

Quarterly Industry Update

As of December 31, 2014

Industry: Mobile Software

Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Mobile Software industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2013, the median 52-week share price return of the Mobile Software industry has decreased by -17.5%. In the last quarter, the median price-to-earnings multiple has remained unchanged.

Comparable Public Company Key Statistics

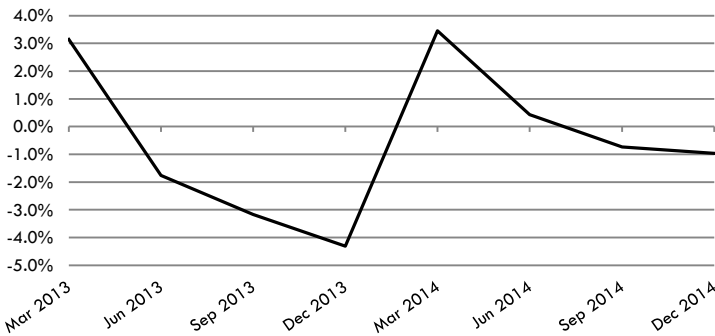
Median 52-Week Return	-17.5%	Median EV/Revenue Multiple	1.2x	Median Price/Earnings Multiple	28.1x
Median 3-Year CAGR Return	-5.9%	Median EV/EBITDA Multiple	20.9x	Median EV/Gross CF Multiple	35.7x

Comparable Public Company Market Price Returns (As of December 31, 2014)

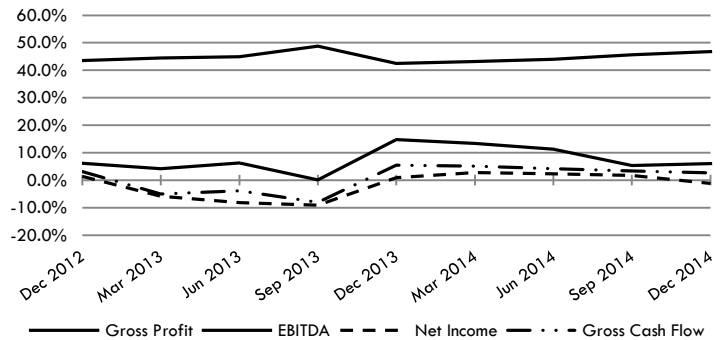
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Glu Mobile, Inc.	0.5%	-24.6%	0.5%	30.8%	7.5%	27.7%	0.5%	70.2%	-27.4%	51.7%	80.0%
GameLoft SE	-64.2%	-39.1%	-64.2%	-23.9%	-13.7%	-4.4%	-64.2%	61.4%	11.1%	-14.1%	44.7%
Take-Two Interactive Software Inc.	61.4%	21.5%	61.4%	59.6%	27.4%	22.8%	61.4%	57.8%	-18.7%	10.5%	22.0%
Majesco Entertainment Co.	-69.5%	18.9%	-69.5%	-58.8%	-58.1%	-31.0%	-69.5%	-44.3%	-56.6%	216.9%	-33.1%
Changyou.com Limited	-14.6%	14.3%	-14.6%	1.9%	5.9%	-3.8%	-14.6%	21.7%	14.3%	-19.2%	-14.2%
Mad Catz Interactive Inc.	-17.5%	7.7%	-17.5%	-7.9%	-5.9%	3.9%	-17.5%	2.9%	-2.0%	-50.0%	191.4%
Smart Technologies Inc.	-43.1%	-25.5%	-43.1%	-11.9%	-31.2%	N/A	-43.1%	36.5%	-58.0%	-61.0%	N/A
Median of Industry Public Companies	-17.5%	7.7%	-17.5%	-7.9%	-5.9%	0.1%	-17.5%	36.5%	-18.7%	-14.1%	33.4%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Mobile Software Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Mobile Software Industry

Date:	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
EV/Revenues Multiple	1.0x	1.4x	1.2x	1.7x	0.7x	1.5x	1.3x	1.1x	1.2x
EV/EBITDA Multiple	5.8x	5.9x	8.7x	7.8x	4.7x	6.4x	7.2x	17.1x	20.9x
Price/Earnings Multiple	13.6x	29.1x	67.0x	49.8x	27.1x	nm	14.0x	7.9x	28.1x
EV/Gross Cash Flows Multiple	8.1x	15.1x	31.5x	27.9x	9.1x	nm	nm	24.6x	35.7x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report.

