Cogint, Inc.
Form DEF 14C
December 18, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C

Information Statement Pursuant to Section 14(c) of the

Securities Exchange Act of 1934

Check the appropriate box:

Preliminary Information Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

Definitive Information Statement

COGINT, INC.

(Name of Registrant As Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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COGINT, INC.

2650 North Military Trail, Suite 300

Boca Raton, Florida 33431

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

On September 6, 2017, Cogint, Inc., a Delaware corporation (cogint, the Company, we, us, our, and similar terms entered into a Business Combination Agreement (the Business Combination Agreement, and the transactions contemplated by the Business Combination Agreement collectively, the Business Combination) with BlueFocus International Limited, a private company limited by shares registered in Hong Kong (BlueFocus). Under the terms of the Business Combination Agreement, at the closing of the Business Combination, among other things:

(1) BlueFocus will contribute to cogint all of the equity interests of (a) Vision 7 International Inc., a Canadian company (Vision 7), (b) We Are Very Social Limited, a limited company domiciled and incorporated in England and Wales (WAVS), (c) Indigo Social, LLC, a Delaware limited liability company (Indigo), and (d) any entity that BlueFocus acquires from the date of the Business Combination Agreement to the closing of the Business Combination that is a Permitted Acquisition, as such term is defined in the Business Combination Agreement (each, an Acquisition Entity and, together with Vision 7, WAVS, and Indigo, the Contributed Entities);

(2) BlueFocus will contribute to cogint (a) $100 million in cash (the Cash Contribution) and (b) in cash, any net working capital shortfall of the Contributed Entities when compared to such entities normalized net working capital (the Working Capital Shortfall, and together with the Cash Contribution, the Cash Consideration). cogint intends to use the proceeds of the Cash Contribution to (i) repay, if outstanding, a promissory note (the Red Violet Note) issued by cogint to capitalize Red Violet, Inc., a Delaware corporation (Red Violet) in an amount up to $20 million, (ii) pay off certain transaction-related expenses, and (iii) pay the balance to cogint stockholders and certain warrant holders as of the Record Date (as defined below) as a cash dividend or dividend equivalent expected to be in the range of $0.95 to $1.10 per share (the Cash Dividend);

(3) In exchange for the Contributed Entities and the Cash Consideration, at closing BlueFocus will receive a number of shares of Common Stock of cogint, par value $0.0005 per share (the Common Stock), representing 63.0% of the issued and outstanding shares of cogint Common Stock on a fully diluted basis after giving effect to such issuance (the Purchased Shares); and

(4) BlueFocus will repay, assume, or refinance cogint s indebtedness, other than the Red Violet Note, as of the closing of the Business Combination.

Completion of the Business Combination is subject to customary regulatory approvals for a transaction of this type, including, but not limited to, regulatory approval under the Hart-Scott-Rodino Act (HSR), which approval was granted on October 25, 2017, and by the Committee on Foreign Investment in the United States (CFIUS), to which formal notice requesting approval was provided on November 14, 2017 and accepted for review on December 6, 2017, as well as continued listing of the Company s Common Stock on the Nasdaq Global Market (Nasdaq). The Business Combination is also conditioned on cogint, immediately before closing the Business Combination, spinning off its wholly-owned subsidiary Red Violet by distributing 100% of Red Violet s common stock pro rata to holders of cogint Common Stock and certain warrants (the Spin-off). As a holder of cogint Common Stock, you will receive a number of shares of Red Violet common stock for each share of cogint Common Stock you hold at the close of business on a date to be determined by the Company s Board of Directors (the Board) as the record date for the Spin-off and the Cash Dividend (the Record Date) at a ratio to be determined by the Board (the Spin-off Ratio). Completion of the Spin-off is a condition to the completion of the Business Combination. However, the Spin-off will not occur unless all other conditions to the Business Combination set forth in the Business Combination Agreement have been satisfied or waived.

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cogint s Common Stock is listed and traded on Nasdaq under the symbol COGT. Under Nasdaq rules, the holders of a majority of the outstanding shares of cogint Common Stock must approve (i) the issuance of the Purchased Shares as such issuance equals more than twenty percent (20%) of the shares of Common Stock outstanding before such issuance and (ii) the change in control of the Company resulting from the issuance of the Purchased Shares.

In addition to the Spin-off, and in connection with the Business Combination, cogint will take the following actions immediately before or at closing and conditioned thereon:

(1) amend and restate its certificate of incorporation (the Amended and Restated Charter) to (i) increase the number of authorized shares of Common Stock from 200,000,000 to 400,000,000 to provide for the issuance of the Purchased Shares, (ii) provide for BlueFocus to take action by written consent as long as it continues to own at least a majority of the issued and outstanding Common Stock, and (iii) provide an understanding with respect to corporate opportunities and transactions with BlueFocus and its affiliates post-closing; and

(2) amend the Amended and Restated Charter to, at the discretion of the Board, effect a reverse stock split of the Company s Common Stock within the range of one for two and one for four (the Reverse Stock Split), with the exact ratio to be determined by the Board before closing.

In addition, the Board and the Board s Compensation Committee have approved an increase in the number of shares of Common Stock eligible for issuance under the Company s 2015 Stock Incentive Plan (the 2015 Plan) by 1,000,000, resulting in an aggregate of 13,500,000 shares issuable under the 2015 Plan (the Plan Increase). After giving effect to (i) the Plan Increase, (ii) all previous issuances and outstanding grants under the 2015 Plan, and (iii) grants to be made in connection with the Business Combination, approximately 999,658 shares of Common Stock remain eligible for issuance under the 2015 Plan.

cogint, hereby gives notice to its holders of Common Stock that, on September 6, 2017, cogint stockholders representing a majority in voting power (the Consenting Stockholders) approved the following matters by written consent in lieu of a meeting (the Written Consent), in accordance with the General Corporation Law of the State of Delaware (the DGCL) and the Company s governing documents:

(1) the issuance of the Purchased Shares in accordance with the rules of Nasdaq;

(2) the change in control of the Company resulting from issuance of the Purchased Shares in accordance with the rules of Nasdaq;

(3) the Amended and Restated Charter;

(4) the amendment to the Amended and Restated Charter to provide for the Reverse Stock Split; and

(5) the Plan Increase.

We are mailing this Information Statement to our holders of record as of the close of business on September 6, 2017, which was the date for determining stockholders eligible to provide Written Consent for these actions (the Written Consent Record Date). This Information Statement is provided to you for your information pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations thereunder, to inform non-consenting stockholders before the Company takes the actions set forth in the Written Consent. In accordance with Rule 14c-2 under the Exchange Act, the Company may take these actions no earlier than the date that is the twenty days after mailing this Information Statement to the Company s non-consenting stockholders. We urge you to read this Information Statement, including the attached annexes, carefully and in its entirety. No action is required on your part in connection with this document. No stockholder meeting will be held in connection with this Information Statement or the matters described herein. **We are not asking you for a proxy and you are requested not to send us a proxy**.

THIS INFORMATION STATEMENT IS FIRST BEING SENT TO STOCKHOLDERS

ON OR ABOUT DECEMBER 18, 2017.

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SUMMARY

This Summary and the section titled Questions and Answers about the Business Combination summarize certain information contained in this Information Statement, but do not contain all of the information important to you. The description and summaries of the documents and agreements below do not purport to be complete and are qualified in their entirety by reference to the actual documents and agreements included as annexes to this Information Statement or incorporated by reference herein. You should carefully read this entire Information Statement, including the attached Appendices.

The Parties

Cogint, Inc. The terms cogint, the Company, we, us, our, and similar terms refer to cogint and its subsidiaries. Fo periods before the Spin-off, these terms include both cogint s risk management business and its digital marketing business. For periods after the Spin-off, these terms refer only to the digital marketing business. cogint s intelligent platform, Agile Audience Engine™, drives our digital marketing business, which provides solutions to help brands, advertisers and marketers find the right customers in every major business-to-consumer (B2C) vertical, including internet and telecommunications, financial services, health and wellness, consumer packaged goods, careers and education, and retail and entertainment. We deterministically target consumers across various marketing channels and devices, through the user-supplied acquisition of consumer information on behalf of our clients, such as email addresses, other identifying information and responses to dynamically populated survey questions.

BlueFocus International Limited. BlueFocus is a company registered in Hong Kong and headquartered in Silicon Valley. BlueFocus is a wholly owned subsidiary of BlueFocus Communication Group Co., Ltd., a company organized under the laws of the People s Republic of China (BlueFocus Parent) (Shenzhen exchange; ticker symbol: 300058), which provides a wide spectrum of marketing and brand management services across disciplines of strategy, digital, advertising, media, social, public relations, design, branding, customer relationship management, data, e-commerce, and mobile solutions. BlueFocus Parent serves over 1,000 multinational companies and leading Chinese enterprises, supporting more than 2,000 brands covering the information technology, automobile, consumer goods, real estate, finance, and entertainment industries. BlueFocus Parent formed BlueFocus to lead its international efforts by focusing on international mergers and acquisitions, portfolio management, and cross-border development.

Red Violet, Inc. The term Red Violet refers to the risk management business of cogint for periods before the Spin-off. For periods after the Spin-off, this term refers to Red Violet and its subsidiaries. Red Violet is currently a wholly-owned subsidiary of cogint. Red Violet is a software and services company specializing in big data analysis, providing cloud-based, mission-critical information solutions to enterprises in a variety of industries. Red Violet s mission is to transform data into intelligence utilizing our proprietary technology platform to solve complex problems for our clients. Harnessing the power of data fusion and powerful analytics, we transform data into intelligence, in a fast and efficient manner, so our clients can spend their time on what matters most, running their organizations with confidence.

Vision 7 International Inc. Vision 7 offers a wide range of integrated communications services under four operating networks: Cossette, Citizen Relations, The Camps Collective/Level Eleven, and V7 Media. Services are designed to help clients reach their business and communication objectives. These services encompass a broad range of marketing communications disciplines, including: advertising; digital and video production; branding and design; brand activation and experiential marketing; sponsorship, events and relationship marketing; Consumer Relationship Management (CRM), database, direct marketing and promotion; interactive marketing, applications and digital platform development, business-to-business technology solutions (B2B practices), mobile marketing; media buying and channel planning, strategic planning and research; public relations; alliance marketing and social media.

We Are Very Social Limited. We Are Social is a global agency. WAVS delivers creative ideas with forward-thinking brands. WAVS believes in people, not platforms and the power of social insight to drive business value.

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WAVS calls this social thinking. With an international team of over 700 and offices in New York, London, Paris, Milan, Munich, Berlin, Singapore, Shanghai, Beijing and Sydney, WAVS s mission is to put social thinking at the center of marketing. WAVS works with clients including Adidas, Netflix, Google, HSBC and Audi on global, regional and local projects.

Indigo Social, LLC. Indigo is a social media, online public relations and branding company that was set up to provide small to medium businesses with the same high value service enjoyed by multinationals. The internet is not exclusive to those with large marketing budgets, and Indigo provides its clients with a number of simple options to ensure that their businesses have the effective online presence that they deserve.

The BlueFocus Business Combination

On September 6, 2017, cogint entered into the Business Combination Agreement, included as Annex A to this Information Statement, with BlueFocus. Under the terms of the Business Combination Agreement, among other matters:

(1) BlueFocus will contribute to cogint all of the equity interests of (a) Vision 7, (b) WAVS, (c) Indigo, and (d) each Acquisition Entity;

(2) BlueFocus will contribute to cogint (a) the Cash Contribution, the proceeds of which cogint will use to (i) repay, if outstanding, the Red Violet Note, (ii) pay off certain transaction-related expenses, and (iii) pay the Cash Dividend and (b) in cash, the Working Capital Shortfall;

(3) In exchange for the Contributed Entities and the Cash Consideration, BlueFocus will receive a number of shares of Common Stock of cogint representing 63.0% of the issued and outstanding shares of cogint Common Stock on a fully diluted basis after giving effect to such issuance; and

(4) BlueFocus will repay, assume, or refinance cogint s indebtedness, other than the Red Violet Note, as of the closing of the Business Combination.

Completion of the Business Combination is subject to customary regulatory approvals for a transaction of this type, including, but not limited to, regulatory approval under HSR, which was granted on October 25, 2017, and CFIUS approval, which was formally requested on November 14, 2017 and accepted for review on December 6, 2017, as well as continued listing of the Company s Common Stock on Nasdaq.

The Spin-off

The Business Combination is also conditioned on the completion of the Spin-off immediately before closing the Business Combination. As a holder of cogint Common Stock, you will receive a number of shares of Red Violet common stock for each share of cogint Common Stock you hold at the close of business on the Record Date at the Spin-off Ratio to be determined by the Board. However, the Spin-off will not occur unless all other conditions to the Business Combination set forth in the Business Combination Agreement have been satisfied or waived.

Other Matters

In addition to the Spin-off, and in connection with the Business Combination, cogint will take the following additional actions immediately before or at closing and conditioned thereon:

(1) authorize and file the Amended and Restated Charter included as Annex B to this Information Statement to (i) increase the number of authorized shares of Common Stock from 200,000,000 to 400,000,000 to provide for the issuance of the Purchased Shares, (ii) provide for BlueFocus to take action by written consent as long as it continues to own at least a majority of the issued and outstanding Common Stock, and (iii) provide an understanding with respect to corporate opportunities and transactions with BlueFocus and its affiliates post-closing; and

(2) amend the Amended and Restated Charter included as Annex C to this Information Statement to, at the discretion of the Company s Board, effect the Reverse Stock Split of cogint s Common Stock within the range of one for two and one for four, with the exact ratio to be determined by the Board at closing.

In addition, the Board and the Board s Compensation Committee have approved the Plan Increase. After giving effect to (i) the proposed Plan Increase, (ii) all previous issuances and outstanding grants under the 2015 Plan, and (iii) grants to be made in connection with the Business Combination, approximately 999,658 shares of Common Stock remain eligible for issuance under the 2015 Plan.

Stockholder Approval by Written Consent

On September 6, 2017, the Consenting Stockholders approved the following matters by Written Consent, which is included as Annex D to this Information Statement, in accordance with the DGCL and the Company s governing documents:

(1) the issuance of the Purchased Shares in accordance with the rules of Nasdaq;

(2) the change of control of the Company resulting from issuance of the Purchased Shares in accordance with the rules of Nasdaq;

(3) the Amended and Restated Charter;

(4) the amendment to the Amended and Restated Charter to provide for the Reverse Stock Split; and

(5) the Plan Increase.

We are mailing this Information Statement to our holders of record as of the close of business on September 6, 2017, which was the Written Consent Record Date. This Information Statement is provided to you for your information pursuant to Section 14(c) of the Exchange Act, and the rules and regulations thereunder, to inform non-consenting stockholders before the Company takes the actions set forth in the Written Consent. In accordance with Rule 14c-2 under the Exchange Act, the Company may take these actions no earlier than the date that is the twenty days after mailing this Information Statement to the Company s non-consenting stockholders. We urge you to read this Information Statement carefully and in its entirety. No action is required on your part in connection with this document. No stockholder meeting will be held in connection with this Information Statement or the matters described herein. **We are not asking you for a proxy and you are requested not to send us a proxy**.

Relationship of Proposals

Completion of the Spin-off is a condition to the completion of the Business Combination. However, the Spin-off will not occur unless all other conditions to the Business Combination set forth in the Business Combination Agreement have been satisfied or waived. If the Business Combination is not completed, cogint will not adopt the Amended and Restated Charter and the Board will not implement the Reverse Stock Split.

Stock Ownership

On the Written Consent Record Date, the Consenting Stockholders held of record 32,052,781 shares of Common Stock, representing approximately 58% of the issued and outstanding Common Stock.

Interests of cogint s Executive Officers and Directors in the Business Combination

You should be aware that some cogint executive officers and directors may have interests that may be different from, or in addition to, cogint stockholders interests, including their potential receipt of severance

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benefits under existing cogint employment or consulting arrangements, accelerated vesting of cogint s equity-based awards and participation in various benefits plans, in each case in connection with completion of the Business Combination.

Additionally, simultaneously with the signing of the Business Combination Agreement, the Company, BlueFocus and certain of the Company s stockholders entered into a stockholders agreement (the Stockholders Agreement), which is included as Annex E to this Information Statement. Pursuant to the Stockholders Agreement, following the consummation of the Business Combination (1) Mr. Ryan Schulke, CEO of Fluent, LLC, a Delaware limited liability company and the Company subsidiary that leads the Company s digital marketing business (Fluent), and Mr. Matthew Conlin, President of Fluent, will be entitled to jointly elect, as stockholders of the Company, one director to the Board, and (2) Mr. Brauser, Chairman of the Board, and Dr. Phillip Frost, the Vice Chairman of the Board, will be entitled to jointly elect, as stockholders of the Company, one director to the Board, who shall initially be Mr. Schulke.

Comparison of Stockholder Rights and Corporate Governance

After completion of the Business Combination, cogint will remain a Delaware corporation. However, immediately before closing the Business Combination, we will amend our certificate of incorporation as set forth in the Amended and Restated Charter. Our current certificate of incorporation and the Amended and Restated Charter are substantially the same in terms of stockholders rights other than with respect to the following matters:

(1) increase the number of authorized shares of Common Stock from 200,000,000 to 400,000,000 to provide for the issuance of the Purchased Shares;

(2) provide for BlueFocus to take action by written consent as long as it continues to own at least a majority of the issued and outstanding Common Stock; and

(3) provide an understanding with respect to corporate opportunities and transactions with BlueFocus and its affiliates post-closing.

Furthermore, after we complete the Business Combination, we may amend the Amended and Restated Charter to, at the discretion of the Board, effect the Reverse Stock Split within the range of one to two and one to four, with the exact ratio to be determined by the Board before closing.

If the Business Combination is not completed, we will not implement the Amended and Restated Charter and we will not effect the Reverse Stock Split.

Certain U.S. Federal Income Tax Consequences

We do not believe that the contribution of the Contributed Entities to cogint, the Cash Contribution, or the issuance of the Purchased Shares will give rise to the recognition of gain or loss to us or our stockholders for U.S. federal income tax purposes.

Each holder of cogint Common Stock who receives a portion of the Cash Dividend will be treated as if such stockholder received a taxable distribution in an amount equal to such stockholder s portion of the Cash Dividend, which will result in: (1) a dividend to the extent of such stockholder s ratable share of cogint s current and accumulated earnings and profits; then (2) a reduction in such stockholder s tax basis in cogint s common stock (but not below zero) to the extent the amount received exceeds the amount referenced in clause (1); and then (3) a gain from the sale or exchange of cogint common stock to the extent the amount received exceeds the sum of the amounts referenced in clauses (1) and (2).

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For additional details regarding the United States federal income tax consequences of the Business Combination as well as the Spin-off, see Material U.S. Federal Income Tax Consequences below.

Anticipated Accounting Treatment of the Business Combination

Based on our preliminary evaluation, for accounting purposes, the Company will recognize the Business Combination in accordance with Accounting Standards Codification (ASC) 805-40, Reverse Acquisitions. Preliminarily, we have concluded that the Company will be the accounting acquiree in the Business Combination, with the Contributed Entities, being the accounting acquirer.

Regulatory Matters

The completion of the Business Combination contemplated by the Business Combination Agreement is not subject to any additional foreign, federal, state or other regulatory requirements or approvals, except for (i) approval under HSR, which was granted on October 25, 2017, (ii) CFIUS approval, which was formally requested on November 14, 2017 and accepted for review on December 6, 2017, (iii) filings with the State of Delaware of the Amended and Restated Charter and if applicable, the amendment to the Amended and Restated Charter, (iv) compliance with applicable securities laws and rules and regulations of the Securities and Exchange Commission (the SEC) and Nasdaq, including approval of the matters set forth herein, and (v) continued listing of the Company s Common Stock on Nasdaq.

Opinion of Roth Capital Partners, LLC

In connection with the Business Combination, Roth Capital Partners, LLC (Roth) rendered an opinion, dated September 5, 2017, to the Board as to the fairness, from a financial point of view and as of such date, to cogint of the Aggregate Consideration (defined in such opinion as the Cash Contribution of $100 million and all of the equity interests of Vision 7, WAVS and Indigo) to be received by cogint for the Purchased Shares, after giving effect to the Spin-off and the Cash Dividend. The full text of the written opinion of Roth dated September 5, 2017, which sets forth the assumptions made, procedures followed, matters considered, exceptions to the opinion and limitations on the scope of the review undertaken, is attached as Annex F to this Information Statement. The opinion of Roth was delivered for the use and benefit of the Board (in its capacity as such) in connection with its evaluation of the financial terms of the Business Combination. The opinion does not address the relative merits of the Business Combination (or any part thereof) or the Spin-off as compared to any alternative business strategies that might exist for cogint, the underlying business decision of cogint to proceed with the Business Combination (or any part thereof) or the Spin-off, or the effects of any other transaction in which cogint might engage. The opinion should not be construed as creating any fiduciary duty on Roth s part to any party. The opinion is not intended to be, and does not constitute, a recommendation to the Board, any security holder or any other person as to how to act or vote with respect to any matter relating to the Business Combination (or any part thereof) or the Spin-off.

