

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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*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. For 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

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- (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

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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 warrant holders 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.

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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.

Table of Contents***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 are 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

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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

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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

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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.

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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.

Table of Contents**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	
	Six-month	Six-month	Year ended	Year ended	Period	Period from
	period	period			from	
	ended	ended	December 31,	December 31,	December 31, 2014	January 1, 2014
June 30,	June 30,	December 31,	December 31,	through	through December 29,	
(In thousands of Canadian dollars)	2017	2016	2016	2015	31, 2014	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)
<i>Discontinued Operations</i>						
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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<i>Successor</i>	As of			
	June 30, 2017	December 31, 2016	December 31, 2015	December 31, 2014
(In thousands of Canadian dollars, except number of shares)	(unaudited)	(unaudited)	(unaudited)	(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

Table of Contents**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.

<i>(In thousands of United Kingdom pounds)</i>	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:

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.

Table of Contents**Operating Results****Key Components of Consolidated Statements of Profit and Loss**

	Successor				Predecessor	
	Six-month period ended June 30, 2017 <i>(unaudited)</i> \$	Six-month period ended June 30, 2016 <i>(unaudited)</i> \$	Year ended December 31, 2016 \$	Year ended December 31, 2015 \$	Period from December 30, 2014 through December 31, 2014 <i>(unaudited)</i> \$	Period from January 1, 2014 through December 29, 2014 <i>(unaudited)</i> \$
(In thousands of Canadian dollars)						
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.

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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.

	Period from January 1, 2014 through December 29, 2014 (Predecessor) \$ (Unaudited)
<i>(In thousands of Canadian dollars)</i>	
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.

Table of Contents**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:

	June 30, 2017 (<i>unaudited</i>)	December 31, 2016	December 31, 2015
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$
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):

	June 30, 2017 (<i>unaudited</i>)	June 30, 2016 (<i>unaudited</i>)	Successor December 31, 2016	December 31, 2015	December 31, 2014 (<i>unaudited</i>)	Predecessor December 29, 2014 (<i>unaudited</i>)
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$
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.

Table of Contents**Discontinued Operations**

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

	Period from January 1, 2014 through December 29, 2014 (Predecessor) (Unaudited) \$
<i>(In thousands of Canadian dollars)</i>	
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:

<i>(In thousands of Canadian dollars)</i>	Total	Payments due in:			
		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.

Table of Contents**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:

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

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

<i>(in thousands of Canadian dollars)</i>	Variation	CAD/USD	CAD/GBP	Effect on EBT 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.

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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.

Table of Contents**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 (<i>unaudited</i>)	June 30, 2016 (<i>unaudited</i>)	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

Table of Contents**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.

Table of Contents**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:

<i>(in thousands)</i>	Variation	Effect on PBT 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

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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.

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

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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

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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

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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

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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:

Axiom 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:

Axiom 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	
	25 th Percentile	75 th Percentile	25 th Percentile	75 th 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

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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.

Table of Contents*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	Axiom 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.	Jumtap, 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
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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The discounted cash flow analyses indicated the following implied value reference ranges for the Aggregate Consideration and the Purchased Shares:

	Implied Value Reference Ranges for Aggregate Consideration	Implied Value Reference Ranges for Purchased Shares
	\$280.7M - \$361.8M	\$114.0M - \$275.8M

Other Matters

The preparation of a fairness opinion is a complex process and is not readily susceptible to partial analysis or summary description. Roth believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, Roth did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, Roth considered the totality of the factors and analyses performed in determining its opinion. Roth's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. Roth's analyses involved judgments and assumptions with regard to industry performance, general business, economic, regulatory, market and financial conditions and other matters, many of which are beyond the control of Roth, cogint, BlueFocus and the Identified Contributed Entities. An evaluation of the results of those analyses is not entirely mathematical. The estimates contained in the financial forecasts for cogint and the Identified Contributed Entities provided by the management of cogint and the managements of BlueFocus and the Identified Contributed Entities, respectively, and the implied reference range values indicated by Roth's financial analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. Much of the information used in, and accordingly the results of, Roth's analyses are inherently subject to substantial uncertainty.

Roth is a nationally recognized investment banking firm which is regularly engaged in providing financing advisory services in connection with mergers and acquisitions. cogint selected Roth to render a fairness opinion to the Board in connection with the proposed transaction on the basis of Roth's experience in similar transactions and its reputation in the investment community. Roth, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Roth was engaged by cogint to render the opinion and certain other financial advisory services in connection with the Business Combination and the Spin-off and will receive an aggregate fee of \$500,000 for such services, a portion of which became payable in connection with the execution of Roth's engagement agreement, a portion of which became payable upon delivery of Roth's opinion and portions of which are payable upon Roth rendering certain additional financial advisory services, including services to be performed on a date proximate to the consummation of the Business Combination and the Spin-off. In addition, cogint has agreed to reimburse Roth for its reasonable expenses incurred in connection with its services, including the reasonable fees and disbursements of counsel, and will indemnify Roth against certain liabilities, including liabilities arising under U.S. federal securities laws, and other items arising out of Roth's engagement.

In 2016, cogint engaged Roth to assist cogint with a potential offering. The Company did not proceed with the offering and no amounts were paid to Roth in connection with the engagement. Roth and its affiliates may in the future provide investment banking and other financial services to cogint, BlueFocus or Red Violet for which Roth and its affiliates would expect to receive compensation. Roth is a full-service securities firm engaged in securities trading and brokerage activities, as well as providing investment banking and other financial services. In the ordinary course of business, Roth and its affiliates may acquire, hold or sell, for itself and its affiliates own accounts and for the accounts of customers, equity securities, or other interests or securities of cogint, BlueFocus or Red Violet, and, accordingly, may at any time hold a long or a short position in such securities.

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CERTAIN COMPANY FORECASTS

The Company does not, as a matter of course, publicly disclose financial forecasts as to future financial performance, earnings or other results and we are especially cautious of making financial forecasts for extended periods due to the inherent uncertainty of the underlying assumptions and estimates. However, in connection with the evaluation of a possible transaction involving the Company, the Company's management team prepared and provided BlueFocus, the Board and the Company's legal and financial advisors certain non-public financial forecasts that were not prepared with a view toward public disclosure.

The summary of these financial forecasts presented below is included in this Information Statement because these financial forecasts were made available to BlueFocus, the Board and the Company's legal and financial advisors. The inclusion of this information should not be regarded as an indication that the Board, the Company's legal or financial advisors, or any other person considered, or now considers, such financial forecasts to be material or to be necessarily predictive of actual future results. While the financial forecasts were prepared in good faith, they are subjective in many respects and no assurance can be given that the financial forecasts will be realized or that actual results will not be significantly higher or lower than those results presented in the financial forecasts. The financial forecasts cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year.

In addition, the financial forecasts were prepared solely for internal use and not with a view toward public disclosure or toward complying with generally accepted accounting principles, which we refer to as GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP measures, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The financial forecasts included below were prepared by, and are the responsibility of, our management. Neither our independent registered public accounting firm, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the financial forecasts contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The report of the independent registered public accounting firm relates only to the Company's historical financial information. The Report does not extend to the financial forecasts and should not be read to do so.

These financial forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of the Company. Important factors that may affect actual results and cause these financial forecasts not to be achieved include, but are not limited to, risks and uncertainties relating to the Company's business (including its ability to achieve strategic goals, objectives and targets over the applicable periods), industry performance, the regulatory environment, general business and economic conditions, and other factors described in this Information Statement and the Company's filings with the SEC incorporated by reference in this Information Statement. In addition, the financial forecasts do not reflect revised prospects for the Company's business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the financial forecasts were prepared. Accordingly, there can be no assurance that these financial forecasts will be realized or that the Company's future financial results will not materially vary from these financial forecasts.

No one has made or makes any representation to any stockholder or anyone else by inclusion in this Information Statement of the information contained in the financial forecasts set forth below. Readers of this Information Statement are cautioned not to unduly rely on the forecasted financial information. We have not updated and do not intend to update, or otherwise revise the financial forecasts to reflect circumstances, existing after the date when these financial forecasts were made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error. The Company has made no representation to BlueFocus or any other person, concerning the ultimate performance of the Company compared to the information contained in these financial

forecasts.

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The financial forecasts are forward-looking statements. For information on factors that may cause the Company's future financial results to materially vary, see "Cautionary Statement Concerning Forward-Looking Statements" as well as the other factors set forth in this Information Statement and the Company's filings with the SEC incorporated by reference to this Information Statement.

The following is a summary of the financial forecasts prepared by the Company's management and given to BlueFocus, the Board and the Company's legal and financial advisors.

In preparing these financial forecasts, the Company made the following assumptions for the periods presented:

no new acquisitions are completed other than the Business Combination;

no legislative changes affecting our business have occurred;

estimated annual growth rates for our business are based on currently known conditions; and

no significant change in our cost and expense structure.

Summary Financial Forecasts*Projected Income Statement of cogint*

(in thousands)	2017E	2018P	2019P
Total Revenue	\$ 237,918	\$ 293,838	\$ 352,525
Net Income (Loss)	(\$ 1,197)	\$ 8,067	\$ 13,905
EBITDA	\$ 20,445	\$ 34,958	\$ 44,508
Adjusted EBITDA	\$ 36,173	\$ 49,574	\$ 61,606

Projected Cash Flow Statement of cogint

(in thousands)	Six Months Ending		Fiscal Year Ending December 31,
	December 31,	2018P	
	2017E		2019P
Net cash provided by Operating Activities	\$ 11,356	\$ 29,185	\$ 33,869
Net cash provided (used) by Investing Activities	\$ (807)	\$ (2,532)	\$ (1,478)
Net cash provided by Financing Activities	\$ 0	\$ 0	\$ 0
Cash at end of period	\$ 29,623	\$ 56,277	\$ 88,668

Projected Income Statement of the Identified Contributed Entities

The following is a summary of the financial forecasts prepared by BlueFocus's management and given to the Board and the Company's legal and financial advisors.

(in thousands)	Six Months Ending		Fiscal Year Ending December 31,		
	December 31, 2017E	2018P	2019P	2020P	
Total Revenue	\$ 117,883	\$ 250,411	\$ 283,231	\$ 321,234	
Operating Income (EBIT)	\$ 13,107	\$ 25,138	\$ 29,974	\$ 35,716	
Debt Free Net Income (NOPAT)	\$ 9,544	\$ 18,210	\$ 21,374	\$ 25,121	
Unlevered Free Cash Flows	\$ 19,728	\$ 17,766	\$ 20,809	\$ 24,520	

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IN THE BUSINESS COMBINATION**

The Audit Committee reviews and approves transactions in which the Company was or is to be a participant, where the amount involved exceeded or will exceed \$120,000 annually and any of its directors, executive officers or their immediate family members had or will have a direct or indirect material interest. The Company has a written policy stating that the Audit Committee is responsible for reviewing and, if appropriate, approving or ratifying any related party transactions. The related party transaction will not be approved unless at a minimum it is for the Company's benefit and is upon terms no less favorable to the Company than if the related party transaction was with an unrelated third party.

Promissory Notes

On December 8, 2015, cogint entered into and consummated the promissory notes financing (the Promissory Notes) with each of Frost Gamma Investment Trust (Frost Gamma), an affiliate of Phillip Frost, M.D., the Vice Chairman of cogint's Board of Directors, Michael Brauser, the Chairman of cogint's Board of Directors, and another investor, pursuant to which cogint issued Promissory Notes of \$5.0 million to Frost Gamma, \$4.0 million to Michael Brauser, and \$1.0 million to another investor, for an aggregate financing in the amount of \$10.0 million. As of the date of this Information Statement, there is \$5,557,987 outstanding under the promissory note to Frost Gamma, including accrued and unpaid interest, and \$4,446,390 outstanding under the promissory note to Michael Brauser, including accrued and unpaid interest. Pursuant to the terms of the Business Combination Agreement, BlueFocus will repay the entire principal and accrued and unpaid interest of the Promissory Notes upon completion of the Business Combination.

Vesting of RSUs and Restricted Stock

Pursuant to the terms of the Business Combination Agreement and the Employee Matters Agreement, all outstanding RSUs, including all RSUs held by the Company's directors and executive officers, will vest immediately prior to the Record Date and all shares of Common Stock underlying such RSUs will be delivered so that such shares will participate in the Cash Dividend and the Spin-off pro rata. Similarly, all shares of restricted stock of the Company, including all shares of restricted stock held by the Company's directors and executive officers, will vest immediately prior to the Record Date, so that such shares will participate in the Cash Dividend and Spin-off pro rata.

Certain executive officers of the Company may be entitled to severance or other payments or acceleration of their RSUs and restricted stock in connection with the Closing of the Business Combination, as the Business Combination is deemed a change of control under the applicable employment or grant agreement. Additional information regarding severance or other payments due to certain executive officers and the acceleration of their RSUs and restricted stock can be found in the sections titled Potential Payments Upon Termination or Change in Control and Executive Employment and Consulting Agreements, and additional information about shares of Common Stock, RSUs and restricted stock held by the officers and directors of the Company can be found in the section titled Security Ownership of Certain Beneficial Owners and Management.

Appointment of the Legacy Directors by the Legacy Stockholders

Pursuant to the Stockholders' Agreement, from and after the Closing and until the Stockholders' Agreement is terminated in accordance with its terms, the Company and BlueFocus are obligated to take all necessary actions (1) to ensure that (i) the Fluent Legacy Stockholders, which include Mr. Schulke, CEO of Fluent, and Mr. Conlin, President of Fluent, are entitled to nominate the RSMC Director and (ii) the cogint Legacy Stockholders, which includes

Mr. Brauser, Chairman and a consultant to the Company, are entitled to nominate the PFMB Director and who shall initially be Mr. Schulke, (2) to elect such Legacy Directors to the Board and (3) to nominate any successor Legacy Directors. Pursuant to the Stockholders Agreement, the Company and BlueFocus are also obligated to 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

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director, and are bound by certain obligations to effectuate the appointment of the Legacy Directors.

Additionally, under the Stockholders Agreement BlueFocus is also obligated to vote all of its 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.

Business Consulting Agreement

On October 13, 2014, the Company entered into a business consulting services agreement with Marlin Capital for a term of four years (the Marlin Consulting Agreement). Under the Marlin Consulting Agreement, Marlin Capital serves in the capacity of a strategic advisor to TBO and provides services such as recommendations on organizational structure, capital structure, future financing needs, and business strategy. The Marlin Consulting Agreement provided for equity compensation issued to Marlin Capital in the amount of 2,000,000 RSUs of TBO. The Company assumed these RSUs in the TBO Merger and the RSUs represent the right to receive 2,000,000 shares of the Company's Common Stock. The RSUs vest on four equal annual installments beginning October 13, 2015 only if certain performance goals of the Company are met. The shares underlying such RSUs will not be delivered until October 13, 2018, unless there is a change of control of the Company, including the Business Combination.

NO DISSENTER'S RIGHTS

The corporate actions described in this Information Statement will not afford to our stockholders the opportunity to dissent from such actions or to receive an agreed or judicially appraised value for their shares.

REGULATORY APPROVALS

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 SEC and Nasdaq, including approval of the matters set forth herein, and (v) continued listing of the Company's Common Stock on Nasdaq.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

General

The following is a summary description of the material U.S. federal income tax consequences of the Business Combination. This summary is not intended as a complete description of all of the tax consequences of the Business Combination and does not discuss tax consequences under the laws of state, local or foreign governments or any other jurisdiction. In addition, this discussion does not address other United States federal taxes (such as gift or estate taxes, the 3.8% tax imposed on certain net investment income, or alternative minimum taxes). Moreover, the tax treatment of a stockholder may vary, depending upon his, her or its particular situation. In this regard, special rules not discussed in this summary may apply to some of our stockholders. In

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addition, this summary applies only to shares which are held as capital assets. The following discussion may not be applicable to a stockholder who acquired his, her or its shares by exercising stock options or otherwise as compensation.

The following discussion is based on currently existing provisions of the Internal Revenue Code of 1986, as amended (the Code), existing, proposed and temporary treasury regulations promulgated under the Code and current administrative rulings and court decisions. All of the foregoing are subject to change, which may or may not be retroactive, and any of these changes could affect the validity of the following discussion.

Each stockholder is urged to consult his, her or its own tax advisor as to the particular tax consequences to him, her or it of the Business Combination described herein, including the applicability and effect of any state, local or foreign tax laws, and the possible effects of changes in applicable tax laws.

Tax Consequences of the Business Combination

We do not believe that the contribution of the Contributed Entities, 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 receiving a taxable distribution in an amount equal such stockholder's portion of the Cash Dividend, which will result in: (a) a dividend to the extent of such stockholder's ratable share of cogint's current and accumulated earnings and profits; then (b) 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 (a); and then (c) 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 (a) and (b). cogint will not be able to advise stockholders of the amount of its earnings and profits until after the end of the tax year in which the Cash Dividend occurs.

In addition, cogint or other applicable withholding agents may be required or permitted to withhold taxes at the applicable rate from all or a portion of the Cash Distribution payable to non-U.S. stockholders. Further, cogint or other applicable withholding agents may withhold from the Cash Distribution payable to non-U.S. stockholders any withholding taxes owed with respect to the Spin-off. Any cash so withheld shall be treated as if it were paid to such non-U.S. stockholders.

United States information reporting requirements and backup withholding may apply with respect to the Cash Dividend unless the stockholder: (a) is a corporation or non-U.S. holder or comes within certain other exempt categories, and, when required, demonstrates these facts (including by providing any applicable IRS form); or (b) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A stockholder who does not supply us with his, her or its correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service of the United States (the IRS). Any amount withheld under these rules will be creditable against the stockholder's U.S. federal income tax liability. Stockholders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption. If information reporting requirements apply to a stockholder, the amount of dividends paid with respect to the stockholder's shares will be reported annually to the IRS and to the stockholder.

STOCKHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE BUSINESS COMBINATION TO THEM.

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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.

Under the reverse acquisition, the accounting acquiree, the Company, will issue equity shares to the owner of the accounting acquirer, the Contributed Entities. The consideration transferred by the Contributed Entities for its interest in the Company will be based on the number of equity shares that the Contributed Entities would have issued to give the owners of the Company the same equity interest percentage in the combined entity that results from the reverse acquisition. The fair value of the number of equity shares that the Contributed Entities would have issued, combined with the Cash Consideration, will be used as the fair value of consideration transferred in exchange for the Company.

Under the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities of the Company as of the effective date of the transaction and those amounts will be added to those of the Contributed Entities. Any excess of purchase price over the fair value of the net assets acquired will be recorded as goodwill. Financial statements of the Company to be issued after the Closing will reflect these fair values and would not be restated retroactively to reflect the historical financial position or results of operations of the Company.

The Company s historical combined financial statements for the reporting period prior to the Closing of the Business Combination would be those of Contributed Entities, rather than those of the Company. The Company s consolidated financial statements for the period after the Closing, will recognize the Company and the Contributed Entities as a consolidated group for accounting and reporting purposes, albeit with a carryover capital structure inherited from the Company (attributable to the legal structure of the transaction).

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THE AMENDED AND RESTATED CHARTER

General

In connection with the Business Combination, our Board has adopted and the Consenting Stockholders have approved the Amended and Restated Charter to become effective only in connection with and immediately before the Closing which will (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.

Increase in the Number of Authorized Shares

Under the Amended and Restated Charter, the Company will be authorized to issue four hundred million (400,000,000) shares of Common Stock, par value \$0.0005, and ten million (10,000,000) shares of preferred stock, par value \$0.0001. This is an increase of 200,000,000 additional shares of Common Stock which the Company will be authorized to issue under the Amended and Restated Charter when compared to the Company's current certificate of incorporation (the "Share Increase") will permit the Company to issue the Purchased Shares to BlueFocus at the Closing of the Business Combination. The purpose of the Share Increase is to permit the Company to issue the Purchased Shares to BlueFocus at the Closing of the Business Combination in accordance with the Business Combination Agreement.

Action of Stockholders by Written Consent

Under the Amended and Restated Charter, until such time as BlueFocus or its successor-in-interest ceases to hold shares representing at least a majority of votes entitled to be cast in the election of directors, any action required or permitted to be taken by stockholders at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, so long as written consent is obtained from the holders of the minimum number of votes that would have been required to authorize or take action if such a meeting were held. From and after such time as BlueFocus or its successor-in-interest ceases to hold shares representing at least a majority of the votes entitled to be cast in the election of directors, any action required or permitted to be taken by stockholders may be effected only at a duly called annual or special meeting of stockholders and may not be effected by a written consent or consents by stockholders in lieu of such a meeting.

Under the Amended and Restated Charter, except as otherwise required by law, special meetings of our stockholders for any purpose or purposes may only be called by (1) the Board or the Secretary of the Company pursuant to a resolution adopted by a majority of directors then in office or (2) BlueFocus or its successor-in-interest, so long as BlueFocus or its successor-in-interest is the beneficial owner of at least a majority of the votes entitled to be cast in the election of directors. No business other than that stated in the notice of a special meeting may be transacted at such special meetings.

Corporate Opportunities

In order to address potential conflicts of interest between us and BlueFocus with respect to corporate opportunities that are otherwise permitted to be undertaken by us, the Amended and Restated Charter contains provisions regulating and defining the conduct of our affairs as they may involve BlueFocus and its officers and directors, and our powers, rights, duties and liabilities and those of our officers, directors and stockholders in connection with our relationship with BlueFocus. In general, these provisions recognize that we and BlueFocus may engage in the same or similar

business activities and lines of business, may have an interest in the same areas of corporate opportunities and may have contractual and business relations with each other, including directors and officers of BlueFocus serving as our directors and officers.

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The Amended and Restated Charter provides that BlueFocus will have no duty to refrain from:

engaging in the same or similar business activities or lines of business as us;

doing business with any of our clients or customers; or

employing or otherwise engaging any of our officers or employees.

The Amended and Restated Charter provides that if BlueFocus acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both us and BlueFocus, BlueFocus will have no duty to communicate or present such corporate opportunity to us and we will, to the fullest extent permitted by law, renounce any interest or expectancy in any such opportunity and waive any claim that such corporate opportunity be presented to us. BlueFocus will not be liable to us or our stockholders for breach of any fiduciary duty as a stockholder of us by reason of the fact that BlueFocus acquires or seeks the corporate opportunity for itself, directs that corporate opportunity to another person or does not present that corporate opportunity to us.

If one of our directors or officers who is also a director or officer of BlueFocus learns of a potential transaction or matter that may be a corporate opportunity for both us and BlueFocus and which may be properly pursued by us pursuant to the limitations related to our technology and product development and marketing activities, our Amended and Restated Charter provides that the director or officer will have satisfied his or her fiduciary duties to us and our stockholders, will not be liable for breach of fiduciary duties to us and our stockholders with respect to such corporate opportunity, and will be deemed not to have derived an improper personal economic gain from such corporate opportunity if the director or officer acts in good faith in a manner consistent with the following policy:

where an opportunity is offered to a cogint director (but not an officer) who is also a director or officer of BlueFocus, cogint will be entitled to pursue such opportunity only when expressly offered to such individual solely in his or her capacity as a cogint director;

where an opportunity is offered to a cogint officer who is also a BlueFocus officer, cogint will be entitled to pursue such opportunity only when expressly offered to such individual solely in his or her capacity as a cogint officer;

where an opportunity is offered to a cogint officer who is also a director (but not an officer) of BlueFocus, cogint will be entitled to pursue such opportunity unless expressly offered to the individual solely in his or her capacity as a BlueFocus director; and

where one of our officers or directors, who also serves as a director or officer of BlueFocus, learns of a potential transaction or matter that may be a corporate opportunity for both us and BlueFocus in any manner not addressed in the foregoing descriptions, such director or officer will have no duty to communicate or present that corporate opportunity to us and will not be liable to us or our stockholders for breach of

fiduciary duty by reason of the fact that BlueFocus pursues or acquires that corporate opportunity for itself. The foregoing limitation of liability provisions are not intended to be an allocation of corporate opportunities between us and BlueFocus or an exhaustive statement of corporate opportunities which may be available to us.

For purposes of the Amended and Restated Charter, corporate opportunities include business opportunities which we are financially able to undertake, which are, from their nature, in the line of our business, are of practical advantage to us and are ones in which we have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of BlueFocus or its officers or directors will be brought into conflict with us.

The vote of at least 80% of the votes entitled to be cast will be required to amend, alter, change or repeal these corporate opportunity provisions.

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THE REVERSE STOCK SPLIT

General

Our Board has adopted and the Consenting Stockholders have approved an amendment to our Amended and Restated Charter to authorize the Board, in its sole discretion, to effect the Reverse Stock Split of our outstanding shares of Common Stock. The authorization will permit the Board to effect the Reverse Stock Split at a ratio of between 1 for 2 and 1 for 4 (the Ratio). Also, the authorization will permit the Board to proportionately adjust all outstanding equity awards, warrants, or other derivative securities as appropriate. The Board may effect only one reverse stock split as a result of this authorization. The Board's decision as to whether and when to effect the Reverse Stock Split and at what ratio will be based on a number of factors, including market conditions, existing and expected trading prices for our Common Stock, and the continued listing requirements of Nasdaq. We will not effect the Reverse Stock Split if the Board does not in its sole discretion deem it to be in our best interests and the best interests of our stockholders. The Reverse Stock Split will be effected, if at all, after the Closing. The Reverse Stock Split will not change the par value of our Common Stock.

Purpose of the Reverse Stock Split

Our Board and the Consenting Stockholders approved the proposal authorizing an amendment to our Amended and Restated Charter to authorize the Board to effect the Reverse Stock Split based on the belief that:

effecting the Reverse Stock Split could, in some circumstances, be an effective means of maintaining compliance with the bid price requirement for continued listing of our Common Stock on Nasdaq; and

a higher stock price may help generate investor interest in us and help attract, retain, and motivate employees.

