaged, digitally native audiences and offer new avenues for commercialization.

Prediction Markets

The legalization of sports betting and prediction market systems have created legitimate financial systems intertwined with sports, media, and data.

Investors increasingly recognize that controlling the infrastructure that serves the sports ecosystem can generate more predictable returns, featuring recurring revenue models and high switching costs.

Stadiums Evolve from Venues into Integrated Entertainment and Commercial Hubs

Contemporary sports venues have transformed from simple playing fields into sophisticated commercial and entertainment platforms that generate revenue through multiple channels beyond ticket sales.

Investors recognize that stadium assets represent not merely real estate but sophisticated revenue-generating platforms.

This evolution has attracted real estate investors, hospitality operators, and entertainment companies to the sports sector, creating opportunities for hybrid investment structures.

- 1 Premium Hospitality & Retail**
Modern stadiums incorporate luxury suites, integrated retail, and high-end dining experiences that maximize per-capita spending.
- 2 Year-Round Utilization**
Venues now serve as locations for concerts, corporate events, and community gatherings, generating revenue beyond game days.
- 3 Data Analytics Integration**
Embedded infrastructure enables personalized fan experiences, targeted sponsorship activations, and dynamic pricing strategies.
- 4 Sports Betting Facilities**
Integration of betting infrastructure—now legal in numerous jurisdictions—creates substantial additional revenue streams for venues and teams.

Geographical Diversification, Technology Integration, and Institutional Capital Define Current Trends

Geographical Diversification

European investors, Asian capital, and Middle Eastern sovereign wealth funds are now competing alongside traditional North American investors for sports assets, creating a truly global marketplace.

Technology & AI Platforms

Integrated data systems, AI-powered performance platforms, and prediction markets have become foundational infrastructure, offering recurring revenue streams and high switching costs.

Institutional Capital Maturation

Sophisticated capital deployment strategies, operational expertise, and long-term investment horizons are replacing traditional, passion-driven individual ownership models.

Sports investment has transitioned from a speculative, passion-driven sector to a mature institutional asset class with professional governance, transparent valuations, and systematic risk management.

Women's Sports Achieve Commercial Significance and Attract Serious Institutional Capital

£1 Billion

Projected annual revenues for women's sports by 2030, representing a CAGR substantially exceeding traditional sports sectors.

"High-profile ownership groups—including celebrities and former athletes such as Serena Williams and Natalie Portman—have invested in women's professional football, signaling mainstream acceptance and commercial viability."

Revenues & Media Rights

Substantial growth in consumer engagement and sponsor interest has led major media companies to commit to long-term broadcasting agreements, providing essential revenue stability.

Franchise Expansion Fees

Expansion fees have escalated dramatically, reflecting genuine demand for equity stakes and demonstrating that opportunities extend beyond traditional male-dominated leagues.

Valuation Discipline

As the sector rapidly evolves from a niche into an institutional-grade category, rising valuations necessitate disciplined due diligence and rigorous valuation methodologies to ensure returns justify premium prices.

Regulatory Changes and Market Fragmentation Create New Investment Frontiers

Collegiate Athletics

Recent legal developments have materially reshaped the collegiate landscape, opening a sector that previously operated under restrictive governance frameworks.

- **House v. NCAA Settlement:** Permitted direct revenue sharing with student-athletes, fundamentally altering the economics of collegiate sports.
- **Alternative Capital Strategies:** Universities and conferences are exploring monetization of future commercial rights.
- **Private Partnerships:** Attracting private equity firms and sports investors to a previously closed ecosystem.

Youth Sports Sector

The youth sports sector represents a \$35+ billion market in the United States alone, characterized by significant fragmentation and operational inefficiency.

- **Consolidation Strategies:** Investors see opportunities to consolidate fragmented operators into larger platforms.
- **Technology Integration:** Implementing data analytics, performance tracking, and management systems across multiple properties.
- **Consumer Spending:** Capitalizing on rising consumer spending in a market with limited previous technology adoption.

Under-Levered Franchises and Inefficient Capital Markets Create Hybrid Finance Opportunities

~10%

Average Loan-to-Value in Sports

Despite record franchise valuations, most professional sports teams remain significantly under-levered. This capital structure inefficiency reflects historical conservatism among traditional lenders who treated sports as a niche sector.