Risk Factors

In reviewing the matters approved by the Written Consent, you should carefully read this Information Statement, including the annexes to this Information Statement and you should consider the factors discussed in the section titled Risk Factors.

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QUESTIONS AND ANSWERS ABOUT THE BUSINESS COMBINATION

Q: ***Why am I receiving this Information Statement?***

A: On September 6, 2017, the Consenting Stockholders approved the following matters by Written Consent, in accordance with the DGCL and the Company s governing documents:

(1) the issuance of the Purchased Shares in accordance with the rules of Nasdaq;

(2) the change of control of the Company resulting from issuance of the Purchased Shares in accordance with the rules of Nasdaq;

(3) the Amended and Restated Charter;

(4) the amendment to the Amended and Restated Charter to provide for the Reverse Stock Split; and

(5) the Plan Increase.

We are mailing this Information Statement to our holders of record as of the Written Consent Record Date. This Information Statement is provided to you for your information pursuant to Section 14(c) of the Exchange Act, and the rules and regulations thereunder, to inform non-consenting stockholders before the Company takes the actions set forth in the Written Consent. In accordance with Rule 14c-2 under the Exchange Act, the Company may take these actions no earlier than the date that is the twenty days after mailing this Information Statement to the Company s non-consenting stockholders. We urge you to read this Information Statement carefully and in its entirety. No action is required on your part in connection with this document. No stockholder meeting will be held in connection with this Information Statement or the matters described herein. **We are not asking you for a proxy and you are requested not to send us a proxy**.

Q: Will the Company hold a stockholder meeting in connection with the Business Combination and the related matters?

A: No. All matters relating to the Business Combination and all other matters described in this Information Statement that require stockholder approval have been approved by Written Consent of the Consenting Stockholders, so no stockholder meeting is necessary.

Q: What is the record date for stockholders entitled to receive this Information Statement?

A: Stockholders of record as of the Written Consent Record Date, September 6, 2017, which is the date the Company received approval by Written Consent of the Consenting Stockholders, are entitled to receive this Information Statement.

Q: Are there conditions to completing the Business Combination?

A: Completion of the Business Combination is subject to customary regulatory approvals for a transaction of this type, including, but not limited to, approval under HSR, which was granted on October 25, 2017, and CFIUS approval, which was formally requested on November 14, 2017 and accepted for review on December 6, 2017, as well as continued listing of the Company s Common Stock on Nasdaq.

The Business Combination is also conditioned on completion of the Spin-off. However, the Spin-off will not occur unless all other conditions to the Business Combination set forth in the Business Combination Agreement have been satisfied or waived.

Additionally, the Business Combination Agreement contemplates other customary conditions for transactions of this type to the completion of the Business Combination.

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Q: Why is the Company acquiring the Contributed Entities?

A: During the first quarter of 2017, cogint decided to explore the possibility of selling its digital marketing business. The separation of cogint s risk management business from its digital marketing business enables investors to better evaluate the financial performance, strategies and other characteristics of each company. This will permit investors to make investment decisions based on each company s own performance and potential, and enhance the likelihood that the market will value each company appropriately.

As cogint s risk management and digital marketing businesses have distinct financial and operating characteristics, the separation of the businesses will simplify the management and organization structures of each company, allowing each company to adopt strategies and pursue objectives appropriate to its needs, focus more exclusively on improving its operations, and enable the optimization of capital deployment and investment strategies necessary to advance innovation. Further, the separation brings greater clarity to the market place as to each company s core competencies, allowing each company to compete more effectively and nimbly within its respective markets.

Fluent is a digital marketing company operating within the highly-competitive digital marketing industry. Fluent is seeking to expand within the U.S. and internationally. Fluent s business is complementary to the existing portfolio of BlueFocus s businesses. The Business Combination enables Fluent to establish an international presence by leveraging the existing customer relationships of the Contributed Entities, while creating a unique marketing services company that delivers end-to-end solutions to its customers.

Q: What will be the ownership of the Company after completing the Business Combination?

A: After the closing of the Business Combination, Company stockholders and certain Company warrantholders existing as of immediately before the closing will own 37.0% of the issued and outstanding cogint Common Stock on a fully diluted basis and BlueFocus will own 63.0% of the issued and outstanding cogint Common Stock on a fully diluted basis.

Q: Will my rights as a stockholder change after completion of the Business Combination?

A: After completion of the Business Combination, cogint will remain a Delaware corporation, however, immediately before closing the Business Combination, we will amend our certificate of incorporation as set forth in the Amended and Restated Charter. Our current certificate of incorporation and the Amended and Restated Charter are substantially the same in terms of stockholders rights other than with respect to the following matters:

(1) increase the number of authorized shares of Common Stock from 200,000,000 to 400,000,000 to provide for the issuance of the Purchased Shares;

(2) provide for BlueFocus to take action by written consent as long as it continues to own at least a majority of the issued and outstanding Common Stock; and

(3) provide an understanding with respect to corporate opportunities and transactions with BlueFocus and its affiliates post-closing.

Furthermore, after we complete the Business Combination, we may amend the Amended and Restated Charter to, at the discretion of the Board, effect the Reverse Stock Split within the range of one to two and one to four, with the exact ratio to be determined by the Board before closing.

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If the Business Combination is not completed, we will not implement the Amended and Restated Charter and we will not effect the Reverse Stock Split.

Q: Who will manage the Company after the Business Combination is completed?

A: The Company will continue to be managed by the Board, however, at closing of the Business Combination certain individuals will resign as directors and the remaining directors will appoint new directors in accordance with applicable law, the Company s Amended and Restated Charter, the Amended and Restated Bylaws (as defined below) and the Stockholders Agreement so that thereafter the Board will be composed of seven directors. Pursuant to the Stockholders Agreement, (1) Mr. Schulke and Mr. Conlin will be entitled to jointly nominate one director, and (2) Mr. Brauser and Dr. Frost will be entitled to jointly nominate another director, who will initially be Mr. Schulke. The Company and BlueFocus are obligated to take the necessary actions to ensure that such nominees are elected to the Board and that such directors are not removed without the nominating individuals consent unless they are removed for cause. In either case, the applicable stockholders who nominated the removed director will be entitled to jointly nominate the replacement director. In addition, our current executive officers will resign and the Board will appoint new executive officers.

Q: Who Can Help Answer Your Questions?

A: If you have more questions about the Business Combination, and the other transactions provided for in the Business Combination Agreement and described in this Information Statement, you should contact:

Cogint, Inc.

2650 North Military Trail, Suite 300

Boca Raton, Florida 33431

Attention: Jordyn Kopin, Director of Investor Relations

Phone: (561) 757-4000

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Information Statement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. Such forward-looking statements contain information about our expectations, beliefs or intentions regarding our product development and commercialization efforts, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Factors that could cause actual results, events and developments to differ include:

- the inability to complete the Business Combination due to the failure to satisfy the conditions in the Business Combination Agreement or to complete the Business Combination during any specific timeframe;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Business Combination Agreement, including a termination that could require us to pay BlueFocus a termination fee;
- the amount of the costs, fees, expenses and charges related to the Business Combination;
- risks that the Business Combination and the Spin-off disrupt current plans and operations and create difficulties in employee retention;
- risks related to diverting management s attention from ongoing business operations; and
- other risks detailed in the section titled Risk Factors and in our other filings with the SEC. See the section titled Where You Can Find More Information.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

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RISK FACTORS

You should carefully consider the risk factors described below, together with the other information contained in this Information Statement. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the market or trading price of our securities could decline and you could lose all or part of your investment. This Information Statement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.

Risks Related to the Business Combination

We may not complete the Business Combination.

Although the Business Combination has been approved by our Board and the Consenting Stockholders, completion of the Business Combination remains subject to regulatory approvals and other conditions that must be met before closing, including completion of the Spin-off. If any condition to close is not met or waived, the parties may not move forward with the Business Combination in accordance with the termination provisions of the Business Combination Agreement. If we do not complete the Business Combination, we will not effect the Spin-off and you will not receive the Cash Dividend.

The acquisition of the Contributed Entities in the Business Combination involves risks associated with acquisitions and integrating the acquired businesses, including the potential exposure to significant liabilities, and the intended benefits of the Business Combination may not be realized.

The acquisition of the Contributed Entities in the Business Combination involves risks associated with acquisitions and integrating the acquired businesses into our existing operations, including that:

- our senior management s attention may be diverted from the management of daily operations to the integration of the businesses acquired in the Business Combination;

- we could incur significant unknown and contingent liabilities for which we have limited or no contractual remedies, indemnification rights against BlueFocus or insurance coverage;

- the businesses and operations acquired in the Business Combination may not perform as well as we anticipate; and

- unexpected costs, delays, and challenges may arise integrating the businesses acquired into our existing operations.

Even if we successfully integrate the acquired business into our operations, it may not be possible to realize the full benefits we anticipate or we may not realize these benefits within the expected timeframe. If we fail to realize the benefits we anticipate from the acquisition of the Contributed Entities, then our business, results of operations, and financial condition may be materially and adversely affected. Additionally, under the Business Combination Agreement, BlueFocus may purchase Acquisition Entities without our consent before the closing of the Business

Combination and these acquisitions involve the same risks as described above.

We have incurred significant transaction and transaction-related costs in connection with the Business Combination.

We have incurred significant costs in connection with the Business Combination and the Spin-off, including legal, accounting, consulting, financial advisory, and related fees. We may incur additional costs to retain key employees. We may also incur fees and costs related to formulating integration plans. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to more than offset incremental transaction and acquisition-related costs over time, this net benefit may not be achieved in the near term, or at all.

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The market price of our Common Stock may decline as a result of the Business Combination.

The market price of our Common Stock may decline as a result of the Business Combination if, among other things, we are unable to achieve the expected growth in earnings, or if the operational cost savings estimates in connection with the integration of the Contributed Entities businesses are not realized, or if the aggregate transaction costs related to the Business Combination are greater than expected, or if the value of the cash savings attributable to the amortization of goodwill is less than anticipated. The market price also may decline if we do not achieve the perceived benefits of the Business Combination as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the Business Combination on our financial results is not consistent with the expectations of financial or industry analysts.

Changes in applicable tax laws, policies and regulations or unfavorable resolution of tax matters may result in additional tax liabilities to us, which could adversely impact our cash flows and results of operations.

After the Business Combination, our businesses will be subject to taxation in the U.S. and multiple foreign jurisdictions. The U.S. is considering corporate tax reform that may significantly change the corporate tax rate and the rules applicable to the taxation of earnings of foreign subsidiaries. In addition, international tax reform remains a priority with the Organization for Economic Cooperation and Development s Action Plan on Base Erosion & Profit Shifting and in foreign jurisdictions in which we operate. Given the uncertainty of the potential changes, we are unable to determine whether the net consolidated impact of such changes on us would be positive or negative. However, the impact of any tax legislative, policy or regulatory changes by federal, state and local, or foreign authorities may result in additional tax liabilities which could adversely impact our cash flows and results of operations.

Furthermore, as a result of our businesses being subject to taxation in the U.S. and multiple foreign jurisdictions after the Business Combination, our effective tax rate will be derived from a combination of applicable tax rates in the various jurisdictions in which we will operate. In preparing our financial statements, we will estimate the amount of tax that will become payable in each of such jurisdictions. Our effective tax rate, however, may be different than experienced in the past due to numerous factors, including changes in the mix of our profitability from country to country, changes in accounting for income taxes and changes in tax laws. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations. In addition, we are regularly under audit by tax authorities, and the final outcome of tax audits and related litigation could be materially different than that reflected in our income tax provisions and accruals. The unfavorable resolution of any audits or litigation could have an adverse impact on future operating results and our financial condition.

Risks Related to the Business of the Contributed Entities

The Contributed Entities receive a significant portion of their revenues from a limited number of large clients. A loss of any such clients would adversely affect the Company s financial condition.

A relatively small number of clients contribute a significant percentage of each company s revenues. In the six-month period ended June 30, 2017, Vision 7 and WAVS derived approximately 50% and 42% of their revenues, respectively, from their top ten clients. Moreover, many of the companies clients do not have long term contracts with the companies. Therefore, spending from existing clients may be reduced or stopped altogether on short notice for any reason or no reason. A reduction in spending or a loss of any of these clients, if not replaced by new clients or an increase in revenue from other existing clients, would adversely affect such company s financial condition.

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Clients periodically review and change their advertising and marketing requirements and relationships.

The Contributed Entities operate in a competitive industry. Key competitive considerations for retaining existing clients and winning new clients include the ability to develop solutions that meet client needs, the quality and effectiveness of services and the ability to serve clients efficiently. Clients periodically put their advertising and marketing businesses up for competitive review. Vision 7 and WAVS have won and lost accounts as a result of such reviews. To the extent that the companies are not able to remain competitive or retain important clients, the companies revenues may be adversely affected.

The Contributed Entities rely extensively on information technology systems, and cybersecurity incidents could adversely affect the companies.

The Contributed Entities rely on information technology systems and infrastructure to, among other things, manage their businesses, maintain client advertising and marketing information and process, store and transmit data. Increased cybersecurity threats and attacks pose a risk to the companies systems and networks. Security breaches, improper use of the companies systems and unauthorized access to the companies data pose risks that sensitive data may be exposed to unauthorized persons or to the public. The companies may also have access to sensitive or personal data that is subject to privacy laws and regulations. Despite the companies efforts to protect their systems and networks and sensitive data, the companies may be vulnerable to security breaches, theft, misplaced or lost data, employee malfeasance and additional known and unknown threats. Such events could harm the companies reputations, impair their abilities to attract and retain clients and subject them to claims or litigation arising from damages suffered by clients.

Government regulation may limit the scope and content of the Contributed Entities services, which could affect the companies ability to meet their clients needs and reduce client spending on the companies services.

Government agencies affect the scope, content and manner of presentation of advertising, marketing and corporate communication services through regulation and other governmental action. Among other things, such regulation may seek to alter the tax treatment of advertising expenditures by certain industries or for certain products and services. Regulatory action may affect the companies ability to meet their clients needs and reduce client spending on the companies services.

Any future economic downturn may cause a slowdown or reduction in advertising and marketing services spending.

In an economic downturn, the Contributed Entities existing clients may spend less on the companies services. The risk of reduced client spending is heightened because many of the companies clients may reduce spending with short notice for any reason or no reason. New clients will also be more difficult to attract in an economic downturn, and any such prospective clients may demand services at lower costs.

The Contributed Entities depend on the knowledge, abilities and skills of their personnel as well as such persons relationships with clients.

To a large extent, the success of the companies is attributable to the knowledge, abilities and skills of certain key personnel. If the companies lose the services of such persons, the companies may not be able to hire suitable replacements, and they may incur significant additional expenses to recruit and train new personnel, which could severely disrupt the companies businesses and prospects. The companies also rely on such persons relationships with clients. The loss of such persons might also mean losing clients, which would adversely affect the companies.

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The Contributed Entities clients are demanding services that are increasingly more technical in nature. If the companies are unable to attract, re-train or retain personnel with such technical expertise, the companies revenues could be affected.

The companies clients are increasingly demanding advertising and marketing services that are more digital and technical in nature. Recruiting personnel to perform these services is difficult in the current competitive labor market where such talent is sought after by numerous firms, including large technology companies. Re-training existing personnel to perform these services may prove too costly and time-consuming. And retaining existing personnel with such technical expertise may prove difficult and expensive because such expertise is in high demand. If the companies are unable to attract, re-train or retain personnel with such expertise, the companies revenues may be adversely affected.

If Vision 7 s or WAVS s goodwill or other intangible assets become impaired, the companies financial conditions may be materially affected.

Both Vision 7 and WAVS include goodwill and other intangible assets on their respective balance sheets. Under U.S. GAAP, most of these intangible assets must be tested for impairment on an annual basis or more frequently whenever events or circumstances indicate that their carrying value may not be recoverable. If the companies intangible assets are determined to be impaired in the future, they may be required to record significant, non-cash charges to earnings during the period in which the impairment is determined to have occurred. Any such charges could, in turn, have a material effect on the companies results of operation and financial conditions.

The Contributed Entities face financial and operational risks from doing business internationally.

The Contributed Entities face certain risks from doing business internationally, including the following: exchange rate fluctuations could materially affect the companies businesses, financial conditions and results of operations, and this risk is heightened because the companies functional currencies are not the U.S. Dollar; the companies are subject to various tax regimes, and a change in tax treatment could materially affect the companies; and social or political instability could affect the companies abilities to meet their clients needs. In particular, as subsidiaries of cogint following the Business Combination, profits of the Contributed Entities may be subject to U.S. taxation when earned, when distributed to cogint, or both. In addition, there are certain tax reform proposals currently being considered by the United States Congress. It is uncertain whether any such proposals will be enacted into law. However, if certain of the proposals were to become law, it could alter, potentially adversely, the U.S. taxation of the earnings of foreign subsidiaries of U.S. companies such as Vision 7 and WAVS.

Under the Amended and Restated Charter to be adopted immediately before closing of the Business Combination, BlueFocus and some of our directors and officers are not required to bring to our Board corporate opportunities they may become aware of.

The Amended and Restated Charter, which will be adopted immediately before the closing of the Business Combination provides that if BlueFocus or, subject to certain exceptions, any of its directors and officers that are also directors or officers of the Company, learn of a potential transaction or matter that may be a corporate opportunity for both us and BlueFocus, neither BlueFocus nor the applicable director or officer will have an obligation to communicate or present such corporate opportunity to us and will not be liable to us or our stockholders for breach of any fiduciary duty for failure to bring such corporate opportunity to us or in the event BlueFocus acquires or seeks the corporate opportunity for itself. As a result, we may not be presented with certain corporate opportunities that BlueFocus or certain of our directors and officers may become aware of and that we could otherwise decide to pursue absent the provision in the Amended and Restated Charter. Additionally, the vote of at least 80% of the votes entitled to vote is required to amend, modify or repeal this provision of the Amended and Restated Charter.

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Vision 7 relies on third party financing to fund its operations. A loss of such financing could have a material effect on the company s daily operations.

Vision 7 depends in part on the willingness and ability of third party lenders to make loans to the company. A loss of any such financing relationships could disrupt Vision 7 s operations and materially decrease the company s revenues.

Risks Relating to Our Common Stock

The concentration of our stock ownership may limit individual stockholder ability to influence corporate matters.

Upon completion of the Business Combination, BlueFocus will own 63.0% of the issued and outstanding cogint Common Stock on a fully diluted basis. As a result, BlueFocus will be able to exert significant influence over all matters requiring stockholder approval, including the election of directors and determination of significant corporate actions. The interests of BlueFocus may not always coincide with the interests of other stockholders, and BlueFocus may act in a manner that advances their best interests and not necessarily those of other stockholders, which could affect the prevailing market price for our securities.

Future sales or issuances of our securities may dilute the ownership of existing stockholders and cause the market price of our Common Stock to decline.

We will likely need to obtain additional capital through equity or debt financing. There can be no assurance that we will be able to obtain such capital on commercially reasonable terms, if at all. In addition, if we obtain capital by issuing equity, such transaction(s) may dilute the proportionate ownership and voting power of existing stockholders.

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ISSUANCE OF THE PURCHASED SHARES AND CHANGE OF CONTROL OF THE COMPANY

The following discussion contains important information relating to the Business Combination. You are urged to read this discussion together with the Business Combination Agreement and related documents attached as annexes to this Information Statement.

The Business Combination Agreement

The following is a summary of the material provisions of the Business Combination Agreement, which governs the terms of the Business Combination, including the issuance of the Purchased Shares, the payment of the Cash Consideration and the contribution of the Contributed Entities. This summary is qualified in its entirety by the Business Combination Agreement, dated as of September 6, 2017, by and between cogint and BlueFocus, which is included as Annex A to this Information Statement and is incorporated herein by reference. The following description summarizes the material provisions of the Business Combination Agreement, which we urge you to read carefully because it is the principal legal document that governs the Business Combination.

