Executive Summary

Roving Planet, Inc.
4750 Walnut St
Suite W106
Boulder, CO  80301

Phone: 303.443.0637
Fax: 303.546.9494
http://www.rovingplanet.com/

Contact:
Kaj Gronholm
CEO
kaj.gronholm@rovingplanet.com
Mobile: 303.931.3109

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**Introduction**

Over the past decade wireless local area network (WLAN) implementations have come into existence and the market for WLANs continues to grow at an exponential rate. This rapid growth offers unique business opportunities but presents unique challenges that cannot be solved with today’s networking solutions. Roving Planet was founded to solve the complex security, network management and multi-user problems associated with today’s large WLAN deployments.

Roving planet has developed software that allows multiple tenants, companies or applications to share a WLAN securely without the need to construct separate interfering networks. Roving Planet’s solution dramatically improves the performance, management and operation of a large WLAN.

**Company Overview**

Roving Planet builds software to manage large and mission critical WLANs. The Roving Planet (Central Site Director) CSD enables locations, such as airports, multi-tenant buildings, hotels, hospitals, and corporate campuses to use a single wireless LAN network. Today’s conventional technology forces businesses to install separate individual WLANs for each user group and/or each application. This practice is expensive, can be cost prohibitive and causes interference among the different networks.

The patent pending CSD Engine enables a unified multi-tenant WLANs by employing a mix of features including, bandwidth allocation with Quality of Service (QoS) and Class of Service (CoS), network partitioning using network partitioning (flexible VLANs) for multiple user groups and companies, and a proprietary interface that enables network management, multi-tenant-application management, and user group control.

Roving Planet is currently offering Version 1.7 (Version 1.0 was released in October 2001) featuring an improved user interface, security layers, and multi-tenant control. In April 2002 Version 1.7 was installed at the Cisco Solutions Lab in San Jose, and in June 2002 CSD Version 1.7 was installed to manage the WLAN at Minneapolis Airport.

Roving Planet is a venture-backed company based in Boulder, Colorado. Founded in August 2000, the Company has twelve employees and was incorporated as a Delaware C Corporation in March 2001.

Current customers include Concourse Communications - the leading wireless network manager for airports. Roving Planet is installed on the Concourse Communications network at the Minneapolis-St. Paul International Airport. Roving Planet is beginning negotiations with Concourse to deploy in all of Concourse Communications airport locations, which include Chicago O’Hare, Midway, JFK, LaGuardia, Newark, and Detroit. In addition to this, Roving Planet is in discussions with Wayport, Sabre, and Qwest for partnership relationships.

**Opportunity**

Installations of WLANs have been growing at over 70% annually and are expected to continue to grow at over 60% annually for the next 4 years (Gartner 2001). This growth means tens of thousands of new locations for WLANs along with thousands of new uses and applications. However, this growth comes with its problems. In many locations such as airports, hospitals, hotels, and large corporate campuses, concerns about security, interference and the ability to effectively manage the network(s) can hinder and even halt WLAN implementations.

**Products**

The 3 largest issues facing the WLAN industry today are security, interference and application management. Roving Planet CSD Engine helps solve these issues. Interference is caused by multiple WLAN networks installed in the same airspace; the only way to effectively minimize interference issues is to install a single.
The 3 largest issues for WLANs are
1. Security
2. Interference
3. App Management

The CSD solves these problems

<table>
<thead>
<tr>
<th>The CSD solution consists of 3 main components</th>
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</thead>
<tbody>
<tr>
<td>1. Engine</td>
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<tr>
<td>2. Agent</td>
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<tr>
<td>3. Administration Tool</td>
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</table>

WLAN using a well laid out site survey to determine maximum coverage with minimum interference.

The CSD Engine enhances and improves WLAN deployments, allowing multiple user groups, and multiple companies to share a single, secure WLAN. The Roving Planet product suite consists of three main items: CSD Engine, the CSD Agent and the CSD Administration Tool. All three combine to create the most robust, secure, manageable, and flexible WLAN management suite available.

The Roving Planet CSD (Central Site Director) Engine can deliver various applications from multiple providers to a diverse set of client devices over a single WLAN network. In addition, the CSD Engine gives network operators the ability to override the network for high priority needs such as emergency communications.

Networks running multiple applications enable operators to serve multiple providers and increase their revenue. The CSD Engine provides the technology that enables network operators to realize a much better ROI for their wireless networks.

