

Mr. Mark Alexander
President
Mr. Rian Oberholzer
CEO
South African Rugby Union
By email

5 December 2024

Dear Messrs Alexander and Mr. Oberholzer,

EXPRESSION OF INTEREST TO ACQUIRE AN INTEREST IN THE COMMERCIAL RIGHTS OF THE SPRINGBOKS (THE "PROPOSED TRANSACTION")

Introduction

As a South African-led consortium of strategic partners, including Altvest Capital, 27four Investment Managers, EasyEquities, and RainFin, we are pleased to present our expression of interest in the Proposed Transaction. Together, we propose a transformative and inclusive partnership model to acquire a significant (estimated 20-40%) equity stake in the South African Rugby Union's (SARU) commercial rights for the Springboks.

Further, we are open to, and indeed welcome collaboration with other interested parties, including other South African entities, international partners and/or competing bidders.

Our proposal is specifically designed to align with SARU's long-term objectives, including financial sustainability, inclusivity, transformation, and global brand expansion. By uniting the expertise of the consortium across asset management, private equity, retail and institutional distribution, and sports commercialization. This partnership will unlock substantial value for SARU, ensuring operational and financial efficiency while safeguarding its governance and control.

The consortium's collective resources and strategic alignment will empower SARU to scale the Springboks' brand globally, expand fan engagement, and foster grassroots rugby development. This collaboration embodies the shared vision of transforming the Springboks into a model of excellence, benefitting stakeholders at every level—from fans and players to institutional investors.

Key features of our proposal

Altvest will structure and manage a stakeholder-focused investment structure, which will:

- Allow strategic shareholders (institutions, venture partners, and high-net-worth individuals) to invest;
- Enable retail and institutional investors to acquire listed shares on regulated exchanges through EasyEquities, South Africa's largest retail brokerage, ensuring economic exposure to the Springboks' commercial growth;

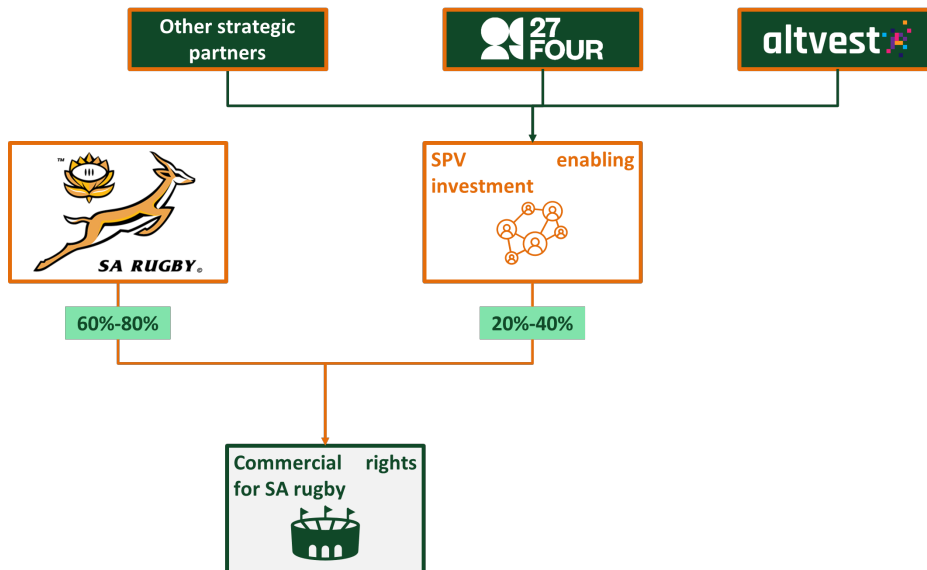
Altvest Capital Limited **Registration Number:** 2021/540736/06 **Address:** Block B, 66 Rivonia Road, Sandton, 2146

Directors: Stafford Masie (Independent Chairman), Warren Wheatley (Chief Executive Officer), Fay Mukaddam, Henk Barnhoorn, Joanne Baynham, Bright Khumalo, GG Alcock, Khaya Sithole

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- Incorporate an appropriate component of debt instruments to optimise the overall cost of funding and attract large-scale investment from fixed-income asset managers and pension funds;
- Allow for sponsorship-backed share schemes, enabling players and staff at all levels (current and prior) to purchase ownership stakes and align their financial interests with SARU's success;
- Will allow for the participation of the Unions through a re-investment mechanism.