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Industry Initial Public Offerings (dollars in millions, except share prices)

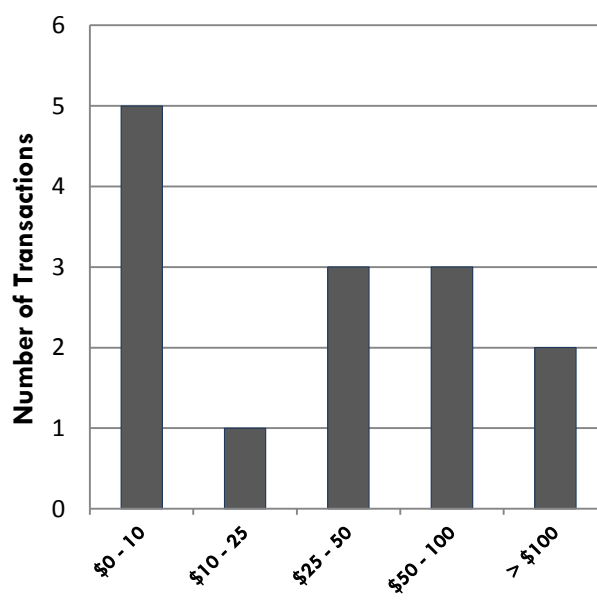
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/1/2013	Control4 Corporation	\$16.00	4.0	\$64.0	\$55.3	\$3.8	\$118.4	\$6.5	(\$2.1)	N/A
7/14/2010	Smart Technologies	\$17.00	38.8	\$660.1	\$521.7	\$530.0	\$708.7	\$165.1	\$92.1	N/A
4/1/2009	Changyou.com Limited	\$16.00	7.5	\$120.0	\$214.4	\$8.5	\$222.5	\$135.1	\$126.3	N/A
3/21/2007	Glu Mobile	\$11.50	7.3	\$84.0	\$81.8	\$11.6	\$46.2	(\$6.3)	(\$12.3)	N/A
9/24/1999	Keynote Systems	\$14.00	4.0	\$56.0	\$22.9	\$4.4	\$4.7	(\$3.9)	(\$4.7)	N/A
4/14/1997	Take-Two Interactive Software	\$5.00	1.6	\$8.0	N/A	N/A	N/A	N/A	N/A	N/A
Median of All IPOs		nm	nm	\$74.0	\$81.8	\$8.5	\$118.4	\$6.5	(\$2.1)	#NUM!

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/22/2014	Movea SA	InvenSense Intl.	\$74.8	100%
5/8/2014	Apphome Ltd	AppNext Ltd.	\$2.5	100%
5/7/2014	Trifecta Technologies, Inc.	Perficient Inc.	\$13.7	100%
1/31/2014	G-mode Co., Ltd.	ONE-UP Inc.	\$7.2	100%
1/18/2014	iHookup Social App	iHookup Social, Inc.	\$0.3	100%
1/3/2014	Y Dissolution, Inc.	Spindle, Inc.	\$3.9	100%
12/12/2013	Alohar Mobile Inc.	AutoNavi Holdings Limited	\$32.8	100%
6/25/2012	CryptoLogic Limited	Amaya Gaming Group	\$31.9	93%
6/21/2012	SLG Everscreen	Starbreeze AB	\$2.4	100%
6/1/2012	Elo TouchSystems	The Gores Group	\$380.0	100%
3/31/2012	Ntreev Soft	NCsoft	\$96.6	76%
2/6/2012	OutStart	Kenexa	\$83.9	100%
12/13/2011	Gust	Tecmo Koei Holdings	\$28.3	100%
10/19/2011	Renaissance Learning	Permira Advisers	\$485.1	100%
Median of All Transaction Targets			\$30.1	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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