



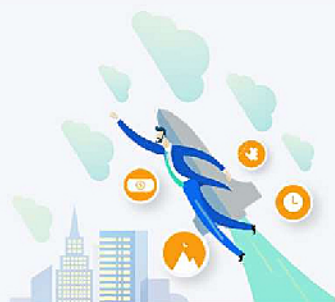
# **SOLVING FINANCES FOR 1099 WORKERS**

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## CHALLENGE

AS PEOPLE MOVE INTO 1099 WORK, THEY WILL NEED A CUSTOMIZED SOLUTION TO HELP MANAGE THEIR SOLOPRENEUR BUSINESS



### W2 TO 1099

For most, switching from W2 to 1099 income is challenging:

- ▶ tax planning and payments
- ▶ saving for retirement
- ▶ revenue collections
- ▶ variability of income impacts paying student debt, household expenses, saving for college



### RESPONSIBILITY SHIFT

The responsibility for tax compliance and retirement plans shifts to the individual from the employer:

- ▶ tax withholding won't be in the paycheck
- ▶ automatic 401k contributions will not be available
- ▶ cash flow will likely be variable

**namu** WILL BE THE SAAS PLATFORM THAT  
EDUCATES AND HELPS SOLVE THESE CHALLENGES

Sources: 1) Nation 1099, *How Many Freelancers Are There?*, <https://nation1099.com/gig-economy-data-freelancer-study/>;  
2) Upwork, *5<sup>th</sup> Annual Report Freelancing in America 2018*, <https://www.upwork.com/l/freelancing-in-america/2018/>.

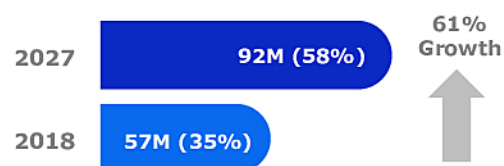
## US MARKET SIZE



### GROWTH EXPECTATIONS

**intuit.**

According to Intuit, the percentage of Americans in the gig economy is expected to grow



TOTAL ADDRESSABLE MARKET



### SELF-EMPLOYMENT

**McKinsey & Company**

Consulting firm McKinsey says there are currently around 68 million self-employed in the US



### TRIPLE GROWTH

**intuit.**

The gig economy is growing three times faster than the overall US workforce



## PROBLEM

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### LACK OF KNOWLEDGE

**Problem**

- ▶ Unaware of estimated tax requirements.

**Impact**

- ▶ Payment of avoidable interest and penalties.



### LACK OF TIME

**Problem**

- ▶ Onerous tracking and organization of business income and expenses.

**Impact**

- ▶ Time spent on record keeping instead of business development.



### LACK OF RESOURCES

**Problem**

- ▶ Forced outsourcing of accounting function.

**Impact**

- ▶ High cost of external vendor.

## THE SOLUTION IS **namu**

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### **AUTOMATION**

**namu** automates the estimated tax calculation, retirement plan calculations, and invoicing with payment collections for 1099 workers



### **PAYROLL FUNCTIONALITY**

**namu** re-creates the functions that a traditional payroll provider does for W2 employees, such as automatic tax withholding and deposit of retirement contributions



### **HOLISTIC VIEW**

**namu** takes a holistic view of a person's personal [and spousal] finances to accurately calculate their tax withholding rates and retirement saving potentials



### **SIMPLIFICATION**

**namu** is building technology to replace QuickBooks, Xero, FreshBooks and other accrual-based accounting systems as they are overly complex and require accounting knowledge

## HOW IT WORKS

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### namu PLATFORM



#### namu TAX CHECKUP™

- ▶ Assess what you've spent in interest and penalties to show you what you can save
- ▶ MVP will focus on this first



#### MANAGE YOUR TAXES MOVING FORWARD

- ▶ Real-time estimated tax calculator based on invoiced amounts and deposited cash
- ▶ Financial data aggregation from banking and credit cards
- ▶ Biz expense tracking and tagging for tax deduction
- ▶ Facilitate the payments to the IRS and states



#### MANAGE YOUR FREELANCE PROJECTS

- ▶ Dashboard to track clients, projects and freelance platform income
- ▶ Simple invoice generation and sending
- ▶ On platform integrated payment collection feeding real-time tax engine
- ▶ Spouse financial tracking and sharing for proper Married Filing tax bracket calculation