The CSD Solution is shown below:

**CSD Engine**
- Manages the entire wireless network
- Intelligent QoS
- Application Priority
- Multi-Tenant control
- Integrates with Billing Gateways
- Increases Security

**CSD Administration Tool**
- Powerful Remote User Interface gives complete control of the network
- Provides control of Engine/Agents
- Customizable Reporting
- Network Admin sets user authorization for entire Network
- Application Owners can set policies for their specific application and users
- Centralized Application makes it easy to manage large networks

A basic network diagram of the CSD Engine shows a complete data path of public and private users. Provided is an unified WLAN solution:
The CSD Engine provides the most secure wireless LAN environment available today.

Roving Planet is focused on the most profitable verticals.

Verticals with either many applications, or many users need the CSD Engine

The Roving Planet CSD Engine is protocol independent. It enables wireless operators to serve multiple devices through any wireless communication protocol including 802.11b, 802.11a, 802.11g, 802.11, BlueTooth, and Hyperlan.

Security is one of the largest issues facing today’s wireless LAN deployments. Since the CSD Engine is middleware that operates between the wireless network access point hardware and the application server, it offers an additional layer of security and control to the network operators. More importantly, the CSD Engine also securely partitions the network so that several distinct companies can run their applications on dedicated servers over one network. By providing an additional layer of security between the current packet-based security and the security within applications themselves, the CSD Engine provides the most secure wireless environment available today.

Market

Wireless LANs are being installed at a rapid rate in most vertical markets, however Roving Planet’s solution focuses on the following:

- Hospitality
- Ports
- Healthcare
- Transportation
- Enterprise
- Education
- Government
- Retail
- Manufacturing
- Military
- Public hotspots

These verticals are where the largest, complex, and profitable WLANs are being installed.

A WLAN network can allow for real-time communication and data transfer, allowing productivity to continue even when employees aren’t wired to their workstations. According to a Fall 2001 study conducted by New World Technology, companies deploying wireless LANs can expect productivity improvements as great as 5 percent.

Several of the verticals listed above are also Hot Spot locations. Hot Spot build-outs are a tremendous area of growth, and a significant market for Roving Planet. In an October 2001 study, Frost and Sullivan estimated there are 8,000 public-access wireless LANs in U.S. Hot Spots today, and they are expected to grow to n...
There are 8,000 public access wireless LANs in U.S. hotspot locations today. And there will be over 70,000 by 2006. The CSD Engine offers the owners of these Hot Spots a way to partition the network, allowing many different companies to run revenue-generating applications over the same network, creating an entirely new revenue model for these wireless LAN companies. Growth of this market is shown below:

![Wireless LAN Hotspot Growth](chart)

### Sales Strategy

Roving Planet is focused on a tier 2 distribution strategy. Several partners will allow the Company to create a presence into multiple vertical markets, while others are specific to an important, single vertical. Reselling partners will be divided into three groups:

1. **WLAN Hardware vendors**
   - Such as: Cisco, Agere, Symbol
   - These companies are already selling into Roving Planet’s target verticals. The CSD Engine helps them expand their pipeline and offer enhanced features to their products. Cisco’s business development manager for wireless LANs in the travel vertical refers to the CSD Engine the “missing link to sell airport.” Roving Planet will be working with Cisco on the Minneapolis deployment. And the CSD Engine is currently answering RFP’s with Cisco’s sales force around the world.

2. **Hot Spot operators/Major wireless carriers**
   - Such as Concourse Communications, Wayport, Verizon, VoiceStream
   - Hot Spot operators are in a land grab race to expand their footprints. Airports, hotels, downtown areas are all being sold on the value of public internet access. Roving Planet expands the offering of these Hot Spot operators giving them a new revenue model for operations use of the wireless LAN.

3. **WLAN Integrators and SIs**
   - Integrators and SIs such as CH2Mhill, are a direct link to customers that are buying WLANs. Roving Planet will train these integrators to resell the CSD Engine.
   - These companies make recommendations to the Roving Planet’s customers, and build complete solutions that will include the Roving Planet CSD Engine.

### Competition

Roving Planet faces competition from 2 main areas.

- **Multiple WLAN Networks Installers**: Some vendors are selling/installing overlapping WLANs...
Competitors are 1 to 2 years behind Roving Planet’s technology and are not positioned for long term success.