Ownership structure



Overview of our proposed structure

Strategic partners will invest in a special purpose vehicle (SPV) that will acquire a 20-40% stake in SARU's commercial rights. This approach aligns external stakeholders with the success of SA Rugby while providing necessary capital. Despite external investment, SARU will maintain a controlling stake of 60-80%, ensuring governance, decision-making authority, and strategic oversight remain within the organization. This provides Saru with:

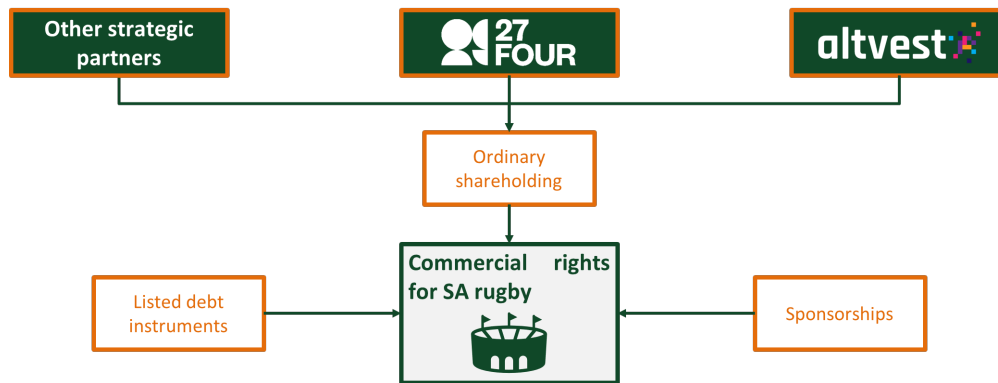
- Funding and expertise: This structure provides SARU with essential funding and access to the expertise of strategic partners to grow and modernize its commercial operations;
- Alignment with SARU's goals: By collaborating with proven partners, SARU benefits from enhanced commercial strategies, streamlined operations, and innovative fan engagement methods while safeguarding its cultural identity and autonomy;

Funding structure

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The funding for this transaction is derived from three distinct sources:

1. **Ordinary Shareholding:** Strategic partners will acquire a minority stake (20-40%) in SARU’s commercial rights, ensuring alignment with SARU’s objectives and contributing expertise for the growth of the Springboks’ brand;
2. **Listed Debt Instruments:** Institutions and fixed-income investors will participate through listed debt instruments facilitated by South African debt arrangers. This channel enhances equity returns, provides stable funding, and diversifies the capital base with long-term investments suited for institutional mandates;
3. **Sponsorship Contributions:** Corporate sponsorships will allow companies to fund shares for players, enabling them to gain equity in SARU’s commercial rights. This aligns players’ interests with the financial success of the Springboks and fosters shared value within the rugby ecosystem.

Enabling all South Africans to participate

Altvest’s model prioritises inclusivity by inviting institutional and retail investors to own a stake in SA Rugby’s commercial growth. This ensures shared ownership across fans, players, staff, unions, and pension funds and aligns with national and SARU’s goals of economic empowerment and transformation.



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This innovative approach combined with our consortium partners and their skill sets, positions us as the ideal partner to drive the commercialization and global expansion of South African Rugby's iconic brand.

Management of the commercial rights

Our consortium recognizes the strategic importance of identifying international or other strategic partners with the expertise to manage and optimize the Springboks' commercial rights. While we have not yet finalized this partnership, we view this as an opportunity for collaboration with SARU to conduct a rigorous and transparent selection process. We welcome collaboration with competing bidders.

This process will prioritize partners with a proven track record in sports commercialization, the capacity to bring significant investment into South Africa, and the ability to contribute cutting-edge skills and technology. We are committed to exploring innovative solutions, such as tokenization and fan engagement platforms, to enhance the Springbok brand and deliver tangible benefits to stakeholders. By aligning our selection with SARU's strategic goals, we aim to secure a partner who shares our vision for long-term value creation and transformation in South African rugby.

Together, we will explore innovations with a view to enhancing fan engagement through unique digital experiences while democratizing and facilitating broadbased ownership of our South Africa's most loved brand. This approach supports the commercialization of the Springbok brand and fosters a deeper connection with both local and international stakeholders.

Addressing concerns from existing proposal

Our model avoids and resolves the issues highlighted in the critique of the ASG proposal by offering:

- **Transparency and simplicity:** Altvest ensures complete transparency in investor composition, clear governance structures, and fair value propositions for SARU and its stakeholders;
- **Fair economics:** Our equity structure will eliminate high-cost, debt-like terms, focusing on equity returns that directly benefit SARU and South African rugby, without unduly burdening cash flows;
- **Stakeholder empowerment:** Unlike ASG's centralized approach, Altvest fosters participation from unions, players, and fans, creating a unifying financial ecosystem that strengthens SARU's community and international branding;
- **Empowering South Africans:** Through listed instruments, all South Africans, including players, unions, and supporters, can participate in SARU's financial growth;
- **Player benefits:** Creating equity-linked player compensation models fosters long-term wealth for current and future Springbok players;
- **Alignment with development goals:** Our structure incorporates Black Economic Empowerment (BEE) principles, supporting inclusivity and transformation in South African sports.

Next Steps

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Should our proposal be of interest, we suggest the execution of appropriate confidentiality agreements allowing Altvest and its partners access to sufficient information to formulate a firm offer.

Thereafter, we propose convening a working group of SARU stakeholders, unions, and financial advisors to refine the terms and expedite implementation. This collaboration will ensure wholesale buy-in from all stakeholder groups thereby enhancing the probability of a successful execution.

