



## Case Study HG Steps Up – We're All In!

December 2005 - December 2007

### Scenario:

- A company with a high tech satellite-driven data solution for the airline industry.
- Business traction was much slower to develop than anticipated.
- Market cap was less than \$4 million with very little daily trading.
- The few people who followed the company had abandoned hope due to delays and business disappointments.
- The company was financially exhausted and potentially weeks away from closing its doors.

### However:

- Technology was proven, highly advanced and somewhat commercialized.
- Extremely large market opportunity.
- Superb business model of high margin recurring revenue with long-term contracts.

### Due Diligence:

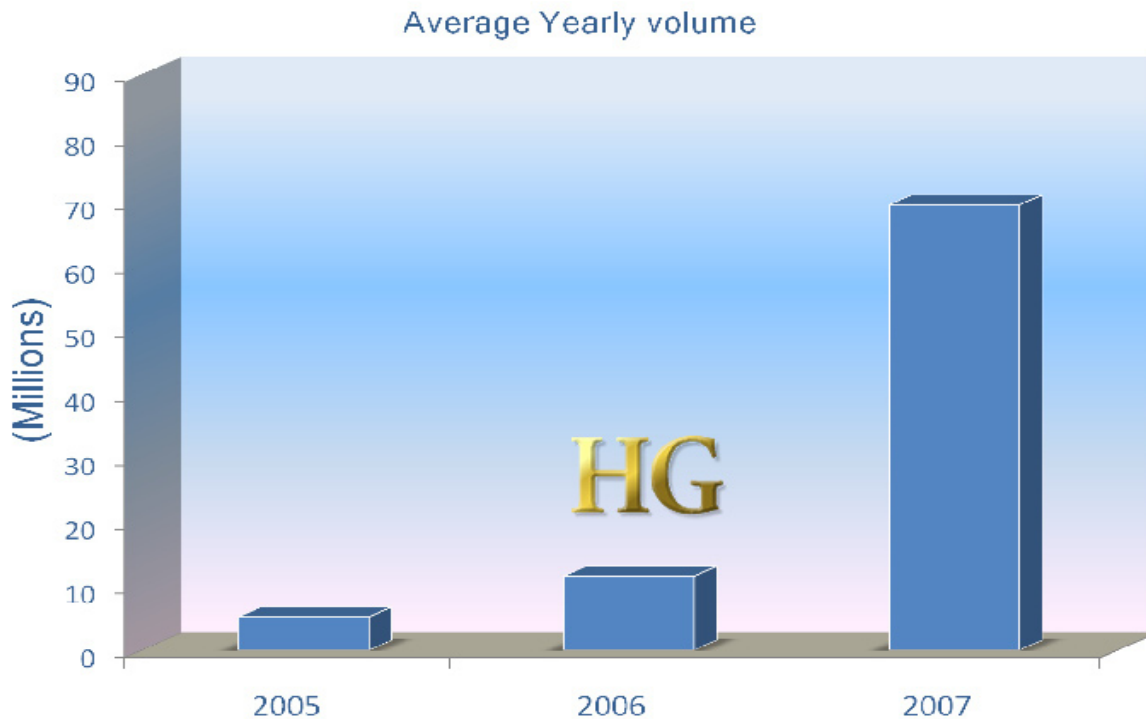
- Over the course of two months, a number of meetings were held with management to understand the business - capital needs, budget review and reasons for issues and delays.
- Meanwhile, the Howard Group assessed the market potential and advantages of the technology. A street survey was also conducted to detail the perspectives of large shareholders and the investment community.



### Conclusion:

Very high risk – high reward situation. A myriad of business and sales issues existed; however the potential was considerable.

"Communication works for those who work at it."  
(John Powell)



#### Kicking into action:

- ✓ In December 2005 the company presented to the Board of Directors of Accolade Capital, General Partner for the Insight Limited Partnership, which is associated with The Howard Group. The presentation resulted in an immediate cash injection of \$250 thousand.
- ✓ In January 2006 The Howard Group was engaged to provide Investor Relations services.
- ✓ In February 2006, a \$2.2 million financing was closed with Howard Group relationships contributing \$2 million.

#### The Results:

1. New capital in excess of \$12 million over the course of two years through Howard Group relationships.
2. An additional \$5+ million in warrants exercised.
3. Significant institutional and brokerage support developed through multiple cross-county meetings.
4. Shareholder base grew tenfold from approximately 400 to more than 4,000.
5. A dramatic increase in average daily trading volume.
6. Market cap grew thirty-fold to a high near \$120 million.
7. Analytical coverage
8. Extensive press and media coverage.

Our process means we are part of the team and not just consultants.  
There are clear reasons why our relationships last for years.