The \$2.5 Trillion Gap: This creates substantial opportunities for hybrid and private credit solutions to unlock liquidity, optimize balance sheets, and capture equity-like upside with credit-like risk profiles.

50-70%

Typical LTV in Other Asset Classes

Innovative Structures: Investors with expertise in structuring complex debt and equity instruments are utilizing media rights securitization, revenue-based financing, and hybrid instruments to address this capital gap across teams, stadiums, and tech infrastructure.

International Sports Investment Trends (2024-2026)

Institutional Capital Dominance

Private equity, sovereign wealth funds, and pension funds now represent over 60% of sports investment capital globally.

- **Inflation Resistance:** Investors seek long-duration assets with strong demographic tailwinds.
- **Valuation Compression:** Top-tier franchises now trade at 8-12x EBITDA.
- **Consolidation:** Emergence of multi-club ownership models and global "super clubs."

Media Rights & Streaming Wars

Global sports media rights are valued at \$70B+ annually, outpacing traditional sponsorship growth by 3-4x.

- **Tech Giants Enter:** Amazon, Apple, and Netflix competing aggressively for live sports.
- **D2C Monetization:** Direct-to-consumer models enabling clubs to bypass traditional networks.
- **Global Reach:** Content distribution reaching previously untapped international markets.

Technology & ESG Integration

Data analytics and sustainability criteria are increasingly driving institutional investment decisions.

- **Performance Tech:** AI-driven player analytics and biometric wearables becoming standard.
- **Women's Sports Boom:** Receiving record investment (\$2B+ in 2024) driven by ESG mandates.
- **Sustainable Venues:** Carbon-neutral stadiums attracting premium valuations.

Regional (MENA) Sports Investment Trends

Saudi Arabia's Vision 2030 Dominance

Transforming the region into a global sports hub through massive sovereign wealth deployment.

- \$500B+ invested in domestic sports infrastructure and international franchises.
- PIF acquiring stakes in major global properties (e.g., Newcastle United, PGA/LIV Golf).
- Securing mega-events (World Cup 2034, Asian Games) to drive tourism.

UAE's Established Ecosystem

Dubai and Abu Dhabi operating as mature, tax-efficient regional sports capitals.

- Proven monetization in motorsports, golf, and cricket (IPL expansion).
- Free zones attracting international sports businesses and agencies.

Football Club Corporatization Wave

A region-wide shift from state-sponsored clubs to commercial, investable entities.

- Valuation multiples rising as governance and transparency improve.
- International investors acquiring minority stakes in major MENA clubs.
- Heavy investment in youth academies to reduce reliance on imported talent.

Digital Platforms & Esports Growth

Capitalizing on MENA's 400M+ internet users and digital-native youth demographic.

- Esports industry growing at a 25%+ CAGR across the region.
- Rapid expansion of localized fantasy sports and sports betting platforms.
- Content creation targeted specifically at Arabic-speaking audiences.

Egypt-Specific Sports Investment Trends

Regulatory Catalyst & Valuation Gap

Law 171 is reshaping the landscape, creating a unique window to acquire historically undervalued assets.

- Clubs transitioning to commercial joint-stock entities.
- Massive valuation upside: e.g., Al Ahly valued at €37M despite 110M+ fans.
- First-mover advantage for early institutional capital.

Niche Sports & Tech Boom

Rapid scaling of specific subsectors offering high margins and fast ROI.

- **Padel:** Scaled to a \$200M+ market with proven unit economics.
- **E-Sports:** Africa's #1 gaming market with 20M+ gamers.
- **Sports Tech:** Underserved market for AI coaching and analytics.

Demographic Tailwind

A massive, young population driving consumption across all sports verticals.

- **105M+ Population:** With 60% under the age of 25.
- Rising disposable income directed toward sports and fitness.
- Youth-driven demand for digital platforms and modern experiences.

Infrastructure Investment Wave

State-backed initiatives creating public-private partnership (PPP) opportunities.

- **EGP 45B Commitment:** Ministry of Sports funding for new facilities.
- Development of new stadiums, sports cities, and training complexes.
- Real estate opportunities tied to sports-adjacent developments.

How Regional Investors Are Deploying Capital in Sports

Sovereign Wealth Direct Ownership

Building global portfolios of premium assets while developing domestic capabilities.

