

----- Forwarded message -----

Date: Thu, Mar 31, 2022 at 10:31 AM
Subject: Senseg **March 2022** Investor Update

Dear Senseg Investors,

Thank you all so much for trusting me and supporting this company. In addition to funds, your meaty questions, candid feedback, and high-quality introductions have been enormously helpful. It's very motivating to partner with such a great group.

I started the month of March aiming to raise \$200k, with a minimum of \$60k. So far, we have signatures from 7 individuals totaling \$48,500 as well as strong interest pending from 8 additional individuals who would contribute a further \$76k.

These funds enable our April focus to shift back to execution. Although we will remain open to new investors as I continue to chase down signatures and bank transfers, our priorities for this next month are:

1. Legal de-risking and incorporation in Ecuador.
2. User growth to 1000+ signups and 100+ active users, aided by
3. Increased product stability and velocity. (App store approval, signup bonuses, QR code feature, etc.)

To that end, I'm excited to introduce our team:



Samuel Wahome has been with us since mid-January, and almost single-handedly built our app from scratch. He's an aspiring entrepreneur currently studying civil engineering at Jomo Kenyatta University of Agriculture and Technology near Nairobi, Kenya. We found each other through Upwork, where Sam stood out as the best programmer to complete the interview task among a couple dozen applicants.

He works hard and fast, always with a smile (updated picture forthcoming), and wishes you a blessed and fulfilling day!



Tyrone Davis III recently joined. He's graduating from MIT this semester, with a background in computer science and finance. Tyrone is a founding board member of [The Gift of Chess nonprofit](#), and we met through the MIT chess club, where Tyrone has done an excellent job leading after my generation left. We're excited for Tyrone to inject rigor and drive milestones as he assumes leadership of the engineering team.

Investor Asks:

1. For those who haven't yet signed or transferred funds: please help us close out these SAFE logistics asap.
2. Heads up that if all goes well, we will likely begin raising a seed round in May! I will reach out individually for help with this, no action required at present.

Company Health:

- Cash On Hand: \$38,485.00
- Current Burn Rate: \$1k/mo
- Planned Apr-May Burn Rate: \$5k/mo
- Months of Runway: 7 months

Happy Thursday!

Andy Trattner, CEO

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----- Forwarded message -----

Date: Sat, Apr 30, 2022 at 3:02 PM

Subject: Senseg **April 2022** Investor Update

Dear Senseg Investors,

I'm excited to share our progress this month. We ended up closing a total of \$262,500 from 15 amazing partners. Thank you so much for all your support. Perhaps our biggest win has been finding excellent lawyers who can clear our path to compliance. Thanks to one of our investors, we now work with [Josh](#) at Cooley, assisted by [Grant](#) and [Lannie](#). They recommended PBP in Ecuador, so we have retained [Esteban](#) and [Juan Francisco](#) to incorporate the business and certify our "auxiliary payment service" here. It turns out to be great timing, as these guys are behind new fintech legislation currently under debate in the National Assembly (attached below). I am flying to Quito to meet with them and [Ecuador's largest VC](#) next week.

We also launched publicly after finally getting approved on the App Store. Tyrone and Sam have been doing a great job. With a more stable app and QR codes live, we onboarded 22 shops so far: grocery and hardware stores, taxis, restaurants, and a major internet provider. You can see all of them listed in our [Vilcabamba Directory](#) as well as some visuals in this [introductory demo video](#).

Our challenge and focus for May will be driving user signups + transactions. We fell short of our target this month, in part due to bugs and a couple weeks delay getting app approval, but also because our referral-based signup promotions were not as effective as anticipated. Direct outreach has been best so far, so I will continue making calls and visits. We can also try more aggressive online posting in local groups, various promotions for depositing / transacting, advertising through our partner shops, and streamlining the account creation process.

We're just getting started, but it's already clear that Senseg is creating an impact. I got a call from a random restaurant owner last week saying "we have a customer here who wants to pay with some new app," and they were able to sign up on the spot to receive the meal payment. It turns out the customer was one of our power users who had lost his wallet, debit cards, and cash...so he deposited a couple hundred dollars and survived through the app for a few days!

P.S. We have a YC interview scheduled for this coming Wednesday. Thanks to many of you for your recommendations. Not sure yet if we would accept; we'll see if we get an offer.

Investor Asks:

Any feedback on how well we're positioned for the next round of financing? I'm leaning towards proving a bit more traction before any further fundraising or team expansion. However, if you know VCs who would be interested in chatting given our progress, please feel free to make an intro.

Company Health:

- Cash On Hand: \$257,953.16
- April Spend: \$4,551.53
- Planned Burn Rate: \$5k/mo
- Runway: 4yrs 1mo

Product Metrics:

- 41 signups, average CAC \$3.12
- deposits: \$350
- withdrawals: \$57.50
- transactions \$158.23 (n=38, \$4.16 per)
- value created (2.5% transactions): \$3.96
- value captured (revenue): \$1.77

Happy Saturday!

Andy Trattner, CEO

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----- Forwarded message -----

Date: Tue, May 31, 2022 at 7:30AM
Subject: Senseg **May 2022** Investor Update

Dear Senseg Investors,

We doubled our metrics this month. The product is proving sticky with little churn. We're seeing network effects increase as more key nodes come online.

Now that we've validated Senseg works in Vilcabamba, it's time to consider expansion. After speaking with a lot of users, we've picked up patterns that give us confidence in what we've built and how it can grow.

Concretely, we're looking to hire for a new ops role. This person will take over onboarding new stores and users. The additional capacity will enable us to move into Loja and free up my time to drive product forward. Please see job description and investor ask below.

Happy Tuesday!

Andy Trattner, CEO

Investor Asks

Know someone who might be a good fit for our first Ops Associate hire? Please pass along the attached JD! Note the comp is benchmarked against local levels as I will mainly be searching for local talent, e.g. entry-level Ecuadorian new grads. However, we could flex upward if someone with deep experience is interested in joining us, e.g. head of growth from Rappi.

Company Health

- May Spend: \$4,079.85
- Cash On Hand: \$253,873.31
- Planned Burn Rate: \$5k/mo
- Runway: 4yrs

Product Metrics (12a Sunday May 1 -- 12a Sunday May 29)

- Weekly Active Users: 5-19
- Revenue: \$5.65
- Transaction Volume: \$322 (n=98)
- Signups: 29 new users (\$1.03 CAC avg)

Anecdotes and Other Updates

- Our lawyer was [on Ecuador's C-SPAN!](#) Juan Francisco Simone addressed the national assembly this month regarding the new fintech law he proposed at the end of 2021. He has been helping us strategize incorporation and compliance here. We plan to speak with both the central bank and superintendencia in the next couple weeks.
- Got rejected from YC. Huge thanks to everyone who helped with recommendations. Sadly I bombed the interview. I was very off my game that day (altitude sick and sleep-deprived), so the 10 minutes were lackluster. I appealed to no avail. Thankfully, we don't need them. Although I was very disappointed, it was a good kick in the pants to obsess more about users and growth.
- A bank manager told us we have a great service. A laundromat using Senseg told me the branch manager of Vilcabamba's credit union, CACPE, had stopped by and asked about our QR code. I went to his office and had a nice chat. After explaining our business model to him (no transaction fees and a small withdrawal charge), he exclaimed "oh wow, that's very cheap!"

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Asociado de Operaciones (a tiempo completo)

Descripción del Trabajo:

Senseg es una nueva app de pagos. Hemos asegurado la inversión inicial y lanzado un piloto con unas tiendas. El asociado de Ops nos ayudará a llegar al resto del país. Somos una empresa joven; este papel requiere mucha responsabilidad y trabajo duro, pero viene con flexibilidad y muchas oportunidades para crecer.



Responsabilidades:

1. Hablar con usuarios y tiendas.
2. Crecer cuentas nuevas, depósitos, transacciones.
3. Prestar atención al cliente, agregar feedback, procesar pagos.

