

Quarterly Industry Update

As of June 30, 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 June 30, 2013, the median 52-week share price return of the Mobile Software industry has increased by 37.1%. In the last quarter, the median price-to-earnings multiple has remained unchanged.

Comparable Public Company Key Statistics

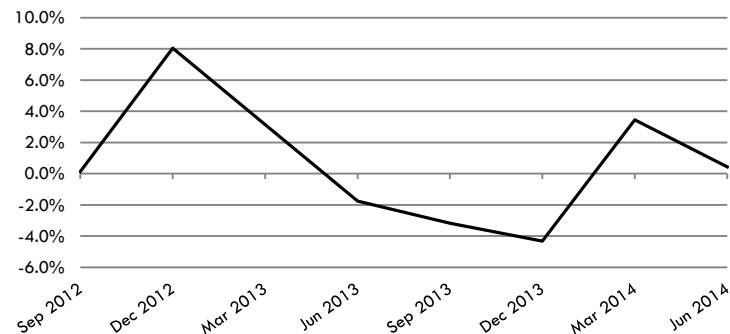
| | | | | | |
|---------------------------|--------|----------------------------|------|--------------------------------|-------|
| Median 52-Week Return | 37.1% | Median EV/Revenue Multiple | 1.3x | Median Price/Earnings Multiple | 14.0x |
| Median 3-Year CAGR Return | -16.1% | Median EV/EBITDA Multiple | 7.2x | Median EV/Gross CF Multiple | 11.3x |

Comparable Public Company Market Price Returns (As of June 30, 2014)

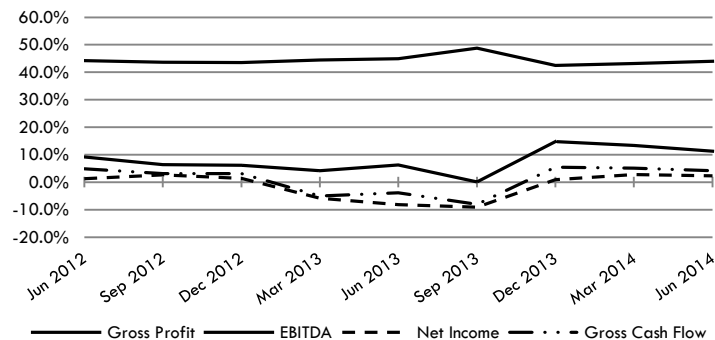
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 5 Year | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------------|---------------|--------------|--------------|---------------|--------------|---------------|---------------|--------------|--------------|---------------|
| Glu Mobile, Inc. | 119.3% | 5.5% | 126.2% | -5.1% | -1.7% | 32.0% | -27.4% | 51.7% | 80.0% | 130.0% | -90.4% |
| GameLoft SE | 32.0% | -12.8% | 31.9% | 21.9% | 8.3% | 20.0% | 11.1% | -14.1% | 44.7% | 141.4% | -76.1% |
| Take-Two Interactive Software Inc. | 102.0% | 1.4% | 48.6% | 53.3% | 13.3% | 18.6% | -18.7% | 10.5% | 22.0% | 32.9% | -59.0% |
| Majesco Entertainment Co. | -69.5% | -20.3% | -43.4% | -59.8% | -52.5% | -30.2% | -56.6% | 216.9% | -33.1% | 88.6% | -54.8% |
| Changyou.com Limited | -1.4% | -12.0% | -14.7% | 10.9% | -16.1% | -7.5% | 14.3% | -19.2% | -14.2% | N/A | N/A |
| Mad Catz Interactive Inc. | 18.2% | 22.5% | 37.1% | 7.5% | -25.3% | 17.8% | -2.0% | -50.0% | 191.4% | 16.7% | -74.4% |
| Smart Technologies Inc. | 85.7% | -40.3% | 111.4% | 25.8% | -19.7% | N/A | -58.0% | -61.0% | N/A | N/A | N/A |
| Median of Industry Public Companies | 32.0% | -12.0% | 37.1% | 10.9% | -16.1% | 18.2% | -18.7% | -14.1% | 33.4% | 88.6% | -74.4% |

(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: | 6/30/2012 | 9/30/2012 | 12/31/2012 | 3/31/2013 | 6/30/2013 | 9/30/2013 | 12/31/2013 | 3/31/2014 | 6/30/2014 |
|------------------------------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|
| EV/Revenues Multiple | 1.1x | 1.5x | 1.0x | 1.4x | 1.2x | 1.7x | 0.7x | 1.5x | 1.3x |
| EV/EBITDA Multiple | 8.0x | 7.6x | 5.8x | 5.9x | 8.7x | 7.8x | 4.7x | 6.4x | 7.2x |
| Price/Earnings Multiple | 15.8x | 11.7x | 13.6x | 29.1x | 67.0x | nm | 27.1x | 18.7x | 14.0x |
| EV/Gross Cash Flows Multiple | 12.2x | 7.6x | 8.1x | 15.1x | 31.5x | nm | nm | 11.7x | 11.3x |

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 at 415-392-0888 for additional information or questions in connection with this research report.

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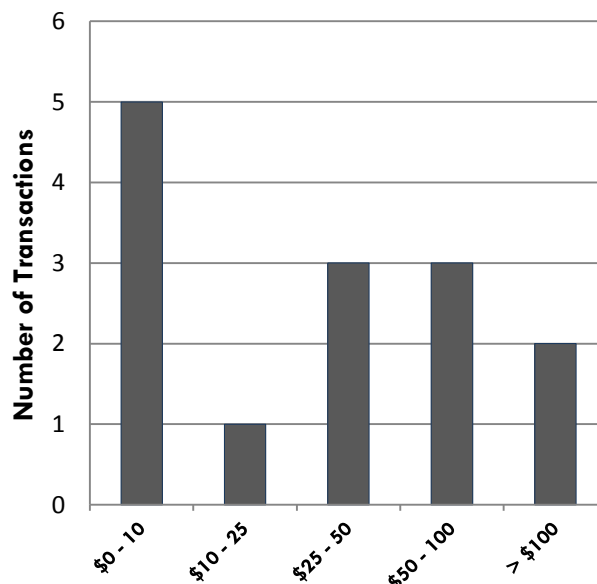
Industry Initial Public Offerings (dollars in millions, except share prices)

| 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) | \$8.5 |
| 7/14/2010 | Smart Technologies | \$17.00 | 38.8 | \$660.1 | \$521.7 | \$530.0 | \$708.7 | \$165.1 | \$92.1 | \$188.4 |
| 4/1/2009 | Changyou.com Limited | \$16.00 | 7.5 | \$120.0 | \$214.4 | \$8.5 | \$222.5 | \$135.1 | \$126.3 | \$135.1 |
| 3/21/2007 | Glu Mobile | \$11.50 | 7.3 | \$84.0 | \$81.8 | \$11.6 | \$46.2 | (\$6.3) | (\$12.3) | (\$5.3) |
| 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) | \$71.8 |

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

| Transaction Date | Target | Acquirer | Transaction Size | % Bought |
|--|-----------------------------|---------------------------|------------------|-------------|
| 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% |
| 9/28/2011 | AQ Interactive | Marvelous Entertainment | \$89.6 | 100% |
| Median of All Transaction Targets | | | \$30.1 | 100% |

Size of Merger and Acquisition Transactions (dollars in millions)



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