

TradeUp

TradeUp Provides Financial Services To Underbanked Trade School Students

TradeUp funds students pursuing in-demand trades, which is a massive underserved market (\$5B) that can't be accessed by traditional credit underwriting approaches.

Debt-Free Students In Need

Over 2,000,000 students attend trade or vocational schools every year, but many trade schools do not qualify their students to receive federal student loans^[1]. Private aid is often out of reach, and self pay is even less possible given 40% of Americans don't have \$400 saved for upfront expenses.

Massive, Growing Job Market

Trades are in a resurgence, with over 1 million job openings in our initial target trades^[2]. All sectors can't meet demand, and this will only worsen as they grow ~13% in the next decade. TradeUp is solving this supply problem by funding qualified individuals who want to enter the workforce but can't afford an education.

Data-Driven Outcomes

TradeUp works with top tier trade schools that have high graduation and placement rates, up to 98% for both. Students are underwritten based on a school's historical performance data, market data on salaries and job growth, and individual factors. This ensures our cohorts have high performance and low default rates.

[1] https://nces.ed.gov/programs/coe/indicator_cha.asp

[2] Appendix: Job Market

Income Share Agreements: The Right Tool For The Job

Income share agreements are alternatives to student loans. Instead of basing repayments on previous credit history, ISA terms are based on expected future income.

Student Benefits

Since payments are a fixed percentage of a graduate's salary, TradeUp ISAs are built to be affordable, even if the effective interest rate is high. Our ISAs also have built-in downside protection, covering students when they are in between jobs, injured, or dealing with other unforeseen circumstances.

Investor Upside

TradeUp ISAs pay back up to 2x on average. With short payback periods of 2-4 years, TradeUp and its investors see high yield returns quickly, with IRRs up to 40%. Returns are easily predictable and reliable based on job market data and historical placement information.

Trade School Fit

Trade schools are the perfect fit for ISAs: they have short training times, low upfront costs, and very high job placement rates. All of these greatly reduce the risk of student default. Trade schools can put more students through their programs, employers can fill their open positions, and students can secure a stable career.

Labor Market

The labor market in our target trades is extremely tight, as older technicians retire and fewer and fewer new technicians are available to fill their positions. The rapid expansion of certain sectors (such as allied health and avionics) have also contributed to massive labor shortages. These conditions set our graduates up for nearly guaranteed placement across the board. Below are examples of demand across our target verticals:

Allied Health

Dental Assistant

Ann. New Techs: 14,994
Ann. Job Openings: 39,000
Job Growth: 6.6%
Demand: 2.61x Supply

Veterinary Technicians

Ann. New Techs: 4,000
Ann. Job Openings: 10,900
Job Growth: 16.2%
Demand: 2.73x Supply

Respiratory Therapist

Ann. New Techs: 6,219
Ann. Job Openings: 11,999
Job Growth: 19%
Demand: 1.92x Supply

Registered Nurses

Ann. New Techs: 155,000
Ann. Job Openings: 175,900
Job Growth: 7.2%
Demand: 1.13x Supply

Medical Sonographers

Ann. New Techs: 1,500
Ann. Job Openings: 5,100
Job Growth: 16.8%
Demand: 3.40x Supply

Medical Record Technician

Ann. New Techs: 16,494
Ann. Job Openings: 42,957
Job Growth: 8%
Demand: 2.60x Supply

Infrastructure / Skilled Labor

Electrician

Ann. New Techs: 7,000
Ann. Job Openings: 82,200
Job Growth: 8.4%
Demand: 11.74x Supply

Plumber

Ann. New Techs: 5,400
Ann. Job Openings: 49,000
Job Growth: 4.3%
Demand: 9.22x Supply

HVAC Tech

Ann. New Techs: 5,323
Ann. Job Openings: 27,296
Job Growth: 4%
Demand: 5.12x Supply