We remain committed to preserving the integrity of the Springbok brand and South African rugby while addressing the public's sentiment for inclusivity and national pride. We look forward to the opportunity to present this proposal in greater detail.

Yours faithfully,

Warren Wheatley

CEO

Altvest Capital and on behalf of the consortium

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Introduction to Altvest Capital

Altvest Capital is a pioneering investment platform that transforms the way individuals and institutions engage with private equity and alternative investments. As a dual-listed and fully regulated entity, Altvest bridges the gap between elite investment opportunities and the everyday South African investor, democratizing access to wealth creation through innovative financial instruments.

Our mission is to empower investors—both retail and institutional—by providing seamless access to high-quality, unlisted assets. This vision is underpinned by a deep commitment to financial inclusion, economic empowerment, and fostering entrepreneurial growth across South Africa and beyond.

Since our inception, Altvest has demonstrated remarkable success in raising capital for diverse investment opportunities, delivering measurable impact to entrepreneurs, communities, and investors alike. We have verifiable track record of democratising private assets and making these available to ordinary South Africans in a safe, highly regulated environment. More info is available at www.altvestcapital.co.za.

Altvest will raise capital from a broad base of investors by offering hybrid financial instruments potentially listed on the JSE and other regulated exchanges. These instruments will provide economic exposure to SARU's commercial rights, aligning investors with the financial success of the Springboks as well as an easy entry and exit mechanism, enabling South Africans from all financial backgrounds to participate in this unique opportunity.

Introduction to 27four

27four Investment Managers is one of South Africa's most prominent investment firms, with extensive experience and established networks within the institutional investment landscape. Their expertise, particularly in institutional capital raising and financial structuring positions them as a key partner to bring significant capital to the proposed Springboks commercialization deal.

27four Investment Managers is a leading independent South African-based financial services group committed to creating long-term mutual value for clients and society. Their name reflects the historic day of South Africa's democracy, 27 April 1994, symbolizing a commitment to an inclusive, equitable, and sustainable future. 27four offers pooled multi-manager and customized fiduciary management solutions, catering to the unique investment needs of retirement funds, corporations, and individuals. Their innovative and modern investment approach leverages current investment thinking and technology to deliver superior risk-adjusted returns.

Their robust understanding of pension fund requirements makes them well-equipped to structure investment opportunities that align with trustees' goals and regulatory frameworks.

As a firm aligned with South Africa's transformation objectives, 27four is uniquely positioned to position this deal to pension funds with an emphasis on inclusivity, economic development, and ESG (Environmental, Social, and Governance) impact.

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Introduction to EasyEquities

EasyEquities is a leading South African investment platform dedicated to democratizing access to financial markets. By offering user-friendly interfaces, fractional share investing, and minimal fees, EasyEquities enables individuals to invest in a diverse range of assets, including local and international stocks, exchange-traded funds (ETFs), cryptocurrencies, and property, without the barrier of high minimum investment amounts.

With a robust user base exceeding 2 million registered account holders and over 850,000 active investors, EasyEquities has cultivated a vibrant community of retail investors. Notably, 56% of these clients have joined through referrals, underscoring the platform's strong reputation and widespread appeal among South Africans.

In the context of the proposed acquisition of an equity stake in the Springboks' commercial rights, EasyEquities can play a pivotal role by:

- **Facilitating broad-based participation:** Leveraging its extensive and engaged user base, EasyEquities can offer ordinary South Africans the opportunity to invest in the Springboks' commercial ventures, fostering a sense of ownership and national pride.
- **Streamlining investment processes:** Utilizing intuitive platforms, our partners can simplify the investment process, making it accessible to individuals with varying levels of financial literacy and investment experience.
- **Enhancing financial inclusion:** By enabling fractional investments, EasyEquities allows individuals to invest amounts that align with their financial capabilities, thereby promoting inclusivity and broadening the investor base.
- **Providing educational resources:** Through its comprehensive educational materials and support services, EasyEquities can empower investors with the knowledge needed to make informed decisions regarding their investments in the Springboks' commercial rights.

By integrating EasyEquities into the investment framework for the Springboks' commercial rights, the initiative can achieve widespread public participation, aligning financial success with national engagement and support.

Introduction to RainFin

RainFin is a fintech platform at the forefront of investment tokenization, bridging the gap between traditional finance and digital assets. By leveraging blockchain technology, RainFin enables fractional ownership of high-value investments, unlocking access to a global network of investors.

Through partnerships with leading token exchanges, RainFin facilitates international distribution of tokenized assets, offering unparalleled access to over 2 million active investors worldwide. Their platform

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provides liquidity and security, making investments more attractive and accessible to retail investors while maintaining compliance with stringent regulatory standards.

RainFin's role in the Springboks commercialization involves tokenizing Class E shares, allowing retail investors globally to participate in the success of SA Rugby. This approach broadens the investor base, enhances global engagement with the brand, and provides a scalable model for financial inclusivity and international support.

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