The representations and warranties described below and included in the Business Combination Agreement were made by the Company and BlueFocus as of specific dates. The assertions embodied in these representations and warranties may be subject to important qualifications and limitations mutually agreed to by the Company and BlueFocus in connection with negotiating the Business Combination Agreement. The representations and warranties may also be subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders, or may have been used for the purpose of allocating risk among the Company and BlueFocus rather than establishing matters as facts. The Business Combination Agreement is described in this Information Statement only to provide you with information regarding its terms and conditions at the time it was entered into by cogint and BlueFocus.

Basic Deal Terms

At the closing of the Business Combination (the Closing), the Company will issue and sell to BlueFocus and BlueFocus will purchase from the Company, the Purchased Shares, representing 63% of the aggregate issued and outstanding shares of Company Common Stock on a fully diluted basis after giving effect to such issuance.

At the Closing, BlueFocus will:

(1) contribute to the Company all of the issued and outstanding shares of capital stock and/or other equity interests of Vision 7, WAVS, Indigo and each Acquisition Entity, directly or indirectly through one or more newly formed holding companies owned by BlueFocus (individually or collectively, Holdings);

(2) pay the Company the Cash Contribution, the proceeds of which cogint will use to (a) repay, if outstanding, the Red Violet Note, (b) pay off certain transaction-related expenses, and (c) pay the Cash Dividend;

(3) if applicable, pay the Company the Working Capital Shortfall, which is the amount by which (a) the normalized net working capital of Vision 7, WAVS, Indigo and each Acquisition Entity, calculated based on a formula, exceeds (a) the actual net working capital of Vision 7, WAVS, Indigo and each Acquisition

Entity, plus cash and cash equivalents on hand at Closing, in each case of (a) and (b), as provided by BlueFocus in writing prior to the Closing; and

(4) repay, assume or refinance indebtedness for borrowed money of the Company as of the Closing, including the repayment of certain promissory notes issued to (a) Frost Gamma Investment Trust, an affiliate of Dr. Phillip Frost, M.D., the Vice Chairman of the Board, for $5,557,987 in the aggregate, including accrued and unpaid interest as of the date of this Information Statement and (b) Michael Brauser, the Chairman of the Board, for $4,446,390 in the aggregate, including accrued and unpaid interest as of the date of this Information Statement.

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Additionally, at the Closing, before the issuance of the Purchased Shares, the Company will adopt and file the Amended and Restated Charter, in the form set forth as an exhibit to the Business Combination Agreement and included as Annex B to this Information Statement. Also at the Closing, the bylaws of the Company will be amended and restated, in the form set forth as an exhibit to the Business Combination Agreement and included as Annex G to this Information Statement.

Officers and Directors

At the Closing, the Company will (1) deliver resignation letters of the officers and directors of the Company and its subsidiaries that will cease to serve in such capacity, and (2) take such actions as may be necessary and appropriate to ensure the composition of the Board is consistent with the Stockholders Agreement (as defined below). Thereafter, the Board will elect the new officers of the Company.

Representations and Warranties

In the Business Combination Agreement, the Company made as of the signing of the Business Combination Agreement and will make as of the Closing, certain representations and warranties (subject to certain exceptions and qualifications) about cogint and its subsidiaries (other than Red Violet and its subsidiaries) relating to, among other things:

- organization and good standing;
- corporate power and enforceability;
- company board approval, opinion of Roth and anti-takeover laws;
- requisite stockholder approvals;
- non-contravention;
- requisite approvals;
- company capitalization;
- subsidiaries;
- company SEC reports;

company financial statements, internal controls and Nasdaq listing;

no undisclosed liabilities;

absence of certain changes;

material company contracts;

property and assets;

environmental matters;

intellectual property;

tax matters;

employee plans;

labor matters;

permits;

compliance with laws;

legal proceedings and orders;

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- insurance;
- related person transactions;
- brokers;
- anti-bribery and anti-corruption;
- information technology;
- personal data and customer data;
- no vote required to effect the Spin-off; and
- customers and suppliers.

In the Business Combination Agreement, BlueFocus made, as of the signing of the Business Combination Agreement and will make as of the Closing, certain representations and warranties (subject to certain exceptions and qualifications) about BlueFocus and Holdings relating to, among other things:

- organization and good standing;
- power and enforceability;
- non-contravention;
- requisite approvals;
- legal proceedings and orders;
- ownership of company capital stock;
- brokers;

ownership of holdings;

no vote or approval required;

sufficiency of financing;

stockholder and management arrangements;

solvency;

no other negotiations;

purchase entirely for own account;

investment experience and accredited investor status;

restricted securities;

legend;

holdings capitalization;

subsidiaries;

financial statements and no undisclosed liabilities;

absence of certain changes;

material holdings contracts;

property and assets;

environmental matters;

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- intellectual property;
- tax matters;
- employee plans;
- labor matters;
- permits;
- compliance with laws;
- insurance;
- related person transactions;
- anti-bribery and anti-corruption;
- information technology;
- personal data and customer data; and
- customers and suppliers.

Conduct of Business Pending Closing

The Company and BlueFocus are subject to certain covenants between the signing of the Business Combination Agreement and the Closing, including:

- obligation of the Company on the one hand, and BlueFocus on the other hand, to conduct the business and operations of the Company and of Holdings and its subsidiaries, respectively, in the ordinary course of business consistent with past practice, and to preserve the assets, properties, contracts, and relationships with commercial partners;

obligation of the Company not to exceed $70 million in indebtedness under the Company s credit agreement and outstanding promissory notes as of immediately prior to the Closing;

obligation of BlueFocus not to exceed $40 million in indebtedness for borrowed money (net of cash on hand) as of the Closing, which may be increased to $75 million (net of cash on hand) to the extent the excess is used for Permitted Acquisitions (as defined in the Business Combination Agreement); and

obligation of the Company on the one hand, and BlueFocus on the other hand, to refrain from taking certain actions in the period between signing and Closing without the other s prior consent.

Additional Covenants

The Company and BlueFocus are subject to additional covenants and obligations under the Business Combination Agreement, including:

obligation of the Company and BlueFocus to use their respective reasonable best efforts to cause the conditions to the Closing to be satisfied;

obligation of the Company and BlueFocus to take certain actions to obtain HSR approval, including an obligation by BlueFocus to negotiate and agree to any restrictions on its activities, provided that neither BlueFocus nor the Company will be obligated to agree to any divestitures;

obligation of the Company and BlueFocus to use their respective reasonable best efforts to file for, and seek CFIUS approval;

obligation of the Company to prepare an information statement or a proxy statement, as the case may be, and the filing thereof with the SEC;

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if the Written Consent is not delivered to BlueFocus, obligation of the Company to call for and hold a meeting of the stockholders of the Company to vote on the Business Combination;

obligation of BlueFocus to use its reasonable best efforts to obtain the financing necessary to make the payments required by the Business Combination Agreement, repay all indebtedness of the Company, Holdings and its respective subsidiaries, and pay the fees and expenses required to be paid at the Closing by BlueFocus or Holdings (collectively, the Financing);

obligation of the Company to use its reasonable best efforts to cooperate with BlueFocus in obtaining the Financing, subject to certain limitations and subject to expense reimbursement and indemnification obligations by BlueFocus to the Company in connection with the Financing;

obligations of the Company with respect to applicability of anti-takeover laws;

obligation of each of the Company and BlueFocus to grant access to information and personnel of the Company and Holdings, respectively, between signing and Closing;

obligation of the Company to provide and maintain certain indemnification rights to, and procure D&O insurance for, the directors and officers of the Company following the Closing;

obligations of the Company with respect to the provision of employment and benefits to the employees of the Company following the Closing;

obligations of each of the Company and BlueFocus with respect to notifications to each other for certain matters and coordination of press releases relating to the Business Combination;

obligations of the Company with respect to any transaction litigation, the listing of the Company s Common Stock on Nasdaq, and certain actions if requested by BlueFocus to facilitate BlueFocus s repayment of the Company s credit agreement and outstanding promissory notes prior to the Closing;

right of BlueFocus to acquire any additional businesses between signing and Closing, provided (1) such acquisitions do not exceed enterprise valuation of $150 million in the aggregate, (2) such enterprise value does not reflect a greater than 14X EV/EBITDA multiple, (3) BlueFocus makes similar representations and warranties to the Company with respect to each acquired business, and (4) except with respect to certain pre-disclosed acquisitions, such acquisitions do not delay the review of the this Information Statement by the SEC; provided, however that BlueFocus may update the disclosure schedule to reflect such acquisitions, and no such update may be the basis of the failure of any condition to the Closing;

obligations of the Company with respect to the Spin-off and the filing of a registration statement in connection with it;

obligations of BlueFocus to maintain certain minimum working capital levels of Holdings and any Acquisition Entity, and the delivery of a statement to the Company setting forth such amounts prior to the Closing; and

obligations of BlueFocus to repurchase or terminate equity securities owned by minority holders of Vision 7 prior to the Closing and to pay certain existing earn-out obligations prior to the Closing.

Additional Agreements and Covenants

Interim Stock Issuances; Equity Awards

The Company may issue equity securities in a private placement or pursuant to its shelf registration between signing of the Business Combination Agreement and Closing for its working capital purposes. The Company may also issue equity awards for up to one (1) million shares of Company Common Stock under the 2015 Plan during the same period to existing employees and new hires, subject to certain conditions.

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Exclusivity; Voting Agreement

The Company and its subsidiaries may not, and may not permit their representatives to, solicit or encourage acquisition proposals from third parties (an Acquisition Proposal), or provide information in connection with or engage in negotiations in connection with an Acquisition Proposal.

Unless, prior to receipt of the required stockholders approval, the Company receives an unsolicited superior written Acquisition Proposal (a Superior Proposal) or there has occurred an unknown and unforeseeable intervening event, the Company cannot change its Board recommendation of the Business Combination nor enter into a transaction agreement with a third party with respect to an alternate Acquisition Proposal. In the event of a Superior Proposal or intervening event, the Company must negotiate in good faith with BlueFocus with respect to any necessary changes to the Business Combination Agreement that may address the foregoing issues.

Certain stockholders of the Company were required to enter into a voting agreement (the Voting Agreement) included as Annex H to this Information Statement that contains (1) a requirement that such stockholders vote in favor of the matters set forth in the Written Consent, (2) a prohibition on stock transfers prior to the Closing, subject to limited exceptions, and (3) an exclusivity and nonsolicitation provision substantially similar to that entered into by the Company in the Business Combination Agreement.

Indemnification

Under the Business Combination Agreement the Company does not have any post-Closing indemnification obligations to BlueFocus, and BlueFocus does not have any post-Closing indemnification obligations to the Company. The representations, warranties and covenants in the Business Combination Agreement of all parties terminate at Closing, subject to limited exceptions.

Conditions to Closing

Conditions to the Closing of the Business Combination generally include:

- receipt of the required Company stockholders approval;

- no injunctions or laws prohibiting the transactions contemplated by the Business Combination Agreement;

- consent under HSR and CFIUS approval;

- effectiveness of registration statement of Red Violet and consummation of the Spin-off;

- (i) accuracy of the representations and warranties of the Company and BlueFocus, in each case except for inaccuracies that, individually or in the aggregate would not have a Company Material Adverse Effect or Parent Material Adverse Effect (as such terms is defined in the Business Combination Agreement), as the case may be and in each case subject to certain exceptions, (ii) performance by the Company and BlueFocus of their respective covenants and agreements, (iii) absence of a Company Material Adverse Effect and Parent Material Adverse Effect since the signing of the Business Combination Agreement and (iv) and an officer s certificate of each of the Company and BlueFocus certifying to items (i) through (iii);

approval by Nasdaq of the listing of the Purchased Shares; and

delivery by the Company of a spreadsheet with certain calculations with respect to outstanding Company Common Stock, options, restricted stock units of Common Stock (RSUs), warrants and Purchased Shares.

Termination and Termination Fees

The Business Combination Agreement may be terminated as follows:

By the Company or BlueFocus (1) by mutual agreement, (2) if there is a permanent injunction prohibiting the Business Combination, (3) if the Closing has not occurred within 12 months from signing, (4) if the other party is in breach of its respective representations or warranties or covenants which would cause the condition to closing with respect to the foregoing to fail to be met and such breach is not cured within 30 days after delivery of notice of such breach by the terminating party to the other party or (4) if CFIUS informs the Company and BlueFocus that it has recommended or intends to recommend the prohibition of the Business Combination.

By BlueFocus if either the Written Consent and executed Voting Agreement related thereto or the Stockholders Agreement are not delivered within 24 hours after signing, or the consent of the Stockholders is not obtained at the stockholders meeting, as the case may be, or if the Board changes its recommendation to the stockholders to authorize the Business Combination.

By the Company, if it has received a Superior Proposal and has complied with the procedure in the Business Combination Agreement with respect to such Superior Proposal, or if the Company is ready to consummate the Business Combination and the conditions to closing are met or will be met at Closing, and after notice thereto, BlueFocus fails to consummate the Closing.

Additionally, neither party has any liability following termination except for liability for fraud or intentional breach prior to such termination, subject to the survival of certain provisions, and with respect to any termination fees, if due. The Company must pay BlueFocus a termination fee in the amount of $3 million if the Business Combination Agreement is terminated by BlueFocus due to the Company s breach or failure to timely deliver the required Written Consent and the Company enters into another acquisition transaction within 6 months of such termination. Such fee is also due if the Board changes its recommendation with respect to the Business Combinations or enters into an agreement with respect to a Superior Proposal.

BlueFocus must pay the Company a termination fee of $5 million if (i) there is an injunction or prohibition, or a necessary governmental consent is not obtained, in each case which would permit the Company to terminate the Business Combination Agreement and such injunction, prohibition or consent, is imposed by the government of China or the Shenzhen Stock Exchange, (ii) the Company terminates the agreement due to BlueFocus s breach of its covenant with respect to incurrence of indebtedness for borrowed money, or (iii) the Company terminates the agreement due to a failure by BlueFocus to consummate the Business Combination upon the satisfaction of all Parent s closing conditions after receiving notice thereof.

Stockholders Agreement

Simultaneously with the signing of the Business Combination Agreement, the Company, BlueFocus and certain of the Company s stockholders entered into the Stockholders Agreement, which will become effective at the Closing. Additionally, pursuant to the Voting Agreement, at the Closing the current stockholders agreement to which the Company and certain of its stockholders are party to will be terminated. The following is a summary of the material provisions of the Stockholders Agreement. This summary is qualified in its entirety by the Stockholders Agreement, dated as of September 6, 2017, by and among cogint, BlueFocus and the stockholders listed on Schedule I thereto, which is included as Annex E to this Information Statement and is incorporated herein by reference. Stockholders of cogint are urged to read the Stockholders Agreement in its entirety. This description of the Stockholders Agreement has been included to provide cogint stockholders with information regarding its material terms. The rights and obligations of the parties are governed by the express terms and conditions of the Stockholders Agreement and not by this summary or any other information included in this Information Statement.

Board Representation

From and after the Closing and until the Stockholders Agreement is terminated in accordance with its terms, the Company and BlueFocus will take all necessary actions (1) to ensure that (i) Messrs. Ryan Schulke and Matthew Conlin (the Fluent Legacy Stockholders) are entitled to nominate one member to the Board (the RSMC Director), and (ii) Dr. Phillip Frost and Mr. Michael Brauser (the cogint Legacy Stockholders and, together with the Fluent Legacy Stockholders, the Legacy Stockholders) are entitled to nominate one member to the Board (the PFMB Director and, together with the RSMC Director, the Legacy Directors) who shall initially be Mr. Schulke until the earlier of (a) the second anniversary of the Closing and his resignation as the PFMB Director (2) to elect such Legacy Directors to the Board and (3) to nominate any successor Legacy Directors. The Company and BlueFocus shall also take all actions necessary to ensure that the size of the Board be seven (7) directors, which number may be increased by a majority of the Board, including the vote of the PFMB director. The Stockholders Agreement also sets forth the procedures to be followed by the Legacy Stockholders to nominate the Legacy Directors both at a stockholders meeting or otherwise, and the obligations of the Company and BlueFocus to effectuate such appointment.

Additionally, BlueFocus agrees that it and its affiliates will vote all of their shares of Common Stock (1) for the election to the Board of all Legacy Directors nominated in accordance with the Stockholders Agreement and (2) to ensure that no Legacy Director is removed from office unless the removal is approved by the Legacy Stockholders nominating the Legacy Director or such removal is for cause, as reasonably determined in good faith by the Board. In case of removal of any Legacy Director, the applicable Legacy Stockholders will be entitled to nominate the successor to such Legacy Director.

Corporate Governance

For a period of two (2) years following the Closing, neither the Company nor BlueFocus may, or permit its subsidiaries or affiliates to, (1) voluntarily terminate the registration of the Company Common Stock under the Exchange Act or voluntarily delist the Company Common Stock from Nasdaq or another national securities exchange without the written consent of the Legacy Directors subject to certain exceptions and (2) enter or approve any transaction between the Company or its subsidiaries, on the one hand, and the Parent or its subsidiaries or any of their respective directors, officers or any person owning five percent (5%) or more of the equity interests of the Parent or any of its Affiliates, on the other hand, unless the transaction is approved by a majority of the disinterested directors of the Board.

Prohibition on Transfers

Subject to certain exceptions for permitted transfers and transfers not exceeding certain amounts, until the earlier of (1) one (1) year following the Closing and (2) the date the applicable Legacy Stockholder and certain of its permitted transferees hold less than 100,000 shares of Common Stock, neither Frost Gamma Investments Trust nor Michael Brauser or certain of their permitted transferees may transfer any of their respective shares of Common Stock held by such entity or person as of the signing of the Stockholders Agreement and any other shares of Common Stock issuable upon the conversion, exercise or exchange of any other Company security held by such entity or person (the Covered Shares).

Subject to certain exceptions for permitted transfers and transfers not exceeding certain amounts, until the earlier of the date in which (1) either Mr. Schulke or Mr. Conlin ceases to be employed by the Company or its affiliates or (2) such Fluent Legacy Stockholder and certain of its permitted transferees hold less than 100,000 shares of Common Stock, neither Mr. Schulke nor Mr. Conlin or certain of their permitted transferees may transfer any Covered Shares.

Additionally, Mr. Brauser agrees to cause Marlin Capital Partners, LLC to comply with the foregoing restrictions with respect to 1,000,000 RSUs held by Marlin Capital Partners, LLC, as if such securities were Covered Shares.

Termination

The Stockholders Agreement will terminate on the earliest of (1) the termination of the Business Combination Agreement in accordance with its terms, (2) three (3) years from the Closing and (3) such time as the Legacy Stockholders cease to own in the aggregate at least fifty percent (50%) of the aggregate number of shares of Common Stock held by them at the Closing.

DESCRIPTION OF THE CONTRIBUTED BUSINESSES

Vision 7

Vision 7 offers a wide range of integrated communications services under four operating networks: Cossette, Citizen Relations, The Camps Collective/Level Eleven, and V7 Media. Services are designed to help clients reach their business and communication objectives. These services encompass a broad range of marketing communications disciplines, including: advertising; digital and video production; branding and design; brand activation and experiential marketing; sponsorship, events and relationship marketing; CRM, database, direct marketing and promotion; interactive marketing, applications and digital platform development, business-to-business technology solutions (B2B practices), mobile marketing; media buying and channel planning, strategic planning and research; public relations; alliance marketing and social media.

Services Provided

Cossette is a marketing communications company that provides fully integrated advertising services.

Citizen Relations is a leading public relations company with an international presence (United States, Canada, United Kingdom, and Asia) and multiple global partnerships.

The Camps Collective is a digital-based agency group that focuses on advertising, digital marketing, Internet communications and social media.

V7 Media is Canada s largest independent media planning and buying group.

We Are Very Social

WAVS is a global agency that operates under regional subsidiaries using the name We Are Social. WAVS delivers creative ideas with forward-thinking brands. WAVS believes in people, not platforms and the power of social insight to drive business value. WAVS calls this social thinking. With an international team of over 600 and offices in New York, London, Paris, Milan, Munich, Berlin, Singapore, Shanghai, Beijing and Sydney, WAVS s mission is to put social thinking at the center of marketing. WAVS works or has worked with clients including Adidas, Netflix, Google, HSBC and Audi on global, regional and local projects.

Services Provided

WAVS is a marketing communications services company focused on social media channels.

