



BUSINESS OVERVIEW

**An African SPORTS BRAND,
with a PLATFORM that ENABLES ATHLETES,
to perform on the WORLD STAGE.**

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PROTOUCH

“THE TOUGHEST CHALLENGE OUR ATHLETES FACE, IS THAT OF FUNDING.

More specifically, in the world of PROFESSIONAL CYCLING, throughout history - *unlike most other sports* - almost totally dependent on commercial sponsorship, for its financial viability.

Rebecca Eliot – Impact Engineer, #SupportSATalent

EXECUTIVE SUMMARY

PROTOUCH™ is an African Sports brand, focussed solely, on enabling Athletes to perform on the World Stage. Our vision is to revolutionize Professional Cycling in Africa, by building a sustainable business [beyond sponsorships] that supports high performance.

Professional Cycling must reduce its reliance on sponsorship, and develop new ways of bringing in revenue for the sport, if it is to survive. Prioritizing assets that introduce alternative incomes and recognizing that engaging and monetising its cycling enthusiast fan base as well as new audiences, is the **most** important economic driver for survival of the sport.

Centred around the number one UCI-ranked Continental Road Cycling Team in Africa - PROTOUCH™ Pro Cycling - we have assembled an ecosystem that encompasses a range of commercial initiatives to support the development of top performing African Athletes while, **unlocking value for fans, brands and investors.**

WHY DOES CYCLING HAVE SUCH A RELIANCE ON SPONSORSHIP?

Among the most obvious differences between Cycling and almost all other sports, is a venue. Most other sports are played in stadiums, where owners or organizers sell tickets and charge admission, creating a revenue stream that supports the sport. Athletes, Teams, organizers and even governing bodies regularly share in the profits, directly or indirectly through the creation of an expectation that the spectacle is worth paying for.

Yet, along 200 kilometers of roads, there is no gate fee. The very nature of traditional road racing means that this source of revenue has not been available. For this and other reasons outlined below, cycling has always wrestled with massive financial challenges for growing professional cycling and ultimately imposed a natural ceiling on making money in the sport.

In addition to the above, Teams do not typically produce equipment or clothing, so they do not make money from merchandise sales. Teams also do not organise races so, they do not make money from the broadcast rights either.

Professional Cycling has simply not evolved... The key challenges imposed by the sponsorship-revenue model are:

- The short-term nature of investment, with the financial future of Athletes, Teams and events partly or wholly reliant on poorly monitored sponsorship return on investment of the ongoing charity of a handful of cycling enthusiasts with control of significant marketing budgets.
- The disparity in investment focus between Teams and events, with the former regularly proving more appealing to sponsors than the latter. This in turn creates vast inequality between World Tour teams and significant under-investment in the development of compelling events and races.

This unstable financial atmosphere has led to a state of perpetual economic uncertainty, that affects those in the sport and discourages new investment.



HOW DO WE PLAN TO CHANGE THE BUSINESS MODEL?

We have developed a new business model - an integrated African Sports Brand, comprised of multi-Continental and National Team partnerships, alongside athlete agency and development - interconnected through content, distribution and fan engagement – and, enabled by mobile technology.

We are building an aggregated Pan African Cycling **FAN ENGAGEMENT & ATHLETE IMPACT PLATFORM**, where cycling enthusiasts - with an affinity to African Athletes – can enjoy the latest Team and Athlete-related news, statistics, race and athlete rankings and fan experiences. With aggregated social media and moderated fan chat, we will help African Cycling Teams and Athletes to engage and manage fan communities and drive new revenues from merchandise, crowdfunding, sports betting, broadcasting content and brand activation.

BACKGROUND - WHERE DID IT ALL BEGIN?

It was back in 2016 that several first year U23 South African riders found themselves effectively without teams. Financial backing was becoming increasingly hard to find, the knock-on effect being little growth and opportunity in the club teams.

Enter PROTOUCH™, a new and self-funded team set up to cater for U23 South African road cycling talent. With the vastly experienced Tony Harding at the helm, our self-funded team set out with a singular focus: to enable South African riders to perform. And how this goal has manifested itself.