If the Reverse Stock Split successfully increases the per share price of our Common Stock, as to which no assurance can be given, the Board believes this increase may facilitate future financings, if sought, and enhance our ability to attract, retain, and motivate employees and other service providers.

Principal Effects of the Reverse Stock Split

Depending on the ratio determined by the Board, in its sole discretion, every two (2) to four (4) shares of our Common Stock either issued and outstanding or held by us in our treasury shall automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of our Common Stock. No fractional shares shall be issued in connection with the Reverse Stock Split. As discussed below, stockholders who otherwise would be entitled to receive fractional shares of Common Stock shall be entitled to receive cash (without interest or deduction) in lieu of such fractional share interests.

The Reverse Stock Split will be effected simultaneously for all issued and outstanding shares of Common Stock and the ratio will be the same for all issued and outstanding shares of Common Stock. The Reverse Stock Split will affect all shares of Common Stock uniformly and will not affect any stockholder's percentage ownership interests in us, except to the extent that the Reverse Stock Split results in any of our stockholders owning a fractional share. After the Reverse Stock Split, the shares of our Common Stock will have the same voting rights and rights to dividends and distributions and will be identical in all other respects to our Common Stock now authorized. Common Stock issued

pursuant to the Reverse Stock Split will remain fully paid and non-assessable. The Reverse Stock Split will not affect our continuing to be subject to the periodic reporting requirements of the Exchange Act. The Reverse Stock Split is not intended to be, and will not have the effect of, a going private transaction covered by Rule 13e-3 under the Exchange Act.

The Reverse Stock Split may result in some stockholders owning odd-lots of less than 100 shares of our Common Stock. Brokerage commissions and other costs of transactions in odd-lots may be higher than the costs of transactions in round-lots of even multiples of 100 shares.

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Procedure for Effecting the Reverse Stock Split and Exchange of Stock Certificates

We will file a certificate of amendment to our Amended and Restated Charter with the Secretary of the State of the State of Delaware. The certificate of amendment would add a new provision providing that holders of our Common Stock immediately before the filing of the amendment will receive one share of Common Stock for every two to four shares of our Common Stock held at the record date for the Reverse Stock Split. Upon the filing of the certificate of amendment, and without any further action on the part of the Company or our stockholders, the issued shares of Common Stock held by stockholders of record for the Reverse Stock Split would be converted into a lesser number of shares of Common Stock calculated in accordance with the Reverse Stock Split Ratio.

For example, if a stockholder presently holds 20 shares of our Common Stock, he or she would hold between 5 and 10 shares of Common Stock following the Reverse Stock Split. Beginning on the effective date of the Reverse Stock Split, each certificate representing pre-split shares would be deemed for all corporate purposes to evidence ownership of post-split shares. As soon as practicable after the effective date of the Reverse Stock Split, stockholders will be notified that the Reverse Stock Split has been effected.

Effect on Beneficial Holders (i.e., Stockholders Who Hold in Street Name)

Upon effecting the Reverse Stock Split, we intend to treat Common Stock held by stockholders in street name, through a bank, broker, or other nominee, in the same manner as stockholders whose shares are registered in their own names. Banks, brokers, or other nominees will be instructed to effect the Reverse Stock Split for their customers holding Common Stock in street name. However, these banks, brokers, or other nominees may have different procedures than registered stockholders for processing the Reverse Stock Split. If you hold shares of Common Stock with a bank, broker or other nominee and have any questions in this regard, you are encouraged to contact your bank, broker, or other nominee to discuss their procedures to implement the Reverse Stock Split.

Effect on Certificated Shares

Upon the effectiveness of the Reverse Stock Split, our exchange agent will assist holders of Common Stock in implementing the exchange of their certificates. Commencing on the effective date of the Reverse Stock Split, stockholders holding shares in certificated form will be sent a transmittal letter by our exchange agent. The letter of transmittal will contain instructions on how a stockholder should surrender his or her certificates representing Common Stock (Old Certificates) to the exchange agent in exchange for certificates representing the appropriate number of whole post-reverse stock split Common Stock, as applicable (New Certificates). No New Certificates will be issued to a stockholder until that stockholder has surrendered all Old Certificates, together with a properly completed and executed letter of transmittal, to the exchange agent. No stockholder will be required to pay a transfer or other fee to exchange Old Certificates. The letter of transmittal will contain instructions on how you may obtain New Certificates if your Old Certificates have been lost. If you have lost your certificates, you will have to pay any surety premium and the service fee required by our escrow agent. Until surrendered, we will deem outstanding Old Certificates held by stockholders to be canceled and only to represent the number of whole shares to which these stockholders are entitled. Any Old Certificates submitted for exchange, whether because of a sale, transfer or other disposition of shares, will automatically be exchanged for New Certificates.

Stockholders should not destroy any stock certificates and should not submit any certificates until requested to do so by the exchange agent. Shortly after the Reverse Stock Split has occurred the exchange agent will provide registered stockholders with instructions and a letter of transmittal for converting Old Certificates into New Certificates. Stockholders are encouraged to promptly surrender Old Certificates to the exchange agent in order to avoid having shares become subject to escheat laws.

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Authorized Shares of Common Stock

The Reverse Stock Split will not change the number of authorized shares of Common Stock but will increase the number of authorized shares available for future issuance for corporate needs such as equity financing, retirement of outstanding indebtedness, stock splits and stock dividends, employee benefit plans, or other corporate purposes as may be deemed by our Board to be in the best interests of the Company and its stockholders. Our Board believes the increase in available shares for future issuance is appropriate to fund such matters. It will also provide the Company with greater flexibility to respond quickly to advantageous business opportunities. However, we may from time to time explore opportunities to make acquisitions through the use of stock. As a result, the Company's current number of authorized shares of Common Stock may enable the Company to better meet its future business needs.

Effect on Stock Plans

Under the Cogint, Inc. 2015 Stock Incentive Plan, if the Board implements the Reverse Stock Split, as of the effective date, the number of shares subject to all outstanding equity awards, the number of shares available for issuance, under this plan will be proportionately adjusted using the reverse stock split ratio selected by our Board. For example, if the 1-for-4 Reverse Stock Split is effected, the 999,658 shares of Common Stock that remain available for issuance under the 2015 Plan as of November 30, 2017 would be adjusted to equal approximately 249,915 shares. Our Board of Directors has also authorized us to effect any other changes necessary, desirable, or appropriate to give effect to the Reverse Stock Split, including any applicable technical or conforming changes.

Fractional Shares

No fractional shares will be issued in connection with the Reverse Stock Split. Stockholders of record who otherwise would be entitled to receive fractional shares, because they hold a number of pre-split shares not evenly divisible by the number of pre-split shares for which each post-split share is to be exchanged, will be entitled, upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon surrender to the exchange agent of certificates representing such shares, to a cash payment in lieu thereof in an amount equal to the product obtained by multiplying (i) the closing sales price of our Common Stock as reported on the NASDAQ Capital Market on the effective date of Reverse Stock Split by (ii) the number of shares of our Common Stock held by such stockholder before the Reverse Stock Split that would otherwise have been exchanged for such fractional share interest. The ownership of a fractional interest will not give the holder thereof any voting, dividend, or other rights except to receive payment as described herein.

Stockholders should be aware that, under the escheat laws of the various jurisdictions where stockholders reside, where we are domiciled, and where the funds will be deposited, sums due for fractional interests that are not timely claimed after the effective date of the split may be required to be paid to the designated agent for each such jurisdiction, unless correspondence has been received by us or the exchange agent concerning ownership of such funds within the time permitted in such jurisdiction. Thereafter, stockholders otherwise entitled to receive such funds will have to seek to obtain them directly from the state to which they were paid.

Accounting Matters

The Reverse Stock Split will not affect the Common Stock capital account on our balance sheet. However, because the par value of our Common Stock will remain unchanged on the effective date of the split, the components that make up the Common Stock capital account will change by offsetting amounts. The stated capital component will be reduced to an amount of one-half to one-fourth (depending on the Ratio determined for the Reverse Stock Split) of its present amount, and the additional paid-in capital component will be increased with the amount by which the stated

capital is reduced. The per share net income or loss and net book value of our Common Stock will be increased because there will be fewer shares of Common Stock outstanding. Prior periods per share amounts will be adjusted to reflect the Reverse Stock Split.

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No Dissenters' Rights

Under the DGCL, our stockholders will not be entitled to dissenters' rights with respect to the Reverse Stock Split, and we do not intend to independently provide stockholders with any such right.

Material U.S. Federal Income Tax Consequences of the Reverse Stock Split

The following discussion describes the material U.S. federal income tax consequences to holders of our Common Stock relating to the Reverse Stock Split. The following discussion is based on currently existing provisions of the Code, existing, proposed and temporary treasury regulations promulgated under the Code and current administrative rulings and court decisions. All of the foregoing are subject to change, which may or may not be retroactive, and any of these changes could affect the validity of the following discussion. We have not obtained a ruling from the IRS or an opinion of legal or tax counsel with respect to the tax consequences of the Reverse Stock Split. The following discussion is for informational purposes only and is not intended as tax or legal advice. Each holder should seek advice based on the holder's particular circumstances from an independent tax advisor.

This discussion assumes that a holder holds our Common Stock as a capital asset within the meaning of Code Section 1221. This discussion does not address all of the tax consequences that may be relevant to a particular stockholder of ours or to our stockholders that are subject to special treatment under United States federal income tax laws including, but not limited to, banks, financial institutions, tax-exempt organizations, insurance companies, regulated investment companies, real estate investment trusts, persons that are broker-dealers, traders in securities who elect the mark-to-market method of accounting for their securities, certain former citizens or long-term residents of the U.S., or our stockholders holding their shares of our common stock as part of a straddle, hedge, conversion transaction, or other integrated transaction. This discussion also does not address the tax consequences to us, or to our stockholders that own 5% or more of our Common Stock, are affiliates of ours, or own (directly or indirectly) an interest in BlueFocus. In addition, this discussion does not address other United States federal taxes (such as gift or estate taxes, the 3.8% tax imposed on certain net investment income, or alternative minimum taxes), the tax consequences of the Reverse Stock Split under state, local, or foreign tax laws or certain tax reporting requirements that may be applicable with respect to the Reverse Stock Split. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax consequences set forth below.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) is a stockholder of ours, the tax treatment of a partner in the partnership, or any equity owner of such other entity will generally depend upon the status of the person and the activities of the partnership or other entity treated as a partnership for United States federal income tax purposes.

Except as described below with respect to cash received in lieu of a fractional share, holders generally will not recognize gain or loss as a result of the Reverse Stock Split.

The aggregate adjusted tax basis in the shares of cogint Common Stock received pursuant to the Reverse Stock Split will equal the aggregate adjusted tax basis of the shares of cogint Common Stock exchanged therefor (reduced by the amount of such basis that is allocated to any fractional share of cogint Common Stock). In general, each holder's holding period for the shares of cogint Common Stock received pursuant to the Reverse Stock Split will include the holding period in the shares of cogint Common Stock exchanged therefor. Holders that acquired cogint Common Stock on different dates and at different prices should consult their tax advisors regarding the allocation of the tax basis and holding period of such shares.

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Holders that, pursuant to the Reverse Stock Split, receive cash in lieu of a fractional share will recognize capital gain or loss in an amount equal to the difference, if any, between the amount of cash received and the portion of such holder's aggregate adjusted tax basis in the shares of cogint Common Stock surrendered that is

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allocated to such fractional share. Such capital gain or loss will generally be long-term capital gain or loss if share of cogint Common Stock surrendered in the Reverse Stock Split were held for more than one year. The deductibility of capital losses is subject to limitations.

United States information reporting requirements and backup withholding may apply with respect to cash payments made in lieu of a fractional share in the Reverse Stock Split unless the stockholder: (a) is a corporation or non-U.S. holder or comes within certain other exempt categories, and, when required, demonstrates these facts (including by providing any applicable IRS form); or (b) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A stockholder who does not supply us with his, her or its correct taxpayer identification number may be subject to penalties imposed by the IRS. Any amount withheld under these rules will be creditable against the stockholder's U.S. federal income tax liability. Stockholders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption. If information reporting requirements apply to a stockholder, the amount of cash paid with respect to the stockholder's fractional share will be reported to the IRS and to the stockholder.

STOCKHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE REVERSE STOCK SPLIT TO THEM.

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INCREASE IN SHARES AVAILABLE UNDER THE 2015 COGINT, INC.

STOCK INCENTIVE PLAN

The Board and the Consenting Stockholders have approved the Plan Increase. The primary purpose of the 2015 Plan is to attract, retain, reward and motivate certain individuals by providing them with an opportunity to acquire or increase a proprietary interest in the Company and to incentivize them to expend maximum effort for the growth and success of the Company, so as to strengthen the mutuality of the interests between such individuals and the stockholders of the Company. The increase is intended to provide for equity awards to potential newly hired persons during the pendency of the Business Combination. As discussed below under the caption New 2015 Plan Benefits, no awards have been granted to current employees with respect to the increase. However, because it is not certain how quickly the Company will close the Business Combination, the Board believes it is appropriate at this time to increase the number of shares available for issuance under the 2015 Plan.

The following discussion summarizes the material terms of the 2015 Plan. This discussion is not intended to be complete and is qualified in its entirety by (i) reference to the full text of the 2015 Plan, which is available as Annex A to the Company's 2015 Proxy Statement for the 2015 Annual Meeting of Stockholders and (ii) the amendment to the 2015 Plan to effect the Plan Increase included as Annex I to this Information Statement, both of which are incorporated herein by reference.

Administration

The 2015 Plan is administered by the Compensation Committee of the Board (for purpose of this description of the 2015 Plan, the Committee). If no Committee exists, the independent Board members will exercise the functions of the Committee.

All grants under the 2015 Plan will be evidenced by a grant agreement (an Award Agreement) that will incorporate the terms and conditions as the Committee deems necessary or appropriate.

Coverage Eligibility and Annual Grant Limits

The 2015 Plan provides for the issuance of awards (each, an Award) consisting of stock options (Options), stock appreciation rights (SARs), restricted stock (Restricted Stock), RSUs, performance shares (Performance Shares) and performance units (Performance Units). Incentive stock options (ISOs) may be granted under the 2015 Plan only to our employees. Our employees, consultants, directors, independent contractors and certain prospective employees who have committed to become an employee are eligible to receive all other types of awards under the 2015 Plan (each an Eligible Individual).

The granting of Awards under the 2015 Plan shall be subject to the following limitations, after giving effect to the Plan Increase: (i) a maximum of 13,500,000 shares of common stock may be subject to grants of ISOs; (ii) a maximum of 13,500,000 shares may be issued in connection with Awards, other than Options and SARs, that are settled in common stock; (iii) a maximum of 13,500,000 of shares may be subject to grants of Options or SARs to any one Eligible Individual during any one fiscal year; (iv) a maximum of 13,500,000 of such shares may be subject to grants of Performance Shares, Restricted Stock, RSUs, and Awards of common stock to any one Eligible Individual during any one fiscal year; and (v) the maximum value on the date of grant of Performance Units which may be granted to any one Eligible Individual during any one fiscal year shall be \$1,000,000.

Shares Reserved for Issuance Under the 2015 Plan

Subject to adjustment as described below and under the section titled Change in Control, upon approval of the increase in the number of shares available for issuance under the 2015 Plan, the total number of shares of common stock that may be issued pursuant to Awards granted under the Plan, after giving effect to the Plan

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Increase, shall be 13,500,000 shares. Notwithstanding the foregoing, if any Award is cancelled, forfeited or terminated for any reason prior to exercise, delivery or becoming vested in full, the shares of common stock that were subject to such Award shall become available for future Awards granted under the 2015 Plan; provided, however, that any shares of common stock subject to an Award that are cancelled to pay the exercise price of a stock option, purchase price or any taxes or tax withholdings on an Award will not be available for future Awards granted under this 2015 Plan.

If the outstanding shares of common stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities by reason of any recapitalization, reclassification, reorganization, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock of the Company or other increase or decrease in such shares effected without receipt of consideration by the Company, an appropriate and proportionate adjustment shall be made by the Committee to: (i) the aggregate number and kind of shares of common stock available under the 2015 Plan, (ii) the calculation of the reduction of shares of common stock available under the 2015 Plan, (iii) the number and kind of shares of common stock issuable pursuant to outstanding Awards granted under the 2015 Plan and/or (iv) the exercise price of outstanding Options or SARs granted under the 2015 Plan. No fractional shares of common stock or units of other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share or unit. Any adjustments made to any ISO shall be made in accordance with Section 424 of the Code.

Stock Options

The Committee acting in its absolute discretion has the right to grant Options to Eligible Individuals to purchase shares of common stock. Each grant shall be evidenced by an option certificate setting forth whether the Option is an ISO, which is intended to qualify for special tax treatment under Section 422 of the Code, or an option which is not intended to qualify as an ISO (Non-ISO). Each Option granted under the 2015 Plan entitles the holder thereof to purchase the number of shares of common stock specified in the grant at the exercise price specified in the related option certificate. At the discretion of the Committee, the option certificate can provide for payment of the exercise price either in cash, by check, bank draft, money order, in common stock and by any other method which the Committee, in its sole and absolute discretion and to the extent permitted by applicable law, may permit.

The terms and conditions of each Option granted under the 2015 Plan will be determined by the Committee, but no Option will be granted at an exercise price which is less than the fair market value of the common stock on the grant date (generally, the closing price for the common stock on the principal securities exchange on which the common stock is traded or listed on the date the Option is granted or, if there was no closing price on that date, on the last preceding date on which a closing price was reported). In addition, if the Option is an ISO that is granted to a 10% stockholder of the Company, the Option exercise price will be no less than 110% of the fair market value of the shares of common stock on the grant date. Except for adjustments as described under Shares Reserved for Issuance Under the 2015 Plan above and Change in Control below, without the approval of the Company's stockholders, the option price shall not be reduced after the Option is granted, an Option may not be cancelled in exchange for cash or another Award, and no other action may be made with respect to an Option that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the common stock is traded.

No Options may be exercised prior to the satisfaction of the conditions and vesting schedule provided for in the 2015 Plan and in the Award Agreement relating thereto. No Option may be exercisable more than 10 years from the grant date, or, if the Option is an ISO granted to a 10% stockholder of the Company, it may not be exercisable more than 10 years from the grant date. Moreover, no Option will be treated as an ISO to the extent that the aggregate fair market value of the common stock subject to the Option (determined as of the date the ISO was granted) which would first

become exercisable in any calendar year exceeds \$100,000. The Committee may

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not, as part of an Option grant, provide for an Option reload feature whereby an additional Option is automatically granted to pay all or a part of the Option exercise price or a part of any related tax withholding requirement.

Restricted Stock and Restricted Stock Units

The Committee may grant to such Eligible Individuals as the Committee may determine, Restricted Stock and RSUs, in such amounts and on such terms and conditions as the Committee shall determine in its sole and absolute discretion. The Committee shall impose such restrictions on any Restricted Stock and RSUs granted pursuant to the 2015 Plan as it may deem advisable including, without limitation, time-based vesting restrictions or the attainment of performance goals (Performance Goals). With respect to a grant of Restricted Stock, the Company may issue a certificate evidencing such Restricted Stock to the Eligible Individual or issue and hold such shares of Restricted Stock for the benefit of the Eligible Individual until the applicable restrictions expire. The Company may legend the certificate representing Restricted Stock to give appropriate notice of such restrictions. Unless otherwise provided in an Award Agreement, until the expiration of all applicable restrictions, (i) the Restricted Stock shall be treated as outstanding, (ii) the Eligible Individual holding shares of Restricted Stock may exercise full voting rights with respect to such shares, and (iii) the Eligible Individual holding shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such shares while they are so held. If any such dividends or distributions are paid in shares of common stock, such shares shall be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Notwithstanding anything to the contrary, at the discretion of the Committee, all such dividends and distributions may be held in escrow by the Company (subject to the same restrictions on forfeitability) until all restrictions on the respective Restricted Stock have lapsed. Holders of the RSUs shall not have any of the rights of a stockholder, including the right to vote or receive dividends and other distributions, until common stock shall have been issued in the Eligible Individual's name pursuant to the RSUs; provided, however the Committee, in its sole and absolute discretion, may provide for dividend equivalents on vested RSUs.

Unless otherwise provided in the 2015 Plan or Award Agreement, common stock will be issued with respect to RSUs no later than March 15 of the year immediately following the year in which the RSUs are first no longer subject to a substantial risk of forfeiture as such term is defined in Section 409A of the Code and the regulations issued thereunder (RSU Payment Date). In the event that the Eligible Individual has elected to defer the receipt of common stock pursuant to an Award Agreement beyond the RSU Payment Date, then the common stock will be issued at the time specified in the Award Agreement or related deferral election form. In addition, unless otherwise provided in the Award Agreement, if the receipt of common stock is deferred past the RSU Payment Date, dividend equivalents on the common stock covered by the RSUs shall be deferred until the RSU Payment Date.

Stock Appreciation Rights

The Committee has the right to grant SARs to Eligible Individuals in such amounts and on such terms and conditions as the Committee shall determine in its sole and absolute discretion. Unless otherwise provided in an Award Agreement, the terms and conditions (including, without limitation, the limitations on the exercise price, exercise period, repricing and termination) of the SAR shall be substantially identical to the terms and conditions that would have been applicable were the grant of the SAR a grant of an Option. Unless otherwise provided in an Award Agreement, upon exercise of a SAR the Eligible Individual shall be entitled to receive payment, in cash, in shares of common stock, or in a combination thereof, as determined by the Committee in its sole and absolute discretion. The amount of such payment shall be determined by multiplying the excess, if any, of the fair market value of a share of common stock on the date of exercise over the fair market value of a share of common stock on the grant date, by the number of shares of common stock with respect to which the SAR are then being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to a SAR by including such

limitation in the Award Agreement.

Table of Contents**Performance Shares and Performance Units**

Performance Shares and Performance Units may be granted to Eligible Individuals under the 2015 Plan. The applicable Award Agreement shall set forth (i) the number of Performance Shares or the dollar value of Performance Units granted to the participant; (ii) the performance period and Performance Goals with respect to each such Award; (iii) the threshold, target and maximum shares of common stock or dollar values of each Performance Share or Performance Unit and corresponding Performance Goals; and (iv) any other terms and conditions as the Committee determines in its sole and absolute discretion. Unless otherwise provided in an Award Agreement, the Committee shall determine in its sole and absolute discretion whether payment with respect to the Performance Share or Performance Unit shall be made in cash, in shares of common stock, or in a combination thereof.

Performance Goals

Performance Goals will be based on one or more of the following criteria: (i) the Company's enterprise value or value creation targets; (ii) the Company's after-tax or pre-tax profits including, without limitation, that attributable to Company's continuing and/or other operations; (iii) the Company's operational cash flow or working capital, or a component thereof; (iv) the Company's operational costs, or a component thereof; (v) limiting the level of increase in all or a portion of bank debt or other of the Company's long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of cash balances and/or other offsets and adjustments as may be established by the Committee; (vi) earnings per share or earnings per share from the Company's continuing operations; (vii) the Company's net sales, revenues, net income or earnings before income tax or other exclusions; (viii) the Company's return on capital employed or return on invested capital; (ix) the Company's after-tax or pre-tax return on stockholder equity; (x) the attainment of certain target levels in the fair market value of the Company's common stock; (xi) the growth in the value of an investment in the common stock assuming the reinvestment of dividends; and/or (xii) EBITDA (earnings before income tax, depreciation and amortization). In addition, Performance Goals may be based upon the attainment by a subsidiary, division or other operational unit of the Company of specified levels of performance under one or more of the measures described above. Further, the Performance Goals may be based upon the attainment by the Company (or a subsidiary, division, facility or other operational unit) of specified levels of performance under one or more of the foregoing measures relative to the performance of other corporations. To the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval), the Committee may, in its sole and absolute discretion: (i) designate additional business criteria upon which the Performance Goals may be based; (ii) modify, amend or adjust the business criteria described herein; or (iii) incorporate in the Performance Goals provisions regarding changes in accounting methods, corporate transactions (including, without limitation, dispositions or acquisitions) and similar events or circumstances. Performance Goals may include a threshold level of performance below which no Award will be earned, levels of performance at which an Award will become partially earned and a level at which an Award will be fully earned.

Non-Transferability

No Award will be transferable by an Eligible Individual other than by will or the laws of descent and distribution, and any Option or SAR will (absent the Committee's consent) be exercisable during an Eligible Individual's lifetime only by the Eligible Individual, except that the Committee may provide in an Award Agreement that an Eligible Individual's may transfer an award to a family member, as such term is defined in the Form S-8 Registration Statement under the Securities Act of 1933, as amended, under such terms and conditions as specified by the Committee.

Amendments to the 2015 Plan

The 2015 Plan may be amended by the Board to the extent that it deems necessary or appropriate provided, however, that the approval of the stockholders shall be required for any amendment: (i) that changes the class of individuals eligible to receive Awards under the 2015 Plan; (ii) that increases the maximum number of shares of

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common stock in the aggregate that may be subject to Awards that are granted under the 2015 Plan (except as otherwise permitted under the 2015 Plan); (iii) the approval of which is necessary to comply with federal or state law or with the rules of any stock exchange or automated quotation system on which the common stock may be listed or traded; or (iv) that proposed to eliminate a requirement provided herein that the stockholders of the Company must approve an action to be undertaken under the 2015 Plan. Except as expressly provided in the 2015 Plan, no amendment, suspension or termination of the 2015 Plan shall, without the consent of the holder of an Award, alter or impair rights or obligations under any Award theretofore granted under the 2015 Plan. Awards granted prior to the termination of the 2015 Plan may extend beyond the date the 2015 Plan is terminated and shall continue subject to the terms of the 2015 Plan as in effect on the date the 2015 Plan is terminated.

