Q4: Quarterly Industry Update

AS OF December 31, 2018

cogent valuation
FINANCIAL OPINIONS

Cyber Security

INDUSTRY SUMMARY

COGENT VALUATION identified **Cyber Security** publicly traded companies, IPOs, and recent M&A transactions within the Cyber Security 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. Over the last year since December 31, 2017, the median 52-week share price return of the Cyber Security industry was 10.2%. Between December 31, 2016 and December 31, 2018, the median EV/EBITDA multiple decreased from 17.2 to 14.6. Furthermore, the median price-to-earnings multiple decreased from 28.8 to 15.9 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 4.7% and 11.1%, respectively.

Public Company Key Statistics

Median 52-Week Return 10.2%	**Median 3-Year CAGR Return** 16%	**Median EV/Revenue Multiple** 3.1x
Median EV/EBITDA Multiple 14.6x	**Median Price/Earnings Multiple** 15.9x	**Median EV/Gross CF Multiple** 38.9x

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Comparable Public Company Market Price Returns as of December 31, 2018

	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Ability Inc.	-20.5%	-50.9%	-83.4%	-77.0%	N/A	-72.0%	N/A	N/A
CyberArk Software Ltd.	92.9%	26.8%	0.3%	9.4%	8.6%	0.8%	13.8%	N/A
Finjan Holdings, Inc.	99.5%	26.8%	87.2%	89.0%	-11.0%	-1.5%	-57.4%	-58.0%
Fortinet, Inc.	111.2%	47.8%	39.7%	32.3%	12.4%	-3.4%	1.7%	60.3%
Imperva, Inc.	N/A	-25.8%	5.5%	-7.4%	14.7%	-39.3%	28.1%	2.7%
ManTech International Corporation	17.0%	-3.7%	-23.3%	7.7%	17.9%	19.4%	0.0%	1.0%
NetScout Systems, Inc.	11.1%	5.4%	60.2%	31.7%	-10.9%	39.7%	-16.0%	23.5%
Radware Ltd.	26.1%	18.0%	-30.6%	7.1%	-1.5%	2.6%	-30.3%	22.5%
Rapid7, Inc.	-17.1%	-15.0%	32.1%	34.3%	N/A	-5.0%	N/A	N/A
Symantec Corporation	36.4%	4.7%	70.7%	39.9%	11.8%	-19.6%	-18.1%	8.8%
Median of Industry Public Companies	97.9%	30.8%	**5.5%**	**18.6%**	8.6%	13.8%	-16.0%	15.6%

Multiple year periods are calculated as the average annual return.

Highest Return *Lowest Return* *Median Return*

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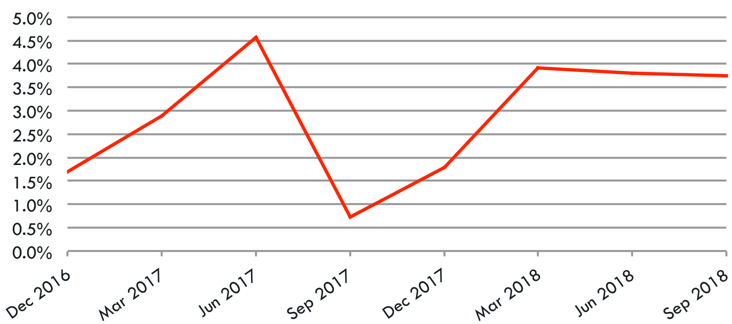
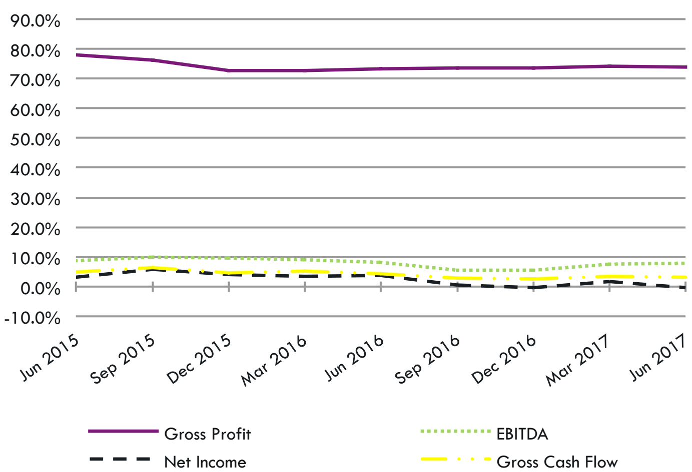
Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Cyber Security Companies



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



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Median Public Companies

The chart below illustrates Public Company Multiples.

	12/31/18	9/30/18	6/30/18	3/31/18	3/31/17	9/30/18	6/30/16	3/31/16
EV/Revenues Multiple	3.1x	3.9x	3.5x	3.3x	2.8x	4.4x	3.1x	3.2x
EV/EBITDA Multiple	34.6x	17.0x	19.0x	22.9x	18.6x	13.7x	13.9x	14.2x
Price/Earnings Multiple	15.9x	17.2x	16.3x	23.1x	42.2x	43.0x	42.8x	24.6x
EV/Gross Cash Flows Multiple	38.9x	49.0x	19.5x	43.7x	42.7x	43.7x	28.6x	18.3x

Highest Multiple *Lowest Multiple* *Median Multiple*

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

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenue s	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/26/18	**Tenable Holdings, Inc.**	$23.00	8.4	$8.1	$4.2	$13.7	$225.8	$3.9	$1.0	$5.9
5/10/18	**Avast Plc**	$3.37	0.6	$31.2	$42.4	$0.0	$700.2	$6.1	$3.2	$6.3
3/4/18	**GRC International Group plc**	$0.96	60.0	$11.3	$44.5	$0.0	$8.6	$0.8	$0.6	$0.8
6/1/17	**Wiit S.p.A.**	$50.48	3.5	$7.4	$2.1	$28.0	$16.7	($60.5)	($72.4)	($48.1)
3/7/17	**Tenable Holdings, Inc.**	$0.19	8.0	$112.0	$917.8	$0.0	$138.7	($1.3)	($1.1)	($1.3)
4/21/16	**SecureWorks Corp.**	$2.12	5.7	$12.6	$8.4	$0.0	$4.0	$0.2	$0.9	$0.2
4/11/16	**Osirium Technologies plc**	$14.00	112.0	$19.6	$6.7	$17.0	$339.5	($23.6)	($31.8)	($20.1)
1/27/16	**Secura Group Limited**	$2.22	6.5	$103.2	$86.5	N/A	$14.5	N/A	N/A	N/A
6/29/17	**Median of all IPOs**	**nm**	**nm**	**$16.1**	**$22.6**	**$0.0**	**$15.7**	**$0.2**	**$0.6**	**$0.2**

Multiple year periods are calculated as the average annual return.

Highest Return *Lowest Return* *Median Return*

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
11/7/18	SecurityMatters B.V.	Forescout Technologies, Inc.	$113.3	100%	$3.5	0.9x
10/17/18	Brookcourt Solutions Limited	Shearwater Group PLC	$39.5	100%	$5,064	N/A
6/26/18	Advantio Limited	Cognosec AB (publ) (nka:Cyber Security 1 AB)	$10.6	100%	N/A	1.0x
4/2/18	CSRA Inc.	General Dynamics Corporation	$9,951.1	100%	$27.1	1.7x
2/28/18	Wombat Security Tech.	Proofpoint, Inc.	$225.0	100%	$325.4	N/A
1/31/18	Cyberinc	KPMG LLP	$34.3	100%	N/A	N/A
8/15/17	NCI, Inc.	H.I.G. Capital	$289.2	100%	$364.0	2.8x
7/3/17	NES Associates, LLC	CSRA Inc.	$105.0	55%	$18.0	N/A
8/31/16	Camber Corporation	Huntington Ingalls	$3.8	100%	N/A	N/A
2/3/16	Sypris Electronics, LLC	Analog Devices, Inc.	$42.0	100%	N/A	N/A
11/27/15	Fox-IT Group B.V.	NCC Group (Solutions)	$140.6	100%	$29.0	4.9x

USA *International* *Highest* *Lowest* *Median*

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

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
9/1/15	**Code Green Networks**	**Digital Guardian, Inc.**	$18.0	100%	N/A	N/A
7/9/15	**Caspida, Inc.**	**Splunk, Inc.**	$190.0	100%	N/A	N/A
6/15/15	**Knowledge Consulting**	**ManTech International**	$68.0	100%	N/A	N/A
4/1/15	**LTC Engineering Associates**	**CACI International Inc**	$16.0	100%	$16.0	1.0x
2/27/15	**CloudShield Technologies**	**LookingGlass Cyber**	$5.0	100%	N/A	N/A
2/26/15	**TASC, Inc.**	**Engility Holdings, Inc.**	$1,100.0	100%	N/A	N/A
1/2/15	**Tripwire, Inc.**	**Belden Inc.**	$710.0	100%	$118.5	6.0x
12/11/14	**BAE Systems**	**BAE Systems plc**	$232.5	100%	N/A	N/A
	Median of the 20 M&A Transaction Targets		$18.0	100%	N/A	N/A

USA *International* *Highest* *Lowest* *Median*

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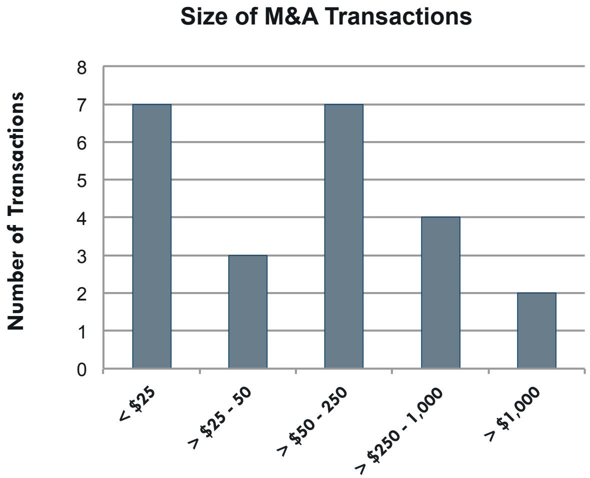
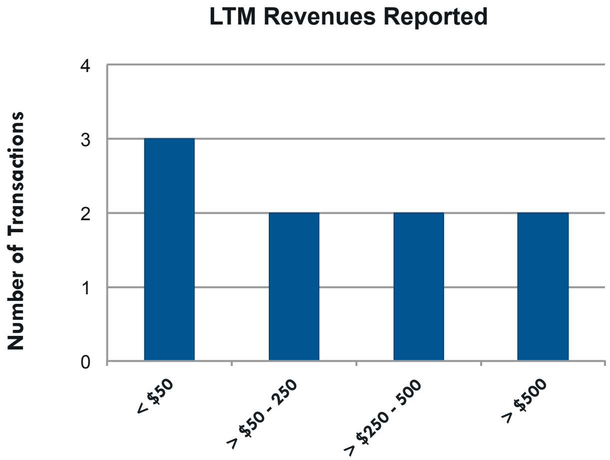
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of December 31, 2018





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Definitions of Financial Terms Used in this Quarterly Industry Update: Enterprise Value (EV): Market Value of Equity + Market Value of Debt —Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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