

Quarterly Industry Update

As of September 30, 2015

Industry: Predictive Analytics



Industry Summary

Cogent Valuation identified Predictive Analytics publicly traded companies, IPOs, and recent M&A transactions within the Predictive Analytics 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 September 30, 2014, the median 52-week share price return of the Predictive Analytics industry was -7.3%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple increased from 14.0 to 15.6. However, the median price-to-earnings multiple decreased from 29.7 to 29.3 over the same period.

Comparable Public Company Key Statistics

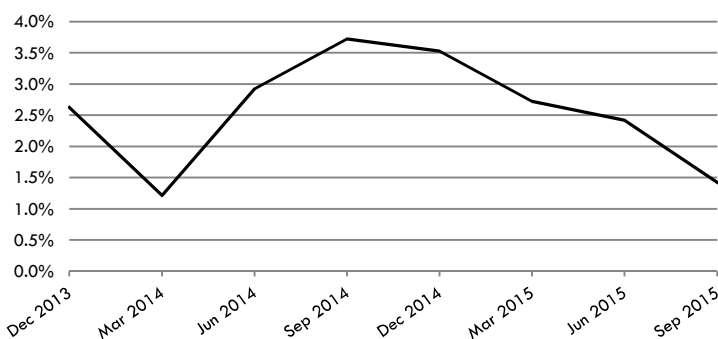
| | | | | | |
|---------------------------|-------|----------------------------|-------|--------------------------------|-------|
| Median 52-Week Return | -7.3% | Median EV/Revenue Multiple | 2.8x | Median Price/Earnings Multiple | 29.3x |
| Median 3-Year CAGR Return | 13.6% | Median EV/EBITDA Multiple | 15.6x | Median EV/Gross CF Multiple | 23.4x |

Comparable Public Company Market Price Returns As of September 30, 2015

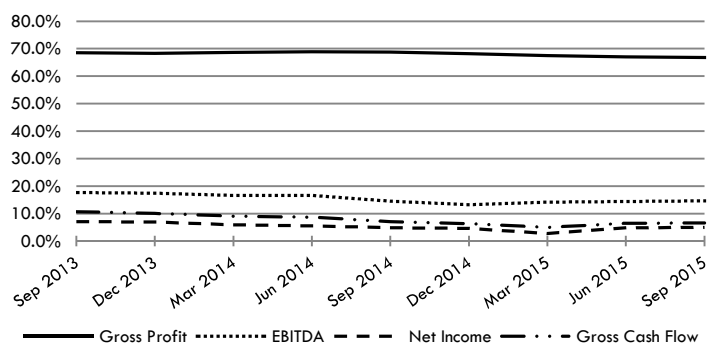
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 5 Year | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Axiom Corporation | -45.2% | 12.4% | 19.4% | -16.6% | 2.6% | 4.5% | -45.2% | 111.8% | 43.0% | -28.8% | 27.7% |
| Brightcove Inc. | -45.0% | -28.3% | -11.8% | -33.9% | -25.0% | N/A | -45.0% | 56.4% | N/A | N/A | N/A |
| comScore, Inc. | 62.3% | -13.3% | 26.8% | 26.2% | 44.6% | 14.4% | 62.3% | 107.6% | -35.0% | -5.1% | 27.3% |
| Fair Isaac Corporation | 15.1% | -6.9% | 53.4% | 23.6% | 24.1% | 27.9% | 15.1% | 49.5% | 17.3% | 53.4% | 9.7% |
| Guidance Software, Inc. | -28.2% | -28.9% | -10.5% | -18.5% | -18.8% | 0.6% | -28.2% | -14.9% | 83.2% | -9.9% | 37.2% |
| IHS Inc. | -4.9% | -9.8% | -7.3% | 0.8% | 6.0% | 11.3% | -4.9% | 24.7% | 11.4% | 7.2% | 46.7% |
| MicroStrategy Inc. | 30.7% | 15.5% | 50.2% | 37.6% | 13.6% | 17.8% | 30.7% | 33.0% | -13.8% | 26.7% | -9.1% |
| NetScout Systems, Inc. | 23.5% | -3.5% | -22.8% | 17.7% | 11.5% | 11.5% | 23.5% | 13.9% | 47.7% | -23.5% | 57.4% |
| NICE Systems Ltd. | 23.4% | -14.1% | 34.8% | 15.2% | 18.1% | 12.1% | 23.4% | 24.4% | -2.9% | -3.8% | 13.8% |
| Open Text Corporation | 26.7% | 10.4% | -19.3% | 9.5% | 17.5% | 13.7% | 26.7% | 64.5% | 9.3% | 11.0% | 13.3% |
| Pegasystems Inc. | -15.5% | 7.5% | 28.8% | 11.2% | 19.2% | 9.7% | -15.5% | 116.8% | -22.9% | -19.7% | 7.7% |
| PROS Holdings, Inc. | -31.1% | 4.9% | -12.1% | -19.5% | 5.1% | 19.0% | -31.1% | 118.2% | 22.9% | 30.6% | 10.0% |
| Verint Systems Inc. | 35.7% | -29.0% | -22.4% | 7.9% | 16.3% | 7.9% | 35.7% | 46.3% | 6.6% | -13.1% | 64.7% |
| Median of Industry Public Companies | 15.1% | -6.9% | -7.3% | 9.5% | 13.6% | 11.8% | 15.1% | 49.5% | 10.4% | -4.4% | 20.5% |