Change in Control

Upon the occurrence of a Change in Control (as defined in the 2015 Plan), the Committee may, in its sole and absolute discretion, provide on a case by case basis that (i) all Awards shall terminate, provided that participants shall have the right, immediately prior to the occurrence of such Change in Control and during such reasonable period as the Committee in its sole discretion shall determine and designate, to exercise any Award, (ii) all Awards shall terminate, provided that participants shall be entitled to a cash payment equal to the price per share of common stock paid in the Change in Control transaction, with respect to shares subject to the vested portion of the Award, net of the exercise price thereof, if applicable, (iii) in connection with a liquidation or dissolution of the Company, the Awards, to the extent vested, shall convert into the right to receive liquidation proceeds net of the exercise price (if applicable), (iv) accelerate the vesting of Awards and (v) any combination of the foregoing. In the event that the Committee does not terminate or convert an Award upon a Change in Control of the Company, then the Award shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring, or succeeding corporation (or an affiliate thereof).

Federal Income Tax Consequence of the 2015 Plan

The rules concerning the federal income tax consequences of Awards under the 2015 Plan are technical, and reasonable persons may differ on their proper interpretation. Moreover, the applicable statutory and regulatory provisions are subject to change, as are their interpretations and applications, which may vary in individual circumstances. Therefore, the following discussion is designed to provide only a brief, general summary description of the federal income tax consequences associated with such grants, based on a good faith interpretation of the current federal income tax laws, regulations (including certain proposed regulations) and judicial and administrative interpretations. The following discussion does not set forth (1) any federal tax consequences other than income tax consequences or (2) any state, local or foreign tax consequences that may apply.

ISOs. In general, an employee will not recognize taxable income upon the grant or the exercise of an ISO. For purposes of the alternative minimum tax, however, the employee will be required to treat an amount equal to the difference between the fair market value of the common stock on the date of exercise over the option exercise price as an item of adjustment in computing the employee's alternative minimum taxable income. If the employee does not dispose of the common stock received pursuant to the exercise of the ISO within either (1) two years after the date of the grant of the ISO or (2) one year after the date of the exercise of the ISO, a subsequent disposition of the common stock generally will result in long-term capital gain or loss to such individual with respect to the difference between the amount realized on the disposition and exercise price. The Company will not be entitled to any federal income tax deduction as a result of such disposition. In addition, the Company normally will not be entitled to take a federal income tax deduction on either the grant date or upon the exercise of an ISO.

If the employee disposes of the common stock acquired upon exercise of the ISO within either of the above-mentioned time periods, then in the year of such disposition, the employee generally will recognize ordinary

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income, and the Company will be entitled to a federal income tax deduction (provided the Company satisfies applicable federal income tax reporting requirements), in an amount equal to the lesser of (1) the excess of the fair market value of the common stock on the date of exercise over the option exercise price or (2) the amount realized upon disposition of the common stock over the exercise price. Any gain in excess of such amount recognized by the employee as ordinary income would be taxed to such individual as short-term or long-term capital gain (depending on the applicable holding period).

Non-ISOs. An Eligible Individual will not recognize any taxable income upon the grant of a Non-ISO, and the Company will not be entitled to take an income tax deduction at the time of such grant. Upon the exercise of a Non-ISO, the Eligible Individual generally will recognize ordinary income and the Company will be entitled to a federal income tax deduction (provided the Company satisfies applicable federal income tax reporting requirements) in an amount equal to the excess of the fair market value of the common stock on the date of exercise over the option exercise price. Upon a subsequent sale of the common stock by the Eligible Individual, such individual will recognize short-term or long-term capital gain or loss (depending on the applicable holding period).

SARs. An Eligible Individual will not recognize any taxable income upon the grant of a SAR, and the Company will not be entitled to take an income tax deduction at the time of such grant. An Eligible Individual will recognize ordinary income for federal income tax purposes upon the exercise of a SAR under the 2015 Plan for cash, common stock or a combination of cash and common stock, and the amount of income that the Eligible Individual will recognize will depend on the amount of cash, if any, and the fair market value of the common stock, if any, that the Eligible Individual receives as a result of such exercise. The Company generally will be entitled to a federal income tax deduction in an amount equal to the ordinary income recognized by the Eligible Individual in the same taxable year in which the Eligible Individual recognizes such income, if the Company satisfies applicable federal income tax reporting requirements.

Restricted Stock. The Eligible Individual who receives Restricted Stock generally will not be subject to tax until the shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Code (the Restrictions). At such time the Eligible Individual will be subject to tax at ordinary income rates on the fair market value of the Restricted Stock (reduced by any amount paid by the participant for such Restricted Stock). However, an Eligible Individual who makes an election under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the Restrictions) over the purchase price, if any, of such restricted shares. Any appreciation (or depreciation) realized upon a later disposition of such shares will be treated as long-term or short-term capital gain (or loss) depending upon how long the shares have been held. If a Section 83(b) election has not been made, any dividends received with respect to restricted shares that are subject to the Restrictions generally will be treated as compensation that is taxable as ordinary income to the participant and not eligible for the reduced tax rate applicable to dividends. The Company generally will be entitled to a federal income tax deduction in an amount equal to the ordinary income recognized by the Eligible Individual in the same taxable year in which the Eligible Individual recognizes such income, if the Company satisfies applicable federal income tax reporting requirements.

Restricted Stock Units. Generally, no income will be recognized upon the award of RSUs. An Eligible Individual who receives RSUs generally will be subject to tax at ordinary income rates on any cash received and the fair market value of any shares of common stock or other property on the date that such amounts are transferred to the Eligible Individual under the award (reduced by any amount paid by the Eligible Individual for such RSU). The Company generally will be entitled to a federal income tax deduction in an amount equal to the ordinary income recognized by the Eligible Individual in the same taxable year in which the Eligible Individual recognizes such income.

Performance Units and Performance Shares. No income generally will be recognized upon the grant of a Performance Unit or Performance Share. Upon payment in respect of a Performance Unit or Performance Share,

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the Eligible Individual generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of any nonrestricted shares of common stock or other property received. The Company generally will be entitled to a federal income tax deduction in an amount equal to the ordinary income recognized by the Eligible Individual in the same taxable year in which the Eligible Individual recognizes such income.

Code Section 162(m). Code Section 162(m) imposes a \$1 million deduction limitation on the compensation paid to a public company's most senior executives unless the compensation meets one of the exceptions to this limitation. One current exception (changes to which are under consideration and cannot be predicted) is for option grants made at fair market value. Another exception is for grants which are made subject to the satisfaction of one or more Performance Goals which are set in accordance with Code Section 162(m) and which are forfeited if there is a failure to satisfy those Performance Goals. The 2015 Plan has been designed so that the Committee can make grants which can satisfy the requirements for these exceptions.

Equity Compensation Plan Information

The following table lists all securities authorized for issuance and outstanding under our equity compensation plans at December 31, 2016:

Plan category	Number of securities to be issued upon exercise of outstanding options and stock awards	Weighted average exercise price of outstanding options (excluding outstanding restricted share units)	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding options)
Equity compensation plans approved by security holders	6,880,030	\$ 10.25	5,736,310
Equity compensation plans not approved by security holders			
New 2015 Plan Benefits			

No awards have been made with respect to the Plan Increase and as such, we have not included a New Plan Benefits table called for by Item 10 of Schedule 14A.

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EXECUTIVE COMPENSATION

Compensation Committee Report

The following statement made by our Compensation Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate such statement by reference.

cogint's Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Information Statement.

Compensation Committee:

Steven D. Rubin Chairman

Robert Fried

Peter Benz

Donald Mathis

Compensation Discussion and Analysis

Overview

This discussion and analysis describes the material elements of compensation awarded to, earned by, or paid to the named executive officers of the Company during 2016, and provides a brief summary of the compensation to be paid to the executive officers in 2017. Throughout this analysis, the individuals who served as the Chief Executive Officer and Chief Financial Officer during 2016, as well as other individuals included in the Summary Compensation Table and other tables below, are referred to as the named executive officers.

Background. During 2014 and before the March 21, 2015 merger (TBO Merger) between Tiger Media, Inc. (Tiger Media) and The Best One, Inc. (TBO), Tiger Media was engaged in the outdoor advertising business in China. Before the TBO Merger, Peter W. H. Tan served as Chief Executive Officer of Tiger Media and following the TBO Merger, whereby TBO became a wholly-owned subsidiary of the Company, Derek Dubner joined Peter Tan as Co-Chief Executive Officers of the Company. Jacky Wang joined Tiger Media as Chief Financial Officer on August 1, 2014. Before Mr. Wang, during 2014, Peter Tan served as Interim Chief Financial Officer. Tiger Media changed its name to IDI, Inc. in April 2015. Company subsidiary TBO changed its name to IDI Holdings in March 2015. In June 2015, in connection with the continuing shift in the Company's focus towards the big data and analytics sector via subsidiary Interactive Data, the Company's Board approved a plan to discontinue the operations of its Chinese- and British Virgin Islands-based subsidiaries. None of the executives serving the Company during 2014 and through completion of the TBO Merger served as a named executive officer during 2016 and as such neither this discussion nor the tables that follow include 2014 information.

In June 2015, the Board appointed Michael Brauser as the Company's Executive Chairman and principal executive officer, Aaron Solomon as interim Chief Financial Officer, James Reilly as President and Chief Operating Officer, and Mr. Wang changed position from Chief Financial Officer to Chief Accounting Officer. In March 2016, Daniel MacLachlan, who had been the Chief Financial Officer of TBO until early February 2015, was appointed Chief Financial Officer and Mr. Solomon was appointed Senior Vice President of Finance and Administration. In December 2015, the Company provided Peter Tan notice of non-renewal of his employment agreement. In March 2016, the Company's Board of Directors removed Mr. Tan as Co-Chief Executive Officer and appointed Derek Dubner as sole Chief Executive Officer. In July 2016, a temporary injunction was entered against Mr. Reilly, in the matter of TransUnion Risk and Alternative Data Solutions, Inc. vs. James Reilly. On

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March 23, 2017, the court granted Mr. Reilly's motion to modify the temporary injunction from a period of two years to one year. During the pendency of the temporary injunction, Mr. Reilly's responsibilities as President were assigned to Mr. Dubner. Mr. Reilly resumed performance of services for the Company as President effective July 1, 2017 and Mr. Dubner continued as Chief Executive Officer. In August 2016, the Board appointed Harry Jordan as the Company's Chief Operating Officer. In September 2016, the Board appointed Jeff Dell as Chief Information Officer. Also, in September 2016, IDI, Inc. changed its name to Cogint, Inc. and transferred its Common Stock exchange listing to The Nasdaq Stock Market LLC from the NYSE MKT. Effective June 23, 2017, Mr. Brauser's employment agreement was terminated but he continued to serve as Chairman of the Board (but not as a principal executive officer) and began providing strategic consulting services to the Company pursuant to a consulting agreement, as described below.

Material Elements of Our Compensation Policy

The core objective of our compensation programs for 2016 was to secure and retain the services of highly-qualified executives, with the goal of conserving cash and using non-cash compensation as incentive. We use a combination of salary and long-term equity incentives, principally in the form of restricted stock units (RSUs), to compensate our executives.

The Compensation Committee has not engaged the services of outside compensation consultants nor has it used any specific formula, factors, or particular criteria to be met by a named executive officer or assigned any relative weight to any factors or criteria. Rather the Compensation Committee has considered, holistically, the experience, skills, knowledge and responsibilities of the named executive officers in their respective roles taking into account the strategic direction of the business. Thus, as our business has shifted focus from the outdoor advertising business to big data and analytics, we have evolved our compensation strategy to align with our revised strategic focus.

Grants of equity awards are designed to provide a strong incentive for achieving long-term results by aligning the interests of our executives with those of our stockholders, while at the same time encouraging our executives to remain with the Company. The Compensation Committee believes our compensation programs for the named executive officers is appropriately based upon the Company's performance and the performance and level of responsibility of the executive officer.

Before the TBO Merger, compensation matters were largely determined by the Compensation Committee, with input from Mr. Tan other than with respect to his compensation. The Compensation Committee is responsible for the oversight, implementation, and administration of all of the executive compensation plans and programs. At that time, the Compensation Committee was comprised of Steven D. Rubin, who was the Chairman, and Robert Fried. After the TBO Merger, and the subsequent discontinuation of the outdoor advertising business, Messrs. Brauser and Dubner made recommendations to the Compensation Committee other than with respect to their own respective compensation. In December 2015, Donald Mathis, a Fluent designee to our Board, joined the Compensation Committee. In September 2016, Peter Benz joined the Compensation Committee.

Long-Term Equity Incentive Compensation

One of the key elements of our compensation strategy is long-term equity incentives, principally RSUs. A predecessor of the Company adopted the SearchMedia International Limited (SMIL) 2008 Amended and Restated Share Incentive Plan (the 2008 Plan), which established an initial pool of 359,370 equity awards to employees, directors and consultants (SMIL was combined with Ideation Acquisition Corp. (Ideation), a predecessor of the Company in 2009). The 2008 Plan was approved by the combined entities' stockholders at a Special Meeting of Stockholders held on October 27, 2009 and was later amended to increase the number of eligible equity awards to 600,000 shares, and in

September 2011, to 900,000 shares and to 1.2 million shares in December 2013.

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In April 2015, the Compensation Committee adopted the 2015 Plan, which provided a pool of 2.5 million equity awards. The 2015 Plan was approved by the Company stockholders at the Annual Meeting of Stockholders in June 2015. In November 2015, the Board approved an increase of the 2015 Plan from 2.5 million shares to 12.5 million shares. The Compensation Committee determined the increase in the 2015 Plan was warranted as a result of the Company's acquisition by merger of Fluent and the need to establish a pool of equity awards for the Fluent employees, as well as the anticipated expansion of the Company's business, including additional personnel. The increase in the 2015 Plan was approved by the Company stockholders at the Annual Meeting of Stockholders held in June 2016.

Effective September 6, 2017, the Board and the Company's Compensation Committee approved an increase in the number of shares eligible for issuance under the 2015 Plan by 1,000,000, resulting in an aggregate of 13,500,000 shares of Common Stock issuable under the 2015 Plan. Also, the Consenting Stockholders approved the amendment to the 2015 Plan on September 6, 2017 pursuant to the Written Consent.

2016 Compensation Policies and 2017 Compensation Matters

We continue our policy to secure and retain the services of highly-qualified executives and to provide compensation to our executives commensurate and aligned with our performance, advancing both our short- and long-term interests and those of our stockholders. We utilize base salary and non-cash long-term incentives to retain talented executives while conserving cash resources and leveraging a greater portion of overall compensation to non-cash, long-term equity incentives.

When determining base salary, the Compensation Committee did not use any specific formula, factors, or particular criteria to be met by a named executive officer and did not assign any relative weight to any factors or criteria to be considered. Rather, the Compensation Committee exercised its judgment, discretion, and experience with developing businesses by considering all factors deemed relevant. In determining base salaries for 2016, the Compensation Committee considered the experience, skills, knowledge, and responsibilities of the named executive officers in their respective roles.

As a result of providing certain consulting services, Mr. Brauser was granted 175,000 RSUs on April 29, 2015 at a fair value of \$5.60 per share, which vest over three years (the 2015 Brauser RSUs). Mr. Brauser was elected to the Company's Board and was appointed Executive Chairman in June 2015. Mr. Brauser began receiving an annual salary of \$1.00 commencing in September 2015, which was increased to \$25,000 on January 1, 2016.

In recognition of Mr. Brauser's efforts, including those as the driving force in identifying Fluent as a strategic merger partner and consummating the transaction in December 2015, based on Mr. Brauser's preference that compensation for his efforts on behalf of the Company be aligned primarily with the interests of the Company and its stockholders, the Compensation Committee entered into an employment agreement with Mr. Brauser on November 16, 2015 to increase his salary to \$25,000 per annum and provide for the award of 5.0 million RSUs outside of the 2015 Plan at a fair value of \$10.33, subject to stockholder approval (the Fluent Brauser RSUs). The Fluent Brauser RSUs were approved at the 2016 Annual Meeting of Stockholders. The Fluent Brauser RSUs vest over a four-year period, provided that the Company has gross revenue in excess of \$100 million and positive EBITDA in any one fiscal year during the vesting period (the Performance Vesting Conditions). The Company determined the Performance Vesting Conditions were met, effective March 14, 2017, and as a result, 1.25 million of the Fluent Brauser RSUs vested. Mr. Brauser has elected to defer delivery of any vested Fluent Brauser RSUs until his separation from service from the Company or death or disability. In addition, the Fluent Brauser RSUs will vest immediately upon: (i) a change in control, (ii) a termination of Brauser's employment without cause, (iii) Mr. Brauser's termination of his employment for good reason, or (iv) his death or disability (as such terms are defined in the amended employment agreement) (the Additional Vesting Conditions).

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On April 13, 2017, Mr. Brauser received a grant of 125,000 RSUs at a fair value of \$5.60 per share (the 2017 Brauser RSUs, and together with the 2015 Brauser RSUs and the Fluent Brauser RSUs, the Brauser RSUs). The 2017 Brauser RSUs vest over three years, with one third of the 2017 Brauser RSUs having vested on June 1, 2017 and the remaining 2017 Brauser RSUs vesting on June 1, 2018 and 2019 in equal amounts, subject to accelerated vesting under certain conditions.

On August 8, 2017, the Mr. Brauser's employment agreement was terminated, effective June 23, 2017 (the Brauser Effective Date). On August 8, 2017, the Compensation Committee also authorized an amendment to the agreement pursuant to which Mr. Brauser was granted the Fluent Brauser RSUs providing that (i) Mr. Brauser continues to serve as Chairman of the Board from the Brauser Effective Date (but no longer serves as an officer or employee of the Company, and no longer serves as principal executive officer of the Company) and (ii) the Fluent Brauser RSUs will not be forfeited provided Mr. Brauser continues to provide services to the Company in any capacity. Additionally, effective on the Brauser Effective Date Mr. Brauser began providing strategic consulting services to the Company pursuant to a consulting services agreement dated August 8, 2017 (the Brauser Consulting Agreement). Pursuant to the terms of the Brauser Consulting Agreement, Mr. Brauser's service as a consultant will be continued service for purposes of vesting of the Fluent Brauser RSUs, and as such the Fluent Brauser RSUs will continue to vest pursuant to the terms described above. For purposes of the Brauser RSUs from the Brauser Effective Date onwards, cause means (i) a material breach of any obligations under the Brauser Consulting Agreement or of Company policies, if such breach is not cured within 30 days following delivery of written notice specifying and detailing the breach complained of and demanding his cure, (ii) failure to substantially perform the Brauser Services for any reason other than his death or incapacity, (iii) an act of fraud, embezzlement, or theft relating to the Company which has caused material harm to the Company, or any conviction of a felony relating to the Company during the term of the agreement or any felony which materially interferes with his ability to perform the Brauser Services, or (iv) disclosure of the Company's confidential information , as defined in the Brauser Consulting Agreement contrary to the Company's policies or in violation of the agreement. Under the grant agreements of the Brauser RSUs, the Business Combination is deemed a change of control that triggers accelerated vesting, however, the Company expects to accelerate vesting of the Brauser RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. Brauser to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares.

Mr. Dubner served as our Co-Chief Executive Officer from March 2015 until his appointment as sole Chief Executive Officer on March 2016. Prior to the TBO Merger, Mr. Dubner was employed by TBO pursuant to a September 30, 2014 Employment Agreement that was amended in March 2015. The Company assumed Mr. Dubner's agreement as part of the TBO Merger, whereby TBO became a wholly-owned subsidiary of the Company. Mr. Dubner's base salary was \$200,000 and the agreement provided for a two-year term. The agreement provided that if his employment is terminated without cause or as a result of any successor refusing to accept assignment, or by Mr. Dubner for good reason, or by the Company due to an adverse ruling, as those terms are defined in the agreement, Mr. Dubner will be paid severance equal to Mr. Dubner's base salary for the remainder of the term of his employment agreement, provided, however, Mr. Dubner is not in violation of the Confidentiality, Nondisclosure, Noncompetition, Nonsolicitation and Nondisparagement Agreement attached as Exhibit B to the employment agreement. Mr. Dubner's agreement provided for an initial grant of 400,000 RSUs, which vest quarterly over the term of the agreement and immediately vest upon a change of control of TBO, however, the March 17, 2015 amendment provided that the TBO Merger would not constitute automatic vesting of the initial TBO RSU grants.

The agreement provided for a cash bonus of \$100,000 upon consummation of TBO's sale, merger, consolidation, share exchange or like transaction with a publicly-traded entity and also provided for a cash bonus of \$150,000 upon raising the first \$5.0 million in any financing or series of related financings following a transaction that triggers the first bonus. Mr. Dubner was paid the \$100,000 bonus on the closing of the TBO Merger and was paid the \$150,000 bonus

following the July 23, 2015 registered direct placement of Company

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shares which resulted in approximately \$10.0 million in gross proceeds. On April 29, 2015 Mr. Dubner was granted an additional 175,000 RSUs, which vest over three years.

On August 22, 2015, the Compensation Committee increased Mr. Dubner's salary to \$264,000 per annum, based on his individual and the Company's performance. In recognition of his efforts in closing the Fluent Acquisition and related transactions, the Compensation Committee amended Mr. Dubner's agreement on November 16, 2015 to reflect the previous increase in base salary, to award him 500,000 RSUs under the 2015 Plan, and to extend the term until September 30, 2017. The RSUs vest over three years and are subject to the Performance Vesting Conditions and the Additional Vesting Conditions. The Company determined the Performance Vesting Conditions were met, effective March 14, 2017. On July 7, 2016, the Compensation Committee increased Mr. Dubner's salary to \$325,000 per annum, effective July 1, 2016, based on his individual and the Company's performance in the preceding year.

On April 11, 2017, the Compensation Committee amended Mr. Dubner's agreement to extend the term of his employment through April 30, 2020 and to award him 125,000 RSUs under the 2015 Plan effective April 13, 2017 at a fair value of \$5.60. The RSUs vest over three years, with one third of such RSUs having vested on June 1, 2017 and the remaining RSUs vesting on June 1, 2018 and 2019 in equal amounts. Such RSUs vest in full upon a Company change in control, termination of Mr. Dubner without cause, termination by Mr. Dubner for good reason, Mr. Dubner's death or disability, or a termination of Mr. Dubner due to an adverse ruling (as each such term is defined in the employment agreement). Additionally, pursuant to the amendment, if Mr. Dubner's employment is terminated without cause or as a result of any successor refusing to accept assignment, or by Mr. Dubner for good reason, or by the Company due to an adverse ruling, Mr. Dubner will be paid severance equal to the greater of (x) Mr. Dubner's base salary for the remainder of the term in accordance with the Company's payroll practices in effect from time to time and (y) two (2) years of Mr. Dubner's base salary in accordance with the Company's payroll practices in effect from time to time, provided, however, Mr. Dubner is not in violation of the Confidentiality, Nondisclosure, Noncompetition, Nonsolicitation and Nondisparagement Agreement attached as Exhibit B to the employment agreement. Under the grant agreements of the RSUs awarded to Mr. Dubner, the Business Combination is deemed a change of control that triggers accelerated vesting, however, the Company expects to accelerate vesting of Mr. Dubner's RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. Dubner to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares.

Finally, on September 5, 2017, the Compensation Committee approved an equity grant under the 2015 Plan to Mr. Dubner of 300,000 shares of restricted Common Stock effective September 7, 2017. 150,000 of such shares vested on the effective date of the grant and 150,000 vest on each of September 1, 2018 and 2019 in equal amounts. Additionally, other than sales of shares to cover taxes related to the grant, Mr. Dubner is subject to a lock-up on the sale of such shares of restricted Common Stock that expires, with respect to one-third of the shares, on each of September 1, 2018, 2019 and 2020. Under the grant agreement for the shares of restricted Common Stock awarded to Mr. Dubner, the Business Combination is deemed a change of control that triggers accelerated vesting, however, the Company expects to accelerate vesting of Mr. Dubner's restricted Common Stock before the Record Date in anticipation of the Closing of the Business Combination.

Mr. Reilly served as the Company's President and Chief Operating Officer from June 2015 through July 2016. Prior to the TBO Merger, Mr. Reilly was employed by TBO pursuant to a September 30, 2014 Employment Agreement that was amended on March 17, 2015. The Company assumed Mr. Reilly's agreement as part of the TBO Merger, whereby TBO became a wholly-owned subsidiary of the Company. Mr. Reilly's base salary was \$200,000 and the agreement provided for a two-year term. Mr. Reilly's agreement provided for an initial grant of 200,000 RSUs, which vest quarterly over the term of the agreement and immediately vest upon a change of control of TBO, however, the March 17, 2015 amendment provided that the TBO Merger would not constitute automatic vesting of the initial TBO

RSU grants.

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The agreement provided for a cash bonus of \$100,000 upon consummation of TBO's sale, merger, consolidation, share exchange or like transaction with a publicly-traded entity. Mr. Reilly was paid the \$100,000 bonus on the closing of the TBO Merger.

On August 22, 2015, the Compensation Committee increased Mr. Reilly's salary to \$264,000 per annum, based on his individual and the Company's performance. In recognition of his efforts in closing the Fluent Acquisition and related transactions, the Compensation Committee amended Mr. Reilly's agreement on November 16, 2015 to reflect the previous increase in base salary, to award him 500,000 RSUs under the 2015 Plan, and to extend the term until September 30, 2017. The RSUs vest over three years and are subject to certain vesting conditions.

In July 2016, a temporary injunction was entered against Mr. Reilly, in the matter of TransUnion Risk and Alternative Data Solutions, Inc. vs. James Reilly. On March 23, 2017, the court granted Mr. Reilly's motion to modify the temporary injunction from a period of two years to one year. During the pendency of the temporary injunction, Mr. Reilly's responsibilities as President were assigned to Mr. Dubner. Mr. Reilly resumed performance of services for the Company as President effective July 1, 2017.