Indigo

Indigo is a social media, online public relations and branding company that was set up to provide small to medium businesses with the same high value service enjoyed by multinationals. The internet is not exclusive to those with large marketing budgets, and Indigo provides its clients with a number of simple options to ensure that their businesses have the effective online presence that they deserve.

Services Provided

Indigo is a marketing communications services company focused on social media channels.

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SELECTED FINANCIAL DATA

Vision 7

The selected historical financial data of Vision 7 as of December 31, 2016 and 2015 and for the years ended December 31, 2016 and 2015, and for the two-day period ended December 31, 2014 (all as Successor), as well as the selected historical financial data of Vision 7 International ULC (Predecessor) for the 363-day period ended December 29, 2014 set forth below have been derived from the consolidated financial statements of Vision 7 and Vision 7 International ULC included elsewhere in this Information Statement. They have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). The selected historical financial data of Vision 7 as of December 31, 2014, set forth below, has been derived from the consolidated financial statements of Vision 7 not included herein, and has also been prepared in accordance with IFRS, as issued by the IASB. The selected historical financial data of Vision 7 as of June 30, 2017 and for the six-month periods ended June 30, 2017 and 2016 set forth below have been derived from the unaudited interim condensed consolidated financial statements of Vision 7 included elsewhere in this Information Statement, which have been prepared in accordance with IAS 34, Interim Financial Reporting. Selected financial data for the years ended December 31, 2013 and 2012 cannot be provided without unreasonable effort or expense. The selected financial data should be read in conjunction with Vision 7 s consolidated financial statements and the related notes thereto included elsewhere in this Information Statement, as well as with Vision 7 s Management s Discussion and Analysis included elsewhere in this Information Statement.

	Successor					Predecessor
(In thousands of Canadian dollars)	**Six-month period ended June 30, 2017**	**Six-month period ended June 30, 2016**	**Year ended December 31, 2016**	**Year ended December 31, 2015**	**Period from December 30, 2014 through December 31, 2014**	**Period from January 1, 2014 through December 29, 2014**
	(unaudited)	*(unaudited)*			*(unaudited)*	*(unaudited)*
	$	**$**	**$**	**$**	**$**	**$**
Continuing operations						
Income	80,918	77,567	159,604	148,207		137,287
Operating expenses						
Salary and professional costs	57,238	55,502	110,260	103,188		97,760
Office and general expenses	18,556	19,755	38,299	36,589	190	35,700
Total operating expenses	75,794	75,257	148,559	139,777	190	133,460
Income (loss) from operations	5,124	2,310	11,045	8,430	(190)	3,827
Financing expense	988	1,872	3,564	2,819		4,537
Income (loss) before income taxes	4,136	438	7,481	5,611	(190)	(710)
Income tax expense (recovery)	1,460	378	3,217	2,308	(49)	(83)

Income (loss) from continuing operations	2,676	60	4,264	3,303	(141)	(627)
Discontinued Operations						
Net loss from discontinued operations						(5,821)
Net loss from the distribution of net assets directly associated to the disposal group						(25,591)
Net income (loss)	2,676	60	4,264	3,303	(141)	(32,039)

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Successor (In thousands of Canadian dollars, except number of shares)	As of June 30, 2017 (*unaudited*) $	December 31, 2016 $	December 31, 2015 $	December 31, 2014 (*unaudited*) $
Total Assets	368,123	373,439	382,237	397,587
Net Assets	166,095	162,603	156,931	142,442
Long-Term Debt	35,949	27,415	37,375	61,093
Share Capital	149,581	146,926	142,486	137,164
Number of common shares outstanding	17,110,345	16,860,948	16,532,804	15,835,322

Currency and Exchange Rates

On December 8, 2017, the rate of exchange as set forth in the H.10 statistical release of the Federal Reserve Board, for the conversion of Canadian Dollars into U.S. Dollars was $1.29 = US$1.00.

The following table sets forth the average rates of exchange for the Canadian dollar, expressed as Canadian dollars per U.S. dollar, during the six-month period ended June 30, 2017 and during each of the preceding five fiscal years ended December 31, calculated by using the average of the exchange rates on the last day of each month during the period:

	For the Fiscal Year Ended December 31 (Canadian Dollars per U.S. Dollar)					
	2017 (1)	**2016**	**2015**	**2014**	**2013**	**2012**
Average for the Period	1.33	1.32	1.29	1.11	1.04	1.00

(1) As of June 30, 2017.

The following table sets forth the high and low rates of exchange for the Canadian dollar, expressed as Canadian dollars per U.S. dollar, for each month during the previous six months:

Monthly High and Low Exchange Rate (Canadian Dollars per U.S. Dollar)		
Month Ended	**High**	**Low**
October 31, 2017	1.2894	1.2470
September 30, 2017	1.2372	1.2131
August 31, 2017	1.2745	1.2492
July 31, 2017	1.3000	1.2436
June 30, 2017	1.3514	1.2982
May 31, 2017	1.3745	1.3454

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WAVS

The selected financial data of WAVS with respect to the six month periods ending June 30, 2017 and June 30, 2016 and the years ended December 31, 2016, 2015 and 2014, respectively, set forth below have been derived from the consolidated financial statements of WAVS, which are included in this Information Statement. They have been prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) and reconciled to US GAAP. Selected financial data for the years ended December 31, 2013 and 2012 cannot be provided without unreasonable effort or expense. The selected financial data should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this Information Statement. All amounts in this discussion are presented in pounds sterling.

(In thousands of United Kingdom pounds)	**Six-month period ended June 30, 2017** *(unaudited)* **$**	**Six-month period ended June 30, 2016** *(unaudited)* **$**	**Year ended December 31, 2016** **$**	**Year ended December 31, 2015** **$**	**Year ended December 31, 2014** *(unaudited)* **$**
Turnover (operating revenues)	32,554	25,462	59,338	43,197	38,419
Operating Profit (income from Operations)	677	1,867	5,427	2,959	3,821
Operating Profit (income from Continuing Operations)	1,015	2,032	6,340	3,099	3,968
Profit and Total Comprehensive Income for the Financial Year (Net Income)	372	1,285	4,324	1,444	2,944
Profit for the Financial Period after Minority Interest (Net Income)	372	1,285	4,324	1,444	2,878
Net Income (Loss) from Operations Per Share	12	41	138	46	94
Income (Loss) from Continuing Operations Per Share	32	65	203	99	127
Total Assets	34,646	25,650	31,735	22,729	20,055
Net Assets	16,324	13,093	15,786	11,698	10,502
Capital Stock (Excluding Long Term Debt and Redeemable Preferred Stock)	31,298	31,298	31,298	31,298	31,298
Number of Shares as Adjusted to Reflect Changes in Capital	31,298	31,298	31,298	31,298	31,297
Dividends Declared Per Share in Both the currency of the Financial Statements and the Host Country Currency	0.00	0.00	0.00	0.00	2.56

Currency and Exchange Rates

On December 8, 2017, the rate of exchange as set forth in the H.10 statistical release of the Federal Reserve Board, for the conversion of United Kingdom Pounds into U.S. Dollars was £0.75 = US$1.00.

The following table sets forth the average rates of exchange for the United Kingdom pound, expressed as United Kingdom pounds per U.S. dollar, during the six-month period ended June 30, 2017 and during each of the preceding five fiscal years ended December 31, calculated by using the average of the exchange rates on the last day of each month during the period:

	For the Fiscal Year Ended December 31 (United Kingdom Pounds per U.S. Dollar)					
	2017 [(1)]	2016	2015	2014	2013	2012
Average for the Period	0.79	0.75	0.65	0.61	0.64	0.63

(1) As of June 30, 2017.

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The following table sets forth the high and low rates of exchange for the United Kingdom pound, expressed as United Kingdom pounds per U.S. dollar, for each month during the previous six months:

Monthly High and Low Exchange Rate (United Kingdom Pounds per U.S. Dollar)

Month Ended	High	Low
October 31, 2017	0.7655	0.7617
September 30, 2017	0.7709	0.7365
August 31, 2017	0.7820	0.7555
July 31, 2017	0.7782	0.7578
June 30, 2017	0.7919	0.7695
May 31, 2017	0.7816	0.7682

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VISION 7

You should read the following discussion and analysis in conjunction with the Selected Financial Data included in this section and Vision 7 s consolidated financial statements and related notes thereto, and interim consolidated financial statements and related notes thereto, included elsewhere in this Information Statement. In addition to historical consolidated financial information this discussion contains forward-looking statements that reflect Vision 7 s plans, estimates, and beliefs. Actual results could differ from these expectations as a result of factors including those described under Risk Factors, Special Note Regarding Forward-Looking Statements and elsewhere in this Information Statement. All amounts in this discussion are presented in Canadian dollars.

Company Overview

Vision 7 offers a wide range of integrated communications services under four operating networks: Cossette, Citizen Relations, The Camps Collective/Level Eleven, and V7 Media. Services are designed to help clients reach their business and communication objectives. These services encompass a broad range of marketing communications disciplines, including: advertising; digital and video production; branding and design; brand activation and experiential marketing; sponsorship, events and relationship marketing; CRM, database, direct marketing and promotion; interactive marketing, applications and digital platform development, business-to-business technology solutions (B2B practices), mobile marketing; media buying and channel planning, strategic planning and research; public relations; alliance marketing and social media.

On December 30, 2014, 1861710 Alberta Inc. acquired all shares issued and outstanding of Vision 7 International ULC (Vision 7 ULC), a worldwide communication agency based in Canada, having offices in Canada, the US and the UK. Prior to December 30, 2014, Vision 7 ULC was wholly-owned by a private equity firm and certain members of management. Just prior to the acquisition, the major part of the UK operations of Vision 7 ULC and other smaller subsidiaries were spun-off and distributed to the former shareholders. Following the acquisition, 1861710 Alberta Inc. merged with its newly acquired subsidiary on December 30, 2014 to become Vision 7. In this discussion, Predecessor entity refers to Vision 7 ULC and Successor entity refers to Vision 7. Figures for the Predecessor entity are not directly comparable to Vision 7 s figures due to the fact that the Predecessor had additional activities that were not purchased by the Successor, and the 2014 predecessor period (the period from January 1, 2014 to December 29, 2014) includes non-recurring transaction related expenditures amounting to $11.1 million as part of the 2014 loss from continuing operations before income taxes. In addition, the figures for successor periods reflect the new accounting basis as the acquisition was accounted for using the purchase method of accounting which resulted in a new basis for the assets acquired and liabilities assumed.

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Operating Results

Key Components of Consolidated Statements of Profit and Loss

	Successor					Predecessor
(In thousands of Canadian dollars)	**Six-month period ended June 30, 2017** *(unaudited)* $	**Six-month period ended June 30, 2016** *(unaudited)* $	**Year ended December 31, 2016** $	**Year ended December 31, 2015** $	**Period from December 30, 2014 through December 31, 2014** *(unaudited)* $	**Period from January 1, 2014 through December 29, 2014** *(unaudited)* $
Continuing operations						
Income	80,918	77,567	159,604	148,207		137,287
Operating expenses						
Salary and professional costs	57,238	55,502	110,260	103,188		97,760
Office and general expenses	18,556	19,755	38,299	36,589	190	35,700
Total operating expenses	75,794	75,257	148,559	139,777	190	133,460
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Financing expense	988	1,872	3,564	2,819		4,537
Income (loss) before income taxes	4,136	438	7,481	5,611	(190)	(710)
Income tax expense (recovery)	1,460	378	3,217	2,308	(49)	(83)
Income (loss) from continuing operations	2,676	60	4,264	3,303	(141)	(627)
Discontinued Operations						
Net loss from discontinued operations						(5,821)
Net loss from the distribution of net assets directly associated to the disposal group						(25,591)
Net income (loss)	2,676	60	4,264	3,303	(141)	(32,039)

Six-month period ended June 30, 2017 to the same period in 2016

Revenues

Income was $80.9 million for the six-month period ended June 30, 2017 compared to $77.6 million for the same period in 2016, an increase of 4%. All four operating networks contributed to the growth. The increase was mainly the result of revenue growth from the existing customer base. Some of those customers were acquired during fiscal year

2016 and were therefore generating limited or no revenues in the comparative period.

Operating Expenses

Salary and professional costs were $57.2 million for the six-month period ended June 30, 2017 compared to $55.5 million for the same period in 2016, an increase of 3%. The increase was mainly the result of the increase in personnel needed to support the growth. The proportion of salary and professional costs versus income has decreased mainly due to tight control on spending as well as delay in replacing some employees in one of the networks.

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Office and general expenses were $18.6 million for the six-month period ended June 30, 2017 as compared to $19.8 million for the same period in 2016, a decrease of 6%. The decrease was mainly the result of greater focus on office and general expense efficiencies and increased costs in the 2016 comparable period related to the move of Vision 7 s London and New York City offices.

Financing expenses were $1.0 million for the six-month period ended June 30, 2017 as compared to $1.9 million for the same period in 2016, a decrease of 47%. The decrease was mainly the result of reduced interest charges on the credit facilities due to the lower average balance in the senior debt, a $0.2 million gain following the sale of an investment in an associate and the decrease in foreign exchange loss during the six-month period ended June 30, 2017 as compared to the same period 2016.

Income tax expense was $1.5 million for the six-month period ended June 30, 2017 as compared to $0.4 million for the same period in 2016, an increase of 275%. The increase was mainly the result of the increase in pre-tax income for the six-month period ended June 30, 2017 as compared to the same period 2016. In addition, the distribution of profit and loss by country also impacted the effective tax rate. More specifically, the reduction in the effective tax rate is due to the fact that the loss from UK operations, where the statutory tax rate is lower than the other jurisdictions, was lower in the six-month period ended June 30, 2017, as compared to the same period in 2016.

Net income was $2.7 million for the six-month period ended June 30, 2017 as compared to $0.1 million for the same period in 2016, an increase of 2600%, as a result of the foregoing.

Year ended 2016 to year ended 2015

Revenues

Income was $159.6 million for the year ended December 31, 2016 compared to $148.2 million for the same period in 2015, an increase of 8%. All four operating networks contributed to the growth. The increase was mainly the result of new client wins in 2016.

Operating Expenses

Salary and professional costs were $110.3 million for the year ended December 31, 2016 compared to $103.2 million for the same period in 2015, an increase of 7%. The increase was mainly the result of an increase in personnel to support the growth partially offset by lower restructuring costs.

Office and general expenses were $38.3 million for the year ended December 31, 2016 as compared to $36.6 million for the same period in 2015, an increase of 5%. The increase was mainly the result of an increase in indirect costs to support growth and additional non-recurring administration costs associated with the move of Vision 7 s London and New York offices.

Financing expenses were $3.6 million for the year ended December 31, 2016 as compared to $2.8 million for the same period in 2015, an increase of 29%. The increase was mainly the result of foreign exchange loss associated with variance in GBP/CAD exchange rates and the loss of an associate following the investment, in December 2015, in Cossette Health Inc., partially offset by reduced interest charges on the credit facilities due to decreased senior debt.

Income tax expense was $3.2 million for the year ended December 31, 2016 as compared to $2.3 million for the same period in 2015, an increase of 39%. The increase was mainly the result of increased pre-tax net income.

Net income was $4.3 million for the year ended December 31, 2016 as compared to $3.3 million for the same period in 2015, an increase of 30%, as a result of the foregoing.

Year ended 2015 to year ended 2014

**It should be noted that for ease of comparison, the period from December 30, 2014 through December 31, 2014 (Successor), and the period from January 1, 2014 through December 29, 2014 (Predecessor) were combined. The 2-day period ended December 31, 2014 is not considered significant. Figures for the Predecessor entity are not directly comparable to Vision 7 s figures because there was a different basis of accounting.*

Revenues

Income was $148.2 million for the year ended December 31, 2015 compared to $137.3 million for the same period in 2014, an increase of 8%. All four operating networks contributed to the growth. The increase was mainly the result of growth in existing customer base and a positive foreign exchange impact of $2.1 million resulting from the variance between the USD and CAD during the year.

Operating Expenses

Salary and professional costs were $103.2 million for the year ended December 31, 2015 compared to $97.8 million for the same period in 2014, an increase of 6%. The increase was mainly the result of additional headcount in all divisions in support of growth, higher severance costs resulting from non-recurring restructuring costs and appreciation of the USD and GBP against the CAD.

Office and general expenses were $36.6 million for the year ended December 31, 2015 as compared to $35.9 million for the same period in 2014, an increase of 2%. The increase was mainly the result of additional amortization and depreciation charges for fixed and intangible assets following the purchase price accounting for the acquisition and the appreciation of the USD and GBP against the CAD. The increase was partially offset by transaction costs recorded in office and general expenses in 2014 in connection with the sale of the predecessor to BlueFocus.

Financing expenses were $2.8 million for the year ended December 31, 2015 as compared to $4.5 million for the same period in 2014, a decrease of 38%. The decrease was mainly the result of foreign exchange gain attributed to the variance in the USD and GBP against the CAD and deferred financing costs recorded in 2014 related to the acquisition by BlueFocus.

Income tax expense was $2.3 million for the year ended December 31, 2015 as compared to a tax recovery of $0.1 million for the same period in 2014. The increase in tax expense was mainly the result of the increase in pre-tax income in 2015 as compared to a loss in 2014.

Income (loss) from continuing operations was $3.3 million for the year ended December 31, 2015 as compared to a loss of $0.8 million for the same period in 2014, as a result of the foregoing.

Discontinued Operations

On December 29, 2014, the Predecessor distributed its interest into the vast majority of its UK operations (UK Spin-off) for no consideration. Vision 7 distributed the fair value of this investment to its shareholders by way of a capital dividend and a reduction of its share capital.

In accordance with the provisions of IFRS 5, upon the UK Spin-off, which represented a major geographical area of operations, the UK operations were classified as a discontinued operation. As such, relevant amounts in the consolidated statements of profit and loss and comprehensive income (loss) and cash flows have been retroactively reclassified to reflect the UK Spin-off as a discontinued operation.

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Components of Vision 7 s net loss from discontinued operations are summarized below.

(In thousands of Canadian dollars)	**Period from January 1, 2014 through December 29, 2014 (Predecessor) $** *(Unaudited)*
Income	40,155
Operating expenses	
Salary and professional costs	33,663
Office and general expenses	13,420
Total operating expenses	47,083
Loss from operations	(6,928)
Financing expense	440
Loss before income taxes	(7,368)
Current income tax expense	47
Deferred income tax recovery	(1,594)
Net loss from discontinued operations	**(5,821)**

The loss on disposal recorded for an amount of $25.6 million represents the difference between the carrying value of the assets disposed and their fair value net of taxes, which was distributed to the shareholders.

Critical Accounting Policies, Estimates and Judgments

Vision 7 s consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of Vision 7 s assets, liabilities, revenues, expenses and related disclosures. Judgments, estimates and assumptions are based on historical experience, expectations, current trends and other factors that management believes to be relevant when Vision 7 s consolidated financial statements are prepared.

Management reviews, on a regular basis, Vision 7 s accounting policies, assumptions, estimates and judgments in order to ensure that the consolidated financial statements are presented fairly and in accordance with IFRS. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

A summary of those significant accounting estimates and assumptions, as well as significant judgments used in applying accounting policies in the preparation of Vision 7 s consolidated financial statements, can be found in note 2 to Vision 7 s consolidated financial statements as at December 31, 2016 and December 31, 2015 and for the years ended December 31, 2016 and December 31, 2015.

Recent Accounting Pronouncements

For information on recent accounting pronouncements, see New Standards and Interpretations not yet adopted section in the notes to the consolidated financial statements.

Liquidity and capital resources

The following table shows cash and cash equivalents, non-cash working capital (which includes accounts receivable, works in progress, accounts payable and billing in excess of costs and anticipated profits) and long-term debt, as of June 30, 2017 and as of December 31, 2016 and December 31, 2015:

(In thousands of Canadian dollars)	**June 30, 2017 *(unaudited)*** $	**December 31, 2016** $	**December 31, 2015** $
Cash and cash equivalents	4,076	4,909	8,021
Non-cash working capital	(33,679)	(50,334)	(54,476)
Long-term debt (current and non-current)	40,651	31,962	41,572

Vision 7 has an unused revolving loan for an amount of $45.5 million as of June 30, 2017. Vision 7 believes that this amount provides sufficient liquidity for the next 12-months.