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

Median Quarterly Revenue Growth of All Predictive Analytics Companies



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



Median Public Company Multiples of the Predictive Analytics Industry

| Date: | 9/30/2013 | 12/31/2013 | 3/31/2014 | 6/30/2014 | 9/30/2014 | 12/31/2014 | 3/31/2015 | 6/30/2015 | 9/30/2015 |
|------------------------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| EV/Revenues Multiple | 2.8x | 3.3x | 3.0x | 3.4x | 3.0x | 3.1x | 3.6x | 3.1x | 2.8x |
| EV/EBITDA Multiple | 14.0x | 15.7x | 16.2x | 17.8x | 16.7x | 16.0x | 17.8x | 18.8x | 15.6x |
| Price/Earnings Multiple | 29.7x | 39.3x | 36.8x | 39.4x | 44.9x | 38.6x | 33.4x | 32.4x | 29.3x |
| EV/Gross Cash Flows Multiple | 22.8x | 29.6x | 28.8x | 30.5x | 29.9x | 30.6x | 29.9x | 28.2x | 23.4x |

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Quarterly Industry Update

As of September 30, 2015

Industry: Predictive Analytics



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

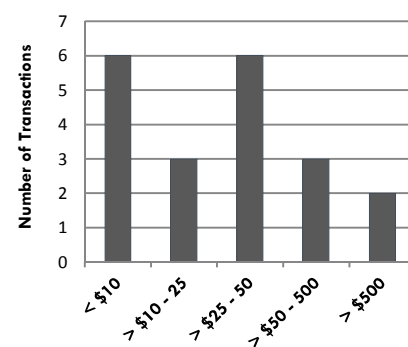
| Offer Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets | Debt | LTM Revenues | LTM EBITDA | LTM Net Income | LTM Cash Flows |
|---------------------------|-------------------------|-------------|----------------|---------------|---------------|--------------|---------------|---------------|----------------|----------------|
| 6/24/2015 | TransUnion | \$22.50 | 29.5 | \$664.8 | \$4,614.3 | \$2,976.4 | \$1,354.4 | \$398.5 | (\$4.4) | \$629.0 |
| 2/17/2012 | Brightcove Inc. | \$11.00 | 5.0 | \$55.0 | \$47.3 | \$7.0 | \$63.6 | (\$14.0) | (\$17.6) | (\$11.9) |
| 6/27/2007 | PROS Holdings, Inc. | \$11.00 | 6.8 | \$75.1 | \$25.7 | \$20.0 | \$49.9 | \$9.5 | \$8.3 | \$10.7 |
| 6/26/2007 | comScore, Inc. | \$16.50 | 5.3 | \$87.5 | \$45.5 | \$3.3 | \$70.0 | \$11.4 | \$7.1 | \$14.4 |
| 12/12/2006 | Guidance Software, Inc. | \$11.50 | 5.0 | \$57.5 | \$26.6 | \$2.0 | \$51.7 | (\$0.3) | (\$1.8) | \$1.4 |
| 11/10/2005 | IHS Inc. | \$16.00 | 14.5 | \$232.2 | \$743.0 | \$0.3 | \$469.1 | \$60.6 | \$52.4 | \$70.7 |
| Median of All IPOs | | nm | nm | \$81.3 | \$46.4 | \$5.2 | \$66.8 | \$10.4 | \$2.7 | \$12.6 |