On September 5, 2017, the Compensation Committee amended Mr. Reilly's agreement to extend the term of his employment through April 30, 2020 and modify some of its termination provisions. Additionally, the Compensation Committee accelerated the vesting of 166,666 unvested RSUs awarded to Mr. Reilly that vest on November 16, 2017. Under the grant agreement of the RSUs awarded to Mr. Reilly, the Business Combination is deemed a change of control that triggers accelerated vesting of his unvested RSUs, however, the Company expects to accelerate vesting of Mr. Reilly's RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. Reilly to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares.

Mr. Solomon served as the Company's Interim Chief Financial Officer from June 2015 through March 29, 2016 and was appointed the Company's Senior Vice President of Finance & Administration on March 29, 2016. His salary is \$158,000 per annum, and he was awarded 50,000 RSUs on April 29, 2015 at a fair value of \$6.50 per share. The RSUs vest over three years. In recognition of his efforts in closing the Fluent Acquisition, Mr. Solomon was granted 50,000 RSUs on November 16, 2015 at a fair value of \$10.33 per share that vest over three years and are subject to the Performance Vesting Conditions and the Additional Vesting Conditions. The Company determined the Performance Vesting conditions were met, effective March 14, 2017. On April 13, 2017, Mr. Solomon received a grant of 30,000 RSUs at a fair value of \$5.60 per share. The RSUs vest over three years, with one third of such RSUs having vested on June 1, 2017 and the remaining RSUs vesting on June 1, 2018 and 2019 in equal amounts, subject to accelerated vesting under certain conditions, including a change of control. Under the grant agreement of the RSUs awarded to Mr. Solomon, the Business Combination is deemed a change of control that triggers accelerated vesting of his unvested RSUs, however, the Company expects to accelerate vesting of Mr. Solomon's RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. Solomon to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares.

In March 2016, the Board appointed Mr. MacLachlan as Chief Financial Officer and principal financial officer. Pursuant to the terms of his employment agreement with TBO effective on October 2, 2014, as amended, which was assumed by the Company in the TBO Merger whereby TBO became a wholly-owned subsidiary of the Company, the Company paid Mr. MacLachlan an annual salary of \$185,000, and under the agreement, Mr. MacLachlan received 50,000 RSUs, which vested in equal quarterly installments during the term of the agreement and were delivered at the end of the two-year vesting period. On December 11, 2014, Mr. MacLachlan was granted 50,000 RSUs which vested in equal quarterly installments over a two-year term and were delivered at the end of such term. The term of the assumed employment agreement was through September 30, 2016. The Compensation Committee ratified

Mr. MacLachlan's employment agreement in March 2016. In October 2016, the Company entered into a second amendment to employment agreement with Mr. MacLachlan relating to his

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service as Chief Financial Officer of the Company (the MacLachlan Amendment). Pursuant to the MacLachlan Amendment, the Company and Mr. MacLachlan agreed to extend the term of his employment through September 30, 2017. All other terms of Mr. MacLachlan's employment agreement remain unchanged. On July 7, 2016, the Compensation Committee increased Mr. MacLachlan's salary to \$220,000 per annum, effective July 1, 2016, based on his individual and the Company's performance in the preceding year. Effective January 1, 2017, the Compensation Committee increased Mr. MacLachlan's salary to \$226,269 per annum.

On April 11, 2017, the Compensation Committee amended Mr. MacLachlan's agreement to extend the term of his employment through April 30, 2020 and to award him 100,000 RSUs under the 2015 Plan effective April 13, 2017 at a fair value of \$5.60 per share. The RSUs vest over three years, with one third of such RSUs having vested on June 1, 2017 and the remaining RSUs vesting on June 1, 2018 and 2019 in equal amounts. Such unvested RSUs vest in full upon a Company change in control, termination of Mr. MacLachlan without cause, termination by Mr. MacLachlan for good reason, Mr. MacLachlan's death or disability, or a termination of Mr. MacLachlan due to an adverse ruling (as each such term is defined in the employment agreement). Under the grant agreements of the RSUs awarded to Mr. MacLachlan, the Business Combination is deemed a change of control that triggers accelerated vesting, however, the Company expects to accelerate vesting of Mr. MacLachlan's RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. MacLachlan to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares.

On September 5, 2017, the Compensation Committee approved an equity grant under the 2015 Plan to Mr. MacLachlan of 350,000 shares of Common Stock effective September 7, 2017. Additionally, other than sales of shares to cover taxes related to the grant, Mr. MacLachlan is subject to a lock-up on the sale of such shares that expires, with respect to one-third of the shares, on each of September 1, 2018, 2019 and 2020.

On August 8, 2016, the Board appointed Harry Jordan as the Company's Chief Operating Officer. Mr. Jordan receives an annual salary of \$225,000. Additionally, on August 8, 2016, Mr. Jordan was awarded 100,000 RSUs at a fair value of \$5.17 per share, which vest in three equal annual installments, with the first vesting having occurred on August 8, 2017. The RSUs vest in full upon a Company change in control, as defined in the agreement, or Mr. Jordan's death or disability. On April 13, 2017, Mr. Jordan received a grant of 50,000 RSUs at a fair value of \$5.60 per share. The RSUs vest over three years, with one third of such RSUs having vested on June 1, 2017 and the remaining RSUs vesting on June 1, 2018 and 2019 in equal amounts, subject to accelerated vesting under certain conditions. Additionally, on September 7, 2017, Mr. Jordan received a grant of 50,000 RSUs at a fair value of \$5.65 per share. The RSUs vest in three equal annual installments on September 6, 2018, 2019 and 2020. Under the grant agreements of the RSUs awarded to Mr. Jordan, the Business Combination is deemed a change of control that triggers accelerated vesting, however, the Company expects to accelerate vesting of Mr. Jordan's RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. Jordan to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares. Mr. Jordan's service as our Chief Operating Officer terminated on December 1, 2017.

On September 13, 2016, the Board appointed Jeff Dell as Chief Information Officer. Mr. Dell served as our VP Information Security from July 2015 through May 2016 and Interim Chief Information Officer from June 2016 through September 2016, and was appointed Chief Information Officer on September 13, 2016. Mr. Dell's salary was \$150,000 per annum through May 15, 2016 and was increased to \$185,000 per annum through December 31, 2016. Mr. Dell's current salary is \$215,000 per annum effective January 1, 2017. On April 13, 2017, Mr. Dell received a grant of 40,000 RSUs at a fair value of \$5.60 per share. The RSUs vest over three years, with one third of such RSUs having vested on June 1, 2017 and the remaining RSUs vesting on June 1, 2018 and 2019 in equal amounts, subject to accelerated vesting under certain conditions, including a change of control. Under the grant agreement of the RSUs awarded to Mr. Dell, the Business Combination is deemed a change of control that triggers accelerated

vesting, however, the Company expects to accelerate vesting of Mr. Dell's RSUs before the Record Date in anticipation of the Closing of the Business Combination which will allow Mr. Dell to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off with respect to these shares.

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Similar to the RSUs granted to the principal executive officers described above, under the applicable grant agreements of all other outstanding RSUs and restricted Common Stock of the Company, the Business Combination is deemed a change of control that triggers accelerated vesting, however, the Company expects to accelerate the vesting of all such RSUs and Restricted Common before the Record Date in anticipation of the Closing of the Business Combination which will allow the individuals holding the RSUs to participate in the Cash Dividend and in the distribution of shares of Red Violet common stock in the Spin-off.

For additional information relating to Messrs. Dubner's, MacLachlan's and Reilly's employment agreements and Mr. Brauser's consulting agreement and payments to our named executive officers upon a change in control or termination, see the sections below titled Executive Employment and Consulting Agreements and Potential Payments upon Termination or Change in Control.

The Role of Stockholder Say on Pay Votes

The Board, Compensation Committee, and management value the opinions of our stockholders. We provide our stockholders with the opportunity to cast an advisory vote to approve named executive officer compensation, including compensation that may be paid in connection with a change in control or a termination, every year. We refer to this advisory vote as Say on Pay. At our annual meeting of stockholders held on June 13, 2017, approximately 98.7% of the stockholders who voted on the Say on Pay proposal voted in favor of the compensation of our named executive officers as disclosed in our 2017 proxy statement. Although the advisory say on pay vote is non-binding, our Compensation Committee has considered the outcome of the vote and determined not to make material changes to our executive compensation programs because the Compensation Committee believes this advisory vote indicates considerable stockholder support for our approach to executive compensation. Our Compensation Committee will continue to consider the outcome of our Say on Pay votes when making future compensation decisions for our named executive officers.

Summary Compensation Table

The following table summarizes the compensation for each of the named executive officers for the last three completed fiscal years.

Name and Principal Position	Year ⁽⁹⁾	Salary	Non-Equity Incentive		Option Awards	Total
			Plan Compensation	Stock Awards ⁽¹⁾		
Michael Brauser ⁽²⁾ Chairman	2016	\$ 25,000	\$	\$	\$	\$ 25,000
	2015	\$ 2,083 ⁽²⁾	\$	\$ 52,787,500 ⁽²⁾	\$	\$ 52,789,583
Derek Dubner ⁽³⁾ Chief Executive Officer	2016	\$ 294,500	\$	\$	\$	\$ 294,500
	2015	\$ 180,834 ⁽³⁾	\$ 250,000 ⁽⁸⁾	\$ 6,302,500 ⁽³⁾	\$	\$ 6,733,334
Daniel MacLachlan ⁽⁴⁾ Chief Financial Officer	2016	\$ 171,667	\$	\$	\$	\$ 171,667
Jeff Dell ⁽⁵⁾ Chief Information Officer	2016	\$ 171,875	\$	\$	\$	\$ 171,875
Aaron Solomon ⁽⁶⁾	2016	\$ 158,000	\$	\$	\$	\$ 158,000

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Senior VP of Finance and Administration	2015	\$ 99,104 ⁽⁶⁾	\$	\$ 841,500 ⁽⁶⁾	\$	\$ 940,604
Harry Jordan ⁽⁷⁾ Chief Operating Officer	2016	\$ 93,750 ⁽⁷⁾	\$	\$ 102,000 ⁽⁷⁾	\$	\$ 195,750

(1) This column reflects the aggregate grant date fair value of stock awards granted in 2015 and 2016 computed in accordance with FASB ASC Topic 718. In determining the grant date fair value for restricted stock units, the Company used the closing price of the Company's Common Stock on the grant date.

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- (2) Mr. Brauser served as the Company's Executive Chairman from June 16, 2015 through June 23, 2017. Effective June 23, 2017, Mr. Brauser's employment agreement was terminated but he continued to serve as the Company's Chairman (but not as a principal executive officer) and began providing strategic consulting services to the Company. The salary disclosed for 2015 reflects Mr. Brauser's service from June 16, 2015 through December 31, 2015. Mr. Brauser was granted 175,000 RSUs on April 29, 2015 at a fair value of \$6.50 per share and 5,000,000 RSUs on November 16, 2015 at a fair value of \$10.33 per share.
- (3) Mr. Dubner began service as the Company's Co-Chief Executive Officer and Director on March 21, 2015, upon the consummation of the TBO Merger. Mr. Dubner's current annual salary is \$325,000. The salary disclosed for 2015 reflects Mr. Dubner's service from March 21, 2015 through December 31, 2015. Mr. Dubner was granted 175,000 RSUs on April 29, 2015 at a fair value of \$6.50 per share and 500,000 RSUs on November 16, 2015 at a fair value of \$10.33 per share.
- (4) Mr. MacLachlan began service as the Company's Chief Financial Officer on March 29, 2016. Mr. MacLachlan's current annual salary is \$226,269. The salary disclosed in the table reflects Mr. MacLachlan's service from March 29, 2016 through December 31, 2016.
- (5) Mr. Dell began service as the Company's Chief Information Officer on September 13, 2016. Mr. Dell previously served as Interim Chief Information Officer and VP Information Security. Mr. Dell's current annual salary is \$215,000. The salary disclosed in the table reflects Mr. Dell's service from January 1, 2016 through December 31, 2016.
- (6) Mr. Solomon was appointed Senior Vice President of Finance & Administration on March 29, 2016. Mr. Solomon previously served as the Company's Interim Chief Financial Officer and Vice President of Finance & Administration. Mr. Solomon's current annual salary is \$158,000. The salary disclosed for 2015 reflects Mr. Solomon's service from March 21, 2015 through December 31, 2015, and for 2016 reflects Mr. Solomon's service from January 1, 2016 through December 31, 2016. Mr. Solomon was granted 50,000 RSUs on April 29, 2015 at a fair value of \$6.50 per share and 50,000 RSUs on November 16, 2015 at a fair value of \$10.33 per share.
- (7) Mr. Jordan began service as the Company's Chief Operating Officer on August 8, 2016. Mr. Jordan's current annual salary is \$225,000. The salary disclosed in the table reflects Mr. Jordan's service from August 8, 2016 through December 31, 2016. Mr. Jordan was granted 100,000 RSUs on August 8, 2016 at a fair value of \$5.17 per share. Mr. Jordan's service as our Chief Operating Officer terminated on December 1, 2017.
- (8) Cash bonus of \$100,000 paid to Mr. Dubner on consummation of the TBO Merger and cash bonus of \$150,000 paid to Mr. Dubner upon completing a \$10.0 million financing after the TBO Merger.
- (9) None of the executives serving the Company during 2014 and through completion of the TBO Merger served as a named executive officer during 2016 and as such neither this table nor the tables that follow include 2014 information.

Grants of Plan-Based Awards 2016

The following table sets forth each grant of an award made to a named executive officer for the fiscal year ended December 31, 2016 under any Company plan.

Name	Grant Date	All Other Stock Awards: Number of Shares of Units (#)	Grant Date Fair Value of Stock Awards ⁽²⁾
Michael Brauser			\$
Derek Dubner			\$
Daniel MacLachlan			\$
Jeff Dell			\$

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Aaron Solomon			\$	
Harry Jordan	8/8/2016	100,000 ⁽¹⁾	\$	517,000 ⁽¹⁾

- (1) Represents RSUs granted on August 8, 2016 at a fair value of \$5.17 per share. These RSUs vest over three years, with one third having vested on August 8, 2017 and the remaining RSUs vesting on August 8, 2018 and 2019 in equal amounts.

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- (2) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. In determining the grant date fair value for RSUs, we used the closing price of our Common Stock on the grant date.

Outstanding Equity Awards at Fiscal Year-End 2016

The following table sets forth certain information regarding equity-based awards held by the named executive officers as of December 31, 2016.

Name	Option Awards				Stock Awards ⁽¹⁾	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽²⁾
Michael Brauser			\$		6,116,666	\$ 21,102,498
Derek Dubner			\$		616,666	\$ 2,127,498
Daniel MacLachlan			\$			\$
Jeff Dell			\$		35,000	\$ 120,750
Aaron Solomon			\$		83,333	\$ 287,502
Harry Jordan			\$		100,000	\$ 345,000

- (1) Represents RSUs granted under the 2015 Plan. The RSUs vest in three equal annual installments beginning on the date of grant, except for 5,000,000 RSUs granted outside of the 2015 Plan held by Mr. Brauser that vest in four equal annual installments beginning on the date of grant. Each RSU represents the right to receive one share of Common Stock upon vesting. Receipt of 5,000,000 shares of Common Stock has been deferred in connection with the vesting of Mr. Brauser's RSUs.
- (2) Determined by multiplying the closing price of the Company's Common Stock on December 30, 2016 (\$3.45) by the number of shares of Common Stock underlying the RSUs.

Option Exercises and Stock Vested

The following table sets forth each exercise of stock options, SARs or similar instruments and each vesting of stock, RSUs and similar instruments by the named executive officers for the fiscal year ended December 31, 2016.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$)
Michael Brauser	158,334	\$ 582,587
Derek Dubner	458,334 ⁽²⁾	\$ 1,467,587
Daniel MacLachlan	100,000 ⁽³⁾	\$ 330,000
Jeff Dell		\$
Aaron Solomon	16,667 ⁽⁴⁾	\$ 82,168

Harry Jordan

\$

- (1) Amounts shown in these columns reflect RSU awards that vested during 2016. See the Compensation Discussion and Analysis 2016 Compensation Policies for details on RSU awards.
- (2) 176,488 shares of Common Stock were withheld upon vesting of the RSUs and delivery of the underlying shares in connection with the payment of a tax liability.
- (3) 32,500 shares of Common Stock were withheld upon vesting of the RSUs and delivery of the underlying shares in connection with the payment of a tax liability.
- (4) 5,441 shares of Common Stock were withheld upon vesting of the RSUs and delivery of the underlying shares in connection with the payment of a tax liability.

Table of Contents**Potential Payments Upon Termination or Change in Control**

The following table sets forth information with respect to the value of payments or vesting acceleration, as applicable, such named executive officer would be entitled to receive assuming a qualifying termination or change in control, as applicable, as of December 31, 2016.

Name and Principal Position	Severance Amount (\$)	Early Vesting of Stock Options	Early Vesting of Restricted Stock (\$) ⁽¹⁾	Total (\$) ⁽¹⁰⁾
Michael Brauser	\$	\$	\$ 13,339,998 ⁽²⁾⁽³⁾	\$ 13,339,998
Derek Dubner	\$ 243,750 ⁽⁴⁾⁽⁵⁾	\$	\$ 1,552,497 ⁽²⁾⁽⁶⁾	\$ 1,796,247
Daniel MacLachlan	\$ 164,500 ⁽⁴⁾⁽⁵⁾	\$	\$	\$ 164,500
Jeff Dell	\$	\$	\$ 97,749 ⁽²⁾⁽⁷⁾	\$ 97,749
Aaron Solomon	\$	\$	\$ 229,998 ⁽²⁾⁽⁸⁾	\$ 229,998
Harry Jordan	\$	\$	\$ 345,000 ⁽²⁾⁽⁹⁾	\$ 345,000

- (1) Calculated by multiplying early vesting of RSUs by \$3.45, which is the closing price per share of our Common Stock on December 30, 2016.
- (2) In the event of a qualifying termination, all unvested RSUs at the time of termination shall expire and be forfeited immediately and returned to the Company. In the event of a change of control, all unvested RSUs shall immediately vest. In connection with Mr. Jordan's termination of service as our Chief Operating Officer on December 1, 2017, all Mr. Jordan's unvested RSUs were forfeited. Mr. Jordan will continue to be paid his base salary through January 15, 2018.
- (3) Reflects vesting of 5,175,000 RSUs of our Common Stock.
- (4) In accordance with Mr. Dubner's and Mr. MacLachlan's employment agreements effective December 31, 2016, upon termination without cause, or as a result of any successor refusing to accept assignment, termination for good reason or termination due to an Adverse Ruling (as defined below), base salary will be paid for the remainder of the respective employment term. The severance amounts are \$243,750 and \$164,500 for Mr. Dubner and Mr. MacLachlan, respectively, assuming a qualifying termination as of December 31, 2016.
- (5) On April 11, 2017, employment agreements for Mr. Dubner and Mr. MacLachlan were amended, and in accordance with the employment agreements, as amended, upon termination without cause or if any successor of the Company refuses to accept assignment of the employment agreements, or if Mr. Dubner or Mr. MacLachlan terminates his respective employment agreement and employment with the Company for good reason or due to an Adverse Ruling (as defined below), the Company will pay to Mr. Dubner and Mr. MacLachlan the greater of (i) the applicable employee's base salary for the remainder of the term in accordance with the Company's payroll practices in effect from time to time and (ii) two (2) years of the applicable employee's base salary. The severance amounts are \$988,542 and \$688,236 for Mr. Dubner and Mr. MacLachlan, respectively, assuming a qualifying termination as of April 18, 2017, the record date.
- (6) Reflects vesting of 449,990 RSUs of our Common Stock.
- (7) Reflects vesting of 28,333 RSUs of our Common Stock.
- (8) Reflects vesting of 66,666 RSUs of our Common Stock.
- (9) Reflects vesting of 100,000 RSUs of our Common Stock.
- (10) In addition to the amounts set forth in the table, on April 13, 2017 each of Mr. Brauser and Mr. Dubner were granted 125,000 RSUs, Mr. MacLachlan was granted 100,000 RSUs, Mr. Dell was granted 40,000 RSUs,

Mr. Solomon was granted 30,000 RSUs and Mr. Jordan was granted 50,000 RSUs, in each case of which two thirds of such RSUs remain unvested, and on September 7, 2017 Mr. Jordan was granted 50,000 RSUs, Mr. Dubner was granted 300,000 shares of restricted Common Stock and Mr. MacLachlan was granted 350,000 shares of Common Stock.

Executive Employment and Consulting Agreements

Derek Dubner, Daniel MacLachlan and James Reilly

Below is a summary of Messrs. Dubner's, MacLachlan's and Reilly's employment agreements, as amended.

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Effective April 11, 2017 (the Dubner/MacLachlan Effective Date), the Company amended the employment agreements with each of Mr. Dubner (the Dubner Agreement) and Mr. MacLachlan (the MacLachlan Agreement) in connection with their service as Chief Executive Officer and Chief Financial Officer of the Company, respectively. Additionally, effective September 6, 2017, the (Reilly Effective Date, and each of the Reilly Effective Date and the Dubner/MacLachlan Effective Date, the Effective Date), the Company amended the employment agreement with Mr. Reilly (the Reilly Agreement, and together with the Dubner Agreement and the MacLachlan Agreement, the Employment Agreements) in connection with his services as President of the Company.

The term of the Employment Agreements commences on the Effective Date and ends on April 30, 2020, and automatically renews for successive one-year terms unless either party gives the other party 120 days written notice of termination before the expiration of the applicable one-year term or unless terminated earlier pursuant to the terms of the Employment Agreements.

Mr. Dubner receives an annual salary of \$325,000. Pursuant to the Dubner Agreement, on April 29, 2015 Mr. Dubner was granted 175,000 RSUs that vest over three years. On November 16, 2015 Mr. Dubner was granted 500,000 RSUs, in each case under the 2015 Plan and subject to stockholder approval. Such RSUs were approved at the 2016 Annual Meeting of Stockholders, vest over three years from the date of grant and are subject to the Performance Vesting Conditions (as defined above) and the Supplemental Vesting Conditions (as defined below). The Company determined the Performance Vesting Conditions were met, effective March 14, 2017, and as a result 166,667 RSUs vested. Pursuant to the Dubner Agreement, on April 13, 2017, Mr. Dubner was also granted 125,000 RSUs under the 2015 Plan (together with the previously granted RSUs, the Dubner RSUs). The RSUs granted on April 13, 2017 vest in three approximately equal installments, with the first instalment having vested on June 1, 2017 and the last two installments vesting on June 1, 2018 and 2019, subject to the Supplemental Vesting Conditions (as defined below).

Mr. MacLachlan receives an annual salary of \$226,269. Pursuant to the MacLachlan Agreement, on April 13, 2017 Mr. MacLachlan was granted 100,000 RSUs under the 2015 Plan (the MacLachlan RSUs). The MacLachlan RSUs vest in three approximately equal installments, with the first instalment having vested on June 1, 2017 and the last two installments vesting on June 1, 2018 and 2019, subject to the Supplemental Vesting Conditions (as defined below).

Mr. Reilly receives an annual salary of \$264,000. Pursuant to the Reilly Agreement, on November 16, 2015 Mr. Reilly was granted 500,000 RSUs under the 2015 Plan, subject to stockholder approval (the Reilly RSUs). The RSUs were approved at the 2016 Annual Meeting of Stockholders, vest over three years from the date of grant and are subject to the Performance Vesting Conditions (as defined above) and the Supplemental Vesting Conditions (as defined below). The RSUs vest over three years and are subject to certain vesting conditions.

In addition, the Dubner RSUs, MacLachlan RSUs and Reilly RSUs will vest immediately upon: (i) a change in control (as defined below), (ii) a termination of such employee s employment without cause (as defined below), (iii) such employee s termination of his employment for good reason (as defined below), (iv) his death or disability (as defined below), or (v) a termination of such employee due to an Adverse Ruling (as defined below) (the Supplemental Vesting Conditions). Shares of Common Stock underlying the vested RSUs will generally be issued upon the earlier of (i) a change in control (as defined below) or (ii) such employee s separation from service as defined under the Internal Revenue Code Section 409A, provided that the delivery of shares will be delayed until the earlier of (a) six months following separation from service or (b) such employee s death, if necessary to comply with the Internal Revenue Code Section 409A. Also, Messrs. Dubner and MacLachlan are eligible to participate in the Company s existing and future benefit plans, policies or arrangements maintained by the Company and made available to employees generally and for the benefit of executives.

The Company may terminate the Employment Agreements and each of Mr. Dubner's, Mr. MacLachlan's, and Mr. Reilly's employment at any time during the term for cause (as defined below). Also, the Company may

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terminate the Employment Agreements and each of Mr. Dubner's, Mr. MacLachlan's and Mr. Reilly's employment without cause (as defined below) or refusal to accept assignment.

The Company may terminate the Dubner Agreement and Mr. Dubner's employment with the Company at any time if compelled by a final, non-appealable ruling of a court of competent jurisdiction finding Mr. Dubner's employment by the Company to be a violation of Mr. Dubner's confidentiality and/or other legal or fiduciary obligations to TLO, LLC (TLO) and/or TransUnion Risk and Alternative Data Solutions, Inc., its parent(s), subsidiaries or affiliates (collectively TransUnion) (for purposes of the Dubner Agreement, an Adverse Ruling).

The Company may also terminate the MacLachlan Agreement and Mr. MacLachlan's employment with the Company at any time if compelled by a final, non-appealable ruling of a court of competent jurisdiction finding Mr. MacLachlan's employment by the Company to be a violation of (i) Mr. MacLachlan's confidentiality and noncompetition agreement with TLO, which was purportedly subsequently assumed by TransUnion as part of TransUnion's acquisition of substantially all of the assets of TLO, or (ii) Mr. MacLachlan's noncompetition and nonsolicitation agreement with TransUnion (for purposes of the MacLachlan Agreement, each an Adverse Ruling).