In its first three years, PROTOUCH™ went from strength to strength, culminating in overall victory at the 2018 SA Road Cycling Series and countless other domestic racing victories. Seven PROTOUCH™ riders were selected for National Team duty that year, and the Team achieved four podium finishes in the toughest of African stage races – the Tour du Rwanda.

Despite this home-ground success, it was clear that focussing solely on South African racing was not preparing our Athletes for international racing. Local events cater primarily for mass-participation and, shorter racing distances. Coupled with the limited spectator value and media coverage, attracting sponsorship and investment was still proving to be difficult. The unsustainable Federation model was also impacting on National Team participation by our athletes, as these too remained self-funded.

SO, WE EMBARKED ON SOMETHING MUCH BIGGER...

We commenced with building a South African sports brand, focussed on enabling Athletes by recognising talent, building fan engagement and creating funding opportunities and, getting more [South] African athletes onto podiums around the world. This is our just cause and a snapshot of our ecosystem:



PROTOUCH™ PRO CYCLING TEAM is the top-ranked Continental Team in Africa, based on UCI Points it is ranked 5th in Asia and in the Top 25 ranked Continental Teams in the World. Recently we also announced our plan to launch the **PROTOUCH™ E-SPORTS DEVELOPMENT TEAM** aimed at 13 - 18 year olds and focused new E-Sports racing.

SUPPORT SA TALENT™ recognises South African talent and created a platform upon which, to build athlete-funding opportunities. The SUPPORT SA TALENT™ Project includes: our National Road Cycling Series – *which tracks and ranks over 1 000 athletes, across 30 road cycling events annually*; our Virtual Racing Series - *using our own event on Zwift*; a Virtual Events Solution - *to manage E-Sport event entries, results and live streaming*; a range of Professional Athlete Services; and, our Marketplace – *where cycling enthusiasts can access preferentially-priced products, while supporting athletes*.

FUND YOUR PASSION™ provides a crowdfunding capability; an Athlete Impact Investment Fund, that leverages the South African National Treasury-approved Section 12J Investment Channel and soon-to-be launched Athlete Rewards Programme.

TOUR DE AFRICA™ is a broadcast rights property that will present a “Grand Tour” Pursuit - to take-on over twenty one iconic routes from South Africa and, our Continent - covering over 1 000km and 13 000m of vertical elevation. By participating in this Pursuit via our STRAVA Club or on KINOMAP [as they become available] cycling enthusiasts will be featured on our leader boards, earn points for completing presented segments and improving their rank and, bonus points for participating in *Real-Life Pursuits* as well as completing *Sprint and Climb Pursuits*. These points will accumulate to crown the overall Tour de Africa Champion in 2021 and enable the unlocking of even more rewards, as part of our Fund Your Passion Athlete Rewards Programme.

THE PHIL LIGGETT FOUNDATION™ – in partnership with Phil Liggett, the global voice of cycling - *is a non-profit organisation set up to further enable athletes onto the World Stage*. It is focussed on raising funds for athletes participating in UCI Continental Teams and SA National Team and, supported by National Road Champions, Ryan Gibbons and Ashleigh Moolman Pasio as well as ex professional SA rider, commentator Johnny Koen.

“With only two South African riders on the start list of the 2019 Tour de France and South Africa having only just qualified for just three invitation for the Tokyo Olympics - investing in this dream could not have come at a more opportune time in South African Cycling”

- Phil Liggett – Global Voice of Cycling.

All of these components in our ecosystem aggregate into the PROTOUCH™ Fan Engagement Platform – powered by BLOCKSPORT – which is a internationally developed, white-labelled solution [exclusively licensed to ProTouch in Africa].

The BLOCKSPORT Platform enables Athletes, Clubs, Teams and the Sports Industry, to access new revenue sources, engage their fan community and analyse brand visibility and interaction with sponsoring brands. This mobile solution, will first focus on aggregating Cycling in Africa while engaging other sporting codes and territories in Africa.

HERE IS OUR JOURNEY SO FAR...