The following table shows net cash and cash equivalents (used in) provided by operating activities from continuing operations, net cash and cash equivalents used in investing activities from continuing operations, and net cash and cash equivalents provided by (used in) financing activities for the six-month periods ended June 30, 2017 and 2016 and for the years ended December 31, 2016 and 2015 and for the 2-day period ended December 31, 2014 (successor) and for the 363-day period ended December 29, 2014 (predecessor):

			Successor			**Predecessor**
(In thousands of Canadian dollars)	**June 30, 2017 *(unaudited)*** $	**June 30, 2016 *(unaudited)*** $	**December 31, 2016** $	**December 31, 2015** $	**December 31, 2014 *(unaudited)*** $	**December 29, 2014 *(unaudited)*** $
Net cash and cash equivalents (used in) provided by operating activities from continuing operations	(7,500)	(16,048)	7,886	19,255	8,654	22,194
Net cash and cash equivalents used in investing activities from continuing operations	(3,086)	(4,221)	(4,845)	(8,466)	(186,787)	(10,215)
Net cash and cash equivalents provided by (used in) financing activities	9,830	11,388	(6,301)	(22,029)	197,171	(7,218)

Net Cash and Cash Equivalents (Used in) Provided by Operating Activities from continuing operations

Net cash and cash equivalents (used in) provided by operating activities from continuing operations consist primarily of net income (loss) adjusted for certain non-cash items, including share-based compensation, depreciation and amortization, deferred taxes, and other non-cash charges. It is also impacted by the net change in non-cash working capital items.

Six-month period ended June 30, 2017 to the same period in 2016

Net cash and cash equivalents used in operating activities from continuing operations during the six-month period ended June 30, 2017 primarily reflected Vision 7 s net income of $2.7 million, combined with non-cash expenses that included $4.4 million of amortization of premises, equipment, intangible assets and deferred financing fees and $0.5 million of share-based compensation costs. Working capital sources of cash and cash equivalents decreased the cash and cash equivalent balance by $15.3 million during the period and was primarily the result of payments of accounts payable during the period.

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The net cash and cash equivalents used in operating activities from continuing operations totaled $7.5 million for the six-month period ended June 30, 2017 as compared to $16.0 million used for the same period in 2016. The variance was mainly the result of the net change in non-cash working capital items and by a higher income in the six-month period ended June 30, 2017 as compared to the same period in 2016.

Year ended 2016 to year ended 2015

Net cash and cash equivalents provided by operating activities from continuing operations during the year ended December 31, 2016 primarily reflected Vision 7 s net income of $4.3 million, combined with non-cash expenses that included $8.9 million of amortization of premises, equipment, intangible assets and deferred financing fees and $1.1 million of share-based compensation costs. Working capital sources of cash and cash equivalents decreased the cash and cash equivalent balance by $7.3 million during the period and was primarily the result of payments of accounts payable and income taxes during the period.

The net cash and cash equivalents provided by operating activities from continuing operations totaled $7.9 million for the year ended December 31, 2016 as compared to $19.3 million for the same period in 2015. The decrease was mainly the result of the net change in non-cash working capital items. As explained above, the impact of this change was negative in 2016 however, the impact was positive in 2015 due to the stronger collection of accounts receivable during the last few days of the period while the level of accounts payable remained consistent to its 2014 level. This was offset by the stronger net income in 2016 as compared to 2015.

Year ended 2015 to year ended 2014

Net cash and cash equivalents provided by operating activities from continuing operations during the year ended December 31, 2015 primarily reflected Vision 7 s net income of $3.3 million, combined with non-cash expenses that included $8.3 million of amortization of premises, equipment, intangible assets and deferred financing fees and $0.4 million of share-based compensation costs. Working capital sources of cash and cash equivalents increased the cash and cash equivalent balance by $7.8 million during the period and was primarily the result of increased collection of accounts receivables during the period.

The net cash and cash equivalents provided by operating activities from continuing operations totaled $19.3 million for the year ended December 31, 2015 as compared to $30.8 million for the same period in 2014 (successor and predecessor combined). The variance was mainly the result of the net change in non-cash working capital items.

Net Cash and Cash Equivalents Used in Investing Activities

Vision 7 s investing activities have consisted of investment in leasehold improvement, purchases for computer-related equipment and capitalization of software. This category also includes the cash invested in business combinations and business disposal as well as loans to employees and shareholders.

Six-month period ended June 30, 2017 to the same period in 2016

The net cash and cash equivalents used in investing activities totaled $3.1 million for the six-month period ended June 30, 2017 as compared to $4.2 million used in the same period in 2016. The variance was the result of a $0.5 million investment in Cossette Health Inc., and an employee advance of $0.7 million related to a share purchase for the six-month period ended June 30, 2016, with no comparable investment or advance in the same period in 2017. In addition, there were significant leasehold improvements for the six-month period ended June 30, 2016 for Vision 7 s Vancouver, London and New York City offices.

Year ended 2016 to year ended 2015

The net cash and cash equivalents used in investing activities totaled $4.8 million for the year ended December 31, 2016 as compared to $8.5 million used in the same period in 2015. The decrease was mainly the

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result of additional cash used in 2015 for the renovation and moving of office space. In addition, in 2015, Vision 7 paid the balance of the purchase price of the Acquisition.

Year ended 2015 to year ended 2014

The net cash and cash equivalents used in investing activities from continuing operations totaled $8.5 million for the year ended December 31, 2015 (successor) as compared to $186.8 million used in the two-day period ended December 31, 2014 (successor) and to $10.2 million used in the 363-day period ended December 29, 2014 (predecessor). The main investing activity of the two-day period ended December 31, 2014 consisted of the initial payment for the Acquisition. The main investing activity for the 363-day period ended December 29, 2014 consisted of the impact of the business disposal of the UK operations done prior the Acquisition, as well as additions of computer equipment and software.

Net Cash and Cash Equivalents provided by (used in) Financing Activities

Six-month period ended June 30, 2017 to the same period in 2016

The net cash and cash equivalents provided by financing activities totaled $9.8 million for the six-month period ended June 30, 2017 as compared to $11.4 million for the same period in 2016. The variance was mainly the result of the lease inducement received in the six-month period ended June 30, 2016 in connection with the lease in New York City.

Year ended 2016 to year ended 2015

The net cash and cash equivalents used in financing activities totaled $6.3 million for the year ended December 31, 2016 as compared to $22.0 million used in the same period in 2015. The variance is mainly explained by the fact that a larger net repayment of debt was made in 2015 as compared to 2016.

Year ended 2015 to year ended 2014

The net cash and cash equivalents used in investing activities from continuing operations totaled $22.0 million for the year ended December 31, 2015 (successor) as compared to $197.2 million provided by investing activities for the two-day period ended December 31, 2014 (successor) and to $7.2 million used in the 363-day period ended December 29, 2014 (predecessor). The variances were mainly the result of the movements in the long-term debt and the issuance of shares. During the two-day period ended December 31, 2014, Vision 7 financed the Acquisition through new debt and issuing the shares to the new shareholder.

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Discontinued Operations

Components of Vision 7 s net cash used in operating and investing activities of discontinued operations are summarized below.

(In thousands of Canadian dollars)	**Period from January 1, 2014 through December 29, 2014 (Predecessor)** ***(Unaudited)*** **$**
Cash flows from operating activities	
Net loss from discontinued operations	(5,821)
Items not affecting cash and cash equivalents	
Amortization of long lived assets	1,327
Deferred income tax recovery	(1,594)
Accretion dilapidation costs	27
Share-based compensation costs	165
	(5,896)
Net change in working capital items	3,530
Net cash used in operating activities of discontinued operations	**(2,366)**
Cash flows from investing activities	
Additions to premises and equipment	(358)
Additions to intangible assets	(293)
Reimbursement of advance from an affiliate	246
Net cash used in investing activities of discontinued operations	**(405)**

Capital Management

Vision 7 defines the components of its capital structure as follows:

1. shareholders equity;

2. long-term debt, including the current portion; and

3. short-term borrowings (including bank overdraft).

Vision 7 s objectives when managing capital are to:

1. maintain financial flexibility in order to preserve its ability to meet financial obligations and execute its operating and strategic plans;

2. deploy capital to provide an appropriate investment return to its shareholders; and

3. maintain a balance between the shareholder s equity and the liability components of the capital structure to allow multiple financing options to Vision 7 should a financing need arise.

Vision 7 s financial strategy is designed and formulated to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of the underlying assets. Vision 7 manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Vision 7 monitors its capital structure through measuring, on a current and prospective basis, debt-to-EBITDA and ensures its ability to service debt and meet other fixed obligations by tracking its fixed charge coverage ratio.

Vision 7 is subject to financial covenants in its operating credit facility agreement, which are measured on a quarterly basis. Vision 7 is in compliance with all financial covenants as of June 30, 2017. Finally, Vision 7 is not subject to any external requirements arising from regulatory or similar authorities.

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Research and development, patents and licenses, etc.

Vision 7 has limited activity with regards to research and development (R&D) in the digital field for which it receives governmental R&D tax credits. Vision 7 has no patents or licenses.

Trend information

Vision 7 s income is directly impacted by the retention and spending levels of existing clients and by Vision 7 s ability to win new clients. The most significant factors affecting Vision 7 s business and results of operations include national, regional and local economic conditions, Vision 7 s clients profitability and budget management, mergers and acquisitions of Vision 7 s clients, changes in top management of Vision 7 s clients and Vision 7 s ability to retain and attract key employees. New business wins and client losses occur due to a variety of factors. The two most significant factors are (i) Vision 7 s clients desire to change marketing communication firms and (ii) the creative product that Vision 7 offers compared to Vision 7 s competitors. A client may choose to change marketing communication firms for a number of reasons, such as a change in top management and the new management wants to retain an agency that it may have previously worked with. In addition, if the client is merged or acquired by another company, the marketing communication firm is often changed. Further, global clients are trending to consolidate the use of numerous marketing communication firms to just one or two. Another factor in a client changing firms is the agency s campaign or work product is not providing results and they feel a change is in order to generate additional revenues. Clients will generally reduce or increase their spending or outsourcing needs based on their current business trends and profitability.

Most of Vision 7 s expenses are recognized rateably throughout the year and are therefore less seasonal than revenue. Vision 7 s revenue is typically lowest in the first quarter and highest in the fourth quarter. This reflects the seasonal spending of Vision 7 s clients and incentives earned at year end on various contracts.

Salaries and professional costs consist of payroll costs, employee performance incentives, including annual profit sharing plan and long-term incentive awards, costs for temporary workers, severance and other benefits associated with client service professional staff and administrative staff. Salaries and related expenses do not vary significantly with short-term changes in revenue levels; however, salaries may fluctuate due to the timing of the hiring of personnel, including independent contractors, to support revenue growth and changes in the performance levels and types of employee incentive awards. Additionally, we may take severance actions in areas where we have or anticipate decreases in operating performance or to enhance Vision 7 s teams or leadership. Changes in Vision 7 s incentive awards mix can impact future-period expense, as annual profit sharing awards are expensed during the year in which they are earned, and long-term incentive awards are expensed over the performance period.

Office and general expenses primarily include rent expense, professional fees and depreciation and amortization costs. Due to their nature, those costs are mainly incurred equally throughout the year.

Off-balance sheet arrangements

Letters of guarantee

As at December 31, 2016, letters of guarantee totalling an aggregate amount of $6.7 million, maturing at various dates from September 2017 to December 2026 have been issued under Vision 7 s credit facility.

Guarantee

On December 7, 2016, Vision 7 started to perform media placement business on behalf of Horizon Media Canada (HMC) to serve a Canadian client of the latter. As such, Vision 7 had to provide to HMC s media suppliers, a guarantee of obligation fulfillment for the execution of media buys undertaken on behalf of HMC s client. The guarantee has been provided by Vision 7 s principal financial institution for a maximum amount of $8.5 million. Vision 7 shall never exceed $12.0 million in liability in connection with media buys on behalf of HMC s

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media suppliers. In return, HMC s parent company, Horizon Media Inc. (USA), had to provide Vision 7 with an equivalent guarantee that it will fulfill its obligations to Vision 7 or any of its involved subsidiary.

There were no significant changes to those off-balance sheet arrangements as of June 30, 2017.

Contractual Obligations and Commitments

Contractual obligations are cash that we are obligated to pay as part of certain contracts that we have entered during Vision 7 s course of business. Below is a table that shows the projected outlays as of December 31, 2016:

		Payments due in:			
(In thousands of Canadian dollars)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Finance lease obligations	804	348	416	40	
Operating lease obligations	45,066	6,414	12,869	12,406	13,377
Total	45,870	6,762	13,285	12,446	13,377

There were no significant changes to those contractual obligations as of June 30, 2017.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK FOR VISION 7

Foreign Currency Risk Management

As Vision 7 operates internationally, it is exposed to currency risks as a result of potential exchange rate fluctuations.

Vision 7 s closing and average exchange rates for 2016 and 2015 are as follows:

	2016		2015	
	Average	**Closing**	**Average**	**Closing**
US dollar / Canadian dollar	1.3248	1.3427	1.2787	1.3840
Great Britain Pound / Canadian dollar	1.7962	1.6564	1.9540	2.0407
Hong-Kong dollar / Canadian dollar	0.1707	0.1732	0.1658	0.1786

Sensitivity analysis

Foreign exchange risk arises on financial instruments that are denominated in foreign currencies. The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure of Vision 7 s financial instruments recorded in its statement of financial position.

The impact on earnings before tax (EBT) for fiscal year 2016 is the following:

				Effect on EBT
(in thousands of Canadian dollars)	**Variation**	**CAD/USD**	**CAD/GBP**	**CAD/HKD**
Gain (loss)	+10%	$ 135	$ 137	$ 76

The impact on earnings before tax (EBT) for fiscal year 2015 is the following:

				Effect on EBT
(in thousands of Canadian dollars)	**Variation**	**CAD/USD**	**CAD/GBP**	**CAD/HKD**
Gain (loss)	+10%	$ 1	$ 31	$ 30

Vision 7 s results, in its respective functional currencies are subject to fluctuations as a consequence of exchange rate movements where transactions are made in currencies other than the functional currencies. In addition, most of cash inflows and outflows in entities having a functional currency other than the reporting currency is done in their respective functional currency. Vision 7 then considers these risks to be relatively limited and therefore does not hedge its foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Vision 7 has an interest rate risk exposure arising from its fixed- and variable-rate financial instruments. In light of the current composition of cash and cash equivalents, and long-term debt (ratio of fixed- to variable-rate debt), fixed-rate instruments expose Vision 7 to fair value risk, while variable-rate instruments give rise to cash flow risk exposure.

Management of Interest Rate Risk

Vision 7 has entered into interest rate swap agreements in order to address the interest rate risk inherent in the senior debt, which accrues interest at variable rates as described in note 12 of Vision 7 s consolidated financial statements for the year ended December 31, 2016. Under the terms of the agreements, maturing in December 2018, Vision 7 receives from the counterparty a monthly payment equal to the CDOR 1-month amount of interest on a notional amount of $10.0 million and pays the counterparty a fixed rate of 1.13%.

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As at December 31, 2016 and 2015, the fair value of the swap agreements was determined with reference to a quotation from one of its financial institution which Vision 7 accepts as the fair value of this instrument.

Sensitivity analysis

The interest rate risk primarily relates to financial instruments carried at fair value. Assuming a 100-basis point increase in interest rates impacting the measurement of these financial instruments, as of December 31, 2016, taking into account the interest rate swaps, the impact on EBT would have been a negative adjustment of $0.2 million as at December 31, 2016 ($0.3 million as at December 31, 2015).

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF WAVS

You should read the following discussion and analysis in conjunction with the Selected Financial Data included in this section and WAVS s audited consolidated financial statements and the related notes thereto incorporated herein by reference. In addition to historical consolidated financial information this discussion contains forward-looking statements that reflect WAVS s plans, estimates, and beliefs. Actual results could differ from these expectations as a result of factors including those described under Risk Factors, Special Note Regarding Forward-Looking Statements and elsewhere in this Information Statement. All amounts in this discussion are presented in pounds sterling.

Results of Operations

Six Months Ended June 30, 2017 to Six Months Ended June 30, 2016

Revenue

WAVS had revenue of £32.6 million for the six months ended June 30, 2017 compared to £25.4 million for the same period in 2016, an increase of 28%. The increase was mainly the result of organic growth and increased production revenues.

Cost of Sales

WAVS had cost of sales of £22.6 million for the six months ended June 30, 2017 compared to £16.8 million for the same period in 2016, an increase of 35%. The increase was mainly the result of an increase in third party spending related to production costs and increased staffing costs.

Operating Expenses

WAVS had operating expenses of £9.3 million for the six months ended June 30, 2017 compared to £6.8 million for the same period in 2016, an increase of 35%. The increase was mainly the result of foreign exchange expense of £0.1 million and foreign exchange income £0.7 million for the 2017 and 2016 period, respectively. Operating expenses excluding foreign exchange income or loss increased 22% during the six months ended June 30, 2017 compared with the same period in 2016.

Operating expenses include goodwill amortization of £0.1 million for each period, which would not be incurred under US GAAP.

Operating Profit

WAVS had operating profit of £0.7 million for the six months ended June 30, 2017 compared to £1.9 million for the same period in 2016, a decrease of 64%. The decrease was mainly the result of foreign exchange rate loss, increase in staff costs and reduction of revenue in We Are Social CRM Pty Ltd.

Profit After Taxation

WAVS had taxation expenses of £0.3 million for the six months ended June 30, 2017 compared to the £0.5 million for the six months ended June 30, 2016. WAVS had profit after taxation of £0.4 million for the six months ended June 30, 2017 compared to the £1.3 million for the six months ended June 30, 2016, as a result of the foregoing.

Subsequent Events

WAVS s Brazil operations ceased operating in December 2016 and was dissolved in July 2017.

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WAVS has a non-controlling interest in Metigy Pty Ltd. which acquired We Are Social CRM Pty Ltd. in July 2017.

Year ended 2016 to year ended 2015

Revenue

WAVS had revenue of £59.3 million for the twelve months ended December 31, 2016 compared to £43.2 million for the twelve months ended December 31, 2015, an increase of 37%. The increase was mainly the result of increased growth in Europe operations, up £7.0 million compared to 2015, twelve months of China operations versus a partial year in 2015, up £1.9 million compared to 2015, and increased growth in Australia operations due to a new, large client, up £1.6 million compared to 2015. There were a number of seasonal events, including the Olympics and the European Football Championships, and trends towards higher quality video production, that also contributed to the growth.

Cost of Sales

WAVS had cost of sales of £38.8 million for the twelve months ended December 31, 2016 compared to £30.1 million for the twelve months ended December 31, 2015, an increase of 29%. The increase was primarily due to increased third party outsourced production spend related to clients.

Operating Expenses

WAVS had operating expenses of £15.1 million for the twelve months ended December 31, 2016 compared to £10.1 million for the twelve months ended December 31, 2015, an increase of 49%. Excluding foreign exchange income of £1.5 million in 2016 and foreign exchange expense of £0.1 million in 2015, the increase in operating expenses would have been 67%. The increase in operating expenses was mainly the result of increased rent associated with new and expanded office space in London to cover the growth of headcount and to build out production facilities, representing a £1.0 million increase in 2016 in associated costs. In addition, operating expenses from Brazil operations increased £0.7 million in 2016 as a result of one-time charges associated ceasing operations in Brazil in December 2016.

Operating expenses include goodwill amortization of £0.2 million in each period which would not be incurred under US GAAP.

Operating Profit

WAVS had operating profit of £5.4 million for the twelve months ended December 31, 2016 compared to £3.0 million for the twelve months ended December 31, 2015, an increase of 83%. The increase was mainly the result of the increase in revenue, foreign exchange variance and the closure of Brazil operations.

Profit After Taxation

WAVS had taxation expenses of £1.0 million for the twelve months ended December 31, 2016 and £1.5 million for the twelve months ended December 31, 2015. In 2016, WAVS recognized £0.7 million in deferred tax assets in Australia, US and Germany, all of which had carried forward losses that were utilized due to the turnaround in forecasted and actual profit.

WAVS had profit after taxation of £4.3 million for the twelve months ended December 31, 2016 compared to the £1.4 million for the twelve months ended December 31, 2015, as a result of the foregoing.

Subsequent Events

WAVS s Brazil operations ceased operations in December 2016, and it was dissolved in July 2017. All associated expenses were accrued in 2016.

Year ended 2015 to year ended 2014

Changes in ownership in 2014

On April 1, 2014, concurrent with the sale of a majority of WAVS to BlueFocus, WAVS acquired a controlling interest in its Italian office and minority interests in operations in the UK, France, Singapore, Brazil, Germany and the US.