The Company may terminate the Reilly Agreement and Mr. Reilly's employment with the Company at any time if compelled by a final, non-appealable ruling of a court of competent jurisdiction finding Mr. Reilly's employment by the Company to be a violation of Mr. Reilly's confidentiality and/or other legal or fiduciary obligations to TLO and/or TransUnion (for purposes of the Dubner Agreement, an Adverse Ruling).

Each of Mr. Dubner, Mr. MacLachlan and Mr. Reilly may terminate his employment and the respective Employment Agreement for good reason (as defined below).

Each of Mr. Dubner, Mr. MacLachlan and Mr. Reilly may also terminate his employment and the respective Employment Agreement for any reason or for no reason at all; provided, however, that such employee provides the Company with at least sixty (60) days prior written notice.

Each of Mr. Dubner's, Mr. MacLachlan's, and Mr. Reilly's employment and the Employment Agreements will automatically terminate upon Mr. Dubner's, Mr. MacLachlan's or Mr. Reilly's death, as applicable. The Company may terminate the Employment Agreements and each of Mr. Dubner's, Mr. MacLachlan's, and Mr. Reilly's employment with the Company immediately upon a determination of Disability (as hereinafter defined). For purposes of the Employment Agreements, the employee has a Disability if, for physical or mental reasons, such employee is unable to perform the essential duties required of the employee under the Employment Agreements, as applicable, even with a reasonable accommodation, for a period of six (6) consecutive months or a period of 180 days during any twelve-month period, as determined by an independent medical professional mutually acceptable to the parties. The applicable employee shall submit to a reasonable number of examinations by the independent medical professional making the determination of Disability.

Upon termination of the Employment Agreements due to Mr. Dubner's, Mr. MacLachlan's, or Mr. Reilly's death or Disability, as applicable, the Company shall pay to the applicable employee's estate such employee's base salary accrued through the date of the employee's death or Disability, as applicable. In the event Mr. Dubner's, Mr. MacLachlan's, or Mr. Reilly's employment is terminated by the Company for cause, the Company shall pay to the applicable employee such employee's base salary and benefits accrued through the date of such employee's termination.

In the event the Company terminates the Employment Agreements without cause or any successor of the Company refuses to accept assignment of the Employment Agreements, or if Mr. Dubner, Mr. MacLachlan or Mr. Reilly terminates his respective Employment Agreement and employment with the Company for good reason or due to an

Adverse Ruling, the Company shall pay to such employee the greater of (x) the applicable

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employee's base salary for the remainder of the term in accordance with the Company's payroll practices in effect from time to time and (y) two (2) years of the applicable employee's base salary in accordance with the Company's payroll practices in effect from time to time, provided, however, the applicable employee is not in violation of the Confidentiality, Nondisclosure, Noncompetition, Nonsolicitation and Nondisparagement Agreement attached as Exhibit B to each of the Employment Agreements (the "NDA").

In the event Mr. Dubner, Mr. MacLachlan, or Mr. Reilly terminates his respective Employment Agreement and employment with the Company for any reason during the term of his applicable Employment Agreement, the Company shall pay to Mr. Dubner, Mr. MacLachlan, or Mr. Reilly, as applicable, such employee's base salary through the date of such employee's termination.

For purposes of the Employment Agreements, "cause" is defined as: (1) employee's conviction of or plea of guilty or nolo contendere to a felony which involves moral turpitude or results in material harm to the Company, (2) employee's fraud against the Company, theft, misappropriation or embezzlement of the assets or funds of the Company or any customer, or any breach of fiduciary duty owed to the Company, or engagement in misconduct that is materially injurious to the Company, including any violation of any of the restrictions set forth in the NDA, (3) employee's gross negligence of his duties or willful misconduct in the performance of his duties under the Employment Agreements, as applicable, and (4) employee's material breach of the Employment Agreements, as applicable.

For purposes of the Employment Agreements, Mr. Dubner, Mr. MacLachlan, or Mr. Reilly shall have "good reason" to terminate the respective Employment Agreement and his employment if (a) there is a material diminution in such employee's (i) duties, responsibilities or title, or (ii) authority to make decisions or implement strategies within the scope of his duties and responsibilities; (b) there is a breach of a material term of the Employment Agreement by the Company and the Company fails to cure such breach within ten (10) days of receipt of written notice from the applicable employee; (c) the Company reduces the applicable employee's base salary as in effect from time to time, without such employee's prior written consent; or (d) the Company requests that the applicable employee participate in an unlawful act.

For purposes of the Employment Agreements, a "change in control" shall mean:

(i) any one (1) person, or more than one (1) person acting as a group, acquires ownership of Common Stock of Company or any material subsidiary that, together with Common Stock held by such person or group, possesses more than 50% of the total fair market value or total voting power of the Common Stock of Company or such subsidiary; provided, however, that if any one (1) person, or more than one (1) person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the Common Stock of Company, the acquisition of additional Common Stock by the same person or persons will not be considered a change in control under the Employment Agreements;

(ii) during any period of twelve (12) consecutive months, individuals who at the beginning of such period constituted the Board of the Company or any material subsidiary (together with any new or replacement directors whose election by the applicable board, or whose nomination for election by Company's or any material subsidiary's shareholders, was approved by a vote of at least a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office; or

(iii) any one (1) person, or more than one (1) person acting as a group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by the person or persons) assets from the Company or any material subsidiary outside of the ordinary course of business, that have a gross fair market value

equal to or more than 50% of the total gross fair market value of all of the assets of the Company or such material subsidiary immediately prior to such acquisition or acquisitions. Gross fair market value means the value of the assets of the Company or any material subsidiary, or the value of the assets being disposed of,

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determined without regard to any liabilities associated with such assets. Notwithstanding anything to the contrary in the Employment Agreements, the following shall not be treated as a change in control under the Employment Agreements:

- (A) a transfer of assets from the Company or any material subsidiary to a shareholder of the Company (determined immediately before the asset transfer);
- (B) a transfer of assets from the Company or any material subsidiary to an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company or such material subsidiary;
- (C) a transfer of assets from the Company or any material subsidiary to a person, or more than one (1) person acting as a group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding capital stock of the Company or material subsidiary; or
- (D) a transfer of assets from the Company or material subsidiary to an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (C) above.

However, to the extent necessary for the Employee to avoid adverse tax consequences under Section 409A of the Internal Revenue Code, and its implementing regulations and guidance, a change of control shall not be deemed to occur unless it constitutes a change in the ownership or effective control of a corporation or in the ownership of a substantial portion of the assets of a corporation under Treas. Reg. Section 1.409A-3(i)(5), as revised from time to time.

Brauser Consulting Agreement

Effective as of June 23, 2017 (the Brauser Effective Date), Mr. Brauser ceased to be employed by the Company and his employment agreement with the Company was terminated. On the Brauser Effective Date Mr. Brauser entered into the Brauser Consulting Agreement with the Company, pursuant to which he is engaged as a consultant acting as a strategic advisor to the Company, providing recommendations on organizational and capital structure, future financing needs and future acquisitions or strategic transactions (the Brauser Services). Mr. Brauser will receive no salary for the performance of the Brauser Services and the term of the Brauser Consulting Agreement ends on June 23, 2021, unless terminated earlier pursuant its terms.

Pursuant to the terms of the Brauser Consulting Agreement, Mr. Brauser's service as a consultant will be continued service for purposes of vesting of the Brauser RSUs, and as such the Brauser RSUs will continue to vest pursuant to the terms described elsewhere in this Information Statement. For purposes of the Brauser RSUs from the Brauser Effective Date onwards, cause means (i) a material breach of any obligations under the Brauser Consulting Agreement or of Company policies, if such breach is not cured within 30 days following delivery of written notice specifying and detailing the breach complained of and demanding his cure, (ii) failure to substantially perform the Brauser Services for any reason other than his death or incapacity, (iii) an act of fraud, embezzlement, or theft relating to the Company which has caused material harm to the Company, or any conviction of a felony relating to the Company during the term of the agreement or any felony which materially interferes with his ability to perform the Brauser Services, or (iv) disclosure of the Company's confidential information, as defined in the Brauser Consulting Agreement contrary to the Company's policies or in violation of the agreement. Mr. Brauser is also entitled to reimbursement of reasonable expenses incurred in connection with the Brauser Services, subject to pre-approval by the Company for expenses for over \$1,000.

Mr. Brauser may terminate the Brauser Consulting Agreement upon a material default by the Company and failure but the Company to cure such default within thirty (30) days following delivery of written notice specifying and detailing the default complained of and demanding its cure.

The Company or any successor may terminate the Brauser Consulting Agreement immediately for cause, as defined above. Mr. Brauser is also subject to confidentiality obligations relating to the Company's confidential

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information. Additionally, Mr. Brauser is subject to a non-competition obligation, and may not be employed directly or indirectly by a competitor of the Company or its affiliates, or otherwise engage directly or indirectly in any conduct, activity or business that competes with the business of the Company during the term of the Brauser Consulting Agreement and for two (2) years following its termination.

Compensation Committee Interlocks and Insider Participation

The members of our Compensation Committee during the year ended December 31, 2016 were Steven Rubin (Chairman), Robert Fried, Peter Benz and Donald Mathis. From November 2007 to October 2009, Mr. Fried served as President and Chief Executive Officer of Ideation. From June 2007 to October 2009, Mr. Rubin served as Secretary of Ideation. No member of the Compensation Committee is a current or former officer or employee of ours or any of our subsidiaries. None of the members of our Compensation Committee had any relationship required to be disclosed under this caption under the rules of the SEC.

Director Compensation

When a non-employee director joins the Board, such non-employee director is granted 25,000 restricted stock units (RSUs), which RSUs vest in three equal annual installments beginning on the first anniversary of the grant date. Additionally, each Audit Committee member is granted an additional 5,000 RSUs, all of which vest on the one year anniversary of the grant date, and the Chairman of the Audit Committee is granted an additional 5,000 RSUs, which vest on the one-year anniversary of the grant date. Additional equity awards may be granted to directors at the direction of the Compensation Committee based on an individual director's contributions to the Company. No director received RSUs during 2016. As of December 31, 2016, the aggregate number of shares of common stock subject to stock awards held by each director who was not a named executive officer for the year ended December 31, 2016 is as follows: Dr. Frost 3,000,000; Mr. Schulke 550,000; Mr. Benz 21,666; Mr. Fried 53,333; Mr. Mathis 30,000; Mr. Rubin 150,000; and Mr. Swayman 21,666. As of December 31, 2016, the aggregate number of shares of common stock subject to option awards held by each director who was not a named executive officer for the year ended December 31, 2016 is as follows: Dr. Frost 0; Mr. Schulke 0; Mr. Benz 0; Mr. Fried 32,000; Mr. Mathis 0; Mr. Rubin 32,000; and Mr. Swayman 0. Additionally, on April 13, 2017, the non-employee directors received the following RSU grants in connection with their service on the Board: Dr. Frost 50,000; Mr. Benz 15,000; Mr. Fried 15,000; Mr. Mathis 15,000; Mr. Rubin 20,000; and Mr. Swayman 15,000. These RSUs vest in three approximately equal installments, with the first installment vested on June 1, 2017 and the two final installments vesting on June 1, 2018 and 2019, subject to accelerated vesting under certain conditions.

Also on April 13, 2017, Board committee members received the following RSU grants: Mr. Benz 5,000 in connection with his service as Audit Committee Chairman and 5,000 in connection with his service as an Audit Committee member; Mr. Rubin 5,000 in connection with his service as Compensation Committee Chairman; Mr. Swayman 5,000 in connection with his service as an Audit Committee member; and Mr. Mathis 5,000 in connection with his service as an Audit Committee member. These RSUs vest on January 1, 2018, subject to accelerated vesting under certain conditions.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information with respect to the beneficial ownership of cogint Common Stock as of the Written Consent Record Date, by each person who was an executive officer or director of cogint at that time, all such executive officers and directors as a group, and each person who beneficially owned more than 5% of cogint at that time.

Beneficial Owner	Shares of Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned (%)
Executive Officers and Directors		
Michael Brauser ⁽²⁾	3,848,656 ⁽³⁾	7.0%
Derek Dubner	647,813 ⁽⁴⁾	1.2%
James Reilly	458,746 ⁽⁵⁾	*
Daniel MacLachlan	437,185 ⁽⁶⁾	*
Harry Jordan	226,666 ⁽⁷⁾	*
Jeff Dell	38,428 ⁽⁸⁾	*
Jacky Wang	68,138 ⁽⁹⁾	*
Dr. Phillip Frost	15,721,541 ⁽¹⁰⁾	28.5%
Steven D. Rubin	251,882 ⁽¹¹⁾	*
Robert N. Fried	392,672 ⁽¹²⁾	*
Donald Mathis	18,334 ⁽¹³⁾	*
Robert Swayman	103,130 ⁽¹⁴⁾	*
Peter Benz	33,334 ⁽¹⁵⁾	*
Ryan Schulke	8,064,537 ⁽¹⁶⁾	14.6%
All Executive Officers and Directors as a group	30,311,062 ⁽¹⁷⁾	54.1%
5% Holders		
Matthew Conlin	7,475,020 ⁽¹⁸⁾	13.5%
Frost Gamma Investment Trust	15,704,874 ⁽¹⁹⁾	28.5%

* The person beneficially owns less than 1% of cogint's outstanding common shares.

(1) Based on 55,248,946 shares of common stock outstanding as of September 6, 2017.

(2) Mr. Brauser's shares do not include (i) 2,000,000 RSUs owned by Marlin Capital Investments, LLC (the "Marlin RSUs"), of which Mr. Brauser is a manager, (ii) 1,250,000 vested RSUs for which delivery has been deferred or (iii) 3,891,666 unvested RSUs owned in Mr. Brauser's name. Additionally, 500,000 of the Marlin RSUs vested on November 11, 2016 but are subject to deferred delivery.

(3) Mr. Brauser's shares include (i) 2,144,645 shares held by Grander Holdings, Inc. 401K, of which Mr. Brauser is the trustee, (ii) 1,373,646 shares held by Birchtree Capital, LLC, of which Mr. Brauser is the manager, (iii) 322,235 shares held by Mr. Brauser directly, and (v) 16,259 shares held directly through BSIG, LLC of which Mr. Brauser owns a 50% interest. Mr. Brauser disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have. All RSUs represent the right to receive shares of Common Stock.

(4)

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Mr. Dubner's shares include 497,813 shares held directly and 150,000 restricted shares that vest on September 7, 2017. Mr. Dubner's shares do not include (i) 58,333 unvested RSUs that vest on March 21, 2018, (ii) 83,333 unvested RSUs that vest in two equal annual installments beginning on June 1, 2018, (iii) 150,000 shares of restricted Common Stock that vest in two equal annual installments beginning on September 1, 2018, or (iv) 333,333 unvested RSUs that vest in two equal annual installments beginning on November 16, 2017. All RSUs represent the right to receive shares of Common Stock.

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- (5) Mr. Reilly's shares include 292,079 shares held directly, and 166,667 RSUs that vest on September 7, 2017. Mr. Reilly's shares do not include 41,666 unvested RSUs that vest on March 21, 2018. All RSUs represent the right to receive shares of Common Stock.
- (6) Mr. MacLachlan's shares include (i) 434,185 shares held directly and (ii) 3,000 shares held in an IRA. Mr. MacLachlan's shares do not include 66,666 unvested RSUs that vest in two equal annual installments beginning on June 1, 2018.
- (7) Mr. Jordan's shares include 110,000 shares held directly through a revocable trust of which Mr. Jordan serves as trustee, 100,000 shares held directly through a revocable trust of which Mr. Jordan's spouse serves as trustee, and 16,666 shares held directly. Mr. Jordan's shares do not include 33,334 unvested RSUs that vest in two equal annual installments beginning on August 1, 2018 or 50,000 unvested RSUs that vest in three equal annual installments beginning on September 1, 2018. Mr. Jordan's service as our Chief Operating Officer terminated on December 1, 2017.
- (8) Mr. Dell's shares do not include (i) 10,000 unvested RSUs that vest in two equal annual installments beginning on August 1, 2018, (ii) 26,666 unvested RSUs that vest in two equal annual installments beginning on June 1, 2018, or (iii) 13,333 unvested RSUs that vest in two equal annual installments beginning on November 16, 2017. All RSUs represent the right to receive shares of Common Stock.
- (9) Mr. Wang's shares do not include (i) 17,000 unvested RSUs that vest on August 1, 2018, (ii) 20,000 unvested RSUs that vest in two equal annual installments beginning on June 1, 2018 or (iii) 10,000 RSUs that vest in three equal annual installments beginning on September 1, 2018. All RSUs represent the right to receive shares of Common Stock.
- (10) Dr. Frost's shares includes 15,704,874 shares held by the Frost Gamma Investment Trust, of which Dr. Frost is the trustee, and 16,667 shares held directly, and do not include (i) 3,000,000 RSUs owned personally that are vested and subject to deferred delivery, or (ii) 33,333 RSUs that vest in two equal annual installments beginning on June 1, 2018. All RSUs represent the right to receive shares of Common Stock.
- (11) Mr. Rubin's shares include vested options to purchase 32,000 shares of common stock, and do not include (i) 25,000 unvested RSUs that vest on March 21, 2018, (ii) 13,334 RSUs that vest in two equal annual installments beginning June 1, 2018, (iii) 5,000 RSUs that vest on January 1, 2018, (iv) 66,666 that vest in two equal annual installments beginning on November 16, 2017, or (v) 33,334 RSUs that are vested and subject to deferred delivery. All RSUs represent the right to receive shares of Common Stock.
- (12) Mr. Fried's shares include vested options to purchase 32,000 shares of common stock, and do not include (i) 16,667 unvested RSUs that vest in two equal annual installments beginning on March 21, 2018, (ii) 10,000 unvested RSUs that vest in two equal annual installments beginning on June 1, 2018, or (iii) 13,333 RSUs that vest in two equal annual installments beginning on November 16, 2017. All RSUs represent the right to receive shares of Common Stock.
- (13) Mr. Mathis's shares do not include (i) 16,666 RSUs which vest in two equal annual installments beginning December 9, 2017 but are subject to deferred delivery, or (ii) 15,000 RSUs which vest on January 1, 2018.
- (14) Mr. Swayman's shares include (i) 13,334 shares held by Mr. Swayman directly, (ii) 60,000 shares held directly through a family trust of which Mr. Swayman serves as co-trustee, and (iii) 16,259 shares held directly through BSIG, LLC of which Mr. Swayman owns a 50% interest, and does not include (i) 8,333 unvested RSUs that vest on June 16, 2018, (ii) 3,333 RSUs that vest in two equal annual installments beginning on November 16, 2017, or (iii) 10,000 RSUs that vest in two equal annual installments beginning on June 1, 2018. Mr. Swayman disclaims beneficial ownership of the shares held by BSIG, LLC except to the extent of any pecuniary interest he may have. All RSUs represent the right to receive shares of Common Stock.
- (15) Mr. Benz's shares include 33,334 shares held directly by Mr. Benz, and do not include (i) 8,333 unvested RSUs that vest on June 16, 2018, (ii) 3,333 RSUs that vest in two equal annual installments beginning on November 16, 2017, (iii) 3,333 RSUs that vest in two equal annual installments beginning on November 16, 2017, (iv) 10,000 RSUs that vest in two equal annual installments beginning on June 1, 2018, or (v) 10,000 RSUs that vest on January 1, 2018.

(16) Mr. Schulke's shares include 6,064,537 shares held directly, and 2,000,000 shares held by RSMC Partners, LLC, of which Mr. Schulke is a member, and does not include (i) 385,000 unvested RSUs, of which 165,000 vest on January 1, 2018 and 220,000 vest on January 1, 2019, or (ii) 50,000 RSUs that vest in three equal annual installments beginning on February 1, 2018. Mr. Schulke disclaims beneficial ownership of the

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- shares held by RSMC Partners, LLC except to the extent of any pecuniary interest he may have. All RSUs represent the right to receive shares of Common Stock.
- (17) Includes vested options to purchase (i) 64,000 shares of common stock, and (ii) 516,667 RSUs and 666,667 shares of Restricted Stock that are vested or will vest within 60 days of September 6, 2017.
- (18) Mr. Conlin's shares include (i) 4,377,980 shares held directly, (ii) 1,077,040 shares held by the Matthew Conlin 2017 Grantor Retained Annuity Trust, of which Mr. Conlin serves as Trustee, and (iii) 20,000 shares held by Conlin Family Foundation Trust in which Mr. Conlin serves as co-trustee, and does not include (i) 385,000 unvested RSUs, of which 165,000 vest on January 1, 2018 and 220,000 vest on January 1, 2019, or (ii) 50,000 RSUs that vest in three equal annual installments beginning on February 1, 2018. Mr. Schulke disclaims beneficial ownership of the shares held by RSMC Partners, LLC except to the extent of any pecuniary interest he may have. All RSUs represent the right to receive shares of Common Stock.
- (19) Frost Gamma beneficially owns 15,704,874 shares. Dr. Frost is the trustee of Frost Gamma. Frost Gamma L.P. is the sole and exclusive beneficiary of Frost Gamma. Dr. Frost is one of two limited partners of Frost Gamma L.P. The general partner of Frost Gamma L.P. is Frost Gamma, Inc., and the sole shareholder of Frost Gamma, Inc. is Frost-Nevada Corporation. Dr. Frost is also the sole shareholder of Frost-Nevada Corporation. Frost Gamma's address is 4400 Biscayne Blvd., Suite 1500, Miami, FL 33137.

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WHERE YOU CAN FIND MORE INFORMATION

We file periodic reports, proxy and Information Statements and other information with the SEC in accordance with the requirements of the Exchange Act. Our SEC filings are available to the public over the Internet at the SEC's web site at www.sec.gov. You also may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. Our Common Stock is listed and traded on The Nasdaq Global Market under the trading symbol COGT.

You may request a copy of our filings with the SEC at no cost, by making written or telephone requests for such copies to:

Cogint, Inc.

2650 North Military Trail, Suite 300

Boca Raton, Florida 33431

Attention: Jordyn Kopin, Director of Investor Relations

Phone: 561-757-4000

You should rely only on the information provided in this filing. You should not assume that the information in this Information Statement is accurate as of any date other than the date of this document. We have not authorized anyone else to provide you with any information.

Brokers, Custodians, Etc.

We have asked brokers and other custodians, nominees and fiduciaries to forward this Information Statement to the beneficial owners of our Common Stock held of record by such persons and will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

Incorporation of Certain Information by Reference

The documents listed below are incorporated by reference into this Information Statement:

our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 18, 2016 (only as to the consolidated financial statements of IDI Holdings, LLC for the period from September 22, 2014 (inception) through December 31, 2014);

our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 14, 2017, and the portions of our proxy statement on Schedule 14A for our 2017 Annual Meeting of Stockholders, filed with the SEC on April 28, 2017 that are incorporated by reference therein;

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our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, filed with the SEC on May 9, 2017;

our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017, filed with the SEC on August 9, 2017;

our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 filed with the SEC on November 8, 2017;

our Current Reports on Form 8-K filed with the SEC on December 2, 2015 (only as to the consolidated financial statements of Fluent, Inc. as of and for the years ended December 31, 2013 and December 31, 2014), January 24, 2017, April 17, 2017, June 13, 2017, July 6, 2017, July 25, 2017, September 7, 2017, September 11, 2017, September 28, 2017, October 17, 2017, November 15, 2017 and December 6, 2017; and

description of our capital stock contained in our registration statement on Form 8-A filed on September 26, 2016 and our registration statement on Form S-3 filed on December 16, 2016 and amended on January 24, 2017.

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Any statement contained in a document incorporated or deemed to be incorporated by reference in this Information Statement is modified or superseded for purposes of this Information Statement to the extent that a statement contained in this Information Statement or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement.

We are an Exchange Act reporting company and are required to file periodic reports on Form 10-K and 10-Q and current reports on Form 8-K. You may read and copy all or any portion of the information, which we file at the SEC's public reference room at 100 F Street, N.E., Washington, DC 20549, Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Also, the SEC maintains an internet site that contains reports, proxy and information statements, and other information that we file electronically with the SEC, including the registration statement. The website address is www.sec.gov.

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CONSOLIDATED FINANCIAL STATEMENTS OF VISION 7 INTERNATIONAL INC.

Report of Independent Auditors

To the directors of Vision 7 International Inc.

We have audited the accompanying consolidated financial statements of **Vision 7 International Inc.** (Successor), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of profit and loss and comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Vision 7 International Inc. at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2014 Financial Information

We have not audited, reviewed or compiled the consolidated financial information presented herein for the 363-day period ended December 29, 2014 of Vision International ULC (Predecessor) and for the 2-day period ended

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December 31, 2014 of Vision 7 International Inc. (Successor), and, accordingly, we express no opinion on it.