Requisitos:

- Ser ingenioso y tomar la iniciativa proactivamente para cumplir.
- Disponibilidad para viajar y trabajar horas extras.
- Hablar español. Vivir en Ecuador o mudarte.

Opcional pero deseada:

- Hablas inglés.
- Has programado, trabajaste en la tecnología, o quieres aprender.
- Te gusta trabajar con personas y tal vez dirigir un equipo.

Encajamos bien si:

- Buscas mejorar tus habilidades y no temes equivocarte y crecer.
- Traes orden al caos y puedes establecer tu propio horario.

¿Te interesa trabajar con nosotros?

1. Envianos un correo a andy@senseg.net que contiene tu currículum.
2. Definiremos una tarea de 30-60 minutos antes de la entrevista.
3. Te llamaremos para una entrevista y pedimos referencias.
4. Prueba: serás trabajador temporal por 1-3 semanas a \$425/mes.
5. Empleado: definiremos un salario entre \$500-\$800/mes.

Ops Job Description:

https://drive.google.com/file/d/1XiJB66S3g45vaEF85m11NwMehvC18k_p/view?usp=drive_link

----- Forwarded message -----
Date: Wed, Jun 29, 2022 at 11:00AM
Subject: Senseg **June 2022** Investor Update

Dear Senseg Investors,

We've continued to grow. In addition to doubling numbers again, our team took a big step forward with [Juanchis Capa](#) as our new Ops Associate!



Juanchis brings great energy to the team. From day 1, he was successfully onboarding stores and users to the platform. As a photography business owner and local influencer, he's deepening our penetration in the Vilcabamba market while creating content to scale his impact.

Looking forward, we are now preparing paperwork to incorporate the Ecuadorian entity and begin certifying as an auxiliary payments service. In tandem, I will start pitching banks on system integration, possibly opening a new line of business with a Plaid-style API approach. We'll continue growing product usage and iterating.

I love writing this monthly email. Thanks again for joining us on the journey. More details below.

Happy Wednesday!
Andy Trattner, CEO

Investor Asks

1. What do you like about this email and how can we make the monthly update more useful to you?

2. I would love to talk through the Plaid API concept. Getting questions from smart people is always helpful. Connections to [William Hockey](#) types would be amazing.

Anecdotes and Other Updates

- *Tyrone has left our team* to start a new venture of his own focused on blockchain-based US <> Africa remittances. His team is iterating on the idea and looking for feedback from investors as they gear up to raise. Please let me know if you're interested in seeing the deck and speaking with Tyrone! We're grateful for his contributions to Senseg, especially building our QR feature, admin dash v0, and improving stability and deploy processes. Sam is doing a great job carrying eng forward solo for now. Based on Tyrone's exit interview feedback...
- *We had a solid team-building session* this month. I made a [video](#) and [posted](#) about it on my personal blog, in case others are looking for remote team bonding activities.
- *Our first store churned*, organic grocery Frutivida, but we brought them back into the fold after hearing their concerns and problem-solving together. It was the first time any of our users complained about the withdrawal fee being too high. Digging in, Marcia really had an issue on principle and felt even \$0.01 would be too high. We resolved she will charge customers \$0.20 per transaction using the app, which should more than cover costs.
- *I'm doing the giant MIT class reunion* in Vegas next week, and will use the vacation as an opportunity to start scouting for our next eng/product hire. May the 4th be with you!

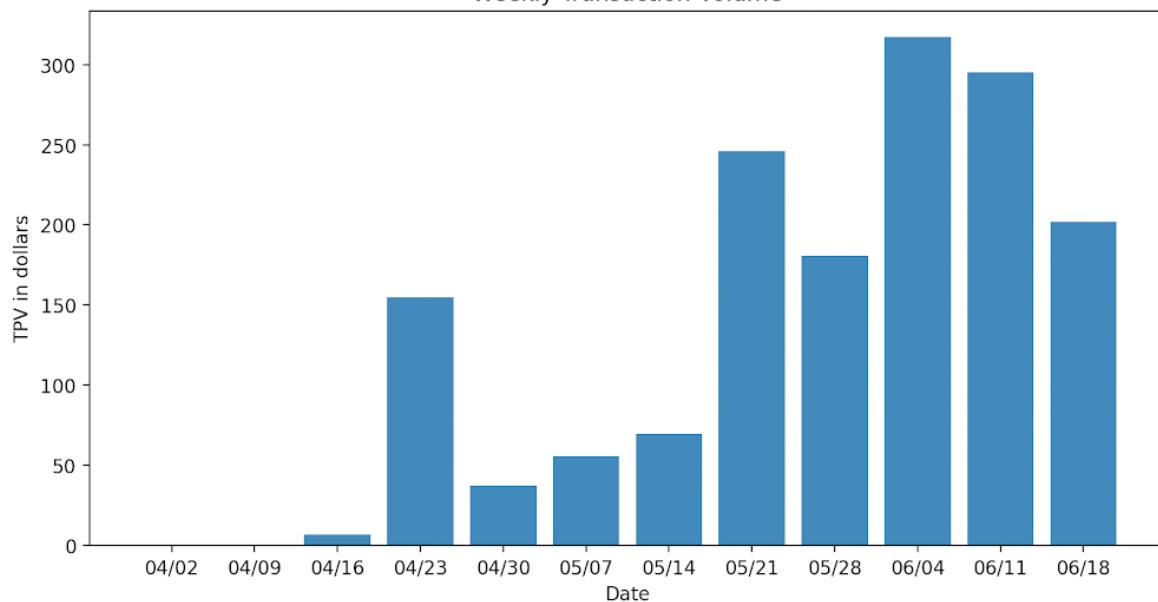
Company Health

- June Spend: \$5,502.48
- Cash On Hand: \$246,017.32
- Planned Burn Rate: \$5k/mo
- Runway: 3yrs 11mo

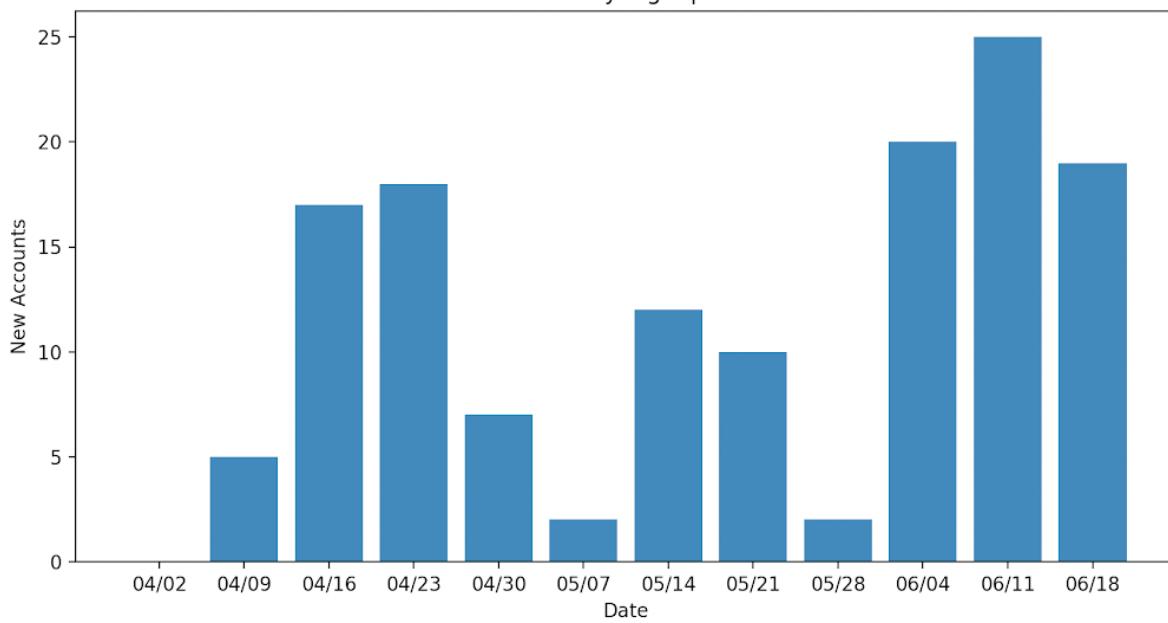
Product Metrics (12a Sunday May 29 -- 12a Sunday June 26)