Revenue

WAVS had revenue of £43.2 million for the twelve months ended December 31, 2015 and £38.4 million for twelve months ended December 31, 2014, an increase of 12%. The increase was mainly the result of the increased revenue from WAVS s Italian operations, the opening of a Chinese office and growth in the UK and France. This growth was partially offset by negative operating results in Australia and Germany.

Cost of Sales

WAVS s cost of sales was £30.1 million for the twelve months ended December 31, 2015 and £25.9 for the twelve months ended December 31, 2014, an increase of 16%. The increase was mainly the result of the increase in outsourced production costs associated with WAVS s UK, Italy and France operations.

Operating Expenses

WAVS had operating expenses of £10.1 million for the twelve months ended December 31, 2015 compared to £5.4 million for the twelve months ended December 31, 2014, an increase of 86%. The increase was mainly the result of opening of the China office, increasing 2015 expenses by £0.5 million, an increase in rent and on-site costs in the UK relating to a new office space, and the additional three months of expense from Italy operations, which was operational for the entire 2015 year and only approximately 9 months in 2014.

Operating expenses include goodwill amortization of £0.2 million in 2015 and £0.1 million in 2014, which would not be incurred under US GAAP. The increase was mainly the result of goodwill being amortized for 12 months in 2015 and only 9 months in 2014 and a change in accounting standards in 2015 which required goodwill be amortized over 10 years as compared to 20 years in 2014.

Operating Profit

WAVS had operating profit of £3.0 million for the twelve months ended December 31, 2015 compared to £3.8 million for the twelve months ended December 31, 2014, a decrease of 23%. The decrease was mainly the result of less revenue from Australia and Germany operations and additional operating expenses, partially offset by increased operating profit from Italy operations.

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Profit After Taxation

WAVS had taxation expenses of £1.5 million for the twelve months ended December 31, 2015 compared to £0.9 million for the twelve months ended December 31, 2014. Tax expenses were higher in 2015 primarily because of high tax rates in markets where we were particularly profitable and because the 2014 expense included loss adjustments in Australia and tax elections in Brazil.

WAVS had profit after taxation of £1.4 million for the twelve months ended December 31, 2015 compared to the £2.9 million for the twelve months ended December 31, 2014, as a result of the foregoing.

Profit for the year

WAVS had minority interest expense of £0.0 million in 2015 and £0.1 million in 2014.

Liquidity and capital resources

WAVS s financial condition at June 30, 2017 and 2016 and December 31, 2016, 2015 and 2014 for the respective items are summarized below (*in thousands*).

	June 30, 2017 (*unaudited*)	June 30, 2016 (*unaudited*)	December 31, 2016	December 31, 2015	December 31, 2014
WAVS Group					
Current Assets	28,986	19,916	25,989	17,678	17,039
Current Liabilities	18,323	12,488	15,949	10,962	9,554
Net Working Capital	10,663	7,428	10,041	6,716	7,485

As of June 30, 2017, WAVS had £0.5 million of unused committed availability under three overdraft facilities.

WAVS believes that it will have sufficient cash resources to finance its operations and expected capital expenditures for the next twelve months.

Research and Development, Patents and Licenses

Research and development. WAVS has two main research and development costs. The first relates to a CRM platform for WAVS s French operations. Below is a summary of the capitalized research and development costs for the CRM platform. There is an associated research and development tax return taken, which is recorded in line with IAS 20.

	Amount spent in £ (in thousands)
2014	163
2015	274
2016	470

Interim June 30, 2017	198
	1,104

Additionally, the France office has undertaken research and development which has not been capitalized but is a cost in the operating statements. It receives a related 30% tax credit, which is classified as Income in line with IAS 20.

Year	**Amount spent in £ (in thousands)**
2015	121
2016	243

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Capitalization policy

WAVS capitalizes development expenditure as an intangible asset when it is able to demonstrate all of the following:

(a) The technical feasibility of completing the development so the intangible asset will be available for use or sale.

(b) Its intention to complete the development and to use or sell the intangible asset.

(c) Its ability to use or sell the intangible asset.

(d) A market exists for the asset.

(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalized development expenditure is initially recognized at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Capitalized development expenditure is amortized on a straight line basis over its useful life, which is 36 months. WAVS considers these useful lives to be appropriate because this is the period in which WAVS is expected to receive the majority of the economic benefit.

All research expenditure and development expenditures that do not meet the above conditions are expensed as incurred.

Contractual obligations

WAVS has operating lease obligations as set out below.

	Interim Jun-17
Expiry date:	
Within one year	2,768
Between two and five years	9,431
In over five years	5,994
	18,193

Trend Information

Overall global marketing communications expenditures are growing slowly or not growing. However, the sector that WAVS operates in, broadly defined as digital and social marketing, has seen investment grow at a faster rate than the overall industry.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK FOR WAVS

Foreign Currency Risk Management

As WAVS operates internationally, it is exposed to currency risks as a result of potential exchange rate fluctuations.

WAVS s closing and average exchange rates for 2016 are as follows:

	Average	2016 Closing
Great Britain Pound / US Dollar	0.75	0.82

Sensitivity Analysis

Foreign exchange risk arises on financial instruments that are denominated in foreign currencies. The foreign exchange risk sensitivity analysis is calculated by aggregating (i) outstanding intercompany loans and (ii) the amount of profit before earning in currencies other than WAVS s functional currency, the pound sterling. WAVS makes loans to its subsidiaries, which have functional currencies other than the pound sterling. As a result, WAVS is subject to foreign exchange gain and loss on revaluations of these loans. As of June 30, 2017 there were approximately £1.0 million of current intercompany loans outstanding. A 10% variation in exchange rates would impact WAVS s profit before taxation (PBT) by approximately £0.1 million. In addition, WAVS s results are subject to fluctuations as a consequence of exchange rate movements where transactions are made in currencies other than the pound sterling. In 2016, approximately £4.3 million of PBT was denominated in currencies other than pound sterling. Therefore, a 10% variation in exchange rates would impact WAVS s PBT by approximately £0.4 million.

The impact on PBT for fiscal year 2016 is the following:

		Effect on PBT
(*in thousands*)	Variation	GBP/USD
Gain (loss)	+10%	£530

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. WAVS has limited borrowing and loan capital, and therefore WAVS believes it is not significantly exposed to interest rate risk during the next 12 months.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF INDIGO

You should read the following discussion and analysis in conjunction with the Selected Financial Data included in this section and Indigo s audited consolidated financial statements and the related notes thereto incorporated herein by reference. In addition to historical consolidated financial information this discussion contains forward-looking statements that reflect Indigo s plans, estimates, and beliefs. Actual results could differ from these expectations as a result of factors including those described under Risk Factors, Special Note Regarding Forward-Looking Statements and elsewhere in this Information Statement. All amounts in this discussion are presented in United States dollars.

Nine Months Ended September 30, 2017

Revenues

Indigo had revenue of $1.4 million in the nine months ended September 30, 2017. Indigo began operating during the nine months ended September 30, 2017. As of September 30, 2017, Indigo had one client.

Operating Expenses

Indigo had operating expenses of $1.3 million for the nine months ended September 30, 2017.

Net Income

Indigo had net income of $0.0 million for the nine months ended September 30, 2017.

Liquidity and Capital resources

Indigo is funded by BlueFocus and is not a material capital concern.

Cash Requirements

Indigo was capitalized with a loan from a related entity under common ownership to fund the operations for the initial start-up phase. This funding is expected to continue for a minimum of one year.

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BACKGROUND OF THE BUSINESS COMBINATION

Highlighted below is a detailed chronology of events leading up to and subsequent to the execution of the Business Combination Agreement.

In the ordinary course of business, the Board, along with cogint s senior management (cogint Management), which includes Messrs. Derek Dubner, Chief Executive Officer, James Reilly, President, and Dan MacLachlan, Chief Financial Officer regularly review cogint s businesses, its strategic direction, performance and prospects in the context of developments in the industries in which it operates and the competitive landscape in the markets in which it operates. The Board and cogint Management regularly discuss potential strategic alternatives, including possible transactions that could maximize stockholder value of its various businesses, including the digital marketing business, and transactions that could enhance cogint s strategic outlook.

Since cogint s acquisition of Fluent in December 2015, cogint s digital marketing business has experienced significant growth separate and apart from that of cogint s risk management business. In late 2016, cogint Management decided to explore a potential sale of all or a majority of the outstanding equity securities or assets of cogint s digital marketing business, including its subsidiaries Fluent and Q Interactive, LLC, as cogint Management believed a separation of its digital marketing business from its risk management business would:

- lead to additional value creation and enable each business to compete more effectively within its respective markets;

- allow the two independent companies respective management teams to adopt strategies and pursue objectives appropriate to their respective needs to focus more exclusively on improving each company s operations, thereby maximizing stockholder value over the long term;

- simplify the management and organizational structures of each company, allowing each company to optimize capital deployment and investment strategies necessary to advance their respective innovation roadmaps, and provide each company s management team with direct incentives and accountability to their respective investors and other stakeholders;

- bring greater clarity to the market place as to each company s core competencies, allowing each to compete more effectively within their respective markets;

- provide current cogint stockholders with equity investments in two separate, publicly traded companies; and

- enable investors to better evaluate the financial performance, strategies, and other characteristics of each business and company, which will permit investors to make investment decisions based on each company s own performance and potential, and enhance the likelihood that the market will value each company appropriately. In addition, each company will be able to focus its public relations efforts on cultivating a distinct identity.

On December 7, 2016, cogint engaged Petsky Prunier LLC (Petsky Prunier) to act as the exclusive financial advisor related to the sale of cogint s digital marketing business.

At the Board s regularly scheduled meeting of January 18, 2017, the Board discussed the potential disposition of the digital marketing business and ratified cogint s engagement letter with Petsky Prunier. Further, the Board, in an executive session with only cogint s independent directors approved the formation of a strategic committee composed of Messrs. Brauser, Dubner, Rubin and Benz (the Strategic Committee) to explore and lead the strategic transaction discussed.

Between mid-January 2017 and mid-February 2017, Petsky Prunier met with cogint and Fluent representatives to prepare the Confidential Information Memorandum (CIM), which included, with respect to cogint s digital marketing business, an executive summary and sections dealing with industry overview, data-driven marketing solutions, roadmap and emerging solutions, technology, clients and case studies, management and organization and financial performance.

On February 15, 2017, Mr. Dubner provided an update to the Strategic Committee that cogint Management was in the process of completing the CIM with Petsky Prunier and that Petsky Prunier had identified a list of potential buyers, both strategic and financial.

Beginning on February 21, 2017, Petsky Prunier sent out 104 non-disclosure agreements for the benefit of cogint, of which 98 were entered into with interested parties. Each interested party that returned an executed non-disclosure agreement received the CIM shortly thereafter. BlueFocus returned its non-disclosure agreement on February 27, 2017 and received the CIM the same day. Representatives of Fluent, cogint and Petsky Prunier conducted introductory meetings or calls with 16 interested parties between March 9, 2017 and April 19, 2017. cogint conducted an introductory call with BlueFocus on March 22, 2017.

Between March 10, 2017 and April 3, 2017, Petsky Prunier sent a bid process letter to 92 interested parties detailing the timeline of the process, and stating that an indication of interest was to be submitted either by April 4, 2017 or April 11, 2017, depending on when the interested party received the bid process letter. The bid process letter described that the indication of interest must include (i) the purchase price, including a description of the methodology, financial basis and other assumptions underlying the purchase price, (ii) details surrounding the structure of any transaction, including the form and sources of consideration, (iii) if appropriate to the interested party, a description of the preliminary plans to integrate the digital marketing business into the purchaser s existing business, including a specific reference to Fluent s management and employees, (iv) an indication of any required internal and external approvals, as well as the due diligence required, and (v) any other material terms.

Between April 3 and April 4, 2017, cogint received indications of interest from 13 interested parties, of which 11 were financial parties and two were strategic parties. The indications of interest for the purchase of the digital marketing business provided a range of value from $255 million to $475 million. The BlueFocus indication of interest was received on April 3, 2017, and included a value of between $355 million and $420 million for cogint s digital marketing business and contemplated a business combination whereby BlueFocus would contribute certain assets to which it ascribed a valuation of approximately $303 million in exchange for a controlling interest in the digital marketing business.

On April 11, 2017, Mr. Dubner provided the Strategic Committee with a detailed summary of the 13 indications of interest received, including an identification of the party, the range of the valuation and details of each of the indications of interest. The Strategic Committee discussed each of these indications of interest in detail with Mr. Dubner and after additional discussion, the Strategic Committee instructed Mr. Dubner to continue negotiations with each of these potential transaction partners.

On April 14, 2017, Akerman LLP (Akerman), counsel to cogint, provided cogint an initial draft of an agreement and plan of merger for review. This agreement was intended to be the primary document for the transaction and contemplated a merger between cogint, following the spin-off of its risk management business, and a newly-formed, wholly-owned subsidiary of the purchaser, with cogint being the surviving entity and the shares of Common Stock of cogint being converted into the right to receive the portion of the purchase price that corresponded to such shares.

On April 25, 2017, Akerman and cogint discussed the structure and key terms of the agreement and plan of merger, and proposed revisions which were incorporated into the draft, which was subsequently finalized.

Between April 18 and May 2, 2017, Fluent s management met with a total of ten interested parties, eight of which had submitted indications of interest. Nine of the meetings were in person meetings and one was a video conference. Of the ten interested parties, eight were financial investors, one was a U.S. based marketing services company and the other was BlueFocus who met with Fluent s management team on April 28, 2017.

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After the interested parties submitted an indication of interest and were invited to meet with Fluent s management, they were also provided access to a virtual data room containing certain information about cogint and its digital marketing business. Additionally, three (3) other interested parties that did not submit an indication of interest were invited to meet with Fluent s management and were also provided access to the virtual data room. Beginning on April 28, 2017, Petsky Prunier provided BlueFocus and Skadden, Arps, Slate, Meagher & Flom LLP (Skadden), counsel to BlueFocus, access to the virtual data room. A draft of the agreement and plan of merger was also posted to the virtual data room on April 28, 2017, and a revised version was posted on May 5, 2017, to which the interested parties were directed to provide comments.

Thereafter, four (4) of the interested parties that submitted an indication of interest and two (2) of the interested parties that did not submit an indication of interest decided not to conduct further due diligence on the Company. Additionally, four (4) other interested parties that submitted an indication of interest and one (1) of the interested parties that did not submit an indication of interest requested additional information about the Company, and Fluent s management held due diligence calls with each of these parties on several topics, including customer trends, financial trends and operational matters. One of these parties engaged an advisor to assist in financial and accounting due diligence, and at the request of another party, Fluent management held another in-person meeting with representatives of such interested party. Subsequently, none of these interested parties proceeded towards providing comments to the agreement and plan of merger and submitting a revised indication of interest.

Between May 23, 2017 and June 2, 2017, the Company also held discussions with an additional potential strategic investor, including in person meetings with Fluent s management and diligence calls, however, on June 2, 2017, the party informed Petsky Prunier that it would not submit an indication of interest.

On June 1, 2017, PJT Partners, LLC (PJT), financial advisor to BlueFocus, provided Petsky Prunier with a revised indication of interest by BlueFocus, as well as BlueFocus s comments to the agreement and plan of merger, which restructured the transaction from a merger to a purchase of shares in exchange for cash and equity interests in certain subsidiaries of BlueFocus. PJT also provided other supporting materials in connection with BlueFocus s revised bid proposal.

Between June 1, 2017 and September 6, 2017, the parties, Petsky Prunier, PJT and the parties respective legal advisors negotiated the terms of the Business Combination Agreement, the Company Disclosure Letter, the Parent Disclosure Letter, the Stockholders Agreement, the Voting Agreement, the Amended and Restated Charter and the amendment to the Amended and Restated Charter and the Amended and Restated Bylaws (as such terms are defined in the Business Combination Agreement unless otherwise defined in this Information Statement and collectively, the Business Combination Documents) as well as the primary documents governing the Spin-off, including the Separation Agreement, the Tax Matters Agreement, and Employee Matters Agreement (as such terms are defined in the Business Combination Agreement and collectively, the Spin-off Agreement), beginning with the terms set forth in BlueFocus s revised bid proposal. These negotiations were generally based on precedent transactions, along with advice from outside legal counsel, Petsky Prunier and PJT, with respect to current market conditions and Delaware law, and were conducted primarily through draft documents, email correspondence and telephonic meetings and certain in-person meetings.

On June 3, 2017, Mr. Dubner provided an update to the Board and the Strategic Committee which included the BlueFocus increased offer of a $450 million valuation on an enterprise value basis of cogint s digital marketing business, a preliminary illustrative timeline and revisions to the Business Combination Agreement reflecting BlueFocus s current proposal. Mr. Dubner noted that other interested parties were still conducting due diligence and cogint could still potentially receive other proposals. Additionally, the Board and the Strategic Committee decided to proceed with the negotiation of BlueFocus s offer believing that such a transaction would:

allow the Company to form a large and international marketing platform, which would offer deep expertise across several attractive and complementary capabilities including award-winning creative and brand development, performance driven marketing, digital, and social media advertising;

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- serve as a catalyst for the Company s international expansion by leveraging the Contributed Entities existing footprints in Asia, Europe, and Canada to enter rapidly growing and underserved markets abroad;

- create near-term opportunities to cross-sell solutions through an integrated brand and service platform offering highly complementary services that can be marketed directly to senior executives at major global advertisers;

- benefit the Company s ability to attract and maintain partnerships with new direct brand clients, particularly as the company pursues cross-sell opportunities given Vision 7 s long-standing expertise in brand account management;

- create a larger company and revenue base and allow the Company to achieve immediate cost synergies, allowing free cash flow generated by the combined company to be deployed to invest in internal growth initiatives as well as to support possible acquisitions, which may be augmented through greater access to capital markets;

- allow the Company to be better positioned to accelerate product and technology roadmaps and compete in global markets with their combined technology, talent, commercial networks across three continents, and an expanded breadth of capabilities across several key disciplines; and

- allow the Company to benefit from the larger financial profile and expanded public market size as well as shareholding by a large affiliated strategic entity.

On June 7, 2017, Akerman provided Skadden with a diligence request list requesting certain information regarding Vision 7 and WAVS. Between June 20 and June 30, 2017, cogint engaged local counsel in a number of jurisdictions where Vision 7 and WAVS have operations to assist in the due diligence review of these operations and to analyze the implications of local law on the proposed Business Combination. Beginning on June 14, 2017, BlueFocus, with the assistance of PJT, granted cogint, Akerman and certain other advisors of cogint access to the virtual data room containing the diligence materials of Vision 7 and WAVS, through September 5, 2017, during which time cogint, Akerman, and certain other advisors to cogint conducted a due diligence investigation of BlueFocus, Vision 7 and WAVS. Subsequently, a due diligence investigation of Indigo was also conducted upon confirmation from BlueFocus on August 16, 2017 that Indigo would also be contributed to cogint.

On June 13, 2017, during a regularly scheduled Board meeting, Messrs. Brauser and Dubner provided the full Board with an update on the strategic process and discussed, among other things, valuation, timing, necessary approvals, tax ramifications and additional details about the BlueFocus proposal. Following discussions with Mr. Brauser and Akerman, the Board approved engaging Roth to provide certain financial advisory services in connection with the Business Combination and the Spin-off. The Board also approved engaging an outside firm to conduct due diligence on BlueFocus s officers and directors and provide additional background due diligence on BlueFocus and its affiliated entities in China and on Vision 7 and WAVS. Further, the Board approved engaging BDO USA, LLC (BDO) to assist with a quality of earnings report on the businesses to be contributed, including Vision 7, WAVS and Indigo.

On June 9, 2017, Akerman and Skadden discussed by telephone the structure of the Business Combination Agreement and related preliminary matters, and later that day Akerman sent a revised version of the Business Combination

Agreement to Skadden.

Between June 9, 2017 and June 22, 2017, Akerman and Skadden conducted multiple telephone conferences to address the material business issues being negotiated by the parties and to revise certain provisions of the draft Business Combination Agreement.

One June 23, 2017, Skadden provided Akerman with a revised version of the Business Combination Agreement.

Between June 23, 2017 and June 27, 2017, Akerman and Skadden continued to negotiate and discuss key terms of the draft Business Combination Agreement presented by BlueFocus and the proposed revisions thereto.