- **Key Players:** Saudi Arabia's PIF and Abu Dhabi's ADQ.
- **Strategy:** Acquiring controlling or significant minority stakes in global franchises (e.g., Newcastle United, Manchester City).
- **Returns:** Operational cash flow, capital appreciation, and geopolitical soft power.

Domestic League Revitalization

Establishing professional leagues with international standards to attract global viewership.

- **Execution:** Attracting global superstars (Ronaldo, Benzema) to elevate competition.
- **Example:** Saudi Pro League (SPL) rapidly growing its media rights value.
- **Returns:** Sponsorships, ticketing, merchandise, and international broadcasting sales.

Mega-Event Hosting & Infrastructure

Securing global events to drive tourism, brand positioning, and long-term venue monetization.

- **Commitments:** World Cup 2034 (KSA), Expo 2020 (UAE), World Cup 2022 (Qatar).
- **Investment Scale:** \$50B-\$200B+ per mega-event including integrated sports cities and transportation.

International Franchise Expansion

Diversifying across multiple sports globally to maximize reach and revenue streams.

- **Cross-Sport Focus:** Investments spanning golf (LIV Golf/PGA), motorsports (F1), cricket (IPL), and esports.
- **Media Integration:** Acquiring broadcasting rights (e.g., beIN Sports) to control content distribution globally.

Developing the MENA Sports Ecosystem

Infrastructure & Venue Development

Building state-of-the-art facilities through government-led initiatives and private partnerships.

- **Scale:** \$1B-\$10B+ investments per major venue or integrated sports city.
- **Examples:** Lusail Stadium (Qatar), Yas Island (UAE), Sports Boulevard (KSA).
- **Impact:** Creates jobs, attracts international events, and generates long-term venue revenue.

Talent Pipeline & Academies

Establishing world-class training centers to develop homegrown talent and reduce import dependency.

- **Partnerships:** Collaborating with international clubs for knowledge transfer.
- **Timeline:** A 10-15 year horizon to see significant impact on national team performance.
- **Returns:** Player transfer fees and export revenue from developed players.

Grassroots & Sports Tourism

Promoting mass participation while building integrated sports-tourism destinations.

- **Community:** Funding youth programs to build sports culture and identify early talent.
- **Inclusion:** Significant investment in women's sports leagues to align with global ESG trends.
- **Hospitality:** Building resorts and entertainment venues around sports events to diversify the economy.



Successful Sports Investors Prioritize Brand Value, Revenue Diversification, and Governance Quality

Global Investment Criteria

Brand Value & Fan Loyalty

Emotional fan loyalty creates resilient revenue streams and provides pricing power for sponsorships and media rights.

Revenue Diversification

Generating income from multiple sources—media rights, sponsorships, merchandise, digital engagement, and stadium operations.

Digital Platform Leverage

Direct-to-consumer relationships enable data collection, personalized marketing, and e-commerce opportunities.

Governance Structures

Effective leadership and clear strategic vision are prerequisites for operational improvement and value creation.

Egypt-Specific Due Diligence

Regulatory Compliance

Strict adherence to Sports Law No. 171 of 2025 and proper structuring as a commercial joint-stock company.