Québec City, Canada

March 2, 2017

/s/ Ernst & Young LLP¹

¹ CPA auditor, CA, public accountancy permit n° A106178

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VISION 7 INTERNATIONAL INC. (SUCCESSOR)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	Successor As at December 31, (in thousands of Canadian dollars)	
		2016	2015
		\$	\$
ASSETS	<i>12</i>		
Current assets			
Cash and cash equivalents		4,909	8,021
Accounts receivable	<i>5</i>	90,403	96,038
Work in progress		13,726	8,523
Income taxes recoverable		820	226
Prepaid expenses		1,425	1,039
Total current assets		111,283	113,847
Premises and equipment	<i>6</i>	14,163	13,310
Intangible assets	<i>7</i>	68,614	74,499
Investments	<i>9</i>	385	405
Other long-term assets	<i>10</i>	1,466	1,874
Deferred income taxes	<i>14</i>	581	850
Goodwill	<i>8</i>	176,947	177,452
Total non-current assets		262,156	268,390
Total assets		373,439	382,237
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable, accrued liabilities, and provisions	<i>11</i>	139,390	147,426
Billing in excess of costs and anticipated profits		15,073	11,611
Income taxes payable		868	3,065
Current portion of long-term debt	<i>12</i>	4,547	4,197
Total current liabilities		159,878	166,299
Long-term debt		27,415	37,375
Balance of purchase price of a subsidiary	<i>3</i>	280	
Deferred lease obligations		4,523	2,616
Deferred income taxes	<i>14</i>	18,740	19,016
Total non-current liabilities		50,958	59,007

Total liabilities		210,836	225,306
Equity			
Share Capital		146,926	142,486
Contributed surplus		4,501	5,852
Retained earnings		7,392	3,162
Non-controlling interests		144	
Accumulated other comprehensive income		3,640	5,431
Total equity	<i>13</i>	162,603	156,931
Total liabilities and equity		373,439	382,237
Contingencies	11		
Commitments	15		

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board of Directors

Brett Marchand
Director

Hong Zheng
Director

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**VISION 7 INTERNATIONAL INC. (SUCCESSOR) AND VISION 7 INTERNATIONAL ULC
(PREDECESSOR)**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Class B Issued Number	Class C Issued Number	Class D Issued Number	Class E Issued Number	Class F Issued Number	Class Q Issued Number	Total Number	Share Capital (in thousands of Canadian dollars, \$)	Contri- buted Surplus (\$)	Retained Earnings (Deficit) (\$)	Accu- mulated Other Compre- hensive Income (shares) (\$)
6,210,251		220,258	216,758			18,560,661	72,479	1,868	(26,294)	1,866
									(32,039)	
	578,084	(196,189)		115,475		497,370	2,411	(2,183)		
		(24,069)	(216,758)			(240,827)				
(4,235,067)	(59,204)			1,420,067	2,920,000					
							(20,160)		(900)	(1,866)
								315		
										1,490
1,975,184	518,880			1,535,542	2,920,000	18,817,204	54,730		(59,233)	1,490

					(141)	
				2,592		
					5,419	
742,827			15,835,322	134,572		
742,827			15,835,322	137,164	5,419	(141)
						3,303
	104,500		697,482	5,087		
					235	
						433
						5,431
742,827	104,500		16,532,804	142,486	5,852	3,162
						5,431

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	Class A Issued Number	Class B Issued Number	Class C Issued Number	Class D Issued Number	Class E Issued Number	Class F Issued Number	Class G Issued Number	Class H Issued Number	Class I Issued Number	Class J Issued Number	Class K Issued Number	Class L Issued Number	Class M Issued Number	Class N Issued Number	Class O Issued Number	Class P Issued Number	Class Q Issued Number	Total Number	Share Capital (in thousands of dollars)	Contri- buted Surplus (in thousands of dollars)	Retained Earnings (Deficit) (in thousands of Canadian dollars, except the number of shares)	Compre- hensive Income (in thousands of Canadian dollars, except the number of shares)	Accu- mulated Other Attributable to Share- holders	Total Equity Non-Con- trolling Interests	
Balance			345,144															345,144	\$ 3,571	\$ (2,438)	\$ 4,230	\$ 4,230	\$ 4,230	\$ 34	
Share purchase plan	644,234	(256,300)	(387,934)																						
Share repurchase and																			1,017				1,017		
Share repurchase and		(8,000)	(9,000)																(148)				(148)		
Share repurchase and																				1,087			1,087		
Share repurchase and																									110
Share repurchase and																						(1,791)	(1,791)		
December 31,	16,329,711	478,527	52,710															16,860,948	146,926	4,501	7,392	3,640	162,459	144	

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**VISION 7 INTERNATIONAL INC. (SUCCESSOR) AND VISION 7 INTERNATIONAL ULC
(PREDECESSOR)**

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND COMPREHENSIVE INCOME (LOSS)

	<i>Notes</i>	Year ended December 31, 2016	Successor Year ended December 31, 2015	Predecessor Period from December 30, 2014 through December 31, 2014 <i>(unaudited)</i>	Predecessor Period from January 1, 2014 through December 29, 2014 <i>(unaudited)</i>
		(in thousands of Canadian dollars)			
		\$	\$	\$	\$
Continuing operations					
Income		159,604	148,207		137,287
Operating expenses					
Salary and professional costs	<i>16a</i>	110,260	103,188		97,760
Office and general expenses		38,299	36,589	190	35,700
Total operating expenses		148,559	139,777	190	133,460
Income (loss) from operations		11,045	8,430	(190)	3,827
Financing expense	<i>16a</i>	3,564	2,819		4,537
Income (loss) before income taxes		7,481	5,611	(190)	(710)
Income tax expense (recovery)	<i>14</i>	3,217	2,308	(49)	(83)
Income (loss) from continuing operations		4,264	3,303	(141)	(627)
Discontinued Operations					
Net loss from discontinued operations	<i>4</i>				(5,821)
Net loss from the distribution of net assets directly associated to the disposal group	<i>4</i>				(25,591)
Net income (loss)		4,264	3,303	(141)	(32,039)
Net income (loss) attributable to:					
Equity holders of the parent		4,230	3,303	(141)	(32,039)
Non-controlling interests		34			
		4,264	3,303	(141)	(32,039)

Comprehensive income (loss)

Net income (loss)	4,264	3,303	(141)	(32,039)
Cumulative translation adjustment	(1,791)	5,431		1,490
Comprehensive income (loss)	2,473	8,734	(141)	(30,549)

Comprehensive income (loss)**attributable to:**

Equity holders of the parent	2,439	8,734	(141)	(30,549)
Non-controlling interests	34			
	2,473	8,734	(141)	(30,549)

The accompanying notes are an integral part of these consolidated financial statements.

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**VISION 7 INTERNATIONAL INC. (SUCCESSOR) AND VISION 7 INTERNATIONAL ULC
(PREDECESSOR)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31, 2016	Successor Year ended December 31, 2015	Period from December 30, 2014 through December 31, 2014 (unaudited)	Predecessor Period from January 1, 2014 through December 29, 2014 (unaudited)
		(in thousands of Canadian dollars)			
		\$	\$	\$	\$
Operating activities					
Income (loss) from continuing operations		4,264	3,303	(141)	(627)
Items not affecting cash and cash equivalents					
Amortization of premises, equipment, and intangible assets		8,430	7,888		4,394
Amortization of deferred financing costs		421	428		1,185
Net lease obligations		508	480		(481)
Deferred income taxes		103	(1,140)	(49)	(74)
Share-based compensation costs		1,087	433		150
Share in loss of an associate		352			
Loss on write-off of fixed assets		43			
Loss (gain) on interest swap		(50)	58		
		15,158	11,450	(190)	4,547
Net change in non-cash working capital items		(7,272)	7,805	8,844	17,647
Net cash used in operating activities of discontinued operations	4				(2,366)
		7,886	19,255	8,654	19,828
Investing activities					
Business combinations	3	144	(2,592)	(188,020)	
Business disposal	4				(7,451)
Investment in an associate and a convertible debenture	3	(490)	(260)		
Additions to premises and equipment		(4,332)	(5,437)		(2,321)
Proceeds from disposal of premises and equipment on sale and leaseback		334			9
Additions to intangible assets		(184)	(177)		(452)
Issuance of a loan granted to an employee		(370)			
Loan reimbursed by employees				1,233	

Repayment of loans to employees under share purchase financing plan	16c	405		
Advance to a shareholder		(7,952)		
Repayment of an advance to a shareholder		7,600		
Net cash used in investing activities of discontinued operations	4			(405)
		(4,845)	(8,466)	(186,787)
				(10,620)

Financing activities

Increase in long-term debt		19,600	10,200	62,461	11,000
Advance from the parent company				4,710	
Payments on long-term debt		(29,150)	(33,517)		(18,813)
Payments of financing costs			(18)		(10)
Payments on finance leases		(344)	(328)		(469)
Lease inducement received		1,392	1,257		492
Share issuance		1,133	377	130,000	230
Share redemption		(148)			
Repayment of loans to employees under share purchase financing plan	16c	1,216			352
		(6,301)	(22,029)	197,171	(7,218)
Effect of foreign exchange rate changes on cash and cash equivalents		148	223		150
Net change in cash and cash equivalents		(3,112)	(11,017)	19,038	2,141
Cash and cash equivalents	Beginning of period	8,021	19,038		6,917
Cash and cash equivalents		4,909	8,021	19,745	9,765
Bank overdraft				(707)	(707)
Cash and cash equivalents	End of period	4,909	8,021	19,038	9,058

Supplemental information 16b, 16d

The accompanying notes are an integral part of these consolidated financial statements.

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**VISION 7 INTERNATIONAL INC. (SUCCESSOR) AND VISION 7 INTERNATIONAL ULC
(PREDECESSOR)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**AS AT DECEMBER 31, 2016 AND 2015 AND FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(SUCCESSOR), 2-DAY PERIOD ENDED DECEMBER 31, 2014 (SUCCESSOR) (UNAUDITED) AND FOR
THE 363-DAY PERIOD ENDED DECEMBER 29, 2014 (PREDECESSOR) (UNAUDITED)**

(in thousands of Canadian dollars, except the number of shares and options, and unless otherwise stated)

1 General Information

Vision 7 International Inc. was created on December 30, 2014 by amalgamation of 1861710 Alberta Inc. and Vision 7 International ULC (Vision 7 ULC or the Predecessor). The address of Vision 7 International Inc. registered office is 1600, 7th Avenue S.W., Suite 421, Calgary, Alberta, Canada, T2P 4K9. Its principal place of business is 300, Saint-Paul Street, Suite 300, Quebec City, Quebec, Canada, G1K 7R1. The parent company is Blue Valor Limited and the ultimate parent company is BlueFocus Communication Group Limited (BlueFocus or the Acquirer).

Vision 7 International Inc. and its subsidiaries (collectively, Vision 7 or the Successor), offer 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.

1861710 Alberta Inc. was incorporated under the Alberta Companies Act on November 20, 2014. On December 30, 2014, 1861710 Alberta Inc. acquired all shares issued and outstanding of Vision 7 ULC, a worldwide communication agency based in Canada, having offices in Canada, US and UK, in a view for the 1861710 Alberta Inc. s majority shareholder to accelerate its ambitious growth plans organizations in North America. Prior to December 30, 2014, Vision 7 ULC was wholly-owned by a private equity firm and certain members of management (former shareholders). The total consideration of the acquisition was \$211,730 (the Acquisition) (see note 3a). Prior to the Acquisition, 1861710 Alberta Inc. had not commenced operations and had nominal assets and liabilities. Following the Acquisition, 1861710 Alberta Inc. merged with its newly acquired subsidiary on December 30, 2014 to become Vision 7. Any references to the Company represent both the Successor and the Predecessor.

The Acquisition was accounted for using the purchase method of accounting which resulted in a new basis for the assets acquired and liabilities assumed. 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. The results of those activities were presented under discontinued operations in the consolidated statements of profit and loss and comprehensive income (loss) of the predecessor (see note 4). The accompanying consolidated financial statements reflect Vision 7 ULC s historical accounting basis for the periods prior to the Acquisition (the Predecessor) and the Company s new accounting basis for the period following the Acquisition (the Successor). The period of January 1, 2014 through December 29, 2014 represents the prior ownership (Predecessor Period) while the period of December 30, 2014 (Commencement of Operations) through December 31, 2014 and the years ended December 31,

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2016 and 2015 represent BlueFocus ownership (Successor Periods).

The consolidated statements of profit and loss and comprehensive income (loss), change in equity and cash flows, and the related notes to the consolidated financial statements for the 363-day period ended December 29, 2014 (Predecessor) and for the 2-day period ended December 31, 2014 (Successor) are unaudited.

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Table of Contents**2 Summary of Significant Accounting Policies****Basis of Preparation**

The Company's consolidated financial statements for the year ended December 31, 2016 included therein were authorized for issuance by the Board of Directors on March 2, 2017.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and include the following significant accounting policies.

Functional and Reporting Currency

The Canadian dollar is the functional and reporting currency of the Company and its Canadian controlled entities. The functional currency of certain non-Canadian controlled entities is not the Canadian dollar. Consequently, the statements of profit and loss and comprehensive income (loss), cash flows and financial position of these entities are translated into Canadian dollars for presentation in the Company's consolidated financial statements.

Basis of Consolidation

These consolidated financial statements include all companies in which the Company, directly or indirectly, has more than 50% of the voting rights or over which it exercises control. Companies are included in the consolidation as of the date the control is transferred to the Company. The purchase method of accounting is used to account for acquisitions. Transaction costs are expensed as incurred.

Intercompany transactions, balances, and unrealized gains and losses on transactions among the companies included in the basis of consolidation are eliminated.

Subsidiaries

The principal consolidated wholly-owned subsidiaries of the Company, whose gross income represent more than 5% of total gross income, are as follows:

Name of wholly-owned subsidiary	Country of incorporation
Cossette Communication Inc.	Canada
Citizen Relations L.P. (formerly Citizen Optimum L.P.)	Canada
Citizen Relations LLC	United States
Dare Digital Limited and its subsidiaries, which are incorporated in England and other small entities were included in the scope of the consolidation of the predecessor consolidated financial statements but were presented under discontinued operations (see note 4) because those operations were spun off prior to the Acquisition.	

Investments

An associate is an entity over which the Company has significant influence, generally through an interest of 20% to 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to exercise significant influence over the strategic operating, investing, and financing policies of an investee even when the investor does not control or jointly control the investee. The investments in associates are accounted for

using the equity value method of accounting.

Investments in equity instruments over which the Company has no significant influence, generally interests of less than 20% of the voting rights, are considered as financial assets. Since the equity instruments of such investments are not quoted in an active market, these investments are carried at cost.

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Use of Estimates and Significant Judgments

The application of the Company's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive income (loss), assets and liabilities recognized and disclosures made in the consolidated financial statements. Estimates and judgments are significant when:

the outcome is highly uncertain at the time the estimates and judgments are made; and

if different estimates or judgments could reasonably have been used that would have had a material impact on the consolidated financial statements.

Management's best estimates regarding the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and trends, as well as assumptions regarding probable future outcomes as the basis for determining estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Financial statement items requiring greater use of management estimates include key economic assumptions used in determining goodwill for impairment testing purposes, the allowance for doubtful accounts, the useful life of assets for amortization, the evaluation of future cash flows expected to be generated by assets, estimated contract revenue and related costs, the determination of the fair value of assets and liabilities in business combinations, provisions for income taxes, the determination of future income tax assets and liabilities, and the determination of the fair value of financial instruments.

Management is also required to use significant judgment in determining if individual brand in a location in which it carries out its activities are individual Cash Generating Units (CGU), or if these units should be aggregated at a broader level to form a CGU. The significant judgments applied by management in determining if locations should be aggregated in a given geographic area to form a CGU include the determination of expected cash inflows and whether a location cash inflows are largely independent from other locations of the said location or whether management views the cash flows of the location in the group as inter-dependent from other locations.

Significant assumptions with respect to share-based payment amounts include an estimate of the volatility of the Company's shares, forfeiture rates and the expected life of the options, which are subject to measurement uncertainty. The assumptions and models used for estimating the fair value for share-based payment transactions are disclosed in note 13.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Actual results will differ from the estimates used, and such differences could be material.

Translation of Foreign Currencies

Functional and Reporting Currency

The Company functional and reporting currency is the Canadian dollar.

Foreign Operations

Each foreign operation determines its own functional currency and items included in the consolidated financial statements of each foreign operation are measured using that functional currency. The consolidated financial statements of each foreign operation that have a functional currency different from the Company are translated into Canadian dollars as follows:

assets and liabilities are translated at the exchange rate in effect at the consolidated statement of financial position date;

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revenues and expenses are translated at the average exchange rate on a yearly basis; and

gains and losses arising from such translation are recognized in other comprehensive income (loss) as cumulative translation adjustments.

Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into the relevant functional currency as follows: monetary assets and liabilities are translated at the exchange rate in effect at the consolidated statement of financial position date and revenues and expenses are translated at the exchange rate prevailing at the transaction date. Non-monetary assets and liabilities are translated at historical rates and foreign exchange gains and losses arising from such translation are reflected in the net income.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. The Company has classified its financial instruments as follows:

Assets and liabilities at fair value through**profit and loss**

Cash and cash equivalents

Loans and receivables

Accounts receivable

Other liabilities

Accounts payable and accrued liabilities

Balance of purchase price of a subsidiary

Loans included in Other

long-term assets

Long-term debt

Financial instruments are recognized on the consolidated statement of financial position when the Company becomes a party to the contractual obligations of the instrument. Initially, financial instruments are recognized at their fair value. Financial assets and financial liabilities are subsequently measured at amortized cost except for investments in equity instruments that are quoted in an active market and balance of purchase price of a subsidiary, in which case they are subsequently measured at fair value. Changes in fair value are recognized in the statement of profit and loss and comprehensive income (loss).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash as well as all highly liquid short-term investments with original maturities of three months or less reduced by the amount of bank overdraft.

Allowance for Doubtful Accounts

Accounts receivable carried at amortized cost are subject to periodic impairment review and are classified as impaired when, in the opinion of management, there is a reasonable doubt as to ultimate collection such that credit-related losses are expected to be incurred in light of all circumstances known at the date of review.

Hedging and Derivative Financial Instruments

The Company uses derivative financial instruments to manage current and anticipated risks related to interest rate fluctuations associated with the Company's credit facility.

The Company uses interest rate swaps as part of its program for managing the combination of fixed and variable interest rates portions of its debt and the corresponding aggregate cost of borrowing.

The interest rate swaps involve an exchange of interest payments without an exchange of the principal underlying the interest payments, and are accounted for as an adjustment to interest expense on the debt instrument. The corresponding amount due to or from counterparties is accounted for as an adjustment to interest expense.

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The Company enters into interest rate swap agreements to reduce the impact of fluctuating interest rates on financial commitments. The Company does not use derivative financial instruments for trading or speculative purposes.

At the balance sheet date, the fair value of the financial asset or liability associated to each interest rate swap, is measured and accounted for in the statement of financial position.

Any change in the fair value of these derivative instruments is recorded in net income.

Work in Progress

Work in progress consists principally of costs incurred in providing production services to clients as well as fees earned but not yet billed to clients. Such amounts are generally billed to clients at various times over the course of the production process.

Premises and Equipment

Premises and equipment acquired through a business acquisition are initially stated at fair value whereas property and equipment acquired previously or subsequent to the acquisition date are recognized at cost. Premises and equipment are amortized when they are ready for use, over their estimated useful lives, using the straight-line method and following periods:

	Periods
Furniture, fixtures and equipment	Ten years
Hardware	Three to five years
Leasehold improvements	The lesser of ten years or the remaining lease term including one renewal option

The estimated useful lives and amortization methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of premises and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit and loss and comprehensive income (loss).

Intangible Assets

a) Internally generated intangible assets
 Research costs are expensed as incurred.

b) System and application softwares
 System and application softwares are mainly purchased externally. The Company records direct costs associated with the development of business software for internal use as system and application softwares if the development costs satisfy the criteria for capitalization.

c) Intangible assets from business combination

The Company acquires intangible assets either as part of a business combination or through separate acquisitions. Intangible assets acquired in a business combination are recorded at their fair value at the date of acquisition and recognized separately from goodwill.

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d) Amortization

Intangible assets recorded in the successor consolidated financial statements are amortized over their estimated useful lives, using the straight-line method and the following periods:

	Periods
System software	Five years
Application software	Three years
Customer relationships	Ten years

Intangible assets recorded in the predecessor consolidated financial statements are amortized over their estimated useful lives, using the following methods and periods:

	Methods	Periods
System software	Straight-line	Five years
Application software	Straight-line	Three years
Customer relationships	Sum-of-the-years -digits	Five years
Favourable (unfavourable) lease agreements	Straight-line	Remaining lease term

Trade names, due to their nature, have an indefinite life. Consequently, they are not amortized. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The estimated useful lives and amortization methods are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of intangible assets is determined as the difference between sale proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit and loss and comprehensive income (loss).

Business Combinations and Goodwill

The Company accounts for business combinations using the acquisition accounting method, which requires to determine the fair value of net assets acquired and the related goodwill and other intangible assets. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and involves the use of significant estimates, including projections of future cash inflows and outflows, discount rates, asset lives and market multiples. Considering the characteristics of advertising, specialized marketing and communication services companies, acquisitions usually do not have significant amounts of tangible assets, as the principal asset typically acquired is creative talent. As a result, a substantial portion of the purchase price is allocated to goodwill and other intangible assets.

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to each CGU or group of CGUs that is expected to benefit from the related business combination. A CGU is the smallest identifiable group of assets

that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment of Non-financial Assets

Goodwill and Indefinite-life Intangible Assets

The carrying values of identifiable intangible assets with indefinite life and goodwill are tested annually for impairment. Goodwill and indefinite life intangible assets are allocated to CGUs for the purpose of impairment

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testing based on the level at which management monitors it, which is not higher than an operating segment. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. The Company has elected to carry its annual impairment test during the last quarter of each year for all its existing CGUs or at any time if an indicator of impairment exists.

Non-financial Assets with Definite Useful Life

The carrying values of non-financial assets with definite useful life, such as premises and equipment and intangible assets with definite useful life are assessed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount of the asset must be determined. Such assets are impaired if their recoverable amount is lower than their carrying amount. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the CGU to which the asset belongs is tested for impairment.

Recognition of Impairment Charge

The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. The resulting impairment loss is recognized in the consolidated statement of profit and loss and comprehensive income (loss). Impairment losses on indefinite life intangible assets recognized in prior periods are reassessed at each reporting date for any indications that the loss has decreased or no longer exists. When an impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been recorded had no impairment losses been recognized for the asset or CGU in prior years. An impairment loss recognized for goodwill cannot be reversed.

Income Taxes

Income tax expenses comprise current and deferred income taxes. Income taxes are recognized in the consolidated statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income (loss) or directly in equity, in which case the income taxes are also recognized directly in other comprehensive income (loss) or equity, respectively.

Current Income Taxes

The current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities. The income tax rates used to calculate the amount are those that are enacted or substantively enacted at the consolidated statements of financial position date in the tax jurisdiction where the Company and its subsidiaries generate taxable income/loss.

Deferred Income Taxes

The Company provides for deferred income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between carrying values and tax values of assets and liabilities as well as the carryforward of unused tax losses and deductions, using enacted or substantively enacted income tax rates expected at the consolidated statement of financial position date to be in effect for the years in which the assets are expected to be realized or the liabilities to be settled.

Deferred income tax assets are recognized only to the extent that it is probable that they will be recovered.

Deferred tax liabilities are generally recognized for all taxable temporary differences and for taxable temporary differences arising on investments in subsidiaries, except where the reversal of these temporary

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differences can be controlled and it is probable that the differences will not reverse in the foreseeable future. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit and loss.

Deferred income tax assets and liabilities are presented as non-current in the consolidated statement of financial position.

Tax Credits

Some of the Company's subsidiaries are entitled to certain Canadian federal and provincial tax incentives for qualified scientific research and experimental development (SR&ED) expenditures and some are also entitled to certain refundable tax credits granted by the Government of the Province of Quebec.

These incentives are accounted for as a reduction of related expenditures when the Company has reasonable assurance that the credits will be realized.

Borrowing Costs

Finance costs of borrowing are recognized in the consolidated statement of profit and loss and comprehensive income (loss) over the term of those borrowings.

Revenue Recognition

Revenue is primarily derived from fees and commissions for services, production work and media placement.

Revenue is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists, (ii) the price is fixed or determinable, (iii) ultimate collection is reasonably assured, and (iv) services have been rendered.

Depending on the terms of the client agreements, fees for services performed are recognized under the percentage-of-completion method or equally over the contract term.

Fees are generally recognized as earned based on the percentage-of-completion method in situations where a fee is reconcilable to the actual hours incurred to service the client, or where there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Labor and costs incurred as a proportion of expected total costs are used as an initial proportional performance measure. This indicative proportional performance measure is subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of reports delivered to a client or the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures. In all cases, such revenue being limited to the amount realizable under the client contract and all foreseeable losses are included in earnings when it is determined that such losses are considered likely to occur.

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Fees are recognized equally over the contract term when service is provided throughout the contract period, specific resources are available when required, and the terms of the agreement support this method of accounting.

Commissions for media buys are generally earned on broadcast or production date. Some of the contractual arrangements with clients include performance-based incentive provisions which allow the Company to earn additional revenues as a result of its performance relative to both quantitative and qualitative goals. The

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Company recognizes the incentive portion of revenue under the performance-based contractual arrangements when specific quantitative goals are achieved, or when the performance against qualitative goals is determined by the Company's clients and a written confirmation determining the amount that will be paid is received from the client.

The majority of Company's revenue is recorded as the net amount of its gross billings less pass-through expenses charged to a client. In most cases, the amount that is billed to clients significantly exceeds the amount of revenue that is earned and reflected in the consolidated financial statements because of various pass-through expenses, such as production and media costs. The Company assess whether the agency or the third-party supplier is the primary obligor, and evaluate the terms of its client agreements as part of this assessment. In addition, appropriate consideration is given to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the vendor. Although the Company bears credit risk in respect of these activities, based on the fact that the Company operates broadly as an advertising agency, that the supplier is likely responsible for fulfillment of the service ordered by the client and the Company's revenue is mostly based on a percentage of the amount billed by the supplier, the Company determined that its revenue must be presented on a net basis, since the Company generally acts as an agent on behalf of its clients in its primary lines of business.

As the Company provides services essentially part of its core operations, incidental expenses, commonly referred to as out-of-pocket expenses, are generally incurred. The Company records such expenses, in circumstances where they are reimbursed by clients, as direct costs with no effect on gross income.

Lease Activities

Operating leases and deferred lease obligations

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. The Company leases certain office premises and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor. These are classified as operating leases. Payments made under these leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit and loss and comprehensive income (loss) on a straight-line basis over the period of the lease. Any difference, including rent-free periods, between the amount paid and the amount recognized in the consolidated statement of profit and loss and comprehensive income (loss) is accounted for as deferred lease obligations.

