

INTRODUCTION

Rival companies, Coda Technologies and Octopus Marine Systems, were simultaneously founded in 1994. Coda specialized in the development and production of sonar processors that focused on automating geophysical acquisition and reporting. Octopus Marine Systems was best known for developing seismic acquisition and processing systems. These two rivals recognized their efforts would be maximized by merging with each other; and in 2002 CodaOctopus was formed. Jason Reid, CEO of CodaOctopus, set out to maximize the company's global sales by entering into potentially lucrative markets for CodaOctopus's products.

"FGI stepped in at a time when no other finance company in the UK or the US could adequately provide us with a program that would allow further growth for our company."

— Jason Reid, President & CEO
CodaOctopus

PROBLEM

In 2005, CodaOctopus started shifting their focus to new markets. The marine industry's fastest growing and largest markets were in the United States, Southeast Asia, the Middle East, and Eastern Europe. However, up until that time, CodaOctopus had been selling primarily to the UK market. Entering the new markets would take additional capital to fuel start up costs and support new sales.

Mr. Reid realized in 2005 that the Company's working capital had deteriorated due to increased sales and days sales outstanding (DSO) in these new foreign markets. He also realized that a large part of the Company's working capital was being tied up within their International Accounts Receivables. With only a very small traditional line of credit through a bank in the UK against their UK receivables, available funds were insufficient to fuel the growth that CodaOctopus needed to prosper. CodaOctopus was intent on continuing its R&D efforts to introduce more advanced products. Combined with the need to support the ever increasing sales and fuel entry into new markets, CodaOctopus began its search in the UK and in the United States for a solution.

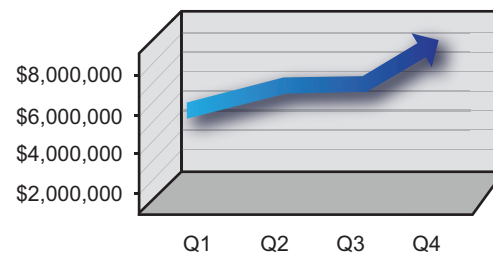
SOLUTION

FGI Finance was one of several companies CodaOctopus spoke with regarding their current situation and future plans. Shortly thereafter, FGI was selected to provide its financing solutions to support this growing company, and immediately established a multi-jurisdictional international receivable finance facility. Additionally, FGI developed and implemented a structured credit policy for the company to rapidly evaluate new and prospective customers around the world.

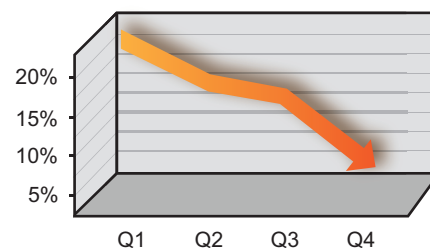
RESULTS

As a result of FGI's programs and finance facilities, CodaOctopus increased their sales from \$4.3M to \$7.3M while reducing their DSO from 72 days to 58 days. Additionally, FGI helped CodaOctopus raise \$15M in equity financing. Available funds also enabled the successful completion of two tuck-in acquisitions. Today CodaOctopus is a thriving, growing and publicly listed company.

Sales



DSO



"After exploring several financing options, FGI Finance was the most well equipped company to credit-approve and handle all our financing needs."

— Jason Reid, President & CEO
CodaOctopus