Financial Transparency

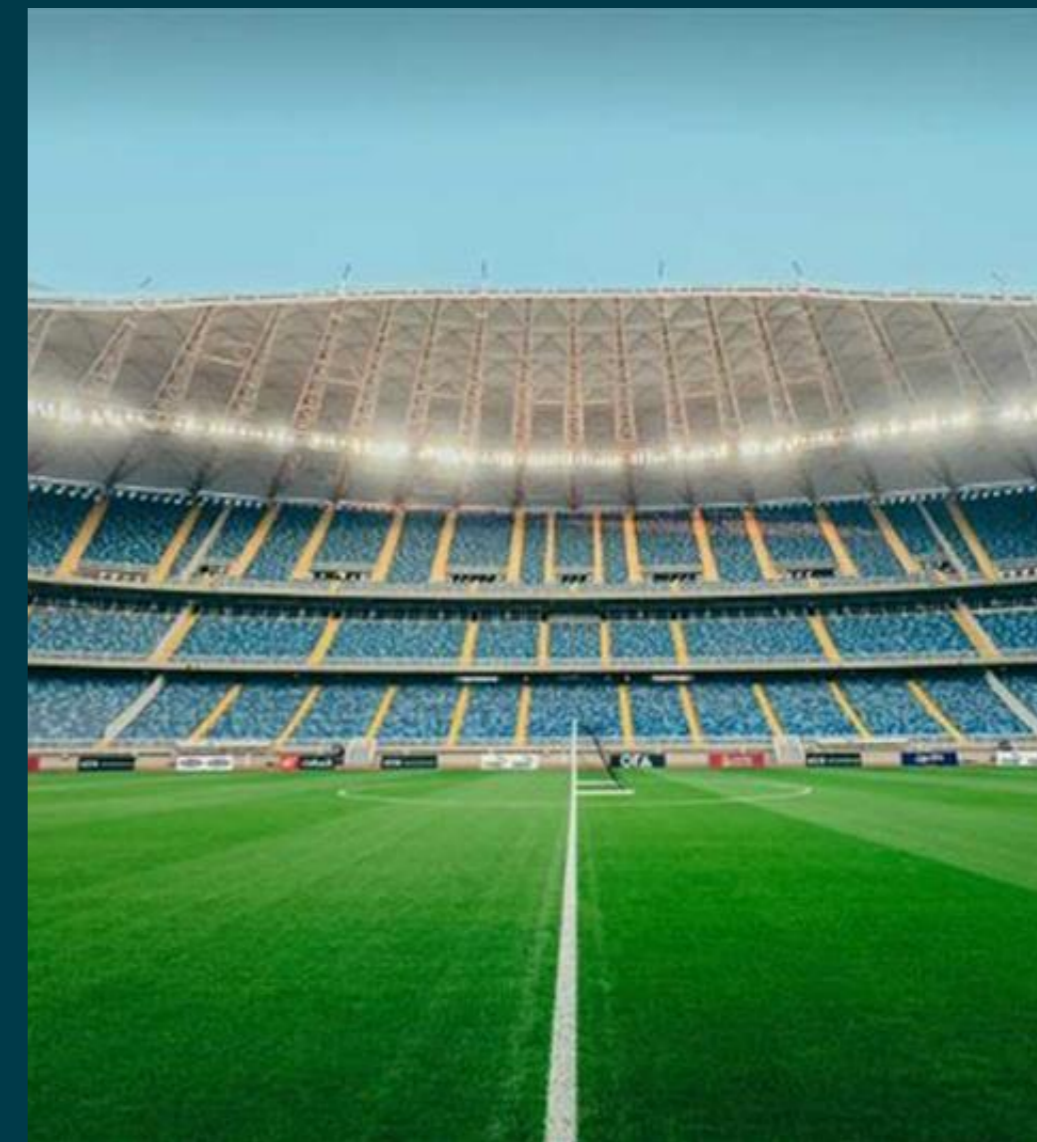
Rigorous evaluation of financial reporting systems transitioning from non-profit association models to corporate standards.

Market Dynamics

Assessment of competitive intensity and barriers to entry within specific high-growth subsectors (e.g., esports, padel).

Management Quality

Evaluating the management team's capability to execute commercial strategies in a newly deregulated environment.



Sports Investment Requires Sophisticated Risk Management Despite Asset Class Resilience

Key Investment Risks

Fluctuating Team Performance

Unsuccessful seasons can directly reduce sponsorship value, merchandise sales, and fan engagement.

Regulatory & Compliance Hurdles

Evolving sports regulations and stringent governance requirements pose ongoing challenges.

Revenue Concentration

Heavy reliance on sponsorship and broadcasting deals creates vulnerability to shifts in consumer behavior.

Unpredictable Events

Injuries, scandals, or geopolitical disruptions can impact financial outcomes and valuation multiples.

Egypt-Specific Macro Risks

Potential political instability, currency fluctuations, and macroeconomic cycles affecting consumer spending.

Mitigation Strategies

Diversified Portfolios

Spreading capital across multiple assets, geographies, and subsectors to reduce concentrated exposure.

Rigorous Due Diligence

Identifying asset-specific vulnerabilities before capital deployment.

Long-Term Horizons

Structuring investments to accommodate cyclical performance variations inherent in sports.

Active Management

Implementing operational improvements and aggressive revenue diversification strategies.

Protective Deal Structuring

Including governance protections, performance-based earn-outs, and contingency provisions.

Multiple Entry Points Enable Investors to Participate in Egypt's Sports Opportunity

Direct Team Ownership

Acquiring controlling or minority stakes in Egyptian sports clubs to implement operational improvements and revenue diversification. Offers direct exposure to sports assets and potential for significant appreciation, requiring substantial capital and operational expertise.