Construction / Manufacturing

Diesel Mechanics

Ann. New Techs: 12,112
Ann. Job Openings: 24,500
Job Growth: 3.4%
Demand: 2.02x Supply

Avionics Technician

Ann. New Techs: 330
Ann. Job Openings: 11,200
Job Growth: 4.6%
Demand: 33.94x Supply

Commercial Trucking

Ann. New Techs: 43,550
Ann. Job Openings: 209,200
Job Growth: 1.5%
Demand: 4.80x Supply

Aligned Incentives: Job Placement

Because ISAs align incentives between students, schools, and lenders, we are especially focused on the placement of our students. Although our schools have excellent placement rates, we also provide each and every student who graduates with a TradeUp ISA access to a full suite of placement services through our tech-enabled placement agency, Placeable. Placeable offers everything from resume help and mock interviews to direct placement.

Employer Dashboard

Welcome back, Robert!

Notifications:

- You have 3 new matches today
- You are scheduled to interview with Dana Dezak on 9/27/2020

Build a Candidate

- Set skill criteria
- Set availability preference
- Set geographic preference

Start Building Now

Candidate Matches

- Chris Todson, available 8/1/2020
- Ron Carlson, available 8/1/2020

View All Requests

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Share Job Lead

p

Contact placeable Consultant

p

Report Problem

Employer Dashboard
Get matched with employers and secure Interviews.

Mentor Dashboard

Welcome back, Amy!

Notifications:

- Update your bank information
- You have 2 requests that are more than 30 days old

Current Members

- Jane Doe, enrolled and active
- John Smith, enrolled and active
- Tanner Jones, enrolled, inactive

View Active List

Requests for Mentoring

- Dana Dezak, requested 9/1/2020
- Alan Music, requested 9/14/2020

View All Requests

Performance

Total Revenue to Date

\$300.00

Total Members to Date

6

View Money Board

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Share Job Lead

p

Member Chat

p

Report Problem

Mentor Dashboard
Talk to people that are doing what you want to do!

placeable

Home Pricing Last-Mile Training Partner with Us My Library Search

Job Search Training Program

The program is designed to help members master their job search skills and assist them in conducting an effective job search.

Resume Course

Lesson 1 - Planning and Preparation

- Welcome Aboard! Thank you for enrolling in placeable's Job Search Training Program. Job search is one...
- Why I Hate the Resume?! In this session, we will have an honest conversation about the resume. I'll say up fr...
- The Baseline Resume In this session, we will walk through how to develop a baseline resume for your job search...

placeable

Job Search Training Program

The program is designed to help members master their job search skills and assist them in conducting an effective job search.

11 of 52 Lessons Complete

Job Search
Learn how to get the job with 100's of hours of online tools and videos.

placeable Advantage

Whether it's obtaining the skill you need to match up with a job requirement or a quick refresher for your current skill set, get the "placeable Advantage" so that you can ace the technical aspect of any job interview.

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Accounting and Business Basics

Learn the fundamentals of business and accounting.

First you will begin with our Accounting and Business basics course.

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Project Management

Project Management Professional, Certified Associate in Project Management, PMI Risk Management Professional, Information Technology Infrastructure Library (foundation and service)

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Social Media and Marketing

Basics of Marketing with Social Media, Social Media & Digital Marketing.

Marketing Tools and Tips for Success, Managing Different Personality Types, Adobe After Effects 2020.

Last Mile Training
Close the gap between your training and your job search.

