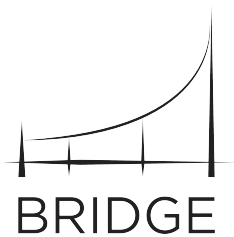




# **April 2022**

## Partner Newsletter



## Letter from the CEO

Bridge is investing in the Future of Work.

Dear Bridge Shareholders,

On behalf of the executive team of Bridge, including Joel Jimenez (Executive Chairman), Eric Wong (Operations Director and CEO of Workbase), Sharon Aytona (Finance Director and CEO of PayDay), and Janna De Guzman (Product Director and CEO of Access), I would like to express our gratitude for your continued trust.

Our excitement and optimism do not come from a rosy economic outlook. We are of the opinion that the business environment will remain very tricky but will benefit the most focused (on the right North Star Metrics), the most disciplined (in executing towards those North Star Metrics), the most resourceful (to ensure ample financial and human resources), and the most gritty (to capitalize on the opportunities amidst the risk brought about by great change).

The Bridge team has always been known for being hard working, resourceful, and gritty, but the Covid pandemic has forced us to be much more focused on specific North Star Metrics (versus thinking mainly about valuation growth) and much more disciplined to execute according to the chosen North Star Metrics. This much more focused approach has led to the following post-pandemic results:

1. Bridge (Hold Co.) was profitable in 2021 and is on track to be profitable in 2022.
2. Bridge PayDay (payroll) achieved profitability in 2021 and is on track to be even more profitable in 2022, with more profit upside from having our own payroll platform (PayDay Cloud).
3. Bridge Access continues to grow towards its North Star Metrics of Worker Pool (258,000 workers on Access) and Gross Loan Value (P142,000,000.00), and rolling out its own UpCycling program in a first step to underwrite our own loans (versus just originating and servicing for others).

To survive the recent global pandemic and the accompanying financial challenges, to come out a more focused, disciplined, resourceful, and gritty team, and to realize the benefits of profitability (which sometimes sounds odd in a wild venture world), has allowed us to reimagine what success is for Bridge around Profitable Growth. Profitable Growth, is the foundation for long term value creation.

Success for Bridge is to build organizations that create long-term value through profitable growth. Any increase in valuation is a consequence of our focus on North Star Metrics and not the focus itself, so we will spend as little energy on this as needed.

The following sections include highlights from the different companies under Bridge, including our newest addition, Workbase (think UpWork but for enterprise clients), as well as our thoughts on Gross Wage Value as a strategic North Star Metric for Bridge.

Once again, thank you for going on this journey with us!

Best,  
**David (and the Bridge Team)**  
*"In a World of OR look for AND."*

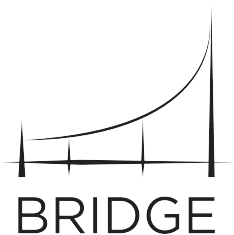
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## 2022 Q1 Highlights

A Stronger Bridge in a Post-Pandemic World

*By Eric Wong, Operations Director*

At Bridge, we saw the pandemic as an opportunity to sow more into the future of the company. During this time, we invested in working more closely with clients, expanding our network of partners, managing our resources well, and focusing on coming out of the pandemic stronger instead of just surviving it.

This year, we are beginning to see those activities bear fruit.

At the holding company level, Bridge ended 2021 with a year-end profit of about Php 2.5M, coming from a pre-pandemic monthly burn of Php 3.5M. Bridge is on track to be once more profitable this year.

Other highlights year-to-date include:

- 70% Reduction of financial backlogs in Q1 2022 from 2020 despite the pandemic
- less than 2% Debt to Equity ratio
- Equity investments in Finblox (a defi solution for earning yield on crypto) and Workbase (a learn-to-earn platform that helps companies augment their workforce with freelancers)

Our portfolio companies have also grown.

