

# More than just another 'Reward' point!

As an added benefit to investment in this limited Frega offering, Frega will use 'Growth Points' (one of the businesses it is spawning) to issue Growth Points to the value of 5% of the money invested.



In this document we show the value of receiving Growth Points as a result of having made the investment.

The rewards business is a multi-billion \$ opportunity! Here we show the potential of Growth Points as a business that everyone investing in Frega will be shareholders of, to be extremely valuable.

## How do Growth Points work?

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There are multiple components to Growth Points, the first of which is the usual use of a small portion of a customer's payment in exchange for a reward which is transferred to the customer.

Let us assume the Merchant sells a product for £100-00 and takes £5-00 of this to invest in Growth Points as a reward for the customer.

Uniquely with Growth Points, this £5-00 is then collected by Right Trade (Frega's exchange partner) along with all the other reward monies from merchants around the world on that day.

At midnight GMT each night, Right Trade then releases a maximum of 200 Growth Points, which are automatically shared out pro rata between all the customers claiming points on that day.

So, the total fund is divided by 200 to arrive at the 'buy price' and the customer will receive as many points (or portions up to 11 decimal places) as can be purchased for the £5-00.

These points are then immediately credited to the customer's account and are visible on their Growth Points statement.

Meanwhile, over the course of the same day, a further fund of money (referred to as the Underpin Fund), is collected from a portion of all fees paid on an increasing number of services from an increasing number of Users in the Frega eco-system.

This Underpin Fund is then distributed at the end of every day to Growth Point holders, proportional to the number of points they hold, because Growth Points entitle the holder to a daily cash dividend and this Underpin Fund is the source of that money.

The cash dividend earned on these points grows every day as the amount of money collected and distributed by the Underpin fund is growing at an ever-increasing rate due to the increasing number of services used by an increasing number of Users in the Frega eco-system, while the Points sharing the dividend are only growing at a linear rate.

The Growth Points therefore increase in value because they command (earn) an ever-higher dividend.

This clearly positions Growth Points head and shoulders above any other reward system, making them a highly competitive product in the multi-billion \$ loyalty reward marketplace.



## The ability to trade (sell) the Growth Points

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Owners of Growth Points have the option to sell a maximum of 0.02% of their points every month at the trading price achieved from the auto buying of the aforementioned (up to) 200 Growth Points each night at midnight GMT.

The auto price at which the points are trading each day increases, so it follows that sellers of Growth Points will receive an increasing price the longer they hold the points. But until they do sell them, they will receive an increasing cash dividend. So, whether they sell or hold, the points are valuable to have.

## An application to trade the points on Right Trade on an OTC (Over the Counter) Exchange

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The groundwork has been done to secure the right (through the FCA) to open an over-the-counter exchange on Right Trade, that will allow anyone to buy and sell Growth Points on the Right Trade Exchange.

Once this has been secured, the ability to trade in these points (and other securities) will further increase their value. What the Seller (or Buyer) is doing is selling or buying the right to the future dividend income.

This dividend income per point is increasing every day and as the rate of growth of the Underpin Fund becomes increasingly clear and predictable, so will the appetite for buying the Points for an ever-increasing amount of money.

## Growth Points from an investment of £1000 in Frega Limited Shares

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An investment in Frega Limited of £1000 will result in £50-00 worth of dividend earning Growth Points being awarded at their current rate.

Frega grew its Hub base by over 400% in the past 12-months and it is expecting to continue experiencing triple digit growth per annum over the next few years.

Retaining this current rate of growth, it is fair to assume that the value of the Growth Points received as a reward for investing in Frega Ltd, will, in time, exceed the total value of the money invested.



## The 'white labelling' of Growth Points!

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The spawning of Growth Points as a separate business, using Frega's common registration API to maintain its interconnection, will present an opportunity for Growth Points to be offered as a 'white label' product. This means that any business looking to present clients with a more compelling incentive than the traditional linear reward may issue Growth Points with their own company branding.

A Gym, for example, with a recurring monthly subscription pricing model, would white label Growth Points to be 'XYZ Gym Points' with the same properties, namely a reward point that pays an increasing dividend and appreciates in value with the real possibility, that in time, the value of the points will exceed the monthly recurring subscriptions.

Or an energy company, concerned about increasing energy costs, might reward customers with branded Growth Points that grow in value at a faster rate than the rate at which energy costs are increasing.

## How Growth Points (as a business) will make money!

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Growth Points (as a business) will have three sources of revenue, namely:

- Subscription fees for a Dashboard used by Merchants to manage the points.
- A small transactional fee (of say 0.05%) on the amount of revenue allocated by the Merchants to buy points for their customers.
- Revenue from 'clipping the ticket' on all 'White label' points issued.

Growth Points (as a spawned business) presents an easy to follow and strong value proposition for any number of Merchants in a multi-billion \$ market and will have no difficulty in securing a Unicorn status (Billion dollar valuation) for the mutual benefit of investors in Frega Limited.