- Weekly Active Users: 16-33
- Revenue: \$19.33
- Transaction Volume: \$823.05
- Signups: 56 new users (\$3.57 CAC avg)

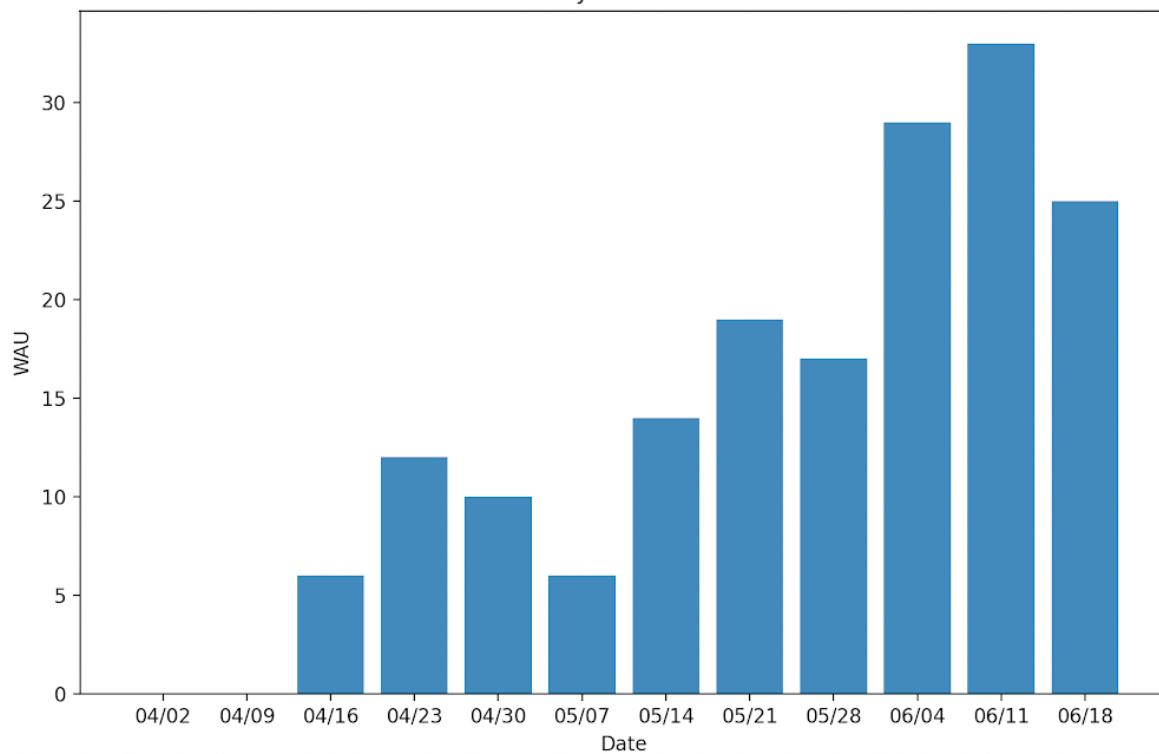
Weekly Transaction Volume



Weekly Signups



Weekly Active Users



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Date: Mon, Aug 1, 2022 at 4:56 PM

Subject: Senseg **July 2022** Investor Update

Dear Senseg Investors,

User growth slowed down. New signups are not converting to active use as much as we'd like. We believe this is due to social proof, product friction, and poor targeting (late adopters). We also had a few distractions this month including some spam account creation and sickness on the team.

Transaction volumes remain roughly level and our core user base still loves the app. We're getting more feedback from users who catch us around town, and we're observing merchants using the service amongst themselves more, for example the café using funds to buy from the hardware store and the laundromat paying for their monthly internet bill. We'd love to expand the provider list with folks in Loja, but we are blocked on legal approvals for now.

For the next couple months, we will be focusing more heavily on product and legal. We don't believe linearly signing up folks is yielding as much learning at this point, so we'd like to run more experiments and add features to unlock 10x growth, once we are a bit further along in the permitting process. I am going to start searching for an Ecuadorian engineer to help us iterate.

Users have told us getting bank accounts in the company's name will go a long way to improve confidence in the app. We should have these available before the end of September, fingers crossed! Once we have the entity formed and are in process with regulatory bodies, we can shift focus back to user growth including running more online content (social proof).

Happy Monday,
Andy Trattner, CEO

Investor Asks

1. [Buentrip](#) is Ecuador's premier VC ...if you or anyone you know might be interested in additional exposure to Latam / Ecuador (min check size \$20k), they are raising a Fund II and looking for LPs. Fernando and Carmen have been quite helpful to us over a couple calls, they speak English, and I'd be happy to introduce.