On June 26, 2017, the Strategic Committee and Messrs. MacLachlan and Weingard, and representatives of Akerman, discussed the latest draft of the Business Combination Agreement provided by BlueFocus on June 23, 2017. The Strategic Committee discussed open items in the Business Combination Agreement and provided its recommendation to management and Akerman on the open items. The Strategic Committee also requested to review the latest draft of the Business Combination Agreement along with a memorandum, to be prepared by Akerman of the key business issues presented in such draft of the Business Combination Agreement. Following the meeting, Mr. Dubner provided the Strategic Committee with the version of the Business Combination Agreement received from Skadden on June 23, 2017 and the memorandum requested.

On June 27, 2017, Akerman provided Skadden with a revised version of the Business Combination Agreement and Mr. Dubner provided such version to the Strategic Committee.

Between June 27, 2017 and July 14, 2017, Akerman and Skadden continued to discuss the structure and timing of the proposed transaction and to negotiate key terms of the draft Business Combination Agreement presented by cogint.

On July 2, 2017, Mr. Dubner provided an update to the Board and the Strategic Committee via email including the current versions of the Business Combination Agreement and the Spin-off Agreements to its members and noted that cogint expected to execute the Business Combination Documents within the next 10 days, with the goal of signing as early as July 7, 2017. Mr. Dubner requested the Board provide their availability for a Board meeting for the afternoon of July 6 or July 7, 2017.

On July 6, 2017, Mr. Dubner notified the Board and the Strategic Committee that a meeting on July 6 or July 7, 2017 would not be held and asked the Board to provide their availability for a potential meeting between July 10 and July 12, 2017, however no meeting of the Board was scheduled for such dates.

On July 11, 2017, Akerman provided Skadden with an initial version of the Company Disclosure Letter contemplated by the Business Combination Agreement.

On July 14, 2017, Akerman and Skadden discussed and evaluated whether any anti-trust, competition or other regulatory consents would be required in connection with the Business Combination.

On July 14, 2017, Akerman provided Skadden with a revised version of the Business Combination Agreement, which included additional comments provided by cogint s local counsel in Canada and other jurisdictions, as well as changes to the structure of the contribution of Vision 7, WAVS and Indigo, the addition of a letter of credit to be provided by BlueFocus at the signing of the Business Combination Agreement to guarantee BlueFocus s obligation to pay any termination fee, if applicable, and the addition of certain closing conditions.

Between July 14, 2017 and July 31, 2017, Akerman and Skadden continued to negotiate key terms of the draft Business Combination Agreement presented by cogint.

On July 29, 2017, Mr. Dubner updated the Board and the Strategic Committee via email that after significant due diligence by both parties and finalization of several items, BlueFocus had authorized Skadden to work towards a signing of definitive documents prior to cogint s 2017 second quarter earnings release date, which at the time was scheduled for August 8, 2017. Mr. Dubner noted he would keep the Board apprised.

On July 31, 2017, Skadden provided Akerman with a revised version of the Business Combination Agreement, incorporating, among other things, the Reverse Stock Split prior to the Closing, the treatment of the cogint warrants and other derivative securities in connection with the Business Combination, the addition of an optional holding company structure pursuant to which Vision 7, WAVS and Indigo may be contributed to cogint, and the right of the parties to the agreement to terminate the agreement in the event CFIUS approval was not obtained.

On August 1, 2017, cogint provided notice to the Board of a meeting on August 7, 2017 to review and consider the BlueFocus transaction documents.

On August 2, 2017, Akerman and Skadden discussed the Business Combination Agreement by telephone.

On August 3, 2017, cogint distributed certain legal and financial due diligence to the Board.

On August 3, 2017, Akerman provided Skadden with a revised version of the Business Combination Agreement, reflecting the changes discussed in a telephone conversation, including modifications to the Reverse Stock Split, BlueFocus s right to acquire additional entities to be contributed to the Company in addition to Vision 7, WAVS and Indigo, subject to certain limitations during the period between signing of the Business Combination Agreement and the Closing and incurrence of indebtedness in connection therewith and other debt-financing matters, the treatment of the cogint warrants and other derivative securities in connection with the Business Combination, and the right of BlueFocus to terminate the Business Combination Agreement in the event the Written Consent was not delivered by a specified date.

On August 4, 2017, Skadden advised Akerman that for reasons unrelated to this transaction, BlueFocus needed additional time before it could finalize the Business Combination Agreement and present it to its board for approval. From August 4, 2017 through August 8, 2017, representatives of cogint, including Mr. Brauser, engaged in extensive telephonic and email exchanges with representatives of BlueFocus, including BlueFocus s CEO and CFO, whereby the parties agreed to revised terms of the Business Combination Agreement and a delayed schedule to the signing of the Business Combination Agreement.

On August 11, 2017, Skadden provided Akerman with a revised version of the Business Combination Agreement and Stockholders Agreement. The negotiated changes to the Business Combination Agreement included (i) BlueFocus receiving 64% of the outstanding shares of Common Stock of cogint, subject only to corresponding increases in the event of new stock issuances, (ii) reducing the aggregate amount of the cash consideration to be contributed by BlueFocus from $125 million to $100 million, (iii) eliminating the request that a letter of credit be delivered at the signing of the Business Combination Agreement to secure BlueFocus s obligation to pay any termination fee, if applicable, (iv) extending the last day to complete the Business Combination to one year from the signing date, (v) reducing the size of the Parent Termination Fee, as such term is defined in the Business Combination Agreement, (vi) reducing the amount of stock cogint is allowed to issue prior to the Closing, (vii) modifying the structure through which BlueFocus would finance the Business Combination, (viii) increasing the aggregate amount BlueFocus may spend on acquisitions of businesses prior to the Closing that will be contributed to cogint and limiting cogint s approval rights with respect to such acquisitions, and (ix) adding additional covenants of cogint.

On August 14, 2017, Skadden provided Akerman with an initial version of the Parent Disclosure Letter contemplated by the Business Combination Agreement, and Akerman provided Skadden with a revised version of the Business Combination Agreement addressing cogint s position on the changes reflected in the version provided by Skadden on August 11, 2017 and the outcome of the discussions that occurred between August 4 and August 8, 2017.

On August 15, 2017, members of Fluent s management team met with an additional interested party that proactively contacted Petsky Prunier on July 28, 2017 regarding potential acquisition opportunities. This party was granted temporary access to the virtual data room on August 16, 2017 to conduct initial diligence work, but was simultaneously notified that cogint was continuing to pursue a transaction with another party.

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On August 15 and 22, 2017, Akerman and Skadden discussed the Business Combination Agreement by telephone.

On August 19, 2017, Mr. Brauser had a call with Mr. Shen, CFO of BlueFocus regarding open items.

On August 22, 2017, Mr. Brauser had several calls with Mr. Shen of BlueFocus to finalize issues.

On August 23, 2017, Messrs. Dan MacLachlan, Ryan Schulke and Matt Conlin had a call regarding compensation of the Fluent team with Mr. Shen and Ms. Holly Zheng, CEO of BlueFocus. On that same day, Skadden provided Akerman with a revised version of the Business Combination Agreement, which (i) reduced the amount of shares to be received by BlueFocus from 64% to 63% of the issued and outstanding Common Stock, (ii) included the contribution of the equity interests in Indigo in addition to the contribution of Vision 7 and WAVS, (iii) a working capital minimum for Vision 7, WAVS, Indigo and the Acquisition Entities, (iv) modifications to the acquisitions BlueFocus may conduct prior to the Closing, and (v) the addition of the list of individuals deemed to have Knowledge, as such term is defined in the Business Combination Agreement.

On August 24, 2017, members of Fluent, BlueFocus, Vision 7 and WAVS had an in person and telephonic strategy and potential synergy meeting. On the same day, representatives of cogint and BlueFocus met in New York City to discuss the steps necessary to finalize and sign the Business Combination Agreement and the other Business Combination Documents as well as potential synergies and the strategy of the Company going forward. Participants were Ms. Zheng, Mr. Shen, Ms. Mimi Xu and Mr. Brett Marchand, as representatives of BlueFocus, and Messrs. Brauser and Dubner.

On August 27, 2017, cogint Management requested the Board s availability for a board meeting on August 30, 2017 to review the transaction with BlueFocus.

On August 28, 2017, cogint and Akerman had a discussion regarding the open business points in the Business Combination Documents. On the same day, BlueFocus provided a timeline and communications strategy with respect to the announcement of the Business Combination, which included an anticipated BlueFocus Board approval date of September 5, 2017 and an estimated public announcement date for the transaction of September 7, 2017. Later that day, cogint requested the Board s availability for a board meeting on September 5, 2017 to review the Business Combination Documents.

On August 28, 2017, Akerman provided Skadden with a revised version of the Business Combination Agreement addressing, among other things, changes to the working capital adjustments of Vision 7, WAVS, Indigo and the Acquisition Entities and updates to the Investor Disclosure Letter required by any acquisitions conducted by BlueFocus prior to the Closing.

On August 30, 2017, cogint delivered notice to the members of the Board of a board meeting on September 5, 2017.

On August 30, 2017, Skadden provided Akerman with a revised version of the Business Combination Agreement, which had conforming changes, as well as modifications to the changes proposed by Akerman in the draft circulated August 28, 2017 and a separate document, to be part of the Company Disclosure Letter, with respect to the granting by cogint of additional RSUs of cogint Common Stock under the 2015 Plan and the recipients and terms of such grants prior to the Closing.

Later in the day on August 30, 2017, Akerman provided some additional changes to the Business Combination Agreement, including the addition of certain representations by BlueFocus with respect to Canadian tax matters.

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Also on August 30, 2017, Mr. Shen and BlueFocus s Corporate Development Vice President, Ms. Lang Xu, presented the proposed Business Combination with cogint to the Investment Committee of BlueFocus Parent in Beijing. The Investment Committee, which consists of BlueFocus Parent s Chief Executive Officer and Chairman Mr. Wenquan Zhao, its Chief Operating Officer Mr. Jian Xiong, its President and BlueFocus s Chief Executive Officer Ms. Hong Zheng, its Chief Financial Officer Mr. Dong Zhang, and its Investment Department Head Ms. Lu He unanimously supported the transaction, subject to satisfactory documentation and approval by BlueFocus Parent s board of directors.

Between August 30 and August 31, 2017, Mr. Brauser and Mr. Shen exchanged a number of emails and telephone calls discussing the open business points in connection with the Business Combination Agreement.

On September 1, 2017 Skadden sent Akerman a revised version of the Business Combination Agreement with certain conforming changes, to which Akerman responded on September 2, 2017 with final, non-substantive changes.

Between August 31 and September 4, 2017, cogint Management distributed the latest drafts of the Business Combination Documents and other materials for review prior to the September 5, 2017 Board meeting, including a summary of the key Business Combination Documents, Roth s financial presentation to the Board and BDO s quality of earnings analysis.

The Business Combination Documents were finalized by BlueFocus and cogint and their respective legal representatives prior to September 6, 2017.

A cogint Board meeting was convened for September 5, 2017 at 1:00 pm ET. The meeting was attended telephonically by all of Board s directors and Matthew Conlin, a Board observer. In addition to the members of the Board, Messrs. James Reilly, Daniel MacLachlan, Josh Weingard, Jacky Wang, Aaron Solomon, Daniel Barsky and Daniel Brauser, representatives from Akerman and representatives from Roth and BDO also attended the meeting. Mr. Brauser provided a general discussion and background of the Business Combination and an update on the status of negotiations with BlueFocus. Mr. Brauser began by describing the extensive marketing process that was conducted by Petsky Prunier and explained that the management team of cogint s digital marketing business engaged in more than 100 meetings with potential bidders during the sale process. He also described the large amount of due diligence produced as part of the marketing process and reviewed by cogint s consultants, BDO and Akerman, as well as counsel and financial advisors to the potential bidders, and the extensive follow-up by bidders. Mr. Brauser then explained the general structure of the proposed transaction with BlueFocus and the key benefits to cogint stockholders, including the opportunity to create immediate value for cogint stockholders through a cash dividend, while continuing to provide an opportunity for long-term growth through the proposed spin-off of cogint s risk management business to the stockholders of cogint as well as continued minority ownership of the combined digital marketing business with Vision 7, WAVS, Indigo and each Acquisition Entity. He explained the benefits to stockholders of the proposed spin-off of cogint s risk management business from its digital marketing businesses, and he explained the benefits of the combined digital marketing business with Vision 7, WAVS, Indigo and each Acquisition Entity. Mr. Brauser then turned the meeting over to representatives of Akerman, who provided an overview of the structure and key provisions of the Business Combination Documents, which were previously provided to the Board with a written summary of such documents. Representatives of Roth reviewed Roth s financial analysis with the Board, and Roth delivered an opinion, dated September 5, 2017, to the Board as more fully described below under Opinion of Roth Capital Partners, LLC. Mr. MacLachlan then presented BDO s findings with respect to financial due diligence, tax matters and quality of earnings of Vision 7, WAVS and Indigo. Mr. Brauser then discussed the potential timing of signing of the definitive Business Combination Documents and any announcements related to an approved transaction. The Board further discussed the Business Combination Documents, Roth s opinion, BDO s financial due diligence and quality of earnings report. The Board unanimously approved the Business Combination

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Agreement and the other Business Combination Documents and the transactions contemplated thereby and recommended that the stockholders of cogint approve the voting matters contemplated by the Business Combination Agreement.

On September 6, 2017, BlueFocus Parent s board of directors held a meeting in Beijing. The directors reviewed the proposed Business Combination transaction with cogint, including a summary of the legal documents prepared by Skadden and translated in Chinese, and unanimously approved the Business Combination. Later on that same day, the directors of BlueFocus signed a board resolution authorizing Mr. He Shen, its Chief Financial Officer, to execute all the necessary documents to effect the Business Combination.

On September 6, 2017, the parties made non-material changes to the schedules and exhibits to certain Business Combination Documents that had not been previously finalized. At that time, Akerman and Skadden delivered the parties signature pages to the Business Combination Agreement and the other applicable Business Combination Documents. Later on September 6, 2017, cogint delivered the Written Consent to BlueFocus executed by the Consenting Stockholders.

On September 7, 2017 cogint filed a Form 8-K with the SEC providing notice of the signing of the Business Combination Agreement with BlueFocus and certain other Business Combination Documents. On the same day, cogint issued a press release announcing the same.

On October 10, 2017, Akerman and Skadden submitted applications with the U.S. Department of Justice and the U.S. Federal Trade Commission requesting clearance and early termination under HSR. Early termination for the Business Combination was granted on October 25, 2017 under HSR.

Following the signing of the Business Combination Agreement, BlueFocus and cogint submitted a notice of the Business Combination to CFIUS on November 14, 2017, which notice was accepted for review on December 6, 2017.

From time to time since September 6, 2017, the Company has obtained BlueFocus s prior written consent with respect to certain actions as required by the Business Combination Agreement.

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REASONS FOR THE BUSINESS COMBINATION

In the course of the Board making the determination to enter into the Business Combination, the Board consulted with cogint Management, as well as the Company s legal advisors, and considered the following potentially positive factors, which are not intended to be exhaustive and are not presented in any relative order of importance:

- the fact that the Board sought offers to purchase from a broad group of potential bidders, including financial sponsors and strategic bidders, 98 of whom entered into non-disclosure agreements with the Company and received information related to the Company, and the fact that the consideration proposed by BlueFocus reflected extensive negotiations between the parties, and such price and terms when taken together and compared to alternative proposals from other parties was viewed as the best available transaction to the Company and its stockholders with respect to the Board s strategic plan;
- the Cash Dividend provides certainty of value to the Company s stockholders;
- the Spin-off provides the Company s shareholders of record the opportunity to own shares in two publicly-traded companies upon the Closing;
- the Contributed Entities current and historical financial conditions, results of operations, competitive positions, strategic options and prospects and the potential synergies thereof with the Company;
- the financial presentation, dated September 5, 2017, of Roth to the Board and Roth s opinion, dated September 5, 2017, to the Board as to the fairness, from a financial point of view, to cogint of the Aggregate Consideration (as defined in such opinion) to be received by cogint for the Purchased Shares, after giving effect to the Spin-off and the Cash Dividend (see the section titled Opinion of Roth Capital Partners);
- the terms of the Business Combination Agreement, including:
  - the termination fee owed by BlueFocus if, among other things, there is an injunction or prohibition, or a necessary government consent is not obtained, and such injunction, prohibition or consent is imposed by the government of China or the Shenzhen Stock Exchange; and
  - the limited instances where BlueFocus is permitted to terminate the Business Combination;
- the fact that the Company conducted regulatory due diligence in connection with the regulatory approvals that would be required for the Business Combination; and

the fact that the Company conducted financial and legal due diligence on, among others, BlueFocus, BlueFocus Parent, Vision 7, WAVS, Indigo and their officers, directors, shareholders and certain current and former employees.

The Board also considered and balanced against the potentially positive factors a number of potentially negative factors concerning the Business Combination, including the following factors, which are not intended to be exhaustive and are not presented in any relative order of importance:

the risk that the Business Combination might not be completed;

the fact that the consideration consists in part of the Contributed Entities, which provides less certainty of value to the Company s shareholders than an entirely cash offer;

the restrictions on the Company s ability to solicit or engage in discussions or negotiations with a third party regarding a takeover proposal;

the fact that the Company has incurred and will incur substantial expenses related to the Business Combination and the Spin-off, regardless of whether the Business Combination is consummated;

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the fact that the Business Combination Agreement prohibits the Company from taking a number of actions relating to the conduct of its business prior to the closing without the prior written consent of BlueFocus, which may delay or prevent the Company from undertaking business opportunities that may arise during the pendency of the Business Combination, whether or not the Business Combination is completed.

During its consideration of the transaction, the Board was also aware of and considered that the Company s directors and executive officers may have interests in the Business Combination that differ from, or are in addition to, their interests as stockholders of the Company generally, as described in the section entitled Interests of Our Executive Officers and Directors in the Business Combination.

After taking into account all the factors set forth above, as well as others, the Board determined that the potentially positive factors outweighed the potentially negative factors. The foregoing discussion of the factors considered by the Board is not intended to be exhaustive, but summarizes the material information and factors considered by the Board in its consideration of the Business Combination. The Board reached the decision to recommend, adopt and approve the Business Combination and the other transactions contemplated by the Business Combination Agreement in light of the factors described above and other factors the Board felt were appropriate. In view of the variety of factors and the quality and amount of information considered, the Board did not find it practicable to and did not quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and individual members of the Board may have given different weights to different factors. The Board conducted an overall analysis of the factors described above, including thorough discussions with, and questioning of, management of the Company, Roth (regarding its financial presentation and opinion), and Akerman, as legal advisor, and considered the factors overall to be favorable to, and to support, its determinations. This explanation of the reasoning of the Board and certain information presented in this section is forward-looking in nature and should be read in light of the factors set forth in the section entitled Cautionary Statement Regarding Forward-Looking Statements.

OPINION OF ROTH CAPITAL PARTNERS, LLC

cogint retained Roth to provide certain financial advisory services in connection with the Business Combination and the Spin-off, including an opinion to the Board as more fully described below. At a meeting of the Board on September 5, 2017 held to evaluate the Business Combination, Roth reviewed its financial analysis with the Board and rendered an opinion, dated September 5, 2017, to the Board to the effect that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered, exceptions to the opinion and limitations on the scope of the review undertaken described to the Board, the Aggregate Consideration (defined in such opinion as the Cash Contribution of $100 million and all of the equity interests of Vision 7, WAVS and Indigo (collectively, the Identified Contributed Entities)) to be received by cogint for the Purchased Shares, after giving effect to the Spin-off and the Cash Dividend, was fair, from a financial point of view, to cogint.

The full text of the written opinion of Roth dated September 5, 2017, which sets forth the assumptions made, procedures followed, matters considered, exceptions to the opinion and limitations on the scope of the review undertaken, is attached as Annex F to this Information Statement and is incorporated herein by reference. cogint s stockholders are urged to read the opinion in its entirety. The summary of the opinion of Roth set forth in this Information Statement is qualified in its entirety by reference to the full text of such opinion. The opinion of Roth was delivered for the use and benefit of the Board (in its capacity as such) in connection with its evaluation of the financial terms of the Business Combination. The opinion does not address the relative merits of the Business Combination (or any part thereof) or the Spin-off as compared to any alternative business strategies that might exist for cogint, the underlying business decision of cogint to proceed with the Business Combination (or any part thereof) or the Spin-off, or the effects of any other transaction in which cogint might engage. The opinion should not be construed as

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creating any fiduciary duty on Roth s part to any party. The opinion is not intended to be, and does not constitute, a recommendation to the Board, any security holder or any other person as to how to act or vote with respect to any matter relating to the Business Combination (or any part thereof) or the Spin-off.