Technology & Platforms

Capital deployment in esports, sports analytics, fan engagement platforms, and sports betting infrastructure. Offers scalability and recurring revenue models in sectors exhibiting 20%+ growth rates, requiring technology expertise.



Sports Infrastructure

Stadium modernization, facility construction, and venue operations (like padel courts). Appeals to real estate-focused investors and infrastructure funds, generating predictable cash flows through facility rental and operations.



Media & Broadcasting

Acquiring rights to distribute Egyptian sports content or developing streaming platforms serving the Egyptian market. Consortium structures enable multiple investors to pool capital and share risk in these high-value transactions.



Continued Liberalization, Institutional Participation, and Sector Expansion Define the Investment Outlook

Global Expansion

Further relaxation of ownership rules in established leagues will continue to democratize access to sports assets and expand the investor base.

Expansion into adjacent sectors—including sports-related real estate, betting, and wellness platforms—will broaden the investment opportunity set beyond traditional team ownership.

Egypt's Trajectory

The post-regulatory-transformation period will likely witness rapid institutional capital inflows, normalization of valuations, and consolidation of fragmented operators.

Early-stage investors who deploy capital during this window—before broader institutional participation normalizes valuations—can capture significant value creation.

Exit & Liquidity

Market participants should anticipate increased exit activity as earlier investments reach maturity.

This will create liquidity events and demonstrate return profiles that will attract additional institutional capital, further cementing sports as a mature institutional asset class.

Egypt: Catalysts for 2026-2030: Five Converging Forces Driving the \$8B Market

1

Regulatory Unlock

Sports Law No. 171 of 2025 enables club corporatization for the first time in Egyptian history, removing legal barriers to private equity participation and establishing independent dispute resolution.

3

Undervalued Assets

Egyptian clubs are significantly undervalued relative to global comparables (e.g., Al Ahly valued at €37M despite 110M+ passionate fans), offering attractive entry points for institutional capital.

5

Regional Momentum

The MENA sports market is growing at 8.7% annually. Egypt represents the last major market to open to private capital, leveraging an organic fan base and cultural infrastructure already in place.

2

Demographic Dividend

61% of Egypt's population is under 30 years old, representing the largest youth cohort in the MENA region. These digital-native consumers exhibit unprecedented sports consumption patterns.

4

Infrastructure Wave

EGP 45 billion in committed infrastructure investment, including the New Capital Sports City, Red Sea Olympic Village, and 157 new youth centers across 27 governorates.

Egypt Ministry's Investment Plan: Strategic Vision and Infrastructure Wave

Strategic Vision: The \$8B Target

The Ministry aims to transform Egypt's sports sector from a state-subsidized service into a commercially investable asset class.

- **Current Market:** \$3.5 billion (1.34% of GDP)
- **Target by 2032:** \$8 billion+ (3% of GDP)
- **Implied Growth:** 2.3x expansion (15-20% CAGR)

Infrastructure Development

EGP 45 Billion Committed to build out world-class facilities:

- **New Capital Sports City:** 93,000-seat stadium and Olympic aquatic center.
- **Red Sea Olympic Village:** 225 acres, sports tourism anchor (completion 2028).
- **Emaar Red Sea Megaproject:** LE 900 billion sports-centric community.
- **Grassroots:** 157 new youth centers across 27 governorates.

Sector-Specific Growth Initiatives

- **Football (The Anchor):** Corporatize and list clubs publicly. Capitalize on the 110M fan base and historically undervalued assets like Al Ahly.
- **Women's Sports:** Dedicated investment to capture the projected £1 billion global revenue by 2030.
- **Padel & Racquet Sports:** Scaling a proven model (500+ courts, 18-24 month ROI) across the MENA region.
- **E-Sports & Gaming:** Building infrastructure for Africa's #1 gaming market (20M+ active players, \$368M revenue).

Club Corporatization & Capital Markets

Facilitating the first wave of club conversions to joint-stock companies and supporting public offerings on the Egyptian Exchange (EGX), enabling minority stake investments and consortium ownership structures.

The Athletes' Investment Fund: Empowering Talent and Monetizing IP

Financial Security & Development

- Provides salary guarantees and performance-based compensation structures.
- Supports retirement and post-career transition planning.
- Ensures comprehensive healthcare and injury insurance coverage.
- Funds education and essential skills development programs.