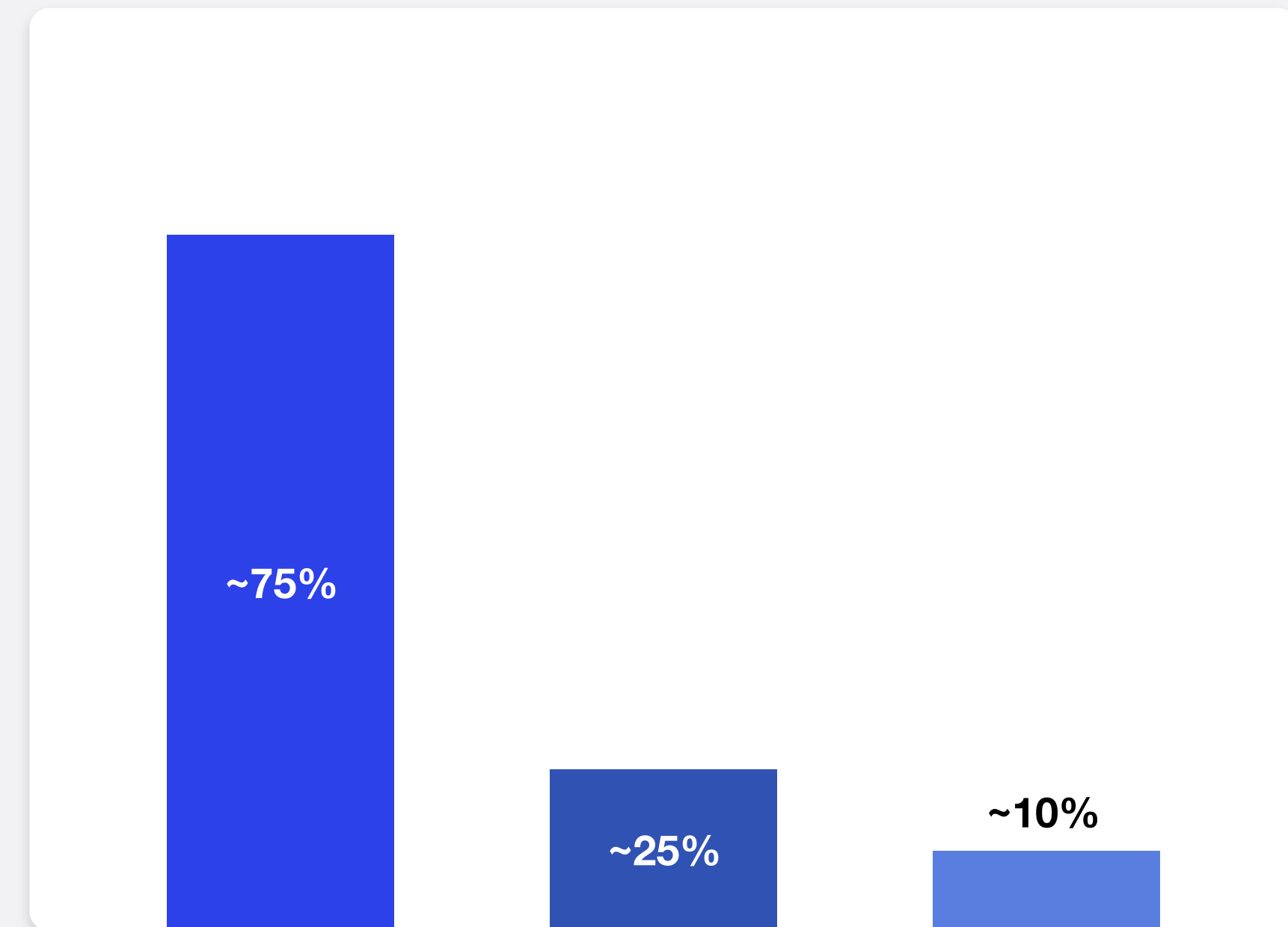
Beachhead Funding Opportunity

Our market opportunity is sized based on the amount of money spent annually to pay for trade education, as we make a multiple on every dollar deployed.

Beachhead Market
\$100MM Deployed
=
\$150-200MM Revenue

\$100 million per year in tuition paid to trade schools that do not qualify for federal funding. These schools are very fast to sell on TradeUp's platform as their students often cannot secure other loans.