Deferred lease obligations also include lease inducements. These are amortized on a straight-line basis over the term of the related leases as a reduction of current rental expenses.

Finance leases

Finance leases which transfer to the Company substantially all the risks and benefits of ownership of the asset are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance expenses are charged to the consolidated statement of profit and loss and comprehensive income (loss) over the period of the agreement. Obligations under finance leases are included in financial liabilities net of finance costs allocated to future periods. Capitalized leased assets are depreciated over the shorter of the estimated life of the asset or the lease term, if there is no reasonable uncertainty that the Company will obtain ownership at the end of the lease term.

Share-Based Compensation

The Company has share-based compensation plans (described at note 13) and accounts for grants under these plans in accordance with the fair-value-based method of accounting for share-based compensation. Compensation expense for share options awarded under the plans is measured at the fair value at the grant date

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using the Black-Scholes valuation model and is recognized on a straight-line basis over the vesting period of the options granted. The Company estimates its forfeiture rate in order to determine the compensation expense arising from share-based awards.

Discontinued operations

A discontinued operation is a component of the Company that has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations and/or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Classification as a discontinued operation occurs upon the earlier of the disposal of the operation (or disposal group) or the date at which the operation meets the criteria for classification as held for sale. When an operation is classified as discontinued, comparative statements of profit and loss and comprehensive income (loss) and cash flows are presented as if the operations had been discontinued at the beginning of the earliest comparative period presented.

New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the IFRIC that are not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. The Company is assessing the impact of these pronouncements on its consolidated results and financial position. The Company intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments: Classification and Measurement

IFRS 9 replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

financial assets measured at amortized cost; or

financial assets measured at fair value

Under IFRS 9, for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income (loss), with the remainder of the change recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with earlier adoption permitted with some exemptions. The Company is currently evaluating the impact of the above standard on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, issued by the IASB in May 2014, and updated in May 2015, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide

guidance for transactions that were not previously addressed comprehensively for example, service revenue and contract modifications and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its consolidated financial statements.

Table of Contents**IFRS 16, Leases**

IFRS 16 is a new standard that applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by leases, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 16. The Company is currently evaluating the impact of the above standard on its consolidated financial statements, but since the Company's business offices are all leased premises, it is expected that long-term assets and liabilities will increase upon the application of this standard.

3 Business Combination**a) Vision 7 ULC**

On December 30, 2014, 1861710 Alberta Inc. acquired all shares issued and outstanding of Vision 7 ULC, a worldwide communication agency based in Canada, having offices in Canada, US and UK, in a view for the acquirer to accelerate its ambitious growth plans organizations in North America (see note 1). The total consideration of the Acquisition is \$211,730 of which an amount of \$188,020 was paid cash at the closing date and the remaining balance was paid through the issuance of 15,000 Class A and 742,827 Class B shares and 1,037,050 vested stock options (see note 13) of the Company. An adjustment amount of \$2,592 was paid in May 2015 following the submission by the sellers of the final value of the acquired company 60 days after the Acquisition date. At the same time, the advance from the parent company amounting to \$4,710 was converted into additional Class A shares. As a consequence of these two transactions, 592,982 Class A shares were issued.

The total consideration was allocated based on management's assessment as to the estimated fair values of net assets at the Acquisition date.

<i>(In thousands of Canadian dollars)</i>	Total
	\$
Assets acquired	
Cash and cash equivalents	9,765
Other current assets	121,092
Premises and equipment	9,887
Intangible assets	77,054
Long-term deferred income taxes	3,124
Other long-term assets	2,902
	223,824
Liabilities assumed	
Bank overdraft	707
Other current liabilities	163,383
Long-term debt	906

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Long-term deferred income taxes	21,904
	186,900
Net identifiable assets acquired	36,924
Goodwill	174,806
Purchase price	211,730
Cash and cash equivalents	(9,058)
Balance of purchase price payable	(2,592)
Shares and options issued	(12,060)
Net cash used for the Acquisition	188,020

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Intangible assets consist of customer relationships for a total amount of \$47,900, which are amortized using the straight-line method over their estimated useful life of ten years and trade names for a total amount of \$28,400, which are not amortized but subject to an annual impairment test. Goodwill is attributable to assembled workforce and to the significant synergies expected to arise after the Acquisition by the acquirer. An amount of \$8,530 (US\$7,352) of the goodwill recognized is deductible for income tax purposes.

b) Cossette Health Inc.

In December 2015, the Company invested \$160 in Cossette Health Inc., a start-up company that delivers communications and digital services to the healthcare industry. It further invested \$490 in March 2016 increasing its ownership interest from 45.5% to 49%. On November 30, 2016, a shareholder left the company and its shares were redeemed. Following this event, the Company acquired the control of Cossette Health. The ownership interest of the Company has then increased from 49% to 73%.

The total consideration was allocated based on management's assessment as to the estimated fair values of net assets at the acquisition date.

	Total
	\$
Assets acquired	
Cash and cash equivalents	320
Accounts receivable	37
SR&ED tax credits receivable	100
Work in progress	29
Investment in an associate	140
Deferred income taxes	81
	707
Liabilities assumed	
Accounts payable and accrued liabilities	(299)
Net identifiable assets acquired	408
Goodwill	
Value of non-controlling interest	(110)
Fair value of investment in associate before acquisition of controlling interest	(298)
Purchase consideration transferred	

c) Black Chalk Marketing

On December 21, 2016, the Company acquired all assets of Black Chalk Marketing, a Toronto based boutique agency created by a team of Canada's communications and event specialists. The total consideration of the acquisition is \$500. On closing date, the Company paid to Black Chalk Marketing the sum of \$200 less \$24 to be collected directly by the vendor from the Black Chalk clients. The balance of purchase price in the amount of \$300 will be paid by the delivery

of two promissory notes in the principal amount of \$150 each, payable in 2017 and 2018. These promissory notes may be adjusted downwards subject to future revenues of experiential business for Citizen North America and Black Chalk Marketing. The Company believes that it is very likely that these promissory notes will be paid entirely and therefore, has recorded a balance of purchase price at a discounted amount of \$280.

The total consideration was allocated based on management's assessment as to the estimated fair values of net assets at the acquisition date. The goodwill recognized of \$456 is attributable to workforce know-how and to the synergies expected to arise after the acquisition by the acquirer. An amount of \$375 is deductible for income tax purposes.

Table of Contents**4 Discontinued Operations (Unaudited)**

On December 29, 2014, the predecessor distributed its interest into the vast majority of its UK operations (UK Spin-off) for no consideration. The Company 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 discontinued operations. 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 discontinued operations.

Components of the Company's net loss from discontinued operations are summarized below.

	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)

There was no current or deferred tax expense (recovery) recorded against the loss on disposal of the discontinued operations. The loss on disposal recorded for an amount of \$25,591 represents the difference between the carrying value of the assets disposed and their fair value, net of taxes, which was distributed to the shareholders.

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Components of the Company's net cash used in operating and investing activities of discontinued operations are summarized below.

	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)

5 Accounts Receivable

	2016	2015
	\$	\$
Trade receivables	89,849	95,701
Allowance for doubtful accounts (note 18a)	(263)	(264)
Tax credits	817	601
	90,403	96,038

Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

Table of Contents**6 Premises and Equipment**

	Furniture, fixtures and equipment	Hardware	Hardware under capital leases	Leasehold improvements	Total
Net book value					
As at December 31, 2014	1,478	1,563	641	6,205	9,887
Additions	631	1,053	181	3,753	5,618
Amortization	(376)	(849)	(296)	(1,071)	(2,592)
Foreign exchange rate differences	139	16		242	397
As at December 31, 2015	1,872	1,783	526	9,129	13,310
Additions	615	1,149		2,568	4,332
Amortization	(404)	(944)	(302)	(1,576)	(3,226)
Write-off	(36)			(11)	(47)
Sale and leaseback		(289)	289		
Foreign exchange rate differences	(97)	(19)		(90)	(206)
As at December 31, 2016	1,950	1,680	513	10,020	14,163
Net book value					
Cost	2,248	2,632	822	10,200	15,902
Accumulated amortization	(376)	(849)	(296)	(1,071)	(2,592)
As at December 31, 2015	1,872	1,783	526	9,129	13,310
Cost	2,703	3,680	851	12,413	19,647
Accumulated amortization	(753)	(2,000)	(338)	(2,393)	(5,484)
As at December 31, 2016	1,950	1,680	513	10,020	14,163

The Company has entered into a sale and leaseback arrangement in September 2016. This arrangement relates to IT equipment used by the Company in Canada and expires in September 2019. At the expiration of a lease agreement in September 2016, the Company acquired at no cost all equipment under this agreement.

Table of Contents**7 Intangible Assets**

	Intangible Assets from Business Combination			Other Intangible Assets		Total
	Customer relationships	Trade names	Sub-total	System and software application softwares	Application under capital leases	
Net book value						
As at December 31, 2014	47,900	28,400	76,300	687	67	77,054
Additions				177	55	232
Amortization	(4,882)		(4,882)	(348)	(66)	(5,296)
Foreign exchange rate differences	1,627	882	2,509			2,509
As at December 31, 2015	44,645	29,282	73,927	516	56	74,499
Additions				184		184
Amortization	(4,899)		(4,899)	(286)	(19)	(5,204)
Foreign exchange rate differences	(556)	(309)	(864)			(865)
As at December 31, 2016	39,190	28,973	68,163	414	37	68,614
Net book value						
Cost	49,527	29,282	78,809	864	122	79,795
Accumulated amortization	(4,882)		(4,882)	(348)	(66)	(5,296)
As at December 31, 2015	44,645	29,282	73,927	516	56	74,499
Cost	48,987	28,973	77,960	1,048	122	79,130
Accumulated amortization	(9,797)		(9,797)	(634)	(85)	(10,516)
As at December 31, 2016	39,190	28,973	68,163	414	37	68,614

In the fourth quarter of fiscal year 2016, the Company performed its annual indefinite life intangible assets impairment test for its CGUs.

The recoverable amount calculated in the impairment tests was determined based on the value-in-use approach using a discounted cash flow model. The significant key assumptions include anticipated cash flows based on financial plans approved by management covering a five-year period. Other key assumptions used in the cash flows model were as follows:

	2016	2015
Discount rates (pre-tax rates)	From 10.4% to 11.0%	

	(from 12.4% to 14.2%)	From 10.3% to 10.9% (from 12.2% to 14.1%)
Terminal growth rate	3%	3%
Pre-tax relief from royalty	2%	2%

No reasonably possible change of any of these assumptions would result in a carrying amount higher than the recoverable amount.

8 Goodwill

		2016	2015
		\$	\$
Balance	Beginning of year	177,452	174,806
	Business combination (note 3c)	456	
	Effect of foreign exchange rates	(961)	2,646
Balance	End of year	176,947	177,452

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During its fourth quarter, the Company performed its annual goodwill impairment test for its CGU. For the purposes of the impairment test, goodwill was allocated and tested globally for the following reasons:

Decisions regarding clients such as in which CGU the clients are allocated are taken at the corporate/consolidated level;

Many essential services are managed centrally and are not reallocated;

The primary users of the financial statements analyze the financial performance of the Company primarily on a consolidated basis;

Goodwill is arbitrarily allocated for the purpose of computing foreign exchange difference but is monitored at a consolidated level only.

The recoverable amount calculated in the impairment tests was determined based on the value-in-use approach using a discounted cash flow model. The significant key assumptions include anticipated cash flows based on financial plans approved by management covering a five-year period. Other key assumptions used in the cash flows model were as follows:

	2016	2015
Discount rate (pre-tax rate)	10.6% (14.0%)	10.5% (13.9%)
Terminal growth rate	3%	3%

No reasonably possible change of any of these assumptions would result in a carrying amount higher than the recoverable amount.

9 Investments

	Ownership interest		
	%	2016 \$	2015 \$
Investment in associates using the equity value method			
Cossette Health Inc. (note 3b)	(45.5% in 2015)		160
Investments in associates using the cost method			
Local Planet Ltd. (formerly Columbus Media International Ltd.)	2.3% (27.8% in 2015)	120	120
SweetIQ Analytics Corp.	0.6% (0.6% in 2015)	25	25
Hacking Health Accelerator Inc.	2.4% (2.4% in 2015)	75	75
CBT Management L.P.	4.5% (nil in 2015)	140	

Convertible debenture

Retinad Virtual Reality Inc. (12%)	25	25
	385	405

10 Other Long-Term Assets

	2016	2015
	\$	\$
Loans granted to employees, without interest, related to the share purchase financing plan:		
With 25% personal guarantee, maturing in December 2019 (see note 13d)	179	611
With 25% personal guarantee, maturing in December 2021 (see note 13d)	93	
Loan receivable from a shareholder Blue Valor Ltd. bearing interest at a rate of 1%, payable by annual instalments of \$70 plus interests, maturing in March 2021	352	
Deferred financing costs, amortized on a straight-line basis over the term of the related long-term debt	842	1,263
	1,466	1,874

Table of Contents**11 Accounts Payable, Accrued Liabilities, and Provisions**

	2016	2015
	\$	\$
Trade payable, accrued liabilities and provisions	136,553	141,727
Salaries, employee benefits and others	2,837	5,699
	139,390	147,426

Changes in provisions were as follows:

	2016	2015
	\$	\$
Balance Beginning of year	2,721	310
Business combination	36	
Additional provisions	561	2,964
Charged against provisions	(2,973)	(514)
Reversals or adjustments	11	(74)
Foreign exchange rate differences	(20)	35
Balance End of year	336	2,721

Provisions are composed of liabilities where there is uncertainty about the timing of settlement, but where a reliable estimate of the amount can be made. As of December 31, 2016, provisions comprise termination benefit accruals and litigation settlement accruals (2015 only termination benefits).

Furthermore, the Company is involved from time to time in various types of legal and administrative proceedings in the normal course of its business. Although any litigation contains an element of uncertainty, the management believes that the outcome of such proceedings or claims will not have a material adverse effect on the Company.

Table of Contents**12 Long-term Debt**

	2016	2015
	\$	\$
Senior debt		
Term loan in Canadian dollars bearing interest at:		
Prime rate + 2.0% (+2.0% in 2015)	350	200
Banker's Acceptance + 3.0% (+3.0% in 2015)	27,300	31,300
Revolving operating credit facility borrowed in Canadian dollars at:		
Banker's Acceptance + 3.0% (+3.0% in 2015)	3,500	9,200
Fair value of interest rate swap agreements (note 18)	8	58
	31,158	40,758
Obligations under capital lease		
For hardware, 6.68%, payable in monthly instalments of \$14, including principal and interest, maturing in September 2018	285	435
For software, 5.01%, payable in monthly instalments of \$2, including principal and interest, maturing in December 2018	37	55
For hardware, 4.93%, payable in monthly instalments of \$10, including principal and interest, maturing in September 2019	334	
For hardware, 4.70%, payable in monthly instalments of \$1, including principal and interest, maturing in December 2020	22	26
For hardware, 4.70%, payable in monthly instalments of \$3, including principal and interest, maturing in December 2020	126	155
Reimbursed during the year		143
	804	814
	31,962	41,572
Less: Current portion	4,547	4,197
	27,415	37,375

Senior Debt*Successor*

In connection with the Acquisition described in note 3a, the Company contracted a \$95,000 four-year term credit facility with a financial institution. Borrowings under the facility can be in the form of letters of guarantee, bankers acceptances, Canadian rate advances, US base-rate advances, US dollar or British pound LIBOR advances, and bear interest accordingly, plus a premium based on certain financial ratios. The facility provides for a \$35,000 term loan and \$60,000 revolving loan. The term loan must be repaid in quarterly instalments representing \$1,050 per quarter in 2017, and \$1,138 per quarter in 2018 with the remainder and the revolving loan being payable on maturity date in December 2018.

Predecessor (Unaudited)

Prior to the Acquisition described in note 3a, the predecessor had an \$80,000 four-year term credit facility with a syndicate of financial institutions amending its current senior credit facility. Borrowings under the facility can be in the form of letters of guarantee, bankers' acceptances, Canadian rate advances, US base-rate advances, US dollar or British pound LIBOR advances, and bear interest accordingly, plus a premium based on certain financial ratios. The facility provided for a \$25,000 term loan and \$55,000 revolving loan. The term loan had to be repaid in quarterly instalments representing \$937.5 per quarter in 2014. The maturity date of the credit facility was initially in March 2017 but was terminated on December 29, 2014 in connection with the Acquisition and as a result the Company entered into a new agreement.

Table of Contents**Cash sweep**

In addition to those repayments, the Company agreed that it shall pay on a yearly basis, an amount equal to 50% of income before interest, taxes, depreciation and amortization, adjusted for certain items as agreed with the financial institution (Adjusted EBITDA) for the fiscal year if the funded debt to Adjusted EBITDA ratio as further described in the credit agreement is 2.5 or higher.

Letters of guarantee

As at December 31, 2016, letters of guarantee totaling an aggregate amount of \$6,695 (\$6,698 in 2015), maturing at various dates from September 2017 to December 2026 have been issued under the Company's credit facility.

Assets pledged as security

This facility is secured by first-ranking hypothecs on all assets of the Company and its wholly-owned subsidiaries, except assets under capital leases. Assets with a carrying amount of \$369,918 (\$379,964 in 2015) have been pledged to secure borrowings of the Company. In addition, the Company's wholly-owned subsidiaries pledged unconditional guarantees in respect of the Company's obligations under this facility. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to a third party without the prior consent of the lenders.

Assets held under capital leases are pledged to secure obligations under their corresponding lease agreements.

Covenants

The Company is subject to financial covenants in its credit facility agreement. The Company is in compliance with all financial covenants.

The minimum annual principal repayments of long-term debt and capital leases are as follows (excluding cash sweep payments):

	Debt	Capital leases		Total
	\$	Principal	Interest	\$
2017	4,200	347	37	4,584
2018	26,950	291	16	27,257
2019		126	5	131
2020		40	1	41
	31,150	804	59	32,013
Less: interest			(59)	(59)
	31,150	804		31,954

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13 Share Capital

Successor

Authorized

Unlimited number of common shares, without par value, of the following classes:

- Class A: voting and participating shares;
- Class B: voting and participating shares, convertible into 1:1 class A shares, at the request of the class A holder;
- Class C: non-voting and participating shares, convertible into class A shares according to the class C conversion ratio (maximum 1:1), at the request of the Company;

Predecessor (unaudited)

Authorized

Unlimited number of preferred shares without par value.

Unlimited number of common shares, without par value, of the following classes:

- Class A: voting, participating at the same level as the common shares of class B, C, F, P and Q;
- Class B: voting, participating at the same level as the common shares of class C, F, P and Q, convertible 1:1 into class A common shares at the option of class A shareholders or convertible 1:1 into class F, P or Q common shares at the option of the Company;
- Class C: non-voting, participating at the same level as the common shares of class F, P and Q, convertible into class A common shares at the option of the Company using a mathematical formula prescribed in the articles of the Company, the maximum conversion ratio is 1:1;
- Class D: voting, at one tenth of a vote per share, convertible by tranche into class F common shares at the option of the Company at a prescribed ratio in the articles of the Company, the maximum conversion ratio is 1:1;
- Class E: voting, at one tenth of a vote per share, convertible by tranche into class F common shares at the option of the Company at a prescribed ratio in the articles of the Company, the maximum conversion ratio is 1:1;
- Class F: voting, participating at the same level as the common shares of class P and Q, convertible 1:1 into class A common shares at the option of the class A shareholders;
- Class P: voting, participating at the same level as the common shares of class A, B, C, F and Q, convertible 1:1 into class B or Q common shares at the option of the Company;
- Class Q: voting, participating at the same level as the common shares of class A, B, C, F and P, convertible 1:1 into class B or P common shares at the option of the Company.

a) Limited Share Option Plan

Following the Acquisition of Vision 7 ULC, the Company created a plan for the limited purpose of enabling employees, directors and officers of the acquired company to exchange existing in-the-money performance options of

Vision 7 ULC with fully vested options to purchase shares of the Company, in connection with management incentive arrangements forming part of the Acquisition of all the shares in the capital of Vision 7 ULC. No additional rights under this plan shall be created or granted by the Company and all rights expire on December 30, 2024.

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The following table summarizes the share option plan activity since December 31, 2014:

		Weighted average exercise price		Weighted average exercise price	
		2016	2016	2015	2015
		Number	\$	Number	\$
Balance	Beginning of year	915,050	3.54	1,037,050	3.53
Exercised		(345,144)	3.28	(104,500)	3.60
Forfeited		(26,000)	4.16	(17,500)	2.83
Balance	End of year	543,906	3.67	915,050	3.54

The following table summarizes the information about share options as at December 31, 2016:

Exercise price	Options outstanding and exercisable as at December 31, 2016		
	Weighted average remaining contractual life/years	Number	
\$ 2.83	8	287,306	
4.31	8	125,100	
4.91	8	131,500	
		543,906	8

b) Successor Share option plan

The Company implemented in December 2015 a new share option plan. Under this new plan, employees at the Company may be granted share options in respect of Vision 7's class C common shares up to an aggregate maximum of 1,746,536 shares. For options granted in 2015, the first tranche vests immediately while the remaining four tranches will vest over a four-year period and the contractual term of these options is ten years from the date of the grant. During the year ended December 31, 2016, compensation costs amounting to \$1,070 (\$433 in 2015) were included in the statement of profit and loss and comprehensive income (loss) under "Salary and professional costs" and in shareholders' equity under "Contributed surplus".

The fair value of option granted was determined using the Black-Scholes option pricing model with the following assumptions:

	Years ended December 31,	
	2016	2015
Risk-free interest rate		Between 0.8% and 1.33%

Volatility	Between 25.2% and 34.5%
Dividend yield on shares	Nil
Expected life	Between 4 to 8 years
Weighted share price	\$8.76
Fair value per option at the grant date	Between \$1.88 and \$3.59

In addition, option valuation models require the input of highly-subjective assumptions, including the expected share price volatility. Any changes in the subjective input assumptions can affect the fair value estimate.

The expected life is based on provisions in the shareholders agreement where 20% of all options can be sold to the majority shareholder each year starting in December 2019.

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The following table summarizes the share option plan activity during the period:

		2016	Weighted average	2015	Weighted average
		Number	exercise	Number	exercise
			price		price
			2016		2015
			\$		\$
Balance	Beginning of year	995,000	8.76		
Granted				995,000	8.76
Balance	End of year	995,000	8.76	995,000	8.76

The following table summarizes the information about share options as at December 31, 2016:

Options outstanding and exercisable as at December 31, 2016			
Exercise price	Weighted average remaining		
\$	Number	contractual life/years	
8.76	995,000	8.9	
	995,000	8.9	

c) Predecessor Share option plan (Unaudited)

Under the Predecessor's share option plan, employees, directors, and officers of the Company may be granted share options in respect of Vision 7 ULC's Class C common shares, up to an aggregate of 2,993,036 Class C common shares. Any options granted over and above this maximum triggers a conversion ratio. The exercise price of an option shall not be less than the fair value of Vision 7's common shares on the day preceding the date of grant, and the option's maximum term is ten years. These options vest over a five-year period. Half of these options granted are also contingent on the annual and cumulative performance of the Company while vesting over a five-year period. Exercise of these performance-based options is authorized only during a one-month window starting July 9, 2020. Lastly, all vested options at the time of a liquidity event, such as a change of control, become fully exercisable as of the effective date of the event.

The following table summarizes the stock option plan activity:

		<i>Unaudited</i>	
		Number	Weighted average exercise price
			\$
Time-based options			
Balance	January 1st, 2014	1,210,230	4.71

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Forfeited	(29,740)	4.73
Exercised	(53,300)	4.28
Cashless exercised	(1,127,190)	4.73

Balance December 29, 2014

		Unaudited	
			Weighted average
			exercise price
Performance-based options		Number	\$
Balance	January 1st, 2014	1,111,531	4.77
	Forfeited	(74,481)	4.69
Balance	December 29, 2014	1,037,050	4.78

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In December 2014, the Company modified its stock option plan to allow option holders the following options for their time-based options:

1. To exercise all rights.
2. To dispose of all rights for a number of shares, the total value being equal to the in-the-money value of the rights prior to a spin-off.
3. To dispose of all rights for a cash amount, the amount being equal to the difference between the price per share payable by an acquirer and the exercise price.

During the period ended December 29, 2014, compensation costs amounting to \$315 were included in the statement of profit and loss and comprehensive income (loss) and in shareholders' equity under Contributed surplus. The amount has been allocated between operating expenses under Salary and professional costs for an amount of \$150 and under net loss from discontinued operations for an amount of \$165.

d) Share Purchase Financing Plan

As part of the Acquisition of Vision 7 ULC, loans that were originally provided to certain employees as financing arrangement for the purpose of facilitating the purchase of Vision 7 ULC's shares by certain employees were amended. In this regard, the Company modified the interest-free loans of certain participants to extend their maturity date from December 2014 to December 2019. Each participant has provided a personal guarantee covering up to 25% of their loan. Since the value of shares ultimately held by these employees and given as guarantee of the loans are significantly higher than their respective loan and compensation regarding such loans was already accounted for in the acquired company, the plan has not been accounted for as a share-based compensation plan.

In May 2016, the Company implemented a financing arrangement for an aggregate amount of \$370 for the purpose of facilitating the purchase of 46,823 Vision 7's class A shares by a senior executive. In this regard, the Company entered into an interest-free loan with this participant, which is reimbursable by December 2021 and covers 90% of the shares purchased. The participant has provided a personal guarantee covering up to 25% of his loan.