## MARKET OPPORTUNITY



### TOTAL ADDRESSABLE MARKET (TAM)

In 2018, the number of Americans  
receiving 1099 income was  
57 million people



### SERVICEABLE AVAILABLE MARKET (SAM)

**namu's** SAM is 84% of TAM



**1099 WORKER PROFILES INCLUDED:**

-  Freelancers, consultants, side hustlers
-  Certain professionals, agents, technicians
-  On-demand or platform workers
-  Cash basis tax-payers
-  First-time 1099 workers

## REVENUE PLAN



### namu TAX CHECKUP™



We analyze your tax return and tell you what you have paid in interest and penalties by not paying estimated taxes

CLIENT ONBOARDING

### INDIVIDUAL USER SUBSCRIPTIONS



Basic  
\$5 / mo



Standard  
\$10 / mo



Premium  
\$20 / mo

PRICING STRATEGIES WILL BE TESTED WITH USERS



## MULTI-YEAR ROADMAP


### WHITE LABEL OFFERING

- |  |   |   |
|--|---|---|
|  Real estate agents |  Accountants       |  Fitness       |
|  Transportation     |  Law firms         |  Beauty        |
|  Construction       |  Medical practices |  Entertainment |
|  Landscaping        |  Talent agencies   |   |

#### REVENUE

- ▶ One-time setup fee \$500
- ▶ Business subscriptions \$50-\$250 /month based on number of 1099 workers (in addition to user fees)



### HUMAN ASSISTED ACCOUNTING SERVICES

-  Live accounting and tax advice via chat, phone, video

#### REVENUE

- ▶ \$100 per 30 minutes



### FREELANCER FOCUSED BUSINESS SERVICES

-  Checking account for income and quarterly tax estimates
-  Debit card for tracking biz expenses

#### REVENUE

- ▶ Debit card interchange fees

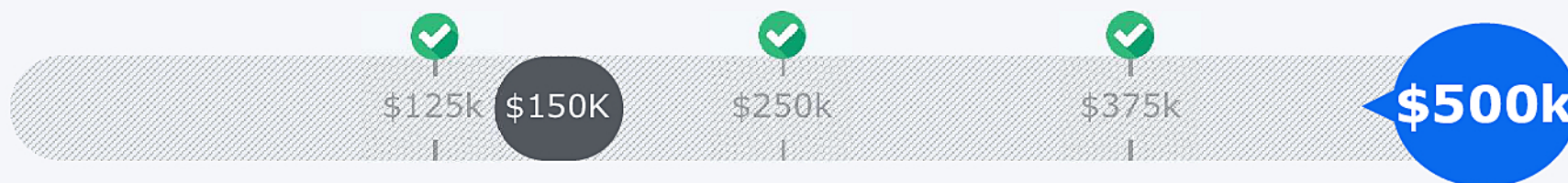
### PARTNERSHIPS

-  Legal tech offerings for LLC and other freelance needs
-  Popular biz services

#### REVENUE

- ▶ Partnership referral fees for business services (Legal, CPA's, small business banks and credit cards, SEP IRA's, etc.)

## INVESTMENT NEEDED



WE ARE LOOKING TO RAISE \$500K

**\$180K**

### ENGINEERING & DEVELOPMENT



- ▶ MVP Development
- ▶ Determine UI/UX design
- ▶ **Team:** 1 + offshore team

**\$170K**

### PRODUCT & OPERATIONS



- ▶ Legal, Accounting, COGS
- ▶ Insurance, Rent, G&A
- ▶ **Team:** CEO + vendors

**\$150K**

### MARKETING & USER ACQUISITION



- ▶ Test acquisition campaigns
- ▶ Determine CAC and LTV
- ▶ Survey users to gather metrics
- ▶ Test various pricing strategies
- ▶ **Team:** 1 + vendors

## FOUNDER

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### USHIR SHAH

#### Founder & CEO

Ushir has 20+ years of startup and high growth experience in FinTech, wealth management, EdTech, blockchain, and IoT. Previously, Ushir was the CTO of an investment banking blockchain startup, CEO of an IoT software company, and the Partner, COO, and CCO of a large wealth management firm. He was also the VP of Technology for Rockefeller & Co., a family office and wealth management firm, and part of the initial team of EdTech startup Jenzabar. He holds an MBA from Cornell University and a BS in Computer System Engineering from Boston University.