Learnings

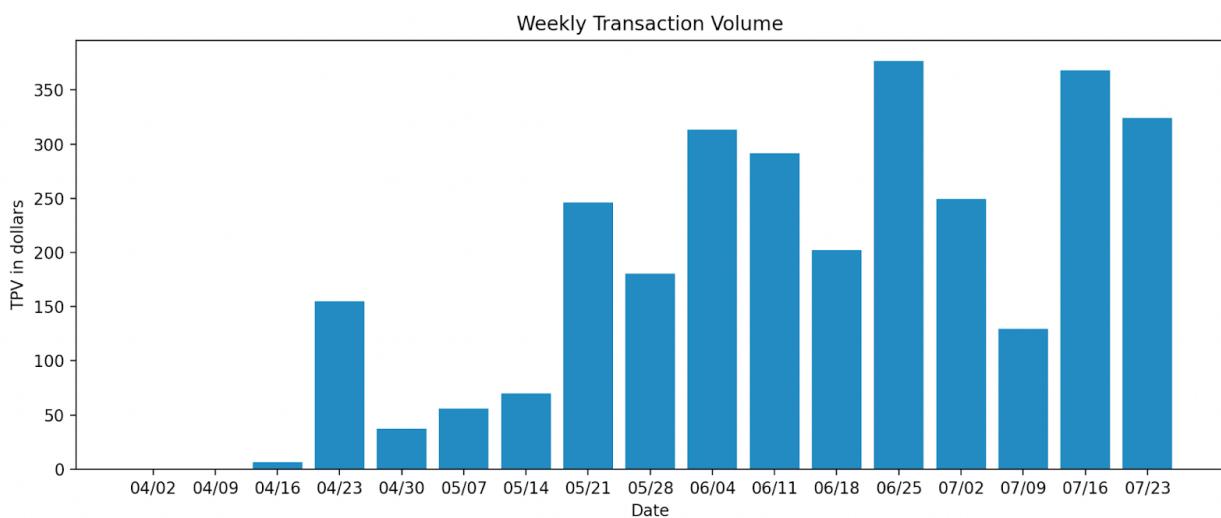
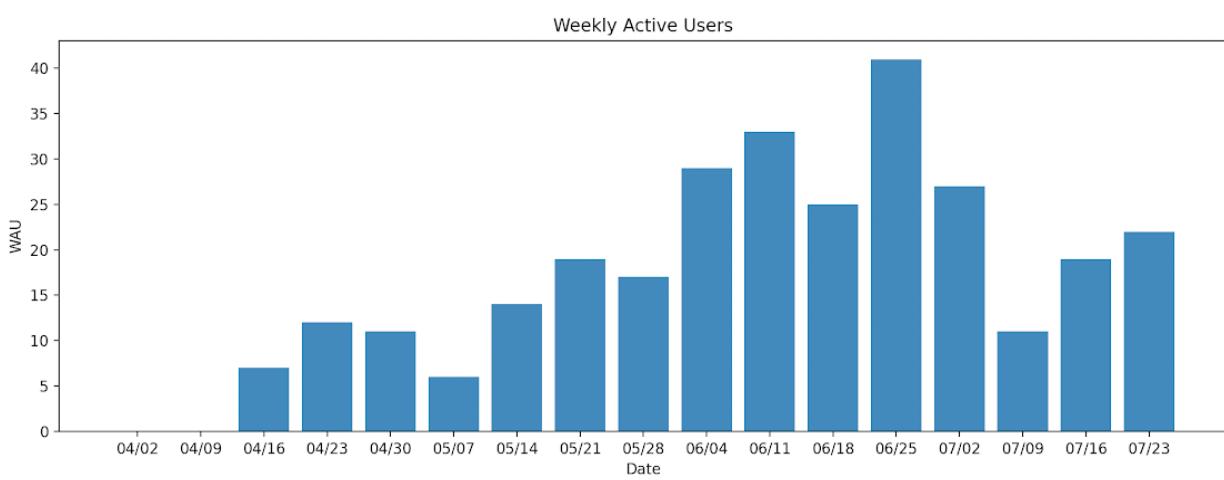
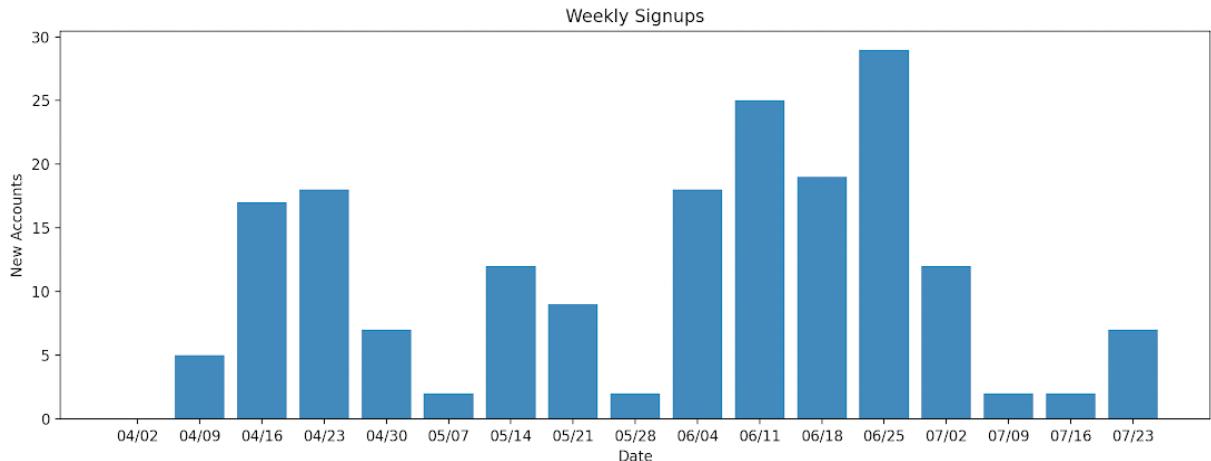
- Legal proceedings are slow, yet critical to further growth. No blockers yet, but requires patience. Feels like we will get there, eventually.
- Some kids tried to exploit our referral promotion by making a bunch of accounts. Thankfully we had safeguards in place to limit downside, and we also caught it midway through. Fixed so this is not possible, but take-away is we are big enough that we need to start hardening security more rigorously.
- Product velocity needs to speed up, probably requiring more experienced mobile eng.
- Hiring for additional ops or partnerships roles is not the right timing yet. Need to make more progress legally. There are also things I can do directly as opposed to hiring.
- Inactive users tend to be late adopters who somehow got pushed into signing up. We could build a user journey around this profile, but it makes more sense to prioritize signing up early adopters who love and evangelize the product as-is.
- Reinforced that face-to-face interactions work much better than calls. Inactive user survey via whatsapp / telephone had low response rate + high reluctance.
- Tax of 4.75% on amounts over \$1275 sent or processed outside of Ecuador, limits Stripe effectiveness and means we need to explore "agregador de pagos" local path for cards. Could be a good Payphone-type use-case for some merchants focused on tourism however.
- Can implement waitlist signup to select for active users, and make progress on user growth in new geographies pre-licensing.

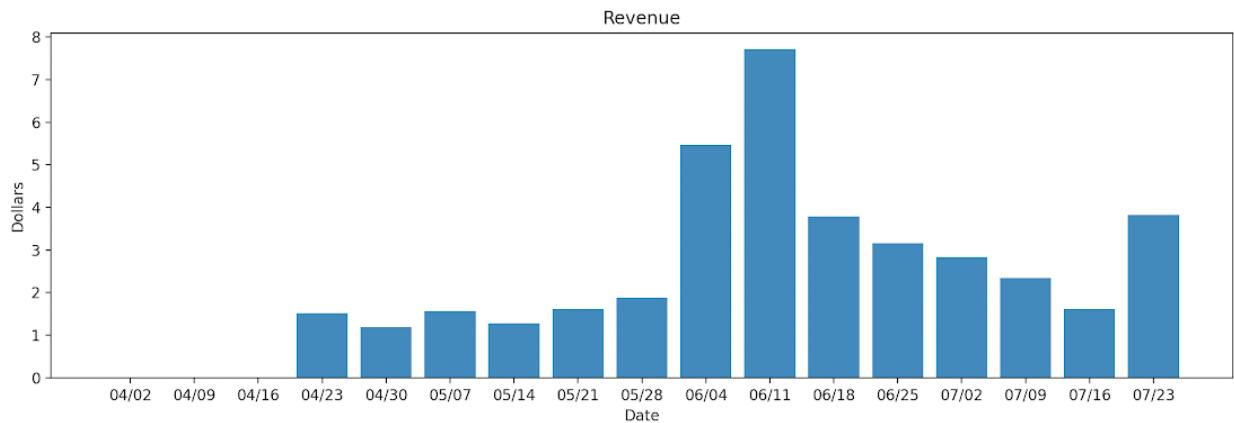
Company Health

- July Spend: \$4,184.75
- Cash On Hand: \$239,530.88
- Planned Burn Rate: \$5k/mo
- Runway: 3yrs 10mo

Product Metrics (12a Sunday June 26 -- 12a Sunday July 31)

- Weekly Active Users: 11-41
- Revenue: \$9.38
- Transaction Volume: \$1123.79
- Signups: 45 new users (\$1.76 CAC avg)





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Date: Fri, Sep 2, 2022 at 11:53AM

Subject: Senseg **August 2022** Investor Update

Dear Senseg Investors,

We cleared the first legal milestone Wednesday night -- we are now an official Ecuadorian company! Document stating this attached (RUC). Thanks for your patience. With this entity formed, we are finally unblocked to open business bank accounts and start the certification process to get payment system licensing.

We also made inroads sourcing local talent. After speaking with a variety of engineers and designers, we contracted mobile engineer [Marco Macías](#) to accelerate our product velocity and improve performance + scalability. Today marks the end of a great first week together.

It's now been six months since the March pre-seed, and it feels like Senseg is closing its "Vilcabamba pilot" chapter. Grading our progress, I would give us a B overall. We did not hit our ambitious target numbers, but we did de-risk the business by showing traction, making legal progress, talking with a lot of users, and gaining a clear sense of revenue conversion. My main goal for September is to consolidate pilot learnings and strategize our company's path forward.

Thanks to those of you who have already advised on fundraising -- super helpful; I may reach out to more of you soon for additional feedback. On the product side, we will be moving to a waitlist so we can continue growing signups and start marketing more while we work towards legal licensing. We will also be testing a new card charge feature to increase utility for merchants.