Given the foregoing, the Company originally accounted for the share purchase financing plan as follows: 25% of the amount loaned (\$93) as other long-term assets, and the remaining 75% of the amount loaned as a reduction of share capital. The share-based compensation costs related to the equity portion of the financing has been estimated using the Black-Scholes valuation model with the following assumptions:

	Year ended December 31, 2016
Risk-free interest rate	Between 0.53% and 0.54%
Volatility	Between 24.58% and 26.06%
Dividend yield on shares	Nil
Expected life	Between 1 to 5 years
Weighted share price	\$8.79

Fair value per share at the grant date	Between \$0.60 and \$1.54
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During the year ended December 31, 2016, compensation costs amounting to \$17 were included in the statement of profit and loss and comprehensive income (loss) under Salary and professional costs and in shareholders equity under Contributed surplus .

The non-guaranteed portion of the all loans representing an amount of \$816 (\$1,833 in 2015) is presented as a reduction of share capital.

Table of Contents**14 Income Taxes**

The Company's deferred income tax assets and liabilities and their related movements are detailed as follows:

	Balance December 31, 2014 \$	Recognized in the Statement of Profit and Loss	Foreign exchange rate differences	Balance December 31, 2015 \$
Deferred Income Tax Assets				
Premises and equipment	1,351	(412)	224	1,163
Non-capital losses	2,132	528	400	3,060
Intangible assets	41	(12)		29
Wind-down accrual	66	(73)	7	
Sublease accrual	60	(67)	7	
Deferred lease inducement		1,090	47	1,137
Timing difference due to Canadian taxation rules on limited partnerships	397	(187)		210
Other	576	(143)	95	528
Subtotal	4,623	724	780	6,127
Deferred Income Tax Liabilities				
Premises and equipment	(1,050)	(313)		(1,363)
Intangible assets	(21,903)	650	(1,009)	(22,262)
Tax credits	(163)	2		(161)
Other	(584)	77		(507)
Subtotal	(23,700)	416	(1,009)	(24,293)
	(19,077)	1,140	(229)	(18,166)
Classified as follows:				
Deferred income tax assets	674			850
Deferred income tax liabilities	(19,751)			(19,016)
Deferred income tax liabilities, net	(19,077)			(18,166)

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	Balance December 31, 2015 \$	Recognized in the Statement of Profit and Loss \$	Other \$	Foreign exchange rate differences \$	Balance December 31, 2016 \$
Deferred Income Tax Assets					
Premises and equipment	1,163	(587)		(49)	527
Non-capital losses	3,060	(357)	81	(143)	2,641
Intangible assets	29				29
Deferred lease inducement	1,137	487		(11)	1,613
Timing difference due to Canadian taxation rules on limited partnerships	210	(210)			
Other	528	(1)		(17)	510
Subtotal	6,127	(668)	81	(220)	5,320
Deferred Income Tax Liabilities					
Premises and equipment	(1,363)	254			(1,109)
Intangible assets	(22,262)	895		249	(21,118)
Tax credits	(161)	(24)			(185)
Timing difference due to Canadian taxation rules on limited partnerships		(459)			(459)
Other	(507)	(101)			(608)
Subtotal	(24,293)	565		249	(23,479)
	(18,166)	(103)	81	29	(18,159)
Classified as follows:					
Deferred income tax assets	850				581
Deferred income tax liabilities	(19,016)				(18,740)
Deferred income tax liabilities, net	(18,166)				(18,159)

Approximately \$1,396 (\$1,312 in 2015) of deferred tax assets and \$2,927 (\$3,117 in 2015) of deferred tax liabilities are expected to be realized within twelve months.

The Company's income tax expense (recovery) consists of:

Year ended December 31, 2016 \$	Successor Year ended December 31, 2015 \$	Period from December 30, 2014 through December 31,	Predecessor Period from January 1, 2014 through December 29,
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			2014	2014
			\$	\$
Current tax	3,114	3,448		(9)
Deferred tax	103	(1,140)	(49)	(74)
	3,217	2,308	(49)	(83)

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The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax expenses from operations is as follows:

	Year ended December 31, 2016 \$	Successor Year ended December 31, 2015 \$	Period from December 30, 2014 through December 31, 2014 \$ <i>(unaudited)</i>	Predecessor Period from January 1, 2014 through December 29, 2014 \$ <i>(unaudited)</i>
Income tax expense				
Combined federal and provincial statutory income tax rate	26.7%	26.7%	25.8%	26.7%
Income tax expense (recovery) based on statutory income tax rate	1,997	1,498	(49)	(190)
Increase due to:				
Non-deductible expenses	543	389		574
Foreign tax rate differences	413	114		71
Movement in deferred tax not recognized	141	102		(38)
Extinction of an uncertainty over income tax treatment				(542)
Intercompany transfer of assets		194		
Other	123	11		42
	3,217	2,308	(49)	(83)

As at December 31, 2016, the Company had available operating loss carry forwards in New York State for an amount of \$1,722 (\$1,905 in 2015) and in New York City for an amount of \$809 (\$1,037 in 2015) for which no deferred income tax assets have been recognized at the balance sheet date. These losses may be used up to 2035. In addition, the company had available operating loss carry forwards in Hong Kong for an amount of \$362 (nil in 2015) for which no deferred income tax assets have been recognized at the balance sheet date. These losses may be used indefinitely.

15 Commitments

The Company has entered into long-term commercial lease agreements expiring at various dates until 2027 which call for lease payments aggregating \$45,066, of which \$1,687 is with a related party. Minimum net lease payments for each of the next five years are \$6,414 in 2017, \$6,429 in 2018, \$6,440 in 2019, \$6,420 in 2020, and \$5,986 in 2021.

On December 7, 2016, the Company started to perform media placement business on behalf of Horizon Media Canada (HMC) to serve a Canadian client of the latter. As such, the Company 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 the Company's principal financial institution for a maximum amount of \$8,500. The Company shall never exceed \$12,000 in liability in connection with media buys on behalf of HMC's media suppliers. In return, HMC's parent company, Horizon Media Inc. (USA), had to provide the Company with an equivalent

guarantee that it will fulfill its obligations to the Company or any of its involved subsidiary.

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Table of Contents**16 Additional Disclosures****a. Statement of Profit and Loss and Comprehensive Income (Loss)**

	Year ended December 2016 \$	Successor Year ended December 31, 2015 \$	Period from December 30, 2014 through December 31, 2014 \$ <i>(unaudited)</i>	Predecessor Period from January 1, 2014 through December 29, 2014 \$ <i>(unaudited)</i>
Financing expense, includes the following items:				
Interest on credit facilities	2,343	2,892		2,842
Amortization of deferred financing costs	421	428		1,185
Foreign exchange loss (gain)	295	(693)		425
Loss (gain) on interest rate swaps	(50)	58		
Share in loss of an associate	352			
Other	203	134		85
	3,564	2,819		4,537

Salary and professional costs include research and development tax credits totaling \$557 (\$341 in 2015; unaudited: \$518 in 2014) and severance expenses totaling \$1,372 (\$3,667 in 2015; unaudited: \$1,323 in 2014). The minimum lease payments included in office and general expenses are \$8,462 (\$7,551 in 2015; unaudited: \$6,762 in 2014).

b. Financing and Investing Activities Not Affecting Cash and Cash Equivalents

	2016 \$	2015 \$
Share purchase financing plan reimbursement and issuance (note 13d)	1,017	235
Addition of application hardware under capital leases		181
Addition of application software under a capital lease		55
Lease incentive receivable		827
Reduction of loan to employees by assignment of bonuses	105	314
Advance from a parent company converted to equity		4,710
Balance of purchase price of a subsidiary	280	
Sale and leaseback of hardware (notes 6 and 12)	334	

There were no financing and investing activities not affecting cash and cash equivalents in both unaudited periods of 2014.

c. Defined Contribution Plan

The Company maintains a 401 K plan for eligible employees residing in the United States. Under the plan, at the Company's discretion it may contribute up to 25% of an employee's contribution. During the year, the Company recorded contributions totaling \$157 (\$82 in 2015; unaudited: \$101 in 2014).

d. Cash Paid for Interest and Income Taxes

Income taxes and interests paid, included in the consolidated statement of cash flows under net change in non-cash working capital items, are respectively \$5,944 (\$4,289 recovered in 2015; unaudited: \$1,338 paid in 2014) and \$2,344 (\$2,283 in 2015; unaudited: \$3,313 in 2014).

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17 Capital Management

The Company 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).

The Company'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 the Company should a financing need arise.

The Company'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. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company 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.

The Company is subject to financial covenants in its operating credit facility agreement, which are measured on a quarterly basis. The Company is in compliance with all financial covenants.

Finally, the Company is not subject to any external requirements arising from regulatory or similar authorities.

18 Financial Instruments

a) Financial Risk Management

The Company is exposed to various risks through its financial assets and liabilities. The following analysis provides a measurement of risks as at December 31, 2016.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations.

The Company's principal financial assets consist of cash and cash equivalents, accounts receivable and certain other long-term assets, which represent the Company's exposure to credit risk in relation to financial assets.

The Company is protected against any concentration of credit risk through its customers and geographic diversity. As at December 31, 2016, the maximum credit risk exposure for receivables corresponds to their carrying value.

Generally, the Company does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs on-going credit reviews of all its customers and establishes an allowance for doubtful accounts when accounts are determined to be uncollectible.

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Changes in the allowance for doubtful accounts were as follows as at:

	2016	2015
	\$	\$
Balance Beginning of year	264	393
Impairment losses recognized	278	381
Impairment losses reversed		(37)
Recovered during the year	(240)	(116)
Amount written-off	(39)	(359)
Foreign exchange rate differences		2
Balance End of year	263	264

The credit risk in respect of cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk in respect of certain other long-term assets is limited because common shares acquired by the participants are pledged as security to the Company and represent more than the value of the loans granted to employees. Each participant provides a personal guarantee covering a minimum of 25% of his or her loan.

Market Risk

Market risk is the risk that changes in market prices due to foreign exchange rates, interest rates and equity prices will affect the value of the Company's financial instruments. The objective of market risk management is to mitigate and control exposures within acceptable parameters while optimizing the return on risk.

Foreign Currency Risk Management

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

The Company'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 the Company's financial instruments recorded in its statement of financial position. The impact on earnings before tax (EBT) for fiscal year 2016 is the following:

	Variation	CAD/USD	CAD/GBP	Effect on EBT CAD/HKD
Gain (loss)	+10%	\$ 135	\$ 137	\$ 76

The Company'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

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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. The Company 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. The Company 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 the Company to fair value risk, while variable-rate instruments give rise to cash flow risk exposure.

Management of Interest Rate Risk

The Company 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. Under the terms of the agreements, maturing in December 2018, the Company receives from the counterparty a monthly payment equal to the CDOR 1-month amount of interest on a notional amount of \$10,000 and pays the counterparty a fixed rate of 1.13%. The carrying value and fair value of these instruments as at December 31, 2016 is \$8 (\$58 in 2015) in favor of the counterparty and has been included in note 12.

As at December 31, 2016, the fair value of the swap agreements was determined with reference to a quotation from one of its financial institution which the Company 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 and 2015, taking into account the interest rate swaps, the impact on EBT would have been a negative adjustment of \$212 as at December 31, 2016 (\$306 in 2015).

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due.

The Company has contractual obligations (note 15) and financial liabilities (notes 11 and 12), and is thus exposed to liquidity risk.

The following maturity analysis of financial assets and liabilities was as follows as at December 31, 2016:

	Carrying amount	Undiscounted Cash Flows			Total
		Less than 1 year	1 to 3 years	3 to 5 years	
Cash and cash equivalents	4,909	4,909			4,909
Accounts receivable	90,403	90,403			90,403
Loans granted to employees	272		179	93	272

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Assets	95,584	95,312	179	93	95,584
Accounts payable and accrued liabilities	139,390	139,390			139,390
Long-term debt	31,962	4,547	27,375	40	31,962
Balance of purchase price of a subsidiary	280	150	150		300
Liabilities	171,632	144,087	27,525	40	171,652
Net amount	(76,048)	(48,775)	(27,346)	53	(76,068)

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The Company believes that future cash flows generated by operations and access to additional liquidity through capital and banking markets will be adequate to meet its financial obligations. With senior management oversight, the Company manages the cash resources based on financial forecasts and anticipated cash flows.

b) Fair Value of Financial Instruments

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the Company's financial instruments take into account the credit risk embedded in the instrument. For financial assets, the credit risk of the counterparty is considered whereas for financial liabilities, the Company's credit risk is considered.

In order to determine the fair value of its financial instruments, the Company uses, when active markets exist, quoted prices from these markets (Level 1 fair value). When public quotations are not available in the market, fair values are determined using valuation techniques. When inputs used in the valuation techniques are only inputs directly and indirectly observable in the marketplace, fair value is presented as Level 2 fair value. If fair value is assessed using inputs that require considerable judgment from the Company in interpreting market data and developing estimates, fair value is presented as Level 3 fair value. For Level 3 fair value, the use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

Cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are reflected in the consolidated financial statements at carrying values that approximate fair values because of the short-term maturities of these financial instruments.

The long-term debt has a fair value approximately equal to its face value as at December 31, 2016, due to its market rate of interest.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The Company must maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company primarily applies the market approach for recurring fair value measurements. The three input levels used by the Company to measure fair value are the following:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment. The fair value of financial assets and liabilities by level of hierarchy was as follows, as at December 31, 2016:

Fair value hierarchy	Total	Level 1	Level 2	Level 3
Loans granted to employees	272		272	
Assets	272		272	
Long-term debt	31,150		31,150	
Obligations under capital lease	804		804	
Interest rate swap	8		8	
Liabilities	31,962		31,962	

19 Related-party Transactions

An amount of \$570 was paid to We Are Social Ltd., a company owned by BlueFocus Communications Group, for the rent of the Company's United Kingdom office premises (nil in 2015).

Compensation paid to key management personnel

The annual remuneration and related compensation costs of the executive and non-executive board members and key corporate management, defined as the President and CEO, the CFO (left in December 2015), the CAO (hired in November 2016) and the executive VP of its four operating divisions, were as follows:

	Year ended December 31, 2016	Year ended December 31, 2015	Successor Period from December 30, 2014 through December 31, 2014 (unaudited)	Predecessor Period from January 1, 2014 through December 29, 2014 (unaudited)
Share-based benefits	500	305		49
Salaries, bonuses and other short-term benefits	3,146	3,054		4,394
Termination benefits		1,233		
	3,646	4,592		4,443

Table of Contents**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF VISION 7 INTERNATIONAL INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		June 30, 2017	December 31, 2016
		(in thousands of Canadian dollars)	
	<i>Notes</i>	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		4,076	4,909
Accounts receivable	4	83,657	90,403
Work in progress		18,439	13,726
Income taxes recoverable		1,646	820
Prepaid expenses		1,903	1,425
Total current assets		109,721	111,283
Premises and equipment		12,884	14,163
Intangible assets		65,684	68,614
Investments		360	385
Other long-term assets		1,036	1,466
Deferred income taxes		1,894	581
Goodwill		176,544	176,947
Total non-current assets		258,402	262,156
Total assets		368,123	373,439
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable, accrued liabilities, and provisions	5	117,677	139,390
Billing in excess of costs and anticipated profits		18,098	15,073
Income taxes payable		479	868
Current portion of long-term debt		4,702	4,547
Total current liabilities		140,956	159,878
Long-term debt		35,949	27,415
Balance of purchase price of a subsidiary		286	280
Deferred lease obligations		4,242	4,523
Deferred income taxes		20,595	18,740
Total non-current liabilities		61,072	50,958

Total liabilities	202,028	210,836
Equity		
Share capital	149,581	146,926
Contributed surplus	3,585	4,501
Retained earnings	10,054	7,392
Non-controlling interests	158	144
Accumulated other comprehensive income	2,717	3,640
Total equity	166,095	162,603
Total liabilities and equity	368,123	373,439

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**VISION 7 INTERNATIONAL INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

thousands Canadian (dollars)	Common shares				Share capital \$	Contributed surplus \$	Retained earnings \$	Total Accumulate Equity Other attributable Non- controlling Shareholder Interests			Total Equity \$
	Class A Number	Class B Number	Class C Number	Total Number				Comprehensive Income \$	Shareholder \$	Interests \$	
Balance December 31, 2015	15,685,477	742,827	104,500	16,532,804	142,486	5,852	3,162	5,431	156,931		156,931
Net income							60		60		60
Share issuance			326,144	326,144	3,403	(2,340)			1,063		1,063
Share conversion	644,234	(256,300)	(387,934)								
Share purchase financing plan reimbursement					1,295				1,295		1,295
Share redemption		(8,000)	(4,000)	(12,000)	(83)	(21)			(104)		(104)
Share-based compensation credits						552			552		552
Translation adjustment								(2,678)	(2,678)		(2,678)
Balance December 30, 2016	16,329,711	478,527	38,710	16,846,948	146,823	4,043	3,222	2,753	156,841		156,841
Balance December 31, 2016	16,329,711	478,527	52,710	16,860,948	146,926	4,501	7,392	3,640	162,459	144	162,603
Net income							2,662		2,662	14	2,676
Share issuance			314,531	314,531	2,811	(1,435)			1,376		1,376
Share conversion	303,369	(18,572)	(284,797)								
Share purchase financing plan reimbursement					416				416		416

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are											
emption		(7,698)	(57,436)	(65,134)	(572)	(9)			(581)		(58)
are-based											
mpensation											
ts						528			528		52
mulative											
nslation											
ustment								(923)	(923)		(92)
alance											
ne 30, 2017	16,633,080	452,257	25,008	17,110,345	149,581	3,585	10,054	2,717	165,937	158	166,09

The accompanying notes are an integral part of these consolidated financial statements.

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VISION 7 INTERNATIONAL INC.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
AND COMPREHENSIVE INCOME (LOSS)**

	<i>Notes</i>	June 30, 2017 (in thousands of Canadian dollars) \$	2016 \$
Income		80,918	77,567
Operating expenses			
Salary and professional costs		57,238	55,502
Office and general expenses	<i>3a</i>	18,556	19,755
Total operating expenses		75,794	75,257
Income from operations		5,124	2,310
Financing expense	<i>3b</i>	988	1,872
Income before income taxes		4,136	438
Income tax expense		1,460	378
Net income		2,676	60
Net income attributable to:			
Equity holders of the parent		2,662	60
Non-controlling interests		14	
		2,676	60
Comprehensive income (loss)			
Net income		2,676	60
Cumulative translation adjustment		(923)	(2,678)
Comprehensive income (loss)		1,753	(2,618)
Comprehensive income (loss) attributable to:			
Equity holders of the parent		1,739	(2,618)
Non-controlling interests		14	
		1,753	(2,618)

The accompanying notes are an integral part of these consolidated financial statements.

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Table of Contents**VISION 7 INTERNATIONAL INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	2017	2016
	(in thousands of Canadian dollars)	
	\$	\$
Operating activities		
Net income	2,676	60
Items not affecting cash and cash equivalents		
Amortization of premises, equipment, and intangible assets	4,154	4,234
Gain from a sale of an associate	(191)	
Amortization of deferred financing costs	211	211
Net lease obligations	(192)	460
Deferred income taxes	614	(724)
Share-based compensation costs	528	552
Loss on write-off of fixed assets		36
Gain on interest swap	(26)	(7)
	7,774	4,822
Net change in non-cash working capital items	(15,274)	(20,870)
	(7,500)	(16,048)
Investing activities		
Investment in an associate and a convertible debenture		(490)
Additions to premises and equipment	(418)	(3,315)
Proceeds from sale of investment in an associate	207	
Additions to intangible assets		(100)
Issuance of a loan granted to an employee		(369)
Repayment of loans to employees under share purchase financing plan	106	405
Advance to a shareholder	(3,051)	(352)
Repayment of an advance to a shareholder	70	
	(3,086)	(4,221)
Financing activities		
Increase in long-term debt	14,000	12,000
Payments on long-term debt	(5,100)	(3,925)
Payments on capital leases	(184)	(193)
Lease inducement received		1,310
Share issuance	1,376	1,063
Share redemption	(581)	(83)
Repayment of loans to employees under share purchase financing plan	319	1,216
	9,830	11,388

Effect of foreign exchange rate changes on cash and cash equivalents	(77)	205
Net change in cash and cash equivalents	(833)	(8,675)
Cash and cash equivalents	4,909	8,021
Bank overdraft		
Cash and cash equivalents Beginning of period	4,909	8,021
Cash and cash equivalents	4,076	1,932
Bank overdraft		(2,586)
Cash and cash equivalents End of period	4,076	(654)

The accompanying notes are an integral part of these consolidated financial statements.

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VISION 7 INTERNATIONAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Vision 7 International Inc. (Vision 7 or the Company) was created on December 30, 2014 by amalgamation of 1861710 Alberta Inc. and Vision 7 International ULC (Vision 7 ULC). The address of its registered office is 1600, 7th Avenue S.W., Suite 421, Calgary, Alberta, Canada, T2P 4K9. Its principal place of business is 300, Saint-Paul Street, Suite 300, Quebec City, Quebec, Canada, G1K 7R1. The parent company is Blue Valor Limited and Vision 7 ultimate parent company is BlueFocus Communication Group Limited.

The interim condensed consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with IAS 34, Interim financial reporting, which forms part of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The interim condensed consolidated financial statements follow the same accounting policies as the most recent annual consolidated financial statements. The condensed interim consolidated financial statements should be read in conjunction with the company s 2016 annual audited consolidated financial statements, which contains a description of the accounting policies used in preparation of these condensed financial statements.

These condensed consolidated financial statements were approved by the Board of Directors of Vision 7 on October 26, 2017.

2. New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the IFRIC that are not yet effective up to the date of issuance of Vision 7 s consolidated financial statements are listed below. The Company is assessing the impact of these pronouncements on its consolidated results and financial position. The Company intends to adopt those standards when they become effective.

IFRIC 23, Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments, to clarify how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. This new interpretation applies to fiscal years beginning on or after January 1, 2019. The extent of the impact of adoption of the interpretation has not yet been determined.

3. Additional disclosure Statement of Profit and Loss and Comprehensive Income

a) Office and general expenses

		Six-month periods ended June 30	
		2017	2016
		\$	\$
General and administration expenses		14,368	15,521
Management fees		34	
Amortization	Premises and Equipment	1,568	1,606
Amortization	Other Intangible Assets	138	172
Amortization	Acquired Intangible Assets	2,448	2,456
		18,556	19,755

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Table of Contents**b) Financing expense and financing income**

	Six-month periods ended June 30	
	2017	2016
	\$	\$
Financing expense, includes the following items:		
Interest on credit facilities	885	1,492
Amortization of deferred financing costs	211	211
Foreign exchange loss	36	443
Gain on interest rate swaps	(26)	(7)
Gain from a sale of an associate ⁽¹⁾	(191)	
Other	73	(267)
	988	1,872

(1) Gain on disposal of an investment in SweetIQ Analytics Corp.

4. Accounts receivable

	June 30,	December 31,
	2017	2016
	\$	\$
Trade receivables	80,205	89,849
Allowance for doubtful accounts	(446)	(263)
Tax credits	836	817
Loan to the parent company ⁽¹⁾	3,062	
	83,657	90,403

(1) Loan to Blue Valor Ltd bearing interest at a rate of 5% maturing on January 30, 2018.

5. Accounts payable, accrued liabilities and provisions

	June 30,	December 31,
	2017	2016
	\$	\$
Trade payable, accrued liabilities and provisions	115,469	136,553
Salaries, employee benefits and others	2,208	2,837

117,677

139,390

6. Share Option Plan
Limited Share Option Plan

		June 30, 2017 Number	Weighted average exercise price 2017 \$	June 30, 2016 Number	Weighted average exercise price 2016 \$
Balance	Beginning of period	543,906	3.67	915,050	3.54
	Exercised	(314,531)	3.68	(326,144)	3.26
	Forfeited			(20,000)	3.94
Balance	End of period	229,375	3.67	563,906	3.69

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Table of Contents**Share Option Plan**

The Company implemented in December 2015 a new share option plan. Under this new plan, employees at Vision 7 may be granted share options in respect of Vision 7's class C common shares up to an aggregate maximum of 1,746,536 shares. During 2017, the company issued 377,500 options (nil in 2016), vesting rateably over a five-year period. During the six-month period ended June 30, 2017, compensation costs amounting to \$528 (\$552 in 2016) were included in the statement of profit and loss and comprehensive income under "Salary and professional costs" and in shareholders' equity under "Contributed surplus".

The fair value of option granted was determined using the Black-Scholes option pricing model with the following assumptions:

	Six-month period ended June 30,	
	2017	2016
Risk-free interest rate	Between 1.1% and 1.6%	
Volatility	Between 27.1% and 29.8%	
Dividend yield on shares	Nil	
Expected life	Between 3 to 7 years	
Weighted share price	\$9.86	
Fair value per option at the grant date	Between \$2.01 and \$3.40	

In addition, option valuation models require the input of highly-subjective assumptions, including the expected share price volatility. Any changes in the subjective input assumptions can affect the fair value estimate.

The expected life is based on provisions in the shareholders' agreement where 20% of all options can be sold to the majority shareholder each year starting in December 2019.

The following table summarizes the share option plan activity during the six-month periods ended:

		Weighted average exercise price		Weighted average exercise price	
		June 30, 2017	2017	June 30, 2016	2016
		Number	\$	Number	\$
Balance	Beginning of period	995,000	8.76	995,000	8.76
Granted		377,500	9.86		
Balance	End of period	1,372,500	9.06	995,000	8.76

7. Related-party Transactions**United Kingdom Rent**

An amount of \$280 (\$249 in 2016) was paid to We Are Social Ltd, a company owned by BlueFocus Communication Group Limited, for the rent of Vision 7 s United Kingdom office premises.

Management fees

An amount of \$34 (\$0 in 2016) has been recorded for management fees payable to Blue Focus Communication Group of America.

8. Subsequent events

The Narrative Group

On September 1, 2017, Vision 7 acquired all the issued and outstanding equity interest of The Narrative Group LLC (TNG), a U.S. agency who specializes in experiential, influencer marketing and media relations. The acquired firm operates in New York and Los Angeles.

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The company paid \$1,