

BTM Corporation

BTM Corporation is looking for additional \$2M to \$3M in funding for the current round. The current round started in September, 2008, and we have already raised \$2M thus far from individual investors. The current valuation of the company stands at \$30M pre-money. The company can also do a debt deal where the debt will be serviced with 10% interest. The company has backlog, proposals outstanding and sales pipeline of \$10M+ in sales contract value (to be collected over next 16 months), that includes \$7.5M in contractual backlog from Northrop Grumman. The company maintains average gross margins of 75% - 85% with its customers. Since inception in 1999, the company has been well funded by founders, friends & family, and knowledgeable, industry specific angels to date (\$14.5M plus by founder and management, \$6M plus by outside angels).

The capital structure is 100% clean. All shareholders hold common stock, at various prices depending upon the date they invested.

Executive Summary:

BTM is a business solutions company that focuses specifically on the convergence of business and technology. Extensive Information about BTM Corporation can be found at www.btmcorporation.com; a corporate video is available at http://www.btmcorporation.com/Home/btm_corporate_video/BTM-Acceleration.html ; brochures, product white papers, and fact sheets is available at <http://www.btmcorporation.com/About/BTMResources.html>. Having created this new space (business technology management/convergence) and a management science around it, we created a unique business model comprised of three components: Framework & Applications, Business Solutions and Research & Education. The easiest way to describe it to someone with your background would be "SAP meets McKinsey meets Gartner."

Though we have medium term plans to obtain institutional funding, our near term requirement to support our current customer pipeline is to obtain additional angel money, in whatever increments.

This is a rare case where a small investment can occur without the usual risks. In our unique case many of the risk factors have been mitigated during the company's development:

***Management Risk**--The Founder and CEO (www.faisalhoque.com) has a proven track record. This is his fourth startup having sold one in this space already to GE; he has an extremely high profile in this space, having authored a number of books which are now included in the curriculum of a number of business schools; in 2008, he was named as one of the Top 100 Most Influential People in Technology. The executive team consists of highly seasoned F100 corporate executives (the same profile as our customers) entrepreneurs, technologists, venture capitalists, and management scientists.

Bios are available at <http://www.btmcorporation.com/About/Leadership.html>; <http://www.btmcorporation.com/About/BoardAndAdvisors.html>.

***Customer Experience** -- The wingspan of BTM Corporation's success now exceeds 12 major industries, including manufacturing, consumer goods, hospitality, financial services, insurance, defense, government agencies, and utilities. Today, BTM Corporation's customers and partners include a diverse group of leading global brands including JP Morgan, Marriott, Paccar, PepsiCo, Northrop Grumman, Sabre, US Department of Treasury, WC Bradley, American Financial Group, Best Western, BNP Paribas, Brinks, CompUSA, Exelon, French Social Security Services, IBM, and numerous academics from top B-schools.

Detailed customer examples and Case Studies can be found @ http://www.btmcorporation.com/pdf/Customer_Examples0808.pdf

***Market Risk/Product Risk**--Because the company focuses on multiple industries (everything from consumer packaged goods to defense), the typical cyclical risk of our customer base is spread out. The suite of products and services, which creates three distinct revenue streams, is developed and has been fully implemented with a variety of customers of all different sizes and industries.

***Multi-Tier Revenue Source:**

- BTM Education/Research/Publications - Avg. Sales: \$25k-\$40k
(<http://www.btmcorporation.com/ResearchAndEducation/>)
- BTM Software and Packaged Services - Avg. Sales: \$150k - \$500k
(<http://www.btmcorporation.com/FrameworkAndApplications/>)
- BTM Solutions and Management Services - Avg. Sales: \$1M - \$5M
(<http://www.btmcorporation.com/SolutionsAndServices/>)

***Multi-Tier Sales and Marketing Model:**

- **Online Sales** with credit cards for individual buyers - Example BTM Exchange (\$180 yearly subscription), BTM Fusion 360 (\$200 Monthly Subscription)
- **Direct Sales** to global 500 Organization - example BTM Solutions and Services
- **Channel Sales** - to Government/SMB/Large Enterprises by partnering with specialized consulting firms, software re-sellers, and private equity firms (for their portfolio companies)
- **Brand Building and Educational Sales** - by teaming up with media (example Ziff Davis <http://www.btmcorporation.com/btmzde/>), well known business schools and universities (BTM has an extensive academic advisors), and human capital management firms and by leveraging BTM's global thought leadership, publications, and research

***Execution Risk**--The company has a demonstrated track record of High Return on Customer Investment - Examples: PepsiCo (streamlined \$500M in redundant assets), Northrop Grumman (expected \$160M in return - includes hard savings, soft savings, and top line growth). The company generated \$4.5M from PepsiCo and signed a \$12M contract with Northrop Grumman. The contract is valid until December, 2010 and BTM has the potential to collect another \$7.5M. Both of these customers (PepsiCo and Northrop Grumman) were delivered by an average of only 3 people by using the company's innovative products and IP.

***Financial Risk**--The company is extremely capital efficient. The current strategy has enabled the company to grow organically with small increments of angel financing along the way. Current plans are to close out this round of to add 2-3 new team members in sales and BD, then do a larger institutional round to finance acquisitions of boutique business solutions firms.

***Growth** --Our financial and business plan shows how we become a \$150M company in 3 years with a limited number of employees where development/delivery/marketing/sales is built upon an 'extended enterprise model' with partnerships and outsourcing.

- Year 1, we do \$10M in collected revenue with \$2M+ EBITDA.
- Year 2, we do \$28M in collected revenue with \$9M+ EBITDA
- Year 3, we do \$99M in collected revenue with \$55M+ EBITDA

Are you interested in receiving more information about this investment opportunity? So far, I am reaching out only to a small group of sophisticated angels with whom I have a relationship. Your candid remarks are welcome, and I offer gratitude for any expediency that you can afford.

With best regards,

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