For purposes of its opinion, Roth, among other things, reviewed a draft dated August 30, 2017 of the Business Combination Agreement and a draft dated August 29, 2017 of the Separation and Distribution Agreement provided to Roth by cogint and also:

- reviewed certain publicly available business and financial information of cogint that Roth believed to be relevant to its inquiry;
- reviewed certain internal financial statements and other financial and operating data concerning cogint (excluding the business of Red Violet) and the Identified Contributed Entities provided to or discussed with Roth by cogint and BlueFocus, respectively;
- reviewed certain financial forecasts relating to cogint (excluding the business of Red Violet) prepared by the management of cogint;
- reviewed certain financial forecasts relating to the Identified Contributed Entities prepared by the managements of BlueFocus and the Identified Contributed Entities;
- discussed the past and current businesses, financial condition and prospects of cogint (excluding the business of Red Violet) and the Identified Contributed Entities with the management of cogint and the managements of BlueFocus and the Identified Contributed Entities, respectively;
- reviewed the reported prices and trading activity of cogint Common Stock;
- compared the financial performance of cogint (excluding the business of Red Violet) and the Identified Contributed Entities and the reported prices of cogint Common Stock with that of certain publicly traded companies Roth deemed relevant;
- reviewed the publicly available financial terms of certain transactions Roth deemed relevant in evaluating cogint (excluding the business of Red Violet) and the Identified Contributed Entities; and
- performed such other analyses and considered such other factors as Roth deemed appropriate.

Roth also considered such other information, financial studies, analyses and investigations, and financial, economic and market criteria which Roth deemed relevant.

In conducting its review and arriving at the opinion, with cogint s consent, Roth did not independently verify, nor did Roth assume responsibility or liability for independently verifying, any of the information provided, or otherwise made available, to Roth, discussed with or reviewed by Roth, or publicly available, and Roth assumed and relied upon such information being accurate and complete in all material respects, and Roth further relied upon the assurances of the management of cogint and the managements of BlueFocus and the Identified Contributed Entities that they, each respectively, were not aware of any facts that would make any of the information regarding cogint and the Identified Contributed Entities reviewed by Roth inaccurate, incomplete or misleading in any material respect. With respect to the financial forecasts relating to cogint referred to above, Roth assumed, at the direction of cogint, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of cogint as to the future financial performance of cogint (excluding the business of Red Violet). With respect to the financial forecasts relating to the Identified Contributed Entities referred to above, Roth assumed, upon the advice of the managements of BlueFocus and the Contributed Entities and at the direction of cogint, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the managements of BlueFocus and the Identified Contributed Entities as to the future financial performance of the Identified Contributed Entities. Roth was not engaged to assess the achievability of the forecasts relating to cogint (excluding the business of Red Violet) or the Identified Contributed Entities or the assumptions on which they were based, and Roth expressed no view as to such forecasts or such assumptions. In addition, the Identified Contributed Entities financial statements have been prepared in accordance with, and based on, International Financial Reporting Standards (IFRS) or United Kingdom generally accepted accounting principles. Roth expressed no view or opinion as to any accounting differences between IFRS and United Kingdom generally accepted accounting principles-prepared financial data, on the one hand, and United States generally accepted accounting principles-prepared financial data, on the other hand, and assumed that any such accounting differences would not be material to Roth s analyses or opinion. Roth was advised by BlueFocus that there were no audited financial statements for Indigo and, accordingly, Roth assumed that there would be no information contained in any such audited financial statements, if available, not otherwise discussed with or reviewed by Roth that would have been material to its analyses or opinion.

Roth was not provided with estimates of any potential synergies that could result from the Business Combination and did not perform any analysis to review or assess the potential pro forma financial effects of the Business Combination, including potential synergies, on cogint, and Roth did not consider such effects for purposes of its opinion. In addition, the financial forecasts relating to the Identified Contributed Entities referred to above did not give effect to, and, accordingly, Roth did not consider for purposes of its opinion, any contemplated potential future acquisitions by Holdings or BlueFocus of additional businesses to be contributed to cogint. Roth did not assume any responsibility for any independent valuation or appraisal of the assets or liabilities of either cogint or the Contributed Entities, nor was Roth furnished with any such valuation or appraisal. In addition, Roth did not assume any obligation to conduct, nor did Roth conduct, any physical inspection of the properties or facilities of cogint or the Contributed Entities. Roth relied upon, without independent verification, the assessments of the management of cogint and the managements of BlueFocus and the Identified Contributed Entities as to the ability of cogint to successfully integrate the businesses of cogint and the Identified Contributed Entities. Roth also relied upon, without independent verification, the assessments of the management of cogint and the managements of BlueFocus and the Identified Contributed Entities as to the technology and intellectual property of cogint and the Identified Contributed Entities (including, without limitation, the validity of, and risks associated with, such technology and intellectual property), and Roth assumed, at the direction of cogint, that there would be no developments with respect to any such matters that would affect Roth s analyses or opinion.

Roth also assumed, with cogint s consent, that the Business Combination and the Spin-off would be consummated in accordance with the terms set forth in the Business Combination Agreement and the Separation Agreement and in compliance with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal, state and local statutes, rules, regulations and ordinances, that the representations and warranties of each party in the Business Combination Agreement and the Separation Agreement were true and correct, that each party would perform on a timely basis all covenants and agreements required to be performed by such party under such agreements and that all conditions to the consummation of the Business Combination and the Spin-off would be satisfied without waiver thereof. Roth further assumed that the Business Combination Agreement and the Separation Agreement when signed would conform to the draft Business Combination Agreement and the draft Separation Agreement provided to Roth in all respects material to its opinion. Roth also assumed that all governmental, regulatory and other consents and approvals contemplated by the Business Combination Agreement and the Separation Agreement would be obtained and that, in the course of obtaining any of those consents and approvals, no modification, delay, limitation, restriction or condition, including any divestiture requirements, would be imposed or waivers made that would have an adverse effect on cogint, the Contributed Entities or Red Violet or on the contemplated benefits of the Business Combination.

Roth was not requested to, and did not, participate in the negotiation or structuring of the Aggregate Consideration or any other aspect of the Business Combination (or any part thereof), the Business Combination Agreement or the Separation Agreement or advise cogint with respect to any evaluation of alternatives to the Business Combination (or any part thereof) or the Spin-off. For purposes of its analyses and opinion, Roth did not apply any control premium or minority or illiquidity discounts. Roth s opinion only addressed the fairness from a financial point of view to cogint of the Aggregate Consideration, without regard to the potential non-intrinsic value, if any, to BlueFocus of the Purchased Shares with respect to control or otherwise, and the opinion did not in any manner address any other aspect or implication of the Business Combination (or any part thereof) or the Spin-off, or any agreement, arrangement or understanding entered into in connection with the Business Combination or otherwise, including, without limitation, the form or structure of the Business Combination (or any part thereof) or the Spin-off, the tax, accounting or legal consequences thereof (including, without limitation, any triggering of any obligations of cogint in the event of a change of control), the amount or allocation of the Cash Dividend, the amount, terms or any other aspect or implication of any indebtedness to be incurred by Holdings or the Contributed Entities or any other debt financing, refinancing or repayment by BlueFocus and/or cogint in connection with the Business Combination or the Spin-off, the amount, terms or any other aspect or implication of either the contemplated Reverse Stock Split or the contemplated potential interim share issuance by cogint that were specified in the Business Combination Agreement, the terms or any other aspect or implication of any contemplated potential future acquisitions by Holdings or BlueFocus of additional businesses to be contributed to cogint that are permitted by the Business Combination Agreement or the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the Business Combination (or any part thereof) or the Spin-off, or class of such persons, relative to the Aggregate Consideration or otherwise. Roth s opinion also did not address the relative merits of the Business Combination (or any part thereof) or the Spin-off as compared to any alternative business strategies that might exist for cogint, the underlying business decision of cogint to proceed with the Business Combination (or any part thereof) or the Spin-off, or the effects of any other transaction in which cogint might engage. Roth s opinion did not constitute legal, regulatory, accounting, insurance, tax or other similar professional advice. The issuance of the opinion was approved by an authorized Roth internal committee.

Roth s opinion was necessarily based on economic, market and other conditions as they existed and could be evaluated on, and the information made available to Roth on, the date of the opinion. Roth s opinion was not an opinion as to the underlying valuation, future performance or long-term viability of cogint, the Contributed Entities or Red Violet. Further, Roth expressed no opinion as to what the value of cogint Common Stock or any other security of cogint or Red Violet actually would be upon consummation of the Business Combination or the Spin-off or the prices at which shares of cogint Common Stock or any other security of cogint or Red Violet would trade, or otherwise be purchased or sold, at any time. Roth also expressed no opinion as to how many Purchased Shares there would actually be when calculated pursuant to the Business Combination Agreement. Although subsequent developments may affect Roth s opinion, Roth does not have any obligation to update, revise or reaffirm its opinion and Roth expressly disclaimed any responsibility to do so.

Roth s opinion was only one of many factors considered by the Board in evaluating the Business Combination. Neither Roth s opinion nor its analyses were determinative of the Aggregate Consideration or of the views of the Board or cogint s management with respect to the Business Combination or the Aggregate Consideration. The type and amount of consideration payable in the Business Combination were determined through negotiation between cogint and BlueFocus, and the decision of cogint to enter into the Business Combination Agreement and the Separation Agreement was solely that of the Board.

Summary of Financial Analyses

The following is a summary of the material financial analyses utilized by Roth in connection with providing its opinion to the Board on September 5, 2017 and does not purport to be a complete description of the analyses or data presented by Roth. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone and, in order to fully understand the financial analyses used by Roth, the tables must be read together with the full text of each summary. Considering the data set forth in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Roth s financial analyses.

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As more fully described below, Roth utilized selected public companies analyses, selected precedent transactions analyses and discount cash flow analyses in order to derive implied total equity values of the Identified Contributed Entities and implied total equity values of cogint (excluding the business of Red Violet). Roth then compared:

- implied values of the Aggregate Consideration calculated by adding the Cash Contribution of $100 million to the implied total equity values of the Identified Contributed Entities based on the financial analyses performed by Roth; and

- implied values of the Purchased Shares calculated by first subtracting the Cash Dividend from the implied total equity values of cogint (excluding the business of Red Violet) based on the financial analyses performed by Roth, then deriving implied equity values on a per share basis using diluted share information provided by the management of cogint and finally multiplying the implied per share values by an assumed number of the Purchased Shares.

Selected Public Companies Analyses of the Identified Contributed Entities and cogint

Using publicly available information, Roth reviewed selected financial data of 10 selected publicly traded companies in the digital marketing and advertising industries, referred to as the digital marketing and advertising group, and 12 selected publicly traded companies in the digital marketing and data analytics industries, referred to as the digital marketing and data analytics group.

The selected companies comprising the digital marketing and advertising group were as follows:

Acxiom Corporation

Alliance Data Systems Corporation

Dentsu Inc.

The Interpublic Group of Companies, Inc.

M&C Saatchi plc

MDC Partners Inc.

Next Fifteen Communications Group plc

Omnicom Group Inc.

Publicis Groupe S.A.

WPP plc

The selected companies comprising the digital marketing and data analytics group were as follows:

Acxiom Corporation

Criteo S.A.

IAC/InterActiveCorp

Leaf Group Ltd.

Marchex, Inc.

MaxPoint Interactive, Inc.

DC Partners Inc.

Omnicom Group Inc.

Publicis Groupe S.A.

Rocket Fuel Inc.

The Rubicon Project, Inc.

Tremor Video, Inc.

Roth reviewed, among other things, the following financial data for the selected companies:

- Enterprise value (defined as fully diluted market capitalization based on closing stock price on September 1, 2017, plus total debt less cash and cash equivalents) as a multiple of revenue for the last 12 months (LTM) ended June 30, 2017, calendar year 2017 and calendar year 2018; and

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Enterprise value as a multiple of earnings before interest, taxes, depreciation and amortization, referred to as EBITDA, for the last 12 months ended June 30, 2017, calendar year 2017 and calendar year 2018.

Financial data of the selected companies were based on publicly available research analysts estimates, public filings and other publicly available information.

Roth applied the following 25th and 75th percentiles of the multiples for the digital marketing and advertising group to the corresponding financial data for the Identified Contributed Entities provided by the managements of BlueFocus and the Identified Contributed Entities and applied the following 25th and 75th percentiles of the multiples (excluding the impact of multiples considered to be not meaningful) for the digital marketing and data analytics group to the corresponding financial data for cogint (excluding the business of Red Violet) provided by the management of cogint:

	Implied Multiples For Digital Marketing and Advertising Group		**Implied Multiples For Digital Marketing and Data Analytics Group**	
	25th Percentile	**75th Percentile**	**25th Percentile**	**75th Percentile**
Enterprise Value as Multiple of Revenue:				
LTM	1.2x	1.9x	0.7x	1.5x
Calendar Year 2017E	1.2x	1.6x	0.8x	1.8x
Calendar Year 2018E	1.2x	1.6x	0.8x	1.7x
Enterprise Value as Multiple of EBITDA:				
LTM	8.8x	13.1x	8.9x	18.8x
Calendar Year 2017E	8.3x	8.9x	8.3x	13.8x
Calendar Year 2018E	7.8x	8.4x	7.9x	10.6x

Net debt was subtracted from the resulting implied enterprise values in order to derive implied total equity values of the Identified Contributed Entities and implied total equity values of cogint (excluding the business of Red Violet). Net debt data for the Identified Contributed Entities and cogint (excluding the business of Red Violet) was provided by the managements of BlueFocus and the Identified Contributed Entities and the management of cogint, respectively.

The selected public companies analyses indicated the following implied value reference ranges for the Aggregate Consideration and the Purchased Shares (NM denotes that the result was less than zero):

	Implied Value Reference Ranges for Aggregate Consideration	**Implied Value Reference Ranges for Purchased Shares**
Enterprise Value as Multiple of Revenue:		
LTM	$ 325.1M - $463.6M	NM - $239.7M
Calendar Year 2017E	$ 327.9M - $421.8M	$ 50.5M - $440.9M
Calendar Year 2018E	$ 354.6M - $448.3M	$ 127.3M - $580.9M
Enterprise Value as Multiple of EBITDA:		
LTM	$ 308.0M - $429.3M	$ 140.5M - $629.7M

Calendar Year 2017E	$	289.9M - $307.0M	$ 228.8M - $576.5M
Calendar Year 2018E	$	319.0M - $339.7M	$ 390.0M - $617.6M

None of the selected companies reviewed is identical to the Identified Contributed Entities or cogint and certain of these companies may have characteristics that are materially different from those of the Identified Contributed Entities or cogint. The analysis necessarily involves complex considerations and judgments concerning differences in financial and operational characteristics of the selected companies and other factors that could affect their comparability to the Identified Contributed Entities or cogint.

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Selected Precedent Business Combinations Analyses of the Identified Contributed Entities and cogint

Roth reviewed selected publicly available financial terms of 26 selected transactions in the digital marketing, advertising and data analytics industries. The selected transactions were as follows:

Announcement Date	Acquiror	Target
Aug-17	Golden Gate Private Equity, Inc./GIC Special Investments Pte. Ltd.	NeuStar, Inc.
Jul-17	Huntsworth plc	The Creative Engagement Group Limited
Jul-17	Vivendi SA	Havas SA
Apr-17	Accenture Holding Gmbh & Co. KG	SinnerSchrader Aktiengesellschaft
Jan-17	AOI Pro. Inc.	TYO Inc.
Dec-16	Adobe Systems Incorporated	TubeMogul, Inc.
Sep-16	Vector Capital	Sizmek Inc.
Jul-16	Axel Springer SE	eMarketer, Inc.
Apr-16	Sykes Enterprises, Inc.	Clear Link Technologies, LLC
Mar-16	Next Fifteen Communications Group plc	Twogether Creative Limited
Jan-16	comScore, Inc.	Rentrak Corporation
Dec-15	Havas SA	FullSIX Group SAS
Jun-15	Verizon Communications Inc.	Oath Inc.
Feb-15	Publicis Groupe S.A.	Sapient Corp.
Dec-14	Alliance Data Systems Corporation	Conversant LLC
Nov-14	Publicis Groupe S.A.	Matomy Media Group Ltd.
Oct-14	Blackhawk Network Holdings, Inc.	Parago, Inc.
Sep-14	Rocket Fuel Inc.	X Plus Two Solutions Inc.
Jul-14	Acxiom Corporation	LiveRamp, Inc.
Mar-14	Dealertrack Technologies, Inc.	Dealer Dot Com, Inc.
Feb-14	Extreme Reach, Inc.	Digital Generation, Inc.
Nov-13	Millennial Media Inc.	Jumptap, Inc.
Sep-13	Nielsen Holdings plc	Arbitron Inc.
Mar-13	Dentsu Inc.	Aegis Group plc
Jan-13	Publicis Groupe S.A.	LBi International NV
Jul-12	WPP plc	AKQA Inc.

Roth reviewed, among other things, the following implied transaction statistics for the selected transactions:

- Enterprise value as a multiple of LTM revenue of the target company; and

- Enterprise value as a multiple of LTM EBITDA of the target company to the extent available.

Financial data for the selected transactions were based on public filings and other publicly available information prior to the announcement of the relevant transaction.

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Roth applied the following 25th and 75th percentiles of the multiples for the selected transactions to the corresponding financial data for the Identified Contributed Entities provided by the managements of BlueFocus and the Identified Contributed Entities and to the corresponding financial data for cogint (excluding the business of Red Violet) provided by the management of cogint:

Enterprise Value as Multiple of:	Implied Multiples For Selected Transactions 25th Percentile	75th Percentile
LTM Revenue	1.7x	3.2x
LTM EBITDA	8.4x	17.5x

Net debt was subtracted from the resulting implied enterprise values in order to derive implied total equity values of the Identified Contributed Entities and implied total equity values of cogint (excluding the business of Red Violet). Net debt data for the Identified Contributed Entities and cogint (excluding the business of Red Violet) was provided by the managements of BlueFocus and the Identified Contributed Entities and the management of cogint, respectively.

The selected precedent transactions analyses indicated the following implied value reference ranges for the Aggregate Consideration and the Purchased Shares:

Enterprise Value as Multiple of Revenue:	Implied Value Reference Ranges for Aggregate Consideration	Implied Value Reference Ranges for Purchased Shares
LTM Revenue	$418.9M - $749.0M	$297.2M - $843.6M
LTM EBITDA	$295.9M - $553.3M	$117.1M - $568.9M

None of the target companies in the selected transactions reviewed is identical to the Identified Contributed Entities or cogint and certain of these companies may have characteristics that are materially different from those of the Identified Contributed Entities or cogint. The analysis necessarily involves complex considerations and judgments concerning differences in financial and operational characteristics of the target companies and other factors that could affect their comparability to the Identified Contributed Entities or cogint.

Discounted Cash Flow Analyses of the Identified Contributed Entities and cogint

Roth performed separate discounted cash flow analyses of the Identified Contributed Entities and cogint (excluding the business of Red Violet) utilizing financial forecasts relating to the Identified Contributed Entities provided by the managements of BlueFocus and the Identified Contributed Entities and financial forecasts relating to cogint (excluding the business of Red Violet) provided by the management of cogint. Applying discount rates ranging from 11.0% to 13.0%, Roth calculated (i) a range of implied values by adding the present value of the standalone unlevered, after-tax free cash flows that the Identified Contributed Entities was forecasted to generate during the second half of calendar year 2017 through calendar year 2020 and the present value of implied terminal values for the Identified Contributed Entities at the end of such period and (ii) a range of implied values by adding the present value of the standalone unlevered, after-tax free cash flows that cogint (excluding the business of Red Violet) was forecasted to generate during the second half of calendar year 2017 through calendar year 2019 and the present value of implied terminal values for cogint (excluding the business of Red Violet) at the end of such period. Roth derived implied terminal values by applying perpetuity growth rates ranging from 2.5% to 3.5% to the terminal year s unlevered, after-tax free cash flows of the Identified Contributed Entities and cogint (excluding the business of Red Violet), as the case may be. Net debt was subtracted from the resulting implied enterprise values in order to derive implied total equity values of the Identified Contributed Entities and implied total equity values of cogint (excluding the business of Red Violet). Net debt data for the Identified Contributed Entities and cogint (excluding the business of Red Violet) was provided by the managements of BlueFocus and the Identified Contributed Entities and the management of cogint, respectively.

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