[www.linkedin.com/in/ushir](https://www.linkedin.com/in/ushir)

## OPERATING ADVISORS / INVESTORS



### RUSHABH DOSHI

#### Innovation Consultant and Startup Advisor

Rush is a seasoned entrepreneur with 20+ years of experience in all stages of new venture development. Currently a mentor in the Barclays TechStars Fintech program in NYC, previously he served as an EIR at Citi Ventures, and served as Innovation Director at MetLife Asia's LumenLab. Rush has also founded several startups including SuperGlued and Firetalk, and is a graduate of New York University's Stern School of Business with an MBA from Georgetown University.


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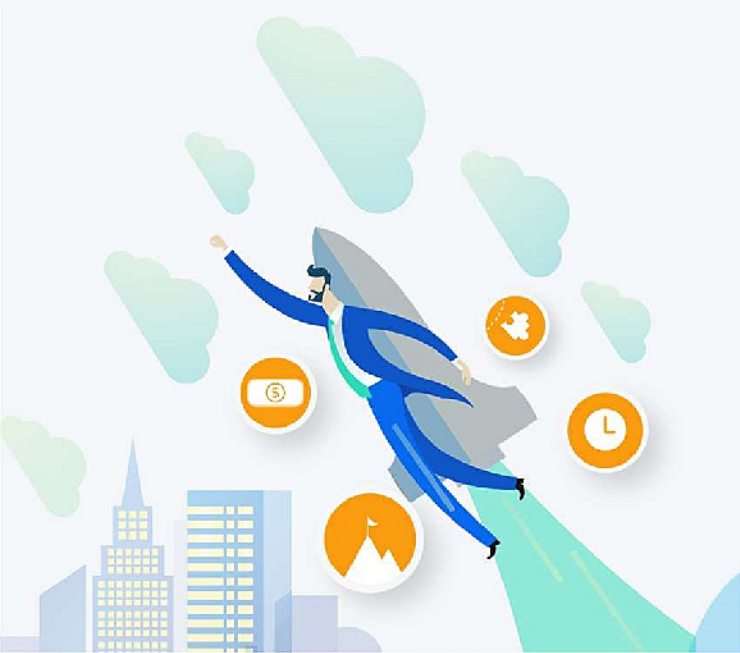


### HOWIE SEE

#### Advisory Board Member

Howie has spent 15+ years working in financial services, currently owning his own company where he advises and strategizes for a wide range of client types. Howie thinks lean with technology and marketing for his financial services, retail businesses, real estate, construction, manufacturing, media production, etc. clients.

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## GET IN TOUCH

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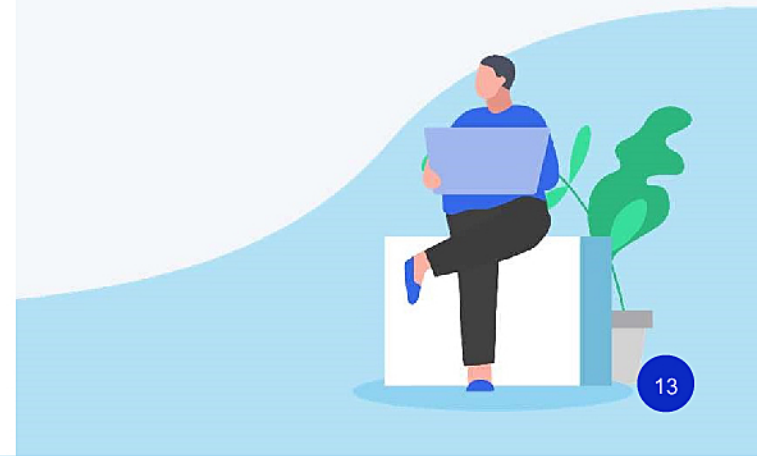
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AS SEEN ON:



OCTOBER 27-30, 2019  
**Money** USA  
20/20

**STARTUP  
ACADEMY**



## APPENDIX

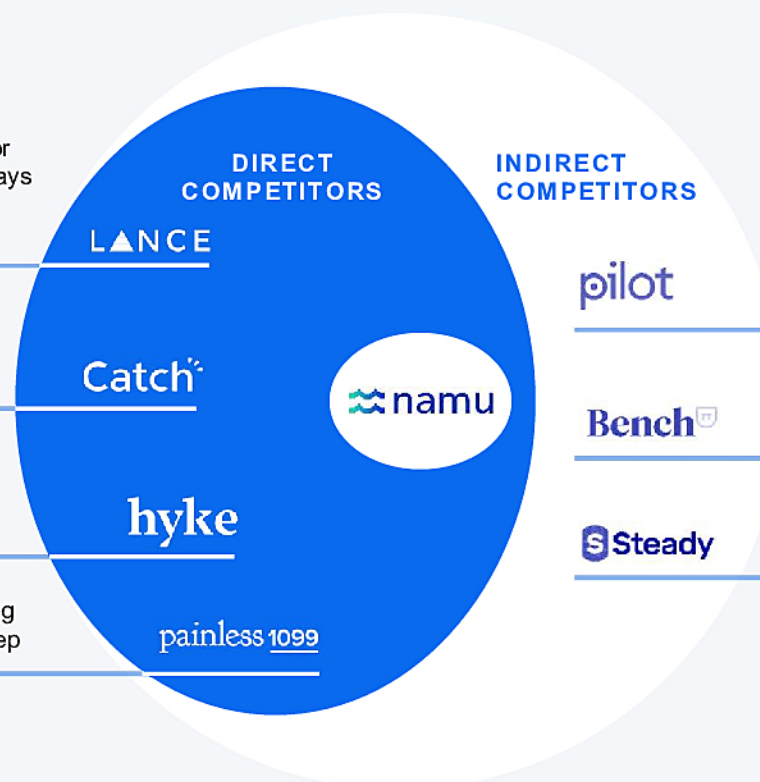
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## COMPETITIVE LANDSCAPE

PRICE/  
MONTH

N/A	<b>Justlance.co</b> is focused on freelancers for accounting & taxes; in current 2019 Barclays TechStars Fintech accelerator where our investor/advisor Rushabh is mentoring
N/A	<b>Catch.co</b> is focused on providing benefits, taxes and retirement through regulated entities
\$200	<b>Hyke.me</b> is focused on freelancers, tech-enabled service offering using QuickBooks
\$20	<b>Painless1099.com</b> is focused on providing tax withholding and calculations with sweep



INDIRECT  
COMPETITORS

PRICE/  
MONTH

pilot

**Pilot.com** is focused on startups needing accrual accounting

\$300+

Bench

**Bench.co** is focused on small businesses needing accrual accounting

\$120-300

Steady

**Steadyapp.com** is focused on community and marketplace

N/A



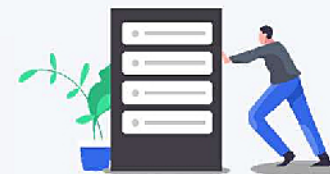
## WHY NOW?

AS THE 1099 ECONOMY SWELLS  
TO UNPRECEDENTED NUMBERS



### REMOTE / FLEXIBLE WORK

Being the preferred means of work by an increasing number of workers



### SIDE HUSTLES

Increasing number of W2 employees are engaging in "side hustles"

### ON-DEMAND & FREELANCE

On-demand (Uber, Lyft, etc) and freelance (Upwork, Fiverr, Task Rabbit, etc) platforms growing in popularity

### RISING MINIMUM WAGE

and elimination of subminimum wage exemption in NY for students may cause younger or less experienced (teens and new college grads) workers to take on more freelance work



### GEN Z INDEPENDENCE

MBO Partners draws on their long-running annual survey to predict that "*Gen Z will be the most independent generation of workers yet.*"



# 1099 WORKER PAIN POINTS

**SIGNIFICANT CHALLENGES 1099 WORKERS FACE INCLUDE CASH FLOW AND BUSINESS MANAGEMENT COSTS**

**57%** Report experiencing cash flow issues at times during the year

**64%** Use some form of project management software

**70%** Use software to track finances

**40%** Prefer to get paid via direct deposit vs other forms  
(e.g.  PayPal  )



## MACRO 1099 WORKER STATISTICS



### WORKERS SPENDING MORE TIME FREELANCING

Average weekly hours worked by freelancers is increasing

2018

1 billion hours

2015

998 million hours



### FREELANCERS AREN'T BEING FORCED INTO IT

Most freelancers are doing independent work by choice

2018

61%

2014

53%



“Fundamentally, people are realizing they have a choice, and this is a better choice”