Happy Friday,
Andy

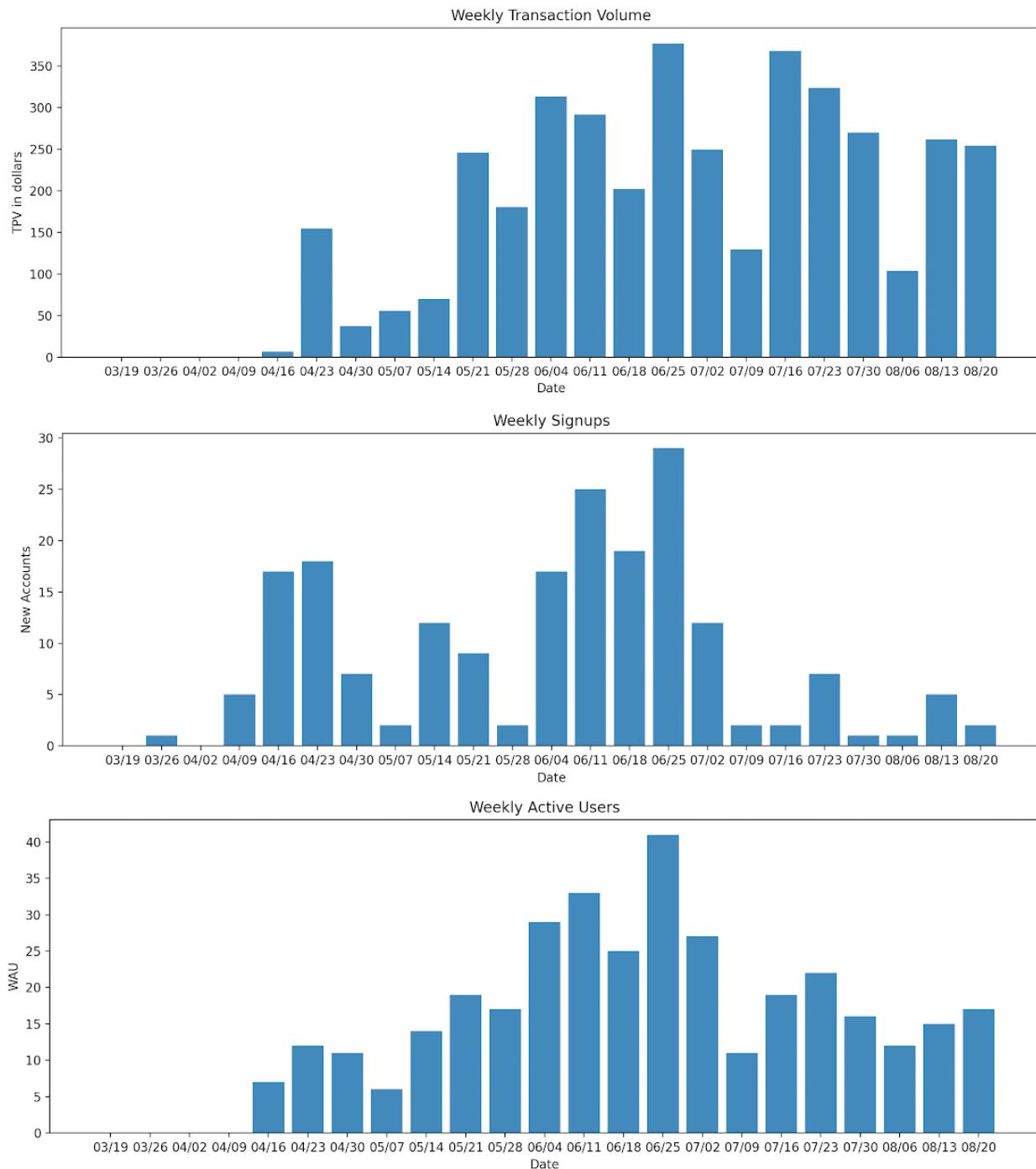
Company Health

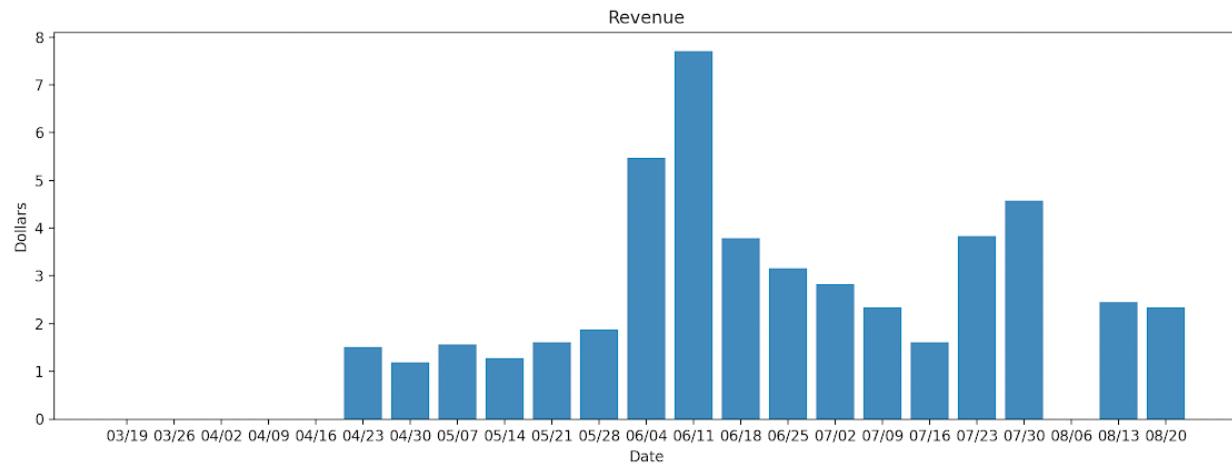
- August Spend: \$3,237.29
- Cash On Hand: \$239,260.23 (note: accounting error from last month corrected)
- Planned Burn Rate: \$5k/mo
- Runway: 3yrs 9mo

Product Metrics (12a Sunday July 31 -- 12a Sunday Aug 28)

- Weekly Active Users: 12-17
- Revenue: \$9.37

- Transaction Volume: \$890.01
- Signups: 8 new users (\$0 CAC avg)







Certificado

Registro Único de Contribuyentes

Razón Social

SENSEG S.A

Número RUC

1793199134001

Representante legal

• TRATTNER ANDREW LAM

Estado

ACTIVO

Régimen

GENERAL

Fecha de registro

31/08/2022

Fecha de actualización

No registra

Inicio de actividades

31/08/2022

Fecha de constitución

19/08/2022

Reinicio de actividades

No registra

Cese de actividades

No registra

Jurisdicción

ZONA 9 / PICHINCHA / QUITO

Obligado a llevar contabilidad

SI

Tipo

SOCIEDADES

Agente de retención

NO

Contribuyente especial

NO

Domicilio tributario**Ubicación geográfica**

Provincia: PICHINCHA Cantón: QUITO Parroquia: IÑAQUITO

Dirección

Calle: AV.REPUBLICA DE EL SALVADOR Número: N36-140 Intersección:
AV.NACIONES UNIDAS Edificio: MANSION BLANCA Número de oficina: LC16
Referencia: FRENTE A PIZZERIA EL HORNERO

Medios de contacto

Email: andy@senseg.net Email: ejervis@pbplaw.com Celular: 0968667492

Actividades económicas

• K66190101 - ACTIVIDADES AUXILIARES DE LAS ACTIVIDADES DE SERVICIOS FINANCIEROS N.C.P., COMO: ACTIVIDADES DE TRAMITACIÓN Y LIQUIDACIÓN DE TRANSACCIONES FINANCIERAS, INCLUIDAS LAS TRANSACCIONES CON TARJETAS DE CRÉDITO.

Establecimientos**Abiertos**

1

Cerrados

0

Obligaciones tributarias

- 2011 DECLARACION DE IVA
- 1021 - DECLARACIÓN DE IMPUESTO A LA RENTA SOCIEDADES
- ANEXO RELACIÓN DEPENDENCIA
- ANEXO TRANSACCIONAL SIMPLIFICADO
- ANEXO ACCIONISTAS, PARTÍCIPES, SOCIOS, MIEMBROS DEL DIRECTORIO Y ADMINISTRADORES
 - ANUAL

1/2

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Razón Social
SENSEG S.A

Número RUC
1793199134001

- ANEXO DE DIVIDENDOS, UTILIDADES O BENEFICIOS - ADI
- 9090 - IMPUESTO DE PATENTE MUNICIPAL

i Las obligaciones tributarias reflejadas en este documento están sujetas a cambios. Revise periódicamente sus obligaciones tributarias en www.sri.gob.ec.