- 2018** Launched the SUPPORT SA TALENT™ Project, focused on recognizing local talent and run a National Road Cycling Series, that tracks over 1 000 athletes for two years now. We started using crowdfunding and developed the Fund Your Passion Crowdfunding Platform, to enable Athletes and Teams to raise funds for various projects.
- 2019** Registered a Continental Elite Men’s Road Cycling Team – around a core of South African riders – with the aim to become the #1 Team in Africa and, to ride for something bigger than just a Team. In our maiden year - racing



alongside top African, Asian, American and European Continental and Pro Continental Teams - we competed in twenty UCI events, in thirteen countries on four continents and more than 11 500km of racing.

We finished off our 2019 season with: four Stage Wins; four Sprinters Classification Jerseys; nine Top 10 General Classification finishes; sixty-eight Top 10 Stage Finishes; thirty-two Top 20 Stage Finishes; and, a Gold/ Silver Medal at the African Games. We are the #1 Team in Africa.

Managed the travel and logistics requirements, not only for our own Team but also to the SA National Team participating in the 2019 African Games as well as the 2020 African Continental Championships (unfortunately postponed in March due to Covid-19 lockdown). Through third party partnerships, we co-ordinate travel and healthcare cover also for professional athletes and, brand building and social media management for athletes.

Developed the ability to provide South African Investors the opportunity to invest in and, maximise their tax allowance under Section 12J of the Income Tax Act. By leveraging the South African National Treasury-approved Section 12J Investment Channel, Investors benefit from both the tax deduction and, a return on their full investment.

2020 Launched The Phil Liggett Foundation, in partnership with the Global Voice of Cycling and set up its committee which includes: South African Women's National Road and ITT Champion, Ashleigh Moolman Pasio and Men's National Road Champion, Ryan Gibbons and former pro cyclist, MC and Commentator, Johnny Koen.

Launched the first phase of our Marketplace and commenced negotiations with various brands that provide a % of value back on each purchase, these flow into the Phil Liggett Foundation to Support SA Talent.

During the COVID-19 Lockdown, PROTOUCH™ extended its Road Cycling Series Series to launch the Virtual Racing Series, providing South African cyclists and their teams a platform to showcase their athletic ability and give their sponsors coverage. The Series has over 200 registered South African riders, who have participated in 16-weeks of competitions, using its own registered event on the Zwift Platform.

We developed a proof-of-concept e-Sports Solution - for teams, event organisers and fundraising initiatives, in partnership with First Digital and Beyond Sound. The e-Sports Solution encompasses: *an entry and results management system - enabling entries and publishing of results, seamlessly off the underlying virtual platform; the collection of entry fees and/ or donations for charities and causes as well as facilitating the pay-aways to various parties, using an innovative QR code technology integrated into popular Mobile Payment Applications, and our Crowdfunding Platform.* In addition, we also live stream these virtual events, onto multiple channels (social, website and traditional broadcasting) with expert commentary by ex professionals and current pro riders and, current team owners.

We are now in the final development stages of the **TOUR DE AFRICA** - a Grand Tour Pursuit, challenging cycling enthusiasts to ride over twenty one iconic routes, covering more than 1 000km and 13 000m of vertical elevation. By registering for this PURSUIT, participants will be featured on our leader boards, earn Points for completing selected routes - published on STRAVA - and, improving their rank. Earn Bonus Points for participating in real-life activations and Races, as well as completing Sprint and Climb Pursuits. Points accumulate to unlock EVEN MORE REWARDS, as well as to crown the overall TOUR DE AFRICA CHAMPION in 2021.

We are also working with the Italian Chamber of Commerce in South Africa on bringing the **GIRO D'ITALIA #RIDE LIKE A PRO EVENT** to Africa. Giro d'Italia Ride Like a Pro is a unique and exciting cycling experience. It is a competitive & non-competitive race. Its goal is to enable all cycling fans to have a "riding like a pro and living the Italian-style" experience. The idea is closely connected to the Giro d'Italia and gives everyone the possibility to have a professional cycling experience, celebrating the values of Italian sports in general and of cycling in particular: sacrifice, physical effort, fair play, over 100 years of "pink" tradition along with an innovative race. The intent is that the PROTOUCH Project will be the beneficiary of this event further enabling more African Athletes onto the World Stage.

WE ARE INVITING INVESTORS TO BE PART OF THIS EXCITING JOURNEY – to take our country and continent to the World - using CYCLING AS THE PLATFORM – and, enabling more African athletes onto the world stage.

