

# An opportunity to acquire shares in Frega Limited



# FREGA

**Frega has broken the Software as a Service business model and is poised for explosive growth!**

Please view all videos presented on this page and read the attached documents. Should you require any further information or wish to have a meeting with members of the team to address any questions, please contact us at [jonathan.f@frega.co.uk](mailto:jonathan.f@frega.co.uk)



## Preamble

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The Executive Team and founding stakeholders have applied £3m capital over the past 7 years to build a global infrastructure, a growing Library of integrated Applications and successful, highly profitable business model.



## Use of Funds

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The £250 000 raised from this capital raise will be applied to fund the development and release of the Frega Ai Mobile App.

## The Pricing of the Capital Raise

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The capital is being raised at a £20m company valuation, determined as follows:

- Over £3m capital has already been deployed by our Experienced Executive Team to build a global infrastructure.
- Our intellectual property has qualified for 17 government grants for innovation.
- Frega has a proven business model with clients in 182 countries.
- We have a growing library of integrated software applications.
- We are processing tens of thousands of transactions in 115 currencies each day.
- The company is cash generative and scales at a 25% profit margin with a monthly cash EBITDA of £1.63m per 10,000 SMEs.

## What does the profitability of the business and shareholder value look like, based on the successful rollout of the business plan?

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As covered in the videos, Frega is uniquely profitable and highly cash generative with just over 25% profit margin.

With revenues from 10 000 businesses (of a market size of 330m) the monthly cash profit is £1.63m. This increases to £8.6m with 50 000 business and values Frega at £2Bn with a Price Earnings Ratio of 20 (below industry average).

To the shareholder buying at a £20m valuation, this represents a 100-fold increase in value at just 50,000 businesses, with no intention of stopping there.

Frega has the business model, track record and management expertise to achieve this.



## How will the mounting cash pool be used?

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The cash will be used to accelerate growth with dividends and share buy-back options available.

## Does the share placement fall under the Enterprise Investment Scheme (EIS)?

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An application to HMRC for EIS Assurance is being processed. Frega meets all the conditions of EIS assurance and expects approval within 8 weeks.

# What are the EIS Tax benefits to an investor?

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This YouTube explains the EIS tax benefits.

[https://youtu.be/N\\_KOi-bcx7Y?si=UyGIF6FyfpA5TxXi](https://youtu.be/N_KOi-bcx7Y?si=UyGIF6FyfpA5TxXi)



## EIS Investment Benefit Examples

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### **An investment of £1 000:**

Having made an investment of £1000 the investor qualifies to claim a 30% tax credit (refund) meaning the investment outlay is reduced to £700-00.

If the investor has paid any Capital gains tax in the past two tax years, or is expecting to pay capital gains tax this tax year (from sales of shares/property etc.) then up to 20% can be claimed/refunded with the net outlay now reduced to £500-00.

At the level of 50,000 SMEs using our services and the business valued at £2Bn, a £1000 share investment will now have a value of £100,000.

Because of EIS benefits, this will be free of capital gains tax and inheritance tax.

By effectively reducing the £1000 investment to £500-00 after EIS tax breaks, the tax-free return, will be of £100 000 which is a 200-times return on the initial investment.

In the extremely unlikely event that the business should fail, the EIS scheme provides a further tax break of up to 45% on the remaining £500. This means that the total exposure is reduced to just £275.

## **An investment of £10 000:**

Having made an investment of £10,000 the investor qualifies to claim a 30% tax credit (refund) meaning the investment outlay is reduced to £7,000.

If the investor has paid any Capital gains tax in the past two tax years, or is expecting to pay capital gains tax this tax year (from sales of shares/property etc.) then up to 20% can be claimed/refunded with the net outlay now reduced to £5,000.

At the level of 50,000 SMEs using our services and the business valued at £2Bn, a £10,000 share investment will now have a value of £1,000,000.

Because of EIS benefits, this will be free of capital gains tax and inheritance tax.

By effectively reducing the £10,000 investment to £5,000 after EIS tax breaks, the tax-free return, will be of £1,000,000 which is a 200-times return on the initial investment.

In the extremely unlikely event that the business should fail, the EIS scheme provides a further tax break of up to 45% on the remaining £5,000. This means that the total exposure is reduced to just £2,750.