Números del RUC anteriores

No registra

Recibido por: _____ Fecha: _____

Declaro que la información entregada es verdadera, por lo que asumo la responsabilidad legal de acuerdo a la normativa vigente.



Código de verificación:

CATRER2022000265463

Fecha y hora de emisión:

31 de agosto de 2022 16:38

Usuario emisor:

Guañuna Sun taxi Marco Fernando

Si los datos de este certificado son adulterados pierde su validez.

----- Forwarded message -----

Date: Sat, Oct 1, 2022 at 10:23 AM

Subject: Senseg **September 2022** Investor Update

Dear Senseg Investors,

We are more than halfway done with v2 of the payments app thanks to Marco and Sam. Card charging is available, and a waitlist has replaced direct signup flows. As you can see below, folks continue to love and use the app. However, pilot metrics are no longer the focus, so we will sunset reporting on them for now.

Our two critical obstacles are 1) payment system licensing and 2) integration with banks. This month we made progress on both, readying essential documents for submission and building relationships with a couple key players. I'm particularly excited about these contacts, [Sebastián Quevedo](#) and [Norman Troya](#), as they each represent potential partnerships with well-known institutions here of \$1B+ AUM (e.g. [Produbanco](#), [La 29](#), [Cooprogreso](#)) from both the bank and software vendor angles.

There remain a lot of outstanding questions and learning to do. How would such integrations look, concretely, and will they sign for POCs with us? I want to make more progress before fundraising and feel the need to move faster overall. To this end, I will be relocating to Quito near our lawyers, the regulators, and bank HQs + vendors.

My ask this month: any recommendations for founder / executive coaches?

I want to make sure I'm doing the right things to steward all of your trust and financial backing. I wrote a [blog post](#) reflecting on this. As I seek to grow personally and increase my productivity, I'm looking for some form of structured accountability and guidance to sharpen my thinking and focus my efforts.

Thanks again for your support on this journey, happy October,
Andy

Company Health

- Sept Spend: \$3,785.07
- Cash On Hand: \$235,600.55
- Planned Burn Rate: \$5k/mo
- Runway: 3yrs 8mo

Product Metrics (12a Sunday Aug 28 -- 12a Sunday Sept 25)

- Weekly Active Users: 11-17
- Revenue: \$10.66
- Transaction Volume: \$977.10
- Signups: 12 new users (\$0 CAC avg)

----- Forwarded message -----

Date: Mon, Oct 31, 2022 at 7:23 AM

Subject: Senseg **October 2022** Investor Update

Dear Senseg Investors,

Going to Quito last month was a great move. Thanks to our legal team, I ended up [testifying in the National Assembly](#) during the second debate on the new fintech law, which [just passed yesterday!](#) This should make our regulatory path significantly easier.

Over the next few months our primary aim will be to validate bank integration. We are going to test the market by building and selling a "Plaid for Ecuador" product called Banconect. On the consumer side, the first customer will be our Senseg wallet, and we hope to get another shortly. On the bank side, we have a contract proposal in-flight with a strong internal champion. They are particularly excited about the functionality we can bring to their financial institutions as a payment gateway.

To execute on the above, we are building an incredible team of local talent. I'm very excited for [Daniel Samaniego](#) to leave Kushki and join as our API engineer. Daniel already built a prototype scraper for his interview project that can make Banco Pichincha transfers. [Josua Vivas](#) did a great job redesigning our wallet v2 and will also be joining the team. Marco is leaving his other job to focus full-time on mobile with us. Burn will increase accordingly. We are planning a week-long hackathon to accelerate development and help the team gel.

Tentatively targeting February to raise seed.

Happy Monday,

Andy

Company Health

- October Spend: \$5,518.42
- Cash On Hand: \$243,680.68 (couple new preseed SAFEs)
- Planned Burn Rate: \$12k next month followed by \$10k/mo
- Runway: 23 months

----- Forwarded message -----

Date: Thu, Dec 1, 2022 at 5:14 PM

Subject: Senseg **November 2022** Investor Update

Dear Senseg Investors,

From November 10-19, our local team convened in Ayampe and Montañita to kickoff the new full-time roles with bonding activities and a hackathon sprint (photos below). We produced designs and an API system capable of automatically transferring a deposit to our wallet app from Banco Pichincha, Ecuador's largest bank. Please do not share this secret demo video: <https://youtu.be/8BCvtV9pe-k>.

Our application for payment system licensing is in the final stages of preparation for approval, and we hope to hear back from regulators soon on any updates. We also have another proposal in-flight to integrate directly as a service provider for CACPE Loja, a prominent coop for our Vilcabamba user base.

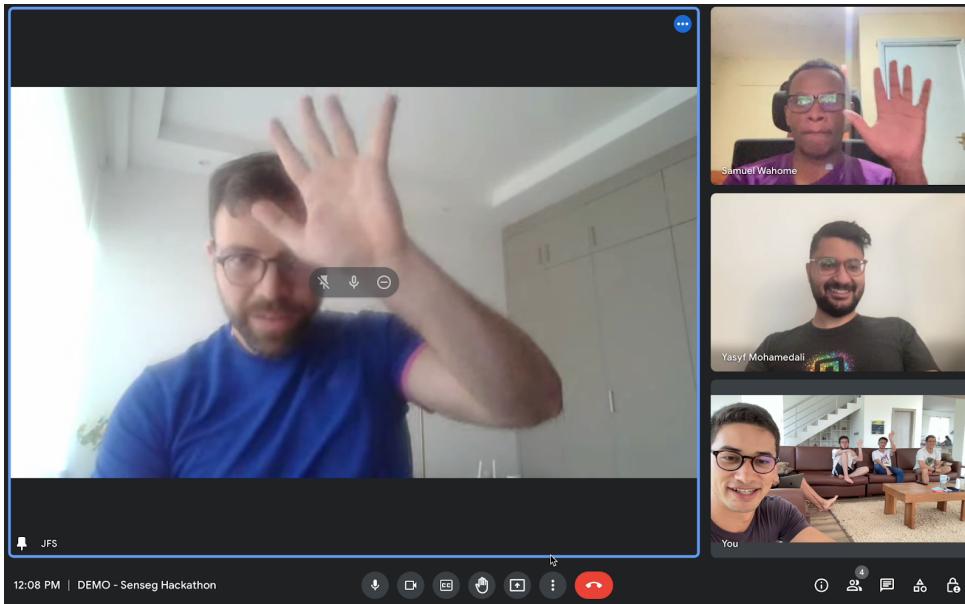
We've learnt a lot about complexities with the Banconnect product and have a few outstanding questions that we're working to resolve. To this end, our next proof point is to launch in production and test the live system with our wallet users across a few different banks. Our other big initiative for the next month is to start probing the market on sales.