### MANY FREELANCERS ARE EARNING MORE

The fastest growing segment of freelancers is those making \$75,000+

2018

31%

2014

16%



“These are highly educated high-earning people”

## GLOBAL MARKET STATISTICS

THE U.S. ISN'T THE ONLY PLACE WHERE THE GIG ECONOMY IS THRIVING;  
THE SAME PHENOMENA IS OCCURRING ACROSS THE GLOBE

50%

### UNITED KINGDOM

Half of the UK working population will be self-employed in the next five years

45%

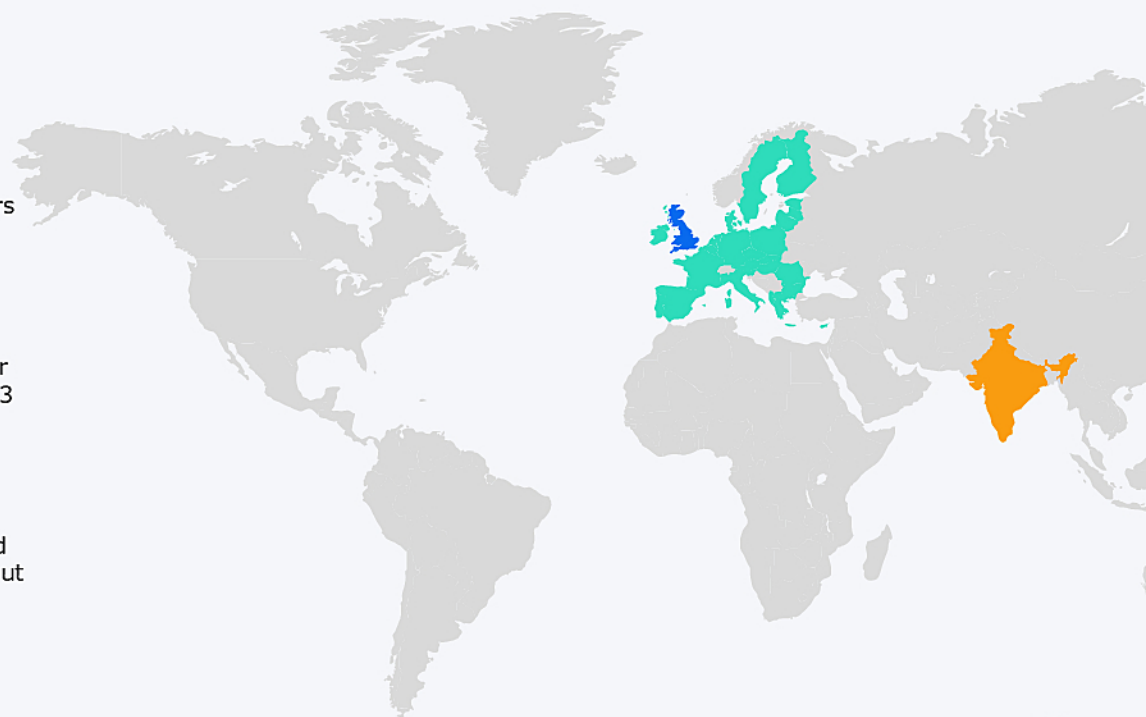
### EUROPEAN UNION

The EU saw a 45% increase in the number of independent workers from 2012 to 2013

40%

### INDIA

India's independent workforce, the second largest in the world at 15 million, fills about 40% of the world's freelance jobs



Source: Small Business Trends, *20 Surprising Stats About the Gig Economy*, <https://smallbiztrends.com/2016/07/20-surprising-stats-freelance-economy.html>.

# HOW TAXES ARE PRIMARILY HANDLED TODAY

TAXES ARE HANDLED PRIMARILY IN FOUR WAYS TODAY



ACCOUNTANTS / FIRMS



FAST TAX SERVICES



DO-IT-YOURSELF



FRIENDS & FAMILY