Last year, we incorporated **Bridge PayDay**, our payroll company, as an independent entity. Today, it is steadily growing in users, is profitable, and investing in their own payroll platform, putting it in an ideal position for continued growth:

- Monthly profitable since end of 2021, with a 2022 YTD average net margin of 25% monthly
- 16,000+ Users on PayDay
- Gross Payroll Represented run rate of \$130,000,000 USD/year
- Launched PayDay Cloud, their own payroll platform that includes timekeeping, and HRIS, and available for integration to third-party services and apps

**Bridge Access**, our venture that helps make secure and affordable financial services accessible to workers, also continues to grow. In the past year, Access has partnered with communities they can help provide more of these services too, and an increased number of underwriters to help support these users' needs. By facilitating these transactions, Access continues to capture data to create and launch their own financial products, with significantly less burn compared to other startups in the same industry:

- Access user pool of 258,000
- Access directly funded loans to go live in Q2.
- Restarted Salary Loans with partner underwriter Golden Legacy, and new cash advance partnership with Quick Loans Online (QLO)
- Recently secured LOI with a company of 180K, the biggest yet for Access
- New product Chat-a-Doctor in partnership with AXA

We anticipate the road ahead to continue to be challenging, but we are confident that our investments will continue to bear fruit, and pave the way for us to serve more customers with greater value.

### In this issue:

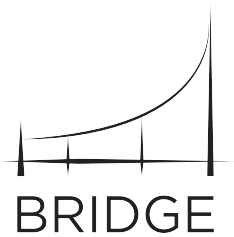
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## Interview: Janna De Guzman Vazquez

Bridge Access Co-Founder and President Janna De Guzman Vazquez talks about her journey as a founder, Access' origins, and the company's post-pandemic future.

By Sachi Lozano

### ***How did your start in financial services lead to the founding of Access?***

I started out in the insurance and financial industry over 10 years ago, but I left because I felt like a lot of the processes in the company I was with at the time were old school and very slow to change. After moving to project management, IT, and working with Bridge on one of their payroll processes, we figured out that there was an opportunity to help employees address their financial issues through technology. That's when we decided to found Access, the company I run today.

We saw how employees frequently needed money, and wanted to borrow from their companies through an advance because their only options were either to get it from a bank who only served a small range of people, or go to online and informal lending institutions that charged crazy rates. We thought, *"Let's build something that provides accessible financial services to anybody that has a job."*

Since then we've been on a mission to build thoughtful technology that helps our end users—frontliners, service industry individuals, etc.—especially those who are not techie, to access affordable and secure financial products.

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***We saw an opportunity to create something that would not take advantage of an individual when they are in their most vulnerable state and in need of financial help.***

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Janna De Guzman Vazquez, Bridge Access  
Co-Founder and President

### ***Why is your work important to you? Why this mission?***

When I went to the US to study and work briefly, I saw a difference in the kind of problems startups I would work with were trying to solve there vs. the problems we would face day-to-day in a developing country. I thought, *"Ok why am I working with these startups doing communication, SMS messaging, social media?"* These things seemed quite distant from the pressing problems at home in the Philippines.

When you're employed abroad, financial services usually come naturally. You can earn a salary that can support you and have insurance right away even if you are just starting out. I know this is not the reality for 100% of people, but the majority of workers there do get that. I thought, *"Oh okay, the financial products at home are far from what they could be."* That really drove me to build something that will help others get to that point.

The desire to come home came naturally.

### ***Can you share a bit more on the financial services in Access?***

We tap into protection, savings, and affordable credit.

When you think about protection or insurance, what typically comes to mind is the kind where you have to meet with a financial adviser for or pay large amounts of money to get started with. This is not usually attainable for a lot of the people we work with.

So for this, we created insurance that is super easy to purchase online, and really inexpensive: think PhP50 or \$1 a month.

Second, we want to help people set aside funds and grow it, since that's the only way to get out of the debt cycle: avoiding the trap of going into high-interest loans when there's an emergency. We wanted

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***The goal for us is to help the Filipino worker start their financial journey and end up in a better state than where they started.***

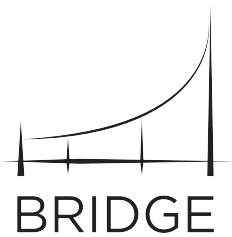
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to make investments accessible to them so that they don't need to have a million in the bank to start investing. In Access, you can put PhP500 every single month into an account, and see it grow.

Finally, we wanted to create affordable credit. While credit cards offer low-interest rates, not a lot of people are eligible to get one. So we work with companies who use our platform to access credit at an affordable rate without the need for a credit card.

