

THE CO-OWNERSHIP OF THE AIRDROP APPLICATION

20th November 2024

Background

Frega is a Software as a Service Platform.

Frega's policy is not to own any of the Applications running on its platform.

The Airdrop Application will be released within a month or so of the Frega Super App in January 2025.

The opportunity to become a part owner (syndicated) of the Airdrop Application is now open to Frega Members.

Please read the following Questions and Answers with the document already published on the Airdrop page www.mygrowthpoints.com/airdrop

We thank you for your support and look forward to an exciting 2025.

Question 1: When a purchase is made where can I see my Airdrop Units registered?

To find a record of the purchase, login to www.frega.co.uk using the same login details used to invest / buy Airdrop syndication Units.

1. Click on top left menu
2. Click on Frega Corporative
3. Click on Co-Partner with Us
4. Click on Orange Bar
5. Scroll to last item on the list 'Airdrop Syndication'

This is how many 'Shares' you as a co-owner have in the Application.

Question 2: Does an investor receive a share certificate?

The investment consists of 1 000 000 parts, referred to as 'Units. A Warrant (Unit Warrant) reflecting the number of Units owned (out of the 1million) will be sent to

everyone who is a co-owner before the end of November and within 7 days of any purchase thereafter.

Question 3: Why was the decision taken to syndicate co-ownership as shared parts (units) and not as shares in a company?

It is more tax and cash efficient to do it this way as all Frega does is collect the 10% share of the revenue when the Airdrop application is used and then share this with co-partners by crediting their Cash Accounts. Once there is more than £100-00 in a user's account, this cash can be withdrawn to their bank account.

Question 4: Is there any legal requirement before the shared revenue can be withdrawn?

Yes, Frega is legally required to know who they have a financial relationship with before money is released. It is therefore required that the co-partner (User) completes a KYC process and the money can only go into a bank account that they have. It cannot be directed to a 3rd party account.

Question 5: What are the expected cash returns?

We have detailed in the PDF an estimate of what we as co-partners in the application can expect to make. The assumptions made in these calculations are based on industry metrics from Groupon and other special offer companies. We believe these to be a fair projection.

We believe as a rule of thumb, that for every 1000 Merchants using the application, co-partners will receive 100% cash return per annum, on the offer price of £1-00 a unit.

In other words when purchasing 1000 units for £1000 the cash return over the year will be £1000 for every 1000 merchants.

Question 6: How big is the market for Airdrops as a service?

There are over 330 million small and medium sized businesses globally with a \$500b advertising market.

Question 7: Why will businesses use Airdrops?

Airdrops give Merchants a better alternative to other advertising tools/programs as there is no cost to the business unless a sale takes place. Even then the cost is only 7.5% of the sale value. Better still, over 50% of this 'cost' is given back to the business by this being invested in a bundle of income-producing assets which is passed back to the business.

Compared to regular advertising where at least 50% is wasted, or Groupon which charges a 50% success fee (and keeps it all) or 'Too good to Go' Too Good To Go | Save Good Food From Going To Waste – Too Good To Go where the charge is 18% to 40% Airdrops are an extremely attractive and cost-effective medium.

Question 8: What is our 'Go to Market' strategy to gain market share?

Frega is already globally represented with Members/Users in 182 countries. It has a growing library of application and transacts in 115 currencies.

Frega has begun the rollout of its franchise model, with a view to creating over 600 franchises globally. It plans to have 100 of these in place by the end of 2025. The minimum requirement of each franchisee is that they have 5 000 merchant's using Frega services within the first 12-months of having established the franchise relationship.

An extrapolation of these numbers (100 x 5000) implies 500 000 businesses using Airdrops within 12 of appointing our first 100 franchisees. This is less than 0,15% of the market potential.

The return to syndicate partners at this level will be off the charts.

Question 9: Will there be the ability to sell the parts/units at a future date?

There will always be the right to sell the parts/units at any time, as this is a real right an investor has. What Frega will do in the second half of 2025 is open a private member-only exchange, where offers can be made/fielded for these units to be sold. The market will determine what the price will be, but it stands to reason that if an investor is earning 100% a year for every 1000 merchants globally using the application, the sale price will be a multiple of the current £1-00 offer price.

Question 10: The price of the Units will be increased from the current £1-00 per unit to £5-00 from 1 December 2024 and at the end of January to £10-00 a unit for any parts not sold. Why increase the price and what will the extra money be used for?

The heavily discounted £1-00 opening price is below the true value of Application as can be noted from the expected returns. The more accurate valuation of the application is between £5m and £10m.

By January we will be closer to the release of the Airdrops Application, and this will be closer to the distribution of excellent cash returns so it is right that the price should reflect this.

The increased money paid for the units will be used to invest more in the enhancement of an already excellent product and campaigns to accelerate the rollout.

Question 11: Is there an option to purchase additional units in December at the original placement price of £1-00?

Investors who purchased a part share in the Application in November will have an option to purchase a further equal amount again in December at the same price. Anyone buying for example 1000 units at £1-00 in November will therefore have an option to buy another 1000 in December at £1-00 and not at the higher new price of £5-00 from 1st December 2024.