IP Monetization & Ventures

- Monetizes image rights, personal brand licensing, and digital content.
- Facilitates high-value sponsorship and endorsement deals.
- Provides capital for athlete-founded sports technology startups.
- Invests in athlete-led media, content production, and academies.

International & Women's Focus

- Attracts top international talent to Egyptian leagues.
- Captures upside from transfer fees and player export pipelines.
- Allocates dedicated capital for women's sports development.
- Ensures equal opportunity investment in female athletes.

Strategic Value for Investors:

The fund provides institutional investors exposure to the rapidly growing athlete IP monetization market, offering diversified, recurring returns from endorsements, ventures, and transfer fees, while aligning with ESG objectives and supporting the implementation of Law 171.

Entry Points for Angel Investors & Startups in Egypt

Low-to-Moderate Capital Pathways in Egypt's Sports Sector

Sports Tech & SaaS Platforms

Seed: \$100K - \$500K

Highly scalable software models catering to Egypt's 20M+ gamers and growing athlete population.

- AI coaching and performance analytics software
- Fan engagement and fantasy sports applications
- Recurring SaaS revenue with minimal physical infrastructure

Padel & Recreational Facilities

Setup: \$150K - \$400K

Proven unit economics with rapid ROI (18-24 months) driven by high consumer demand.

- Establish 4-6 courts with basic amenities
- Recurring revenue via memberships and hourly rentals
- Highly scalable model for secondary cities

Specialized Talent Academies

Setup: \$250K - \$1M

Developing Egyptian youth talent in football, padel, or e-sports while generating steady cash flow.

- Monthly membership fees and corporate training programs
- Supported by Law 171 tax incentives for establishment
- Long-term upside through player development and transfers

Sports Content & Digital Media

Seed: \$50K - \$200K

Digital-first platforms serving an underserved, sports-obsessed demographic with localized content.

- Podcasts, YouTube channels, and niche streaming platforms
- Monetization via sponsorships, ads, and subscriptions
- Fully remote operation with low barrier to entry

Egyptian Sports Investment Opportunities

Tier 1: Highest Conviction (Deploy Now)

Padel & Racquet Sports **18-24 Mo ROI**

Proven unit economics scaling from zero to a \$200M+ industry in 5 years. Clear expansion opportunities beyond coastal cities with recurring membership revenue.

Sports Analytics & Wearables **22-25% CAGR**

High-growth ecosystem ripe for seed funding in biometric wearables, data-driven performance tracking, AI coaching, and advanced player analytics for clubs and academies.

Sports Real Estate **Infrastructure Anchor**

Leveraging EGP 45B in committed state infrastructure to develop multi-purpose arenas, sports tourism resorts, and integrated residential academies.

Tier 2: High Conviction (Build Position)

Football Club Corporatization **Largest Asset Class**

Capitalizing on Law 171 to acquire stakes in historically undervalued clubs (e.g., Al Ahly valued at €37M despite 110M fans) ahead of public offerings.

E-Sports & Gaming **23.6% CAGR**

Building infrastructure (arenas, franchises, studios) for Africa's #1 gaming market, capturing a highly engaged, digital-native audience of 20M+ players.

Women's Sports Development **ESG Alignment**

Early-stage investment in women's football leagues, fitness centers, and academies to capture the global trend toward a £1B women's sports market.

Amendments to Egypt's Sports Law and Investment Potential

Governance & The Turning Point

Amendments to Law No. 171 align Egyptian sports with international standards, balancing independence with oversight.

- **Sports Service Companies:** Clubs can establish companies to increase revenues and financial flexibility.
- **Joint Stock Conversion:** A turning point allowing clubs to become joint stock companies, opening doors to external financing.
- **Investor Protection:** Clear mechanisms for registering entities, intellectual property, and trademarks.

Practical Steps for Establishment

Establishing a sports entity requires careful procedural steps via GAFI (General Authority for Investment).

- **Phase 1 (Legal Form):** Choose Joint Stock Company for large projects (requires Ministry/Olympic approval) or LLC for smaller services like academies.
- **Phase 2 (Licensing):** Utilize GAFI's "one-stop" system for Commercial Registry and Taxes, then obtain sports licenses.
- **Phase 3 (Incentives):** Apply for tax exemptions and duty-free imports, maximizing benefits in development zones.