The goal for us is to help the Filipino worker start their financial journey and end up in a better state than where they started.

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***Why is the problem you're solving urgent?***

There are a lot of urgent problems in the Philippines. I don't think this is the most urgent, but I think you should work on problems that you have both the capability to address, and the knowledge to handle.

Because the team and I had the opportunity and capacity to work on something like this, it was a worthwhile project to take on. We knew what the need was because we've worked with employees for so long. We also already built relationships with financial entities that we could tap into and work with.

We believe that financial freedom and security are not about how much you earn, but how much you know how to set aside. If you are given the tools to do this early, you'll have a better chance of building a good future.

***Speaking of, the pandemic has definitely affected the future of most individuals and companies. How has it affected Access?***

It was really challenging. In the first month of the pandemic, all our financing partners stopped operating. No one was lending out because no one was sure what the environment would be like and we were at a standstill. But there were a lot of opportunities during this period too. [Access Community](#) actually came about during the COVID era. We realized it wasn't just companies that needed help. It was also organizations, individuals, and businesses that needed financing at an affordable rate.

[During the pandemic] we partnered with the City of Pasig, over 25,000 MSMEs, and over 50,000 individuals and small businesses. It was a good time in terms of expanding our customer base: employees, individuals and small businesses. Also not



Bridge Access signs partnership with the City Government of Pasig

just companies, but organizations, cities, etc. It was a struggle initially, but on the other hand, we pivoted, and we were able to expand our reach and figure out other services and other products that we could offer.

The team also grew during COVID. We hired more people and even raised funds during this period.

***What have you learned so far as a founder and leader?***

On my end, it's learning that there's always a solution. There's always a way forward. It only stops when you stop.

I also learned to say no to things that don't align with what our focus is. If you're doing so many things you're spread out – your team is spread out and you grow slower. When we drilled down, and decided which specific activities and specific KPIs to focus on, our user growth,

transaction growth, and member growth, grew 5x.

The main goal for Access is to serve as many people as we can. Right now we have around 80,000 people that are on the platform. It's a big growth from where we started, but I think we have a long way to go to where we want to be. We want Access to serve a million Filipinos. There's still plenty of learning and growth ahead.

***Finally, where can we read more about the stories of people who use Access?***

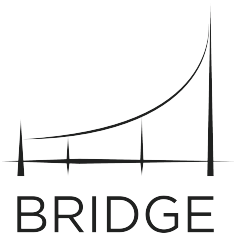
[Stories of Access](#) shares stories of people who have used the app!

Every month we interview an individual who uses the platform to find out, what they're using it for, and why they're on Access.

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***There's always a way forward.  
It only stops when you stop.***

”



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## Gross Wage Value

Explaining our obsession with this North Star Metric

At Bridge, we track two sets of metrics for all our companies: North Star Metrics and Financial Metrics. North Star metrics are the primary things we track, which may or may not include financial targets, but represent what we believe to be the most important value drivers of our business and we form our strategies around them.

One recurring North Star Metric you'll find at Bridge is **Gross Wage Value** or **GWV**, which is the total amount of wage inflow represented by our customer base in one year.

For example, at PayDay (payroll processing), GWV is computed as the annual payroll processed by PayDay. At the time of this writing, our GWV for PayDay is about \$130,000,000. Now think of the possibilities of what we can do by channeling this GWV to other services. One option would be to channel it towards payments. If 10% of our GWV went to payments, that would be \$13,000,000 worth of transactions. If 30% of our GWV went to loans or salary advances, that would be a loan book of \$39,000,000. We can even channel GWV to loans to employers, advancing the salaries of their employees on their behalf. There are many opportunities, particularly financial services opportunities, that come with a consistent consolidated GWV.

Note that we also track Financial Metrics separately. But we do this primarily to ensure that we are not only succeeding in achieving our North Star Metrics but also doing so in a way that's sustainable and scalable.

Payroll, particularly payroll processing, is a great way to generate Gross Wage Value. Our plan is to continue to invest in this space profitably, not being in a rush, but patiently aggregating GWV.



## Bridge April 2022 Partner Newsletter

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