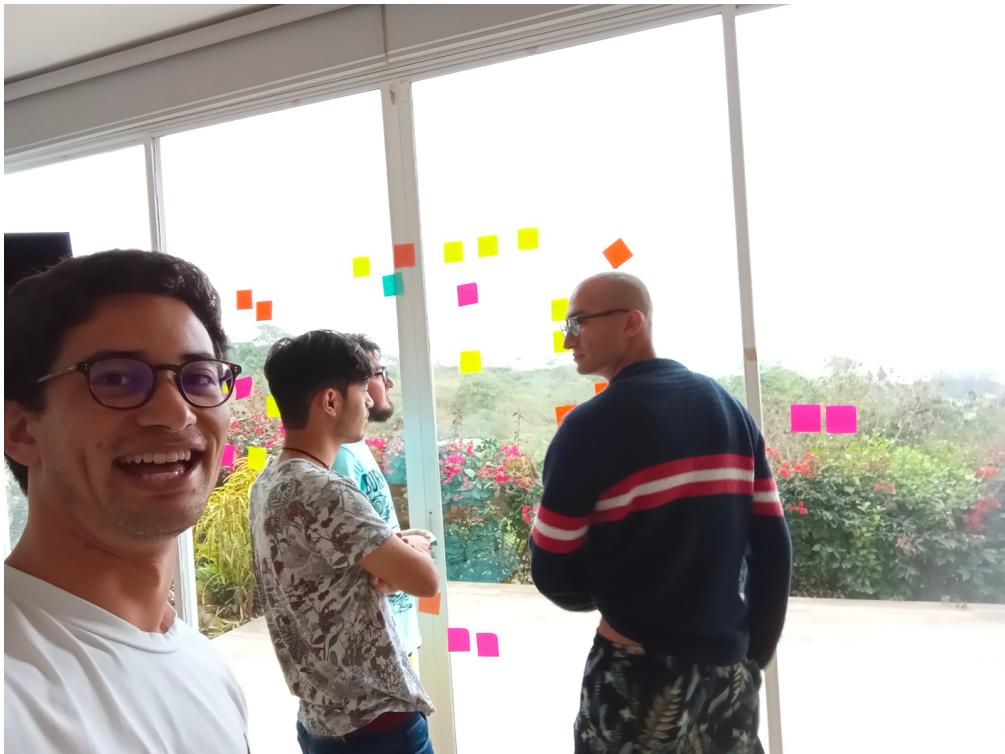
After learning more about Belvo, and speaking with PMs + R&D at Kushki, we're definitely feeling the need for speed... Here's to a productive end of year!

Happy Thursday,
Andy

Company Health

- November Spend: \$12,508.44
- Cash On Hand: \$234,972.83
- Planned Burn Rate: \$10k/mo
- Runway: 22 months







1. Saturday team dinner in Ayampe (from left: Andy, Daniel, Josua, Marco)
2. end of hackathon demo call (with fintech lawyer, technical investor, and local investor, Sam at top right)

3. *sticky note hackathon planning*
4. *mid-hackathon break, pool at Selina beach bar*
5. *Daniel becoming friends with the ocean*
6. *team inauguration dinner (with local investor and partner who introduced us)*

----- Forwarded message -----

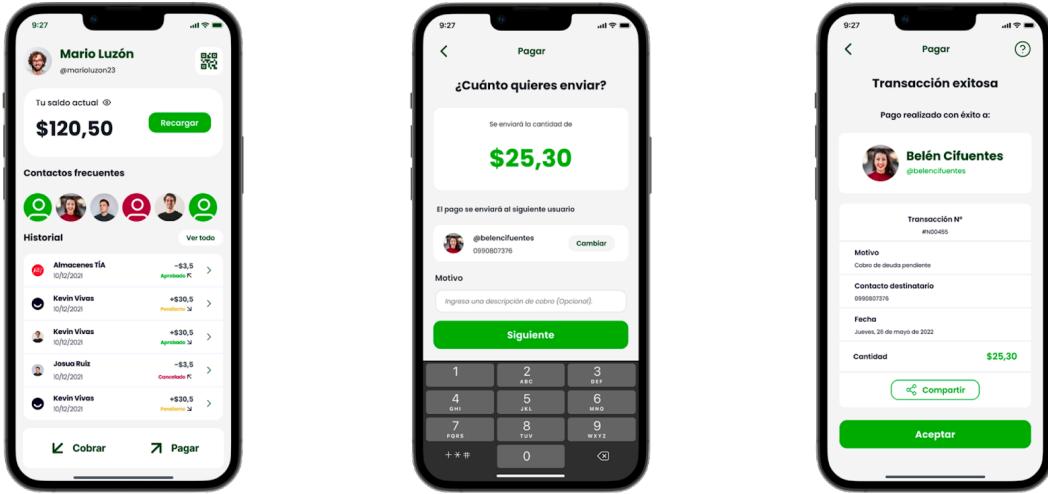
Date: Tue, Jan 3, 2023 at 6:14 PM

Subject: Senseg December 2022 Investor Update

Dear Senseg Investors, Happy 2023!!!

Thanks so much for your partnership during our first year. Words cannot describe how much your support has meant to me. And we're sending especially warm wishes to Sam, who built the v1 app with me starting last January, through many long nights, even before we had any investors! After a wonderful year together, he has now joined the thriving Senseg Alumni community to continue growing his career elsewhere.

Last month, a lot happened. In addition to finally submitting our official paperwork and getting the first ping-back from regulators, perhaps the biggest milestone was we released our wallet v2. Thanks Marco for a smooth implementation and Josua for a polished, delightful design!



This overhaul paves the way for Banconect rolling out to production. Daniel has completed a stable connection to Banco Guayaquil (Ecuador's second largest bank), but there is a lot more to be done... [Christian Chunga](#), another ex-Kushki, has started with us part-time to help support and accelerate API development.

We gained a few new insights about the market:

- Ecuador's premier VC, Fernando Rivera at [Buentrip](#), expressed interest in potentially partnering to incentivize app-building on top of our infrastructure.

- Talking with the Kradac team behind Clipp and kTaxi, we learned the wallet may be an easier integration sell than Banconect to their payments team.
- Continuing to operate as a company here in Ecuador reinforces the need for improved checkout experiences, especially in regards to government-required accounting (automatic e-facturas).
- The fintech law will facilitate us potentially building many other financial services: Robinhood for Ecuador, credit / loans, insurance, neobank, etc.

My main goal for Q1 is to fundraise. As we continue to ship product and learn, I'd like to add more team capacity and begin the search for a few key leadership roles: PM, Growth, and Legal / Strategy. I believe the timing is right to capture the market, and we have now sufficiently de-risked (product & legal) to launch our system country-wide. This month will be iterating on the pitch and lining up intros, target February to start getting commits.

Happy Tuesday,
Andy

Company Health

- December Spend: \$10,472.59
- Cash On Hand: \$224,406.48
- Planned Burn Rate: \$12k/mo
- Runway: 18 months

----- Forwarded message -----

Date: Tue, Jan 31, 2023 at 5:10 AM
Subject: Senseg **January 2023** Investor Update

Dear Investors,

It took nearly the entire month, but I finally wrote an 11 page memo as our seed pitch v1. Over the last couple days, I've been receiving great feedback to drive towards v2 and feel on track to begin fundraising in February. Thanks to all advisors for generously sharing your perspectives.

Writing this document, reviewing our finances, and speaking with a variety of potential customers, I learned we need to refine our product focus around the urgency of going to market. Our original product, the consumer wallet, is going to require more resources and time to push adoption than we currently have. There are also dependencies on automating deposits and the yet-to-be-specified Fintech Law wallet regulations.

To that end, our amazing lawyer and I were invited to present Senseg yesterday to a panel of folks at the Central Bank of Ecuador, including the [president](#) of its [highest governing body](#). They asked a lot of questions and want to remain in touch. We're excited to continue shaping favorable policy as we proceed.

Meanwhile, we see less legal complexity and clear market need for enterprise bank transfer solutions. Perhaps our most promising prospect is [Facturero](#) (an invoicing service), who wants to use our infrastructure to process hundreds of thousands of dollars in customer payments. Their leadership is also behind [Pardux](#) (Shopify for Ecuador). We are currently negotiating on price to deploy with Facturero first.

To best serve impending customers, we will be pausing the wallet and shifting all resources to Banconect. We're excited to welcome [Robert](#) to the engineering team tomorrow full-time. He helped us build the API dashboard during our hackathon last November and will accelerate development of the user experience.

We will remain frugal and agile as we sprint to market. As you can see below, our burn is reaching an upper limit, and remaining runway concerns me greatly. We do expect something to change in a big way within the next couple months... If not, we will need to start slashing spend (back to the good old \$5k days) come end of Q1.

Happy Tuesday,
Andy

Company Health

- January Spend: \$12,645.63
- Cash On Hand: \$212,424.10
- Planned Burn Rate: \$15.5k/mo
- Runway: 13 months

----- Forwarded message -----

Date: Tue, Feb 28, 2023 at 11:36 AM

Subject: Senseg **February 2023** Investor Update

Dear Investors,

We are feeling good about our new B2B focus with the [Banconect](#) product. Multiple eager customers have asked to pilot with us. We'd like to turn this interest into signed documents and have implementations up and running by end of March.