Roving Planet is securing long term competitive advantages that will effectively lock out competition.

Roving Planet has begun the process of filing six patents to protect the intellectual property of the CSD Engine.

Roving Planet is attracting top management talent.

Competitive Advantage

Roving Planet possesses a number of sustainable competitive advantages that should allow the Company to maintain a leadership position in the wireless software market.

- Roving Planet plans to extensively manage distribution channels with the use of agreements, incentives, and possibly OEM our solution. For example, Concourse Communications has 25-year long-term contracts with their airport customers. Upon a successful trial, Roving Planet’s solution is positioned to manage the wireless networks for the life of that contract.

- Roving Planet is negotiating partnership contracts with the largest distributors of wireless LANs. This will lock up distribution channels for the CSD Engine. Currently Cisco has installed the CSD Engine at the San Jose Solution Labs. Roving Planet will work with all the major hardware vendors to become an approved part of their large scale WLAN networks.

- Roving Planet has intellectual property embedded in its proprietary software solutions. The Company has begun to file six patents that cover critical components of the CSD Engine. All discussions with partners and consultants are protected by non-disclosure agreements.

- Roving Planet’s management team and advisory board are at a very high level today, and are an integral part of the company’s on-going strategy. Top level additions to both teams are planned for the next 12 months.

Management Team

Kaj Gronholm, CEO, Co-Founder. Mr. Gronholm’s diverse background, which includes being a quantum physicist, and 10 years of software development, help him propel Roving Planet forward. His background includes working with Colorado start-ups, such as Benchmark Storage and Inflow. His education includes Physics from the University of Texas at Austin, and an MBA with highest honors from the Leeds School of Business, University of Colorado. A visionary leader and thinker in wireless LANs, Mr. Gronholm continues to build and grow Roving Planet.

Richard Caudle, SVP of Sales and Marketing a former VP of Service Metrix, and Exodus joined Roving Planet in June 2002 as SVP of Sales and Marketing. In addition to these 2 companies Mr. Caudle has over 20 years VP level Sales Marketing and Business Development experience, working with companies such as Jones, Keystone Resorts and Celestial Seasonings. Mr. Caudle brings a proven track record of success to Roving Planet, including helping lead Service Metrix to its $200 million acquisition.

Tom Flaherty, VP of Marketing Mr. Flaherty has been instrumental in the sales and marketing departments of networking start-ups. All of his previous companies were successfully acquired by companies such as CNet, Nortel, Lucent, and 3Com. Mr. Flaherty has the skills, network and drive to build the sales and marketing of a successful technology start-up.

Chris Markle, Principal Software Architect Mr. Markle has over 20 years of software development and
Roving Planet's advisory board is extremely capable, experienced and actively involved in the Company.

management experience with companies such as Sony, IBM, and Tanning Technologies. In one of his recent projects, he led the development of a software project that was sold to IBM for $4 million.

Seth Goldhammer, CTO, Co-Founder  Mr. Goldhammer has over ten years of network and software experience. Seth began his technology career as a network administrator, and has since led two technology-consulting companies as CEO. Seth has an MBA from the Leeds School of Business, University of Colorado, where he focused on technology and entrepreneurship.

Advisory Board

Greg Mesch, Mr. Mesch’s experience includes formative roles in starting, financing and building two of Europe’s most successful publicly held data/telecom companies - Versatel (The Netherlands) and Esat Telemedia (Ireland). Previously Mr. Mesch was founding shareholder, director and officer in 5 computer/data and internet/telecom companies in the last 22 years. Currently, Mr. Mesch is a private investor, board member and advisor to high potential companies, helping them achieve operational and financial success. Mr. Mesch is serving on the Roving Planet Board, advising the CEO on a weekly basis and is an investor.

Don Vanlandingham  President and CEO of Ball Aerospace & Technologies Corp. Don Vanlandingham has been successfully leading Ball Aerospace as president and CEO since 1997. His leadership and commitment to communication within the company has helped grow the organization into an industry leader. As Ball Aerospace’s senior strategist, Don brings more than 30 years of engineering and managerial experience to the table. Don is a member of the board of directors for DigitalGlobe and the Chairman of the Board for the Technology Incubator. He is on the executive committee for the United States Space Foundation, and a member of several industry associations, societies, and committees. Don Vanlandingham is also an investor in Roving Planet.

