

MANAGEMENT REPORT

BUSINESS:

Users: 525
Transactions: 700 (hereof 100 in the market)

Learnings based on December soft launch:

- Account2Account payment flows have been extremely challenging due to weak and amateurish bank central API's. However, with relentless pressure applied on the bank centrals, stabilization seems to have settled.
- In general, user feedback has been very positive towards our concept.
- However: A2A payment is unknown to the general public, which is a barrier for nervous users (they like methods that they know) and flows are longer than well established payment flows (MobilePay and Dankort). Conclusion: A2A payments are better suited for larger amounts (+5.000 dkk). Accordingly, we are now implementing Dankort (potentially also MobilePay) as alternative method for pay-into-escrow.
- Therefore, we have kept a low mar/comm profile until we have implemented Dankort payment and upgraded flow for user sign up to exclude account onboarding. The upgrades are eminent and ready for within a week or two.

Marketing & Communications:

- In February we are launching with several Facebook fashion marketplaces + Anti fraud groups (combined reach: 147.000 members/users). We are also running a promo with influencer Mia Rasmussen (Followers: Insta: 120.000 + Youtube: +100.000)

Sales:

- Gul&Gratis: Close dialogue Agreement draft sent for feedback including launch plan. We are positive towards the deal and we have offered a fully integrated solution, where Symblepay is embedded in their frontend.
- As we now have our embedded white-label solution ready for marketplaces and platforms as well as the upgraded app, we can focus much more on sales and partner hunting in the coming months.

Tryg and RISK committee review:

For unknown reasons, Symblepay has been flagged internally at Tryg and the partnership is undergoing a risk-review. While this is going on, they have singlehandedly suspended the agreement. This is direct breach of contract. However, we choose to work towards solving the issue rather than going into conflict.

Growth fund (Vækstfonden) and funding round:

Due to the Tryg situation combined with poor bank API's we have run into some delays. This has made the Growth Fund hold back on pay outs. Consequently, we are potentially running out of funds by mid April. On this basis, a funding round within the next couple of months is likely. We will get back to you on this subject soon.

TECH & PRODUCT:

- IFCR (Institut for Cyber Risk) has audited our platform and given their stamp of approval regarding security.
- Android: Now updated and ready for release – awaiting Dankort implementation.
- Dankort implementation: ready in a few days
- Upgraded onboarding / User sign up. los: in a few days. Android later in February
- Stabilization of bank API's: Seems okay now. We are monitoring and testing every day.

COMPLIANCE, LEGAL & RISK:

- Generally speaking on track
- Business portal and AML features continuously being improved

NEW DEVELOPMENTS / TRACKS: (all confidential)

January 2023

Merchant solution

Autobutler and Minuba – two platforms that broker services/solutions for suppliers (C2B2B) that see significant revenue possibilities in channeling payments through their concept. These track holds significant revenue potential for us as well and does not require significant development as existing infrastructure is applicable. Very promising.

A new WeShare based on Dankort

MobilePay has shut down the WeShare app and Nets wants to take over the expense sharing market with a free solution. Unable to develop it themselves, they have asked us to do it. their conclusion is that Symblepay is the only company capable of both developing it AND running it based on our licenses. This is outside of our business model. However:

- It could make Symblepay go into profits immediately.
- A new WeShare could add a significant synergy to Symblepay by being an acquisition channel to Symblepay and create many Symblepay users. Nets agree to this approach
- With our unique offshore network (through Jesper Malmberg), we are able to scale quickly and double team size enabling surplus resources for Symblepay.

Strategic partnership and potential investment from Vipps/MobilePay:

Vipps/MobilePay has on their own initiative expressed an interest in a Nordic based strategic partnership. They recognize the need for P2P escrow payment. Symblepay is the only company with the technology and the right licenses. They have also enquired into investment opportunities. Symblepay is being debated on management level. This track would exclude the Nets-track described above. This track would be a significant gamechanger.

We must be doing something right, when these companies come to us to make business and we have important strategic decisions in ahead of us in the coming weeks.

FINANCIALS:

Month	July	Aug	Sep	Okt	Nov	Dec	Budget-Dec
Turnover	0	0	0	0	0	0	106.200
Transaction cost (incl. shipment)	0	0	0	0	0	0	52.300
Salary cost (incl. financial taxes)	170.000	181.981	189.700	188.000	210.372	189.908	215.200
Sales / Marketing cost	29.100	0		0	0	12.900	13.000
Rent and related cost	92.700	16.256	16.370	14.725	13.725	14.725	19.500
Admin, suppliers, advisers etc.	181.700	55.096	387.632	443.110	118.662	203.277	210.000
Herunder IT-deveelopment cost	80.000	0	200.000	74.000	72.000	105.000	80.000
Cost excl. VAT	477.700	253.333	593.702	645.835	342.759	420.810	510.000
Cost incl. VAT	546.700	271.171	694.691	760.300	375.855	478.536	457.200
VAT settlement	290.000					123.703	
Result (excl VAT)	-477.700	-253.333	-593.702	-645.835	-342.759	420.810	-403.800
Burnrate	546.700	271.171	694.691	760.300	375.855	354.833	457.200
Funding			3.423.077				
Bank account (ultimo)	765.573	494.402	3.222.778	2.462.478	2.086.623	1.731.790	2.003.973