Navigating Challenges & Disputes

Overcoming administrative hurdles requires clear advance strategies.

- **Land Allocation:** Secure land via long-term state usufruct or Public-Private Partnerships (PPP) based on approved engineering plans.
- **Investment Disputes:** Resolve government/tax issues quickly via Prime Ministerial investment dispute resolution committees.
- **Sports Arbitration:** The newly established independent Egyptian Sports Settlement and Arbitration Center handles purely sporting/commercial disputes.

Egypt's Sports Law No. 171 of 2025: Regulatory Transformation Enabling Commercial Participation

1

Commercial Joint-Stock Companies

The law lets traditional clubs form or convert into commercial joint-stock companies.

- Permits private equity and institutional ownership.
- Allows listing on the Egyptian Exchange to raise capital.

2

Financial Transparency & Governance

Clubs must adopt corporate governance and clear financial reporting to attract investors.

- Standardized reporting and independent audits.
- Separation of community and commercial operations.
- Clear rules for foreign direct investment.

3

Independent Dispute Resolution

The law creates a single, independent arbitration body for sports commercial disputes.

- Establishes the Egyptian Sports Arbitration Center.
- Aligns procedures with international arbitration standards.

By dismantling the legacy non-profit model, Law No. 171 creates a legally secure, investable framework that unlocks Egypt's \$8 billion market potential.

Regulatory Transformation and Demographic Tailwinds Position Egypt as the Next Sports Investment Frontier

Regulatory Unlock

Law 171

Passed in August 2025, Sports Law No. 171 fundamentally transformed the regulatory environment, permitting sports clubs to become **commercial joint-stock companies** for the first time.

It established a dedicated Sports Arbitration Center and mandated financial transparency, converting state-subsidized services into investable corporate entities.

Demographic Advantage

61%

61% of Egypt's population is under age 30, representing the **largest youth cohort in the MENA region**.

This provides a massive demographic tailwind for sports consumption, participation, and digital engagement.