Dean Leffingwell, Entrepreneur, Software Industry executive, and Technical author. Mr. Leffingwell worked at Rational Software Corporation (NASD:RATL), was co-founder, chairman, and CEO of Requisite, Inc., venture founder, chairman and CEO of Colorado MEDtech, Inc. (NASD:CMED). Dean Leffingwell is also an investor in Roving Planet.

Lu Cordova, President Colorado Technology Incubator. Previously, she served as CEO and Chairman of the Board at Acteva — a leading provider of e-commerce services to the business event community. Cordova was also part of the original team at the @Home Network, co-founding its @Work division. Prior to this, Cordova was vice president of corporate development at MMS International, a start-up sold to McGraw-Hill’s Standard & Poor Corporation.

Dr. Michael Pliner, Dr. Pliner, the founder of Verity, has 31 years experience in computer software and technology, general management, business development and organizational development. In addition to Roving Planet, Dr. Pliner is currently on the Board of Mabuhay Networks, a scalable 802.11 equipment supplier.

Reynaldo (Reynie) U. Ortiz, Served as Chairman, CEO and Founder of AduroNet Ltd. Europe, Senior President of Qwest Communications, and has successfully structured start-ups, recruited high caliber management teams, arranged private equity funding and debt/vendor financing, and extensively dealt within the investment banking & VC communities.
Financial Plan

Roving Planet will generate revenues from annual recurring software licenses, annual recurring maintenance support contracts. Please refer to Roving Planet’s pro forma income projections:

<table>
<thead>
<tr>
<th>Statement of Ops</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>304,065</td>
<td>3,159,968</td>
<td>12,093,964</td>
<td>34,869,044</td>
<td>49,799,684</td>
</tr>
<tr>
<td>Total Cost of Revenue</td>
<td>113,008</td>
<td>828,999</td>
<td>998,934</td>
<td>1,298,900</td>
<td>1,790,266</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>191,058</td>
<td>2,330,970</td>
<td>11,095,030</td>
<td>33,570,144</td>
<td>48,009,418</td>
</tr>
<tr>
<td>Total Operating Exps.</td>
<td>1,195,757</td>
<td>4,390,529</td>
<td>9,894,443</td>
<td>26,500,473</td>
<td>32,867,792</td>
</tr>
<tr>
<td>Operating Income</td>
<td>(1,004,700)</td>
<td>(2,059,560)</td>
<td>1,200,587</td>
<td>7,069,670</td>
<td>15,141,627</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(993,237)</td>
<td>(1,955,148)</td>
<td>1,423,676</td>
<td>7,633,347</td>
<td>16,116,826</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>(1,005,764)</td>
<td>(2,094,247)</td>
<td>1,126,000</td>
<td>4,879,658</td>
<td>8,896,597</td>
</tr>
</tbody>
</table>

Investment Required

Roving Planet is currently raising between a $2 and 4 million Series B round of funding. The Company was able to close a $750k Series A preferred seed round in late 2001 and early 2002. The funds will be used to successfully execute the strategy outlined above.

Exit Strategy

Roving Planet will be well positioned as an attractive acquisition candidate after the Company has proven itself as a technology and market leader in the proximity-based wireless LAN market. The Company is currently creating partnerships with hardware vendors, such as Cisco, who provide wireless LAN infrastructure products and have depth in other verticals. Roving Planet will complement their wireless initiatives and become an attractive acquisition candidate when it gains a foothold in its target vertical markets.

Current Status

Roving Planet is aggressively pursuing the strategies outlined above, and has hit the necessary milestones on for future success.

Partnerships already working with Cisco Systems and Wayport. These companies represent nearly 60% share in some of our target verticals, which establishes a excellent base foundation to build upon

Software development is moving from a monthly update cycle to a quarterly release cycle. Development continues to proceed on time, and on scope. In addition, in July 2002 the first of 6 expected patents was issued, which protect Roving Planet’s intellectual property.

The company has added two new members to the management team in Q2. Tom Flaherty and Richard both add over 30 years of successful leadership in start-up technology companies. Continuing to add to the team, is a core part of the CEO’s strategy. Customer acceptance and pipeline are both growing quickly, with booked revenues currently predicted to grow quickly as the product is released for General Availability in 2002.