Non-Title IV School Funding Options



- Students who qualify for a TradeUp ISA
- Students who qualify for private loans
- Students who can self pay

Based on TradeUp application data

Trade School Financing In Annual Dollars Deployed

\$15 Billion

Financing for students at private technical schools

\$4.7 Billion

Total financing received from private lenders

\$500 Million

\$500 million per year in tuition paid to trade schools that qualify for federal funding but get >70% of their funding from private sources. These schools require large amounts of private funding that we can fulfill.

TradeUp ISA Economics

The majority of our applicants prefer to be out of debt sooner, so our average ISA lasts 2-4 years. Income sharing ranges from 8-15%, and this percentage is set to be always affordable with graduates' salaries starting at 40-60k. TradeUp makes on average \$1.5-\$2 for every \$1 deployed.

Example ISA

School Statistics

Occupation: Dental Assistant
 Graduation Rate: 90%
 Placement Rate: 90%
 Starting Salary: \$38,000

ISA Terms

ISA Length: 36 Monthly Payments
 Income Share: 9.9%
 Max Payback Cap: 2x

Payback Timing

Timing	Time 0	Year 1 Monthly Payments	Year 2 Monthly Payments	Year 3 Monthly Payments
Cash Out	\$5,225			
Cash In	\$0	\$249.56	\$257.56	\$224.88
Net	\$5,225	\$2,994.72 <small>Annually</small>	\$3,084.72 <small>Annually</small>	\$2,598.56 <small>Annually</small>

Effective Payback: **1.68x**

Competitive Landscape

ISA Servicers

Servicers are platforms that allow schools and companies to run their own ISA programs. Servicers do not sign the ISAs or fund them: they simply track, disperse, and collect funds from existing ISAs. Servicers typically work with 4 year institutions that can fund their own ISAs from their endowments. This process simply doesn't work for trade schools that lack dedicated endowments to fund ISAs from.



ISA Investor Market Places

Investor marketplaces often have the same capabilities to service ISA programs; however, they take the next step and market those ISAs to investor networks. This is attractive to 4 year universities who can afford to wait for investors to pick up their ISAs. This model doesn't work well for trade schools because their programs are too short and they lack the endowments to wait around for investors to fund their students after the fact.



ISA Originators

Originators act like traditional lenders like Discover or SoFi; however, instead of using credit-based loans, they use future income-based ISAs.

Traditional lenders currently fail in this space because so many of these students have little to no credit history. With TradeUp, schools get a turn-key solution and students no longer have to choose between high APR loans and self-pay options.



Traction

- Partners and pilots with schools totaling 25,000+ students annually
- Deployed \$300K Fund 0 from balance sheet, students are repaying
- \$13M in off-balance sheet funding committed for Fund 1
- In process of securing \$50M+ for new fund opportunities

11 Partner Schools, 150+ locations Nationwide



Partnered Employers



Pilots In Negotiation



Growth Roadmap

3 Months

Capital Target

\$29 MM

\$13MM Already Closed

Product Roadmap

- Employer Portal for one stop recruiting of technical talent
- Employer-backed custom cohorts to fill large gaps in workforce (pilots already underway in this area)



6-8 Months

Capital Target

\$50-100 MM

Credit Line

Product Roadmap

- Tackle Title IV trade schools through direct to student marketing and bridge funding tactics
- Strengthen in-house placement services for our students



18-24 Months

Capital Target

\$500 MM

Credit Facility

Product Roadmap

- Geoarbitrage labor on revenue share model in coastal cities
- Rent-A-Workforce: on demand contract workforce of graduated students for large projects from industry clientele



36 Months

Capital Target

Continuous Deployment

Product Roadmap

- Leverage data to create generalizable underwriting model for trade and skill workers
- Create lending and banking services for this underserved market based on historical data

Deployment Schedule

As we secure funding, we are poised to ramp up deployment significantly throughout 2021. With our current schools under contract, we have roughly \$30MM in deployment capabilities. However, we are aggressively expanding our partnership outreach to hit \$100MM+ deployed by year end.

