



## *Overview*

### **Our Products**

The 4th Quarter Accounting application suite caters to mid-sized businesses. The software offers a range of solutions from back-office accounting to full sales and inventory control systems, and includes modules for reporting, job costing, and multiple currency accounting.

Our products combine the benefits of database design and low-cost desktop computers. Our core product embodies patented innovations to provide a single application suitable to a wider range of businesses.

### **Our Company**

Braided Matrix focuses on core technology R&D, with other operations outsourced to a small network of long-time subcontractors. This modular management structure provides security through a separation of operation, and an economy of scale that enables us to exploit more experienced programs and generate a stable cash flow.

Non-essential programming is handled by one overseas partner, web design is handled by another. Product training and support are offered through our based near the Washington, D.C. Product development and marketing is handled by Braided Matrix, Inc. in New York state.

Braided Matrix was incorporated in 1989 for the purpose of demonstrating the 4th Quarter concept. The first version of 4th Quarter was released in 1994. The alliances on which we're based have resulted in over 17 years of stable growth in an industry whose longevity rarely extends beyond the next recession.

## *Market Opportunity*

Braided Matrix has a long history of innovation and the trust of loyal customers around the country. Our headquarters and R&D are in the United States and we operate with a cost effective model of internationally out-sourcing to multiple locations. These multiple development locations, across a variety of business relationships, allow us to work on several development functions simultaneously and so reduce time-to-market.

1. The market opportunity for an investment partner is significant:
2. Expand your lines of business.
3. Rapidly develop business tools for new markets.
4. Capture the significant revenue stream from crucial accounting products and related consulting services.

5. Provide software customized for your partner, customer, and franchise relationships.
6. Leverage your expertise by integrating 4th Quarter with emerging technologies in ways valuable to your market.

Revenue streams can be expanded through new and complementary products, customer segments, and expansion into global markets. Positive response underscores the market opportunity for innovative accounting solutions. The following are quotes from our customers:

- We are a 10-million dollar international tool fabricator and have used 4th Quarter Accounting for the last 3 years. We find it to be unusually flexible and easy to use. I haven't seen an application with the power and features of 4th Quarter for under \$1,000,000. — *Patrick Smith, CFO, Ehlert Tool Co.*
- The unequalled flexibility we found in using 4th Quarter right out of the box meant we could forgo the cost and time that we would have otherwise had to spend on a ground-up custom solution. — *William B. McHargue, Chief Technical Geek, Found Image Press*
- We have found 4th Quarter Accounting to be the only truly customizable accounting system for the Mac. We find the interface to be very intuitive and the reporting capabilities to be unlimited. — *Jim McCarthy, CEO, Midland Graphics Inc.*
- 4th Quarter has done a superb job handling all of our accounting needs from inventory and order management to reporting. We appreciate its flexibility, and are pleased with how well it has integrated with our online store. Thank you 4th Quarter! — *Brendan Coveney, President and CEO, 4D, Inc..*
- We purchased the 4th Quarter Core Source code to integrate with our existing 4D business application. Merging the two code structures was fairly easy and the linking of our financial transactional code with 4th Quarter has been straightforward. Our accounting and executive teams are thrilled with the results. — *Floyd Zink, VP of Information Technologies, Q-Med Corporation*

## ***Market Strategy***

Business automation is business customers who are ready and able to evolve their businesses — it is not driven by new inventions. Success in automation starts with the customer. Our products' success is largely determined by our clients' approach to, and support of information technology.

The future of automation does not lie in faster hardware, or new software — the future of automation lies in the changes people will make in the way they use existing technology. Technology that people can wrap their minds around is the technology that will have the greatest effect. The big issue underlying our products is software integration: the sharing of data and the collaboration of various departments in creating a computer-assisted enterprise.

We partner with vendors who enhance our products.  
We encourage our clients to invest in their future.  
We enable our clients to become more profitable.

## *Our Growth Plans*

4th Quarter's technology is well beyond the level of other products in the accounting software marketplace. Our novel modular system is tested and established. As a consequence our growth effort is two-pronged:

- Maintain support for evolving standards and new business automation components.
- Collaborate with, and be incorporated in mainstream business management products.

As we develop and partner with mainstream products we can easily increase our sales and technical staffs using our flexible off-shore subcontractors. Net profits from operations fund R&D and pay regular dividends to our shareholders.

## *Mission Statement*

We have developed 4th Quarter as a core component of next-generation business systems. Since that time the internet has made office automation a greater necessity for all businesses.

To fully realize profit from our technology standards must also advance to the point where executives can manage the processes in, and exploit the full benefit of computer systems that coordinate all important aspects of the business, that is "enterprise software". This has happen in large-sized businesses and is now penetrating the ranks of mid-sized companies.

To further this change, and to establish our role in satisfying emerging demands, we will continue to:

- Promote the 4th Quarter concept to vendors developing demand-driven products.
- Promote 4th Quarter to those markets where 4Q's benefits are most easily obtained. This includes manufacturing, engineering, graphics, and media service industries.

We have successfully designed and delivered a better accounting system, an innovation that plays a crucial role in business automation. It has taken a large investment to make 4th Quarter a reality, and the resulting product is powerful. The benefits of using our software far outweigh those of trying to re-engineer the concept. We feel 4th Quarter Accounting will play a role in the important changes now under way in accounting software.