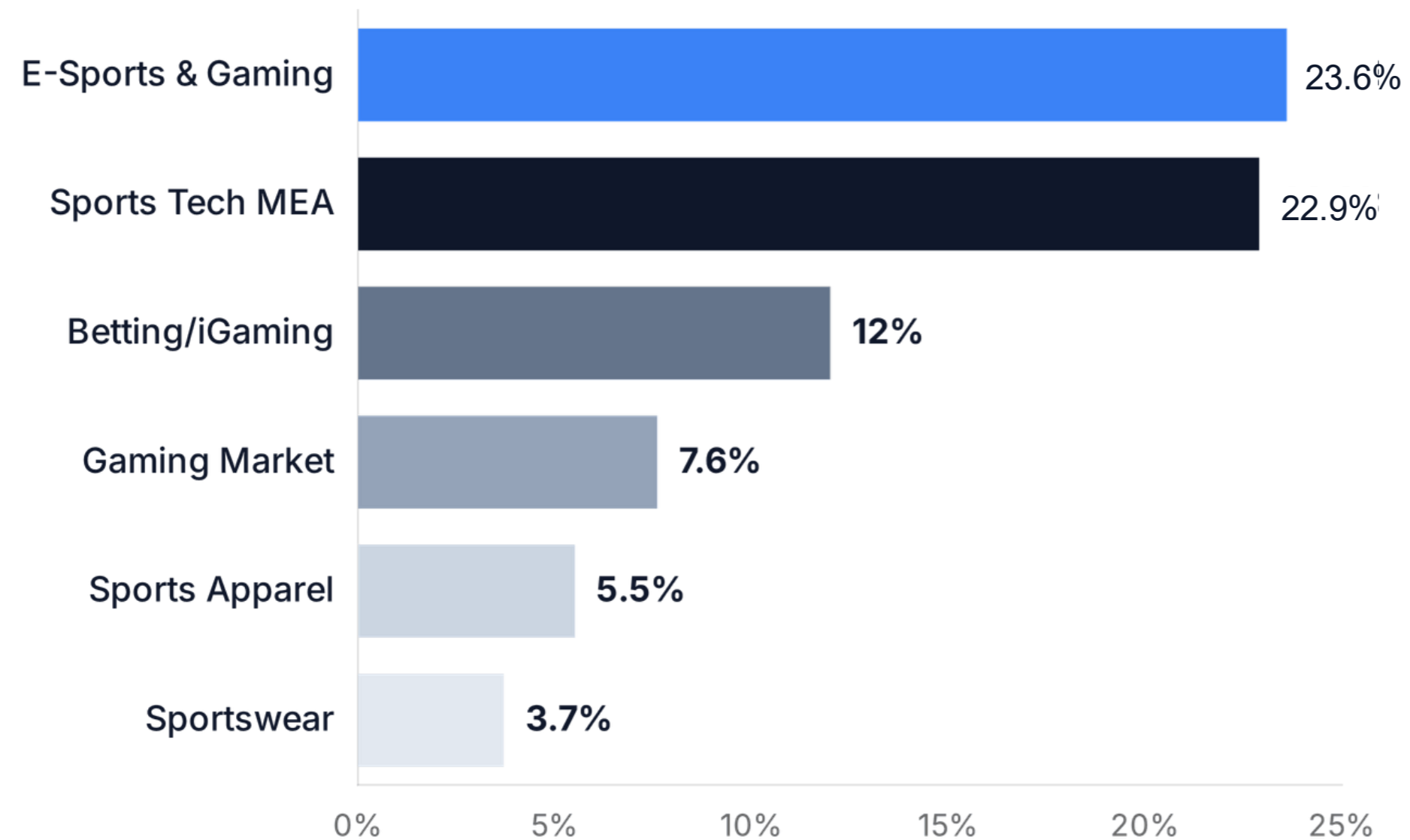
Market Expansion

\$8B Target

The Egyptian sports market currently measures \$3.5 billion (1.34% of GDP) with a target of reaching \$8 billion by 2032.

This represents a **2.3x expansion** reflecting 15-20% implied compound annual growth rates, creating a unique window for early-stage investors.

E-Sports, Sports Technology, and Padel Demonstrate Exceptional Growth Trajectories



Egypt's sports market exhibits highly differentiated growth rates across subsectors, revealing where capital deployment will generate the strongest returns.

These subsector dynamics reveal that the highest-growth opportunities lie in technology, digital engagement, and esports—sectors that leverage Egypt's digital infrastructure and young population.

Investors should prioritize subsectors with 20%+ CAGR where market fragmentation and operational inefficiency create consolidation opportunities, rather than mature sectors with single-digit growth rates.

Padel's Explosive Growth Demonstrates Proof-of-Concept for Sports Commercialization in Egypt

500+

Courts in Egypt

Grew from essentially zero courts in 2019, making it the fastest-growing sport in the country by court count.

EGP 3-5M

Average Investment

Capital required per facility to develop high-quality, commercial-grade padel infrastructure.

18-24 Mo

ROI Timeline

Exceptional return on investment timeline for well-located facilities, generating consistent cash flows.

Padel's success validates several critical hypotheses for investors in Egypt:

- 1. Premium Demand:** Egyptian consumers will pay premium prices for quality sports facilities.
- 2. Attractive Returns:** Sports infrastructure generates highly attractive returns on investment.
- 3. Rapid Consolidation:** Fragmented, operator-driven markets can rapidly consolidate around successful business models.

Sports Investment Represents a Compelling Opportunity for Institutional Capital Seeking Resilient, Scarce Assets

1

Global Sector Maturation

The \$2.5 trillion global sports ecosystem has matured into an institutional-grade asset class characterized by durable revenue streams, exceptional resilience, and compelling growth prospects.

2

The Egyptian Window of Opportunity

Regulatory transformation (Law No. 171) and demographic tailwinds have created a once-in-a-decade window to acquire assets at pre-institutional valuations before capital flows normalize market prices.

3

High-Velocity Subsectors

Subsectors including esports, sports technology, and padel infrastructure offer 20%+ compound annual growth rates and exceptional return potential compared to mature traditional leagues.

4

The Financing Gap

With franchises under-levered at ~10% loan-to-value, there are substantial opportunities for hybrid and private credit solutions that capture equity-like upside with credit-like risk.



The Future of Sports Investment is Now

The convergence of institutional capital, regulatory evolution, technological innovation, and demographic tailwinds has created an unprecedented opportunity.

Egypt stands at the forefront of this transformation, offering a unique combination of regulatory clarity and market underdevelopment for sophisticated investors seeking resilient, high-growth assets.

Deploy capital before broader institutional participation normalizes valuations.

Investia Capital Group

contact@investiacapital.com

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