Q1 Deployment Target: \$5,923,647	Q2 Deployment Target: \$11,945,654	Q3 Deployment Target: \$61,719,214	Q4 Deployment Target: \$31,855,078	Year End Total \$111,443,593
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In-depth Q1 Deployment Breakdown

School	January	February	March	Q1 Total
TMIKY	\$390,000	\$585,000	\$780,00	\$1,755,000
International College of Health Science	-	\$1,225,000	-	\$1,225,000
Alabama Pipe Welders Academy	-	-	\$180,000	\$180,000
Medical Sales College	-	-	\$100,000	\$100,000
Northwest Lineman College	-	-	\$180,000	\$180,000
Chicago Dental Assistant Academy	-	\$203,647	-	\$203,647
160 Trucking School	\$500,000	\$700,000	\$900,000	\$2,100,000
CE Global Health College	\$60,000	\$60,000	\$60,000	\$180,000
				Deployment Target: \$5,923,647

The Team



Eric Menees, CEO

Eric taught lean startup and global technology commercialization at the IC2 Institute, working extensively with foreign companies launching in their home countries or expanding into the US. He led multiple NSF I-Corps and accelerator teams.



Brian Egnatz, CIO

Brian brings 30+ years of experience in the finance industry. He spent 16 years managing JP Morgan's mortgage risk within the office of the CIO while also co-managing their \$200B investment portfolio. He went on to manage HSBC's \$80B portfolio as CIO.



Ethan Anderson, COO

Ethan worked at Droga5, the top advertising agency of the decade, as one of two creative technologists. He worked with clients such as The New York Times, Sprint, and Chase Bank creating brand identities and concepting new tech exhibitions.



Robert Park, CBO

Robert was an early employee at SoFi leading their career strategy team. He went on to Meritize to lead their business development team, scaling their deployment to ~\$100 million dollars while cultivating connections with trade schools across the country.



Bhavin Gupta, CTO

Bhavin worked in Airbnb's machine learning division improving the company's pipeline for evaluating and escalating customer support cases. His experience designing predictive models was instrumental in kickstarting TradeUp's underwriting model.



**Albert Chang,
Director of Product at SoFi**

Albert leads SoFi in the product areas for social, app engagement, and crypto. He created the Socially Financed investor syndicate and previously founded YouTube Gaming.



**Drew Sterrett,
Cofounder & CEO of LEX**

Drew is the founder of LEX, the first NASDAQ-powered marketplace for publicly registered and traded real estate securities. Prior to LEX, Drew worked in private equity.

Our Advisors



**Aaron LaRue,
Director of Product Management at Zillow**

Aaron was previously Director of Product Management at SoFi where he led the acquisition of Lantern Credit and the launch of SoFi's personal finance management app.



**Brandon Child,
Principal at Costella Kirsch**

Brandon works on structured debt financing at Costella Kirsch. Prior to CK, Brandon founded and sold Sir Kensington's, a gourmet condiment CPG company acquired by Unilever.

Raise

- \$2M provides an additional 2.5 years of runway (+ buffer)
- Need to hire and expand BD and Finance teams to deploy increasing capital
- Brought in expert trade school BD lead to get larger schools + companies
- Brought in seasoned Chief Investment Officer, hiring Capital Markets lead

Appendix

Labor Market Methodology

Below is a breakdown of sources and methodology for the market data used in slide “Labor Market”.

Methodology

Annual New Techs: To find this number, we assembled reports from the major accrediting bodies for each individual trade regarding the amount of new certificates they issued that year. Combined with the data from the official Title IV database regarding disbursement broken down by program, we are able to accurately measure the number of new technicians who receive certificates and therefore enter the workforce that year.

Annual Job Openings: To find this number, we used Career-One-Stop (a Bureau of Labor Statistics endorsed job search website which aggregates a large number of job search sites).

Job Growth: The Bureau of Labor Statistics reports this number for each occupation.

Demand: (Total Job Openings / New Graduates Entering the Workforce)