Thanks to a lot of your feedback, our pitch is now ready for our seed round of fundraising. Please let me know if you have any intros to make! I will be reaching out individually over the course of this and next week to schedule calls. Aiming to book angels March 13-17 and institutional VCs March 20-24.

We incorporated one year ago on March 1, 2022. I'm super excited to see our company grow in year 2.

Happy Birthday Senseg!

Andy

Company Health

- February Spend: \$12,895.26
- Cash On Hand: \$199,692.47
- Planned Burn Rate: \$15.5k/mo
- Runway: 12 months

----- Forwarded message -----

Date: Mon, Apr 3, 2023 at 4:45 PM

Subject: Senseg **March 2023** Investor Update

Dear Investors,

Banconnect is in production with our [first customer](#)! They are using our payment checkout links for their Whatsapp sales channel.

We expect to go live with a couple others soon. We will also roll out website and app integrations after a few more weeks testing. It's been great to get real user feedback and make small adjustments accordingly.

I have begun speaking with investors in earnest, but fundraising has been slow overall as we continue to iterate the pitch. Thanks to everyone who has been helping out. I'd like to touch base with all existing investors, so I will be reaching out to more of you individually.

Our burn continues to concern me. Legal fees + tax accounting are not cheap! But I'm hopeful that things will be improving soon, so I'm holding off on slashing expenses for another month.

PS- I'm in SF April 14-19!

Happy Monday,

Andy

Company Health

- March Spend: \$14,537.16
- Cash On Hand: \$182,893.56
- Planned Burn Rate: \$15.5k/mo
- Runway: 10 months

----- Forwarded message -----

Date: Wed, May 3, 2023 at 2:17 PM
Subject: Senseg **April 2023** Investor Update

Dear Investors,

A couple weeks ago we made the tough decision to stop pursuing payments in Ecuador as our primary focus. I'm still working through the details of closing up shop with our subsidiary, and I hope to finish by end of May. This will save us around \$1.1k in recurring monthly costs and more importantly, free up mental space.

I've spoken with a few of you already, but please reach out if you'd like to talk in more detail about how we got here and what's next. Bottom line: nothing is changing structurally. We will continue operating with the U.S. entity in which you originally invested, and we ultimately want to create a big company together.

While we look for our next opportunity, we are using spare eng capacity for software consulting. We started building a web app for [Shfl Speed Dating](#) as our first project. It's an interesting idea with potential for growth, and despite some extra expenses last month, I'm pleased our runway went up instead of down for the first time.

If you know anyone who needs a high-quality dev team that works fast, please send them my way! We can do design and product strategy through implementation, fully managed, for web and mobile across a variety of frameworks.

Happy Wednesday,
Andy

Company Health

- April Spend: \$33,798.53
 - \$15.9k normal company operations
 - \$7.9k annual corporate tax accounting (Fondo)
 - \$10k 1yr deferred legal fees to Cooley
- April Consulting Revenue: \$10k
 - \$17.3k more signed (paid by end of July)
- Cash On Hand: \$164,509.64
- Planned Burn Rate: \$15k/mo
- Runway: 11 months

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Date: Wed, May 31, 2023 at 5:50 AM

Subject: Senseg **May 2023** Investor Update - engineers for hire

Dear Investors,

Please let me know if you or anyone you know is looking to hire a great engineer or a designer!

(top talent at a fraction of U.S. costs, \$50k - 65k fully loaded)

We're finishing the Shfl Speed Dating project ahead of schedule. I've had consultations with a dozen prospective clients for our next project, from AI startups to Ecuadorian ketchup distributors to Canadian real estate investors, with quotes ranging from \$15k - \$350k. It turns out software consulting is a hard grind in general, and our team has a very specific profile... We don't align with the market as well as we had hoped.

Although there are a couple projects that still might come through to extend our team's lifespan, I'm re-prioritizing to a new Plan A: help the team transition out of Senseg and onto new, better-paying jobs by end of June. This will double our runway and greatly increase agility to explore + exploit the next opportunity. Hopefully we can bag a few referral bonuses as well.

Closing up shop in Ecuador is taking longer than initially planned, but we managed to close our bank account and file to dissolve the subsidiary. Approval is another story, could take until August or later. However, aside from some one-time fees this month, recurring costs have been successfully reduced to \$50/mo going forward, and the rest of the process should be smooth from here.

Happy Wednesday,

Andy

Company Health

- May Spend: \$19,091.15
- Cash On Hand: \$145,220.76
- Planned Burn Rate: \$6k/mo
- Runway: 21 months

Note that burn + runway estimates include:

- *final payments from Shfil over next couple months,*
- *team headcount going back to Andy solo as of June 30, as well as*
- *2023 annual filing fees and taxes.*

----- Forwarded message -----

Date: Fri, Jun 30, 2023 at 5:26 AM

Subject: Senseg **June 2023** Investor Update

Dear Investors,

This was a tough month, but it went largely as planned. We stopped software consulting and successfully lowered burn. Our designer is currently interviewing with a couple promising opportunities, and Lucy Guo ended up taking all 4 of our engineers at [Passes](#). They are earning >2x more while completing a trial contract, and they are excited to work for a U.S. company.

I'm now solo as of today, looking for another opportunity. Top of mind is [Shift Speed Dating](#). Tomorrow, I'm flying to Portland to spend a couple weeks with Austin, validating the platform's potential as well as our fit as cofounders. Very much looking forward to speaking with users and live testing the v1 web app we shipped this week!

Happy Friday,

Andy

schedule a chat: [here](#)

Company Health

- June Burn: \$4,997.54
- Cash On Hand: \$140,547.30
- Runway: 20 months (~\$6k/mo)

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Date: Mon, Jul 31, 2023 at 11:30 PM

Subject: Senseg **Final Investor Update** - Shutting Down & Redistributing Cash

Dear Investors,

I've made the difficult decision to shut down Senseg Inc. After speaking with many of you, this seems the best path forward.

It has been over 3 months since pivoting away from Ecuador payments, and it's becoming clear that I'm unlikely to succeed as a solo founder. Better to return cash instead of spending it all on my living expenses until there's nothing left.

Philosophically, this is more aligned as well. I am increasingly open to bootstrapping a business, or even joining a company to make myself some long-needed income. Given the wider variety of options I'm considering, I am no longer fully stewarding your investment in a venture orientation as originally intended.

My plan for the next few months is to join [Shuffle Speed Dating](#) as cofounder & COO. The web app our team built was finally rolled out to production for live events this past weekend, and it worked well. Tomorrow is the first event for city #2 (Seattle). I am excited to grow this business and hopefully to pay ourselves out of earned revenue soon.

As much as I would love to bring along the friends & family who helped me iterate to this point in my life, so that you could share in potential future upside, this is structurally difficult:

- The founder & CEO Austin will occupy the sole board seat, giving him the power to fire me. You did not invest in Austin, and may not want to blindly do so.
- We have another cofounder as CTO, [Harris](#). Neither of my cofounders chose you to be their investors.
- I would be wiped out if I were to carry along your SAFE into my portion of the new entity, or
- you would end up owning a smidge under 1/3 of your originally-intended stake if we "shrunk" Senseg down somehow.
- The amounts we're dealing with here are not worth any legal hoops to do so.

To my present knowledge, a total of 19 individuals and entities contributed a sum of \$279,750.00 to Senseg. We currently have \$141,273.78 left, after receiving our final consulting payment from Shuffle. This total will go down slightly with legal fees,

before being sent out according to your SAFE terms. You will receive official details soon.

I am extremely unhappy to have spent half your money with nothing material to show for it. I hope one day to be able to give all of it back and more. I will be forever grateful for the trust and support you've given me on this journey. I'm indescribably sorry for this outcome.

Please let me know if this all makes sense, or if you want to discuss anything further.

Sincerely,
Andy