nm: not meaningful, N/A: not applicable

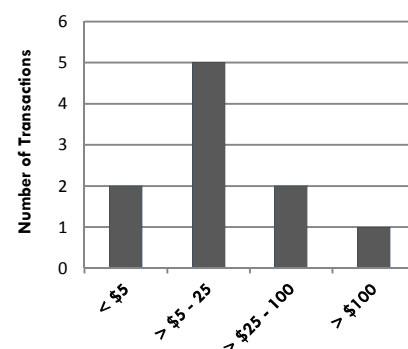
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/Revenues |
|---|-----------------------------|-----------------------------|------------------|-------------|--------------|-------------|
| 8/3/2015 | 1010data, Inc. | Advance Communication Corp. | \$500.0 | 100% | N/A | N/A |
| 5/31/2015 | Applied Predictive Tech. | MasterCard Inc. | \$600.0 | 100% | N/A | N/A |
| 5/7/2015 | ColdLight Solutions, LLC | PTC Inc. | \$8.0 | 100% | N/A | N/A |
| 2/26/2015 | Prelytix, LLC | Market Resource Partners | \$20.0 | 100% | \$2.0 | 10.0x |
| 11/3/2014 | Evolv, Inc. | Cornerstone OnDemand | \$45.0 | 100% | \$6.1 | 7.3x |
| 10/31/2014 | QuantiSense, Inc. | Epicor Software | \$15.9 | 100% | N/A | N/A |
| 2/28/2014 | KnowledgeAdvisors, Inc. | Corporate Executive Board | \$52.0 | 100% | N/A | N/A |
| 1/29/2014 | Rationalwave, Inc. | Bottomline Technologies | \$8.0 | 100% | N/A | N/A |
| 1/22/2014 | Scout Analytics, Inc. | ServiceSource International | \$32.5 | 100% | \$5.4 | 6.0x |
| 1/14/2014 | Zinnov, LLC | Corporate Executive Board | \$8.0 | 100% | N/A | N/A |
| 12/25/2013 | Dentsu Marketing Insight | Macromill, Inc. | \$4.1 | 51% | \$55.8 | 0.1x |
| 9/12/2013 | Molecular Profiles Ltd. | Columbia Laboratories | \$25.4 | 100% | \$9.0 | 2.8x |
| 8/28/2013 | Panopticon Software AB | Datawatch Corporation | \$27.5 | 100% | \$5.0 | 5.5x |
| 7/22/2013 | Neolane SAS | Adobe Systems | \$616.5 | 100% | \$58.2 | 10.6x |
| 4/25/2013 | Angoss Software Corp. | Peterson Partners LP | \$8.5 | 100% | \$7.0 | 1.1x |
| 12/27/2012 | (m)PHASIZE, LLC | Sapient Corp. | \$18.2 | 100% | N/A | N/A |
| 10/21/2011 | Algorithmics, Inc. | OpenPages, Inc. | \$380.2 | 100% | \$163.7 | 2.3x |
| 7/11/2011 | Kairoleaf Analytics Pvt Ltd | aurionPro Solutions | \$6.1 | 100% | N/A | N/A |
| 6/9/2011 | smartFOCUS Group PLC | EmailVision SA | \$40.3 | 100% | \$22.8 | 1.6x |
| 3/16/2011 | Intercim, LLC | Dassault Systemes SA | \$36.5 | 82% | N/A | N/A |
| Median of the 20 M&A Transaction Targets | | | \$25.4 | 100% | \$8.0 | 4.2x |

Size of M&A Transactions



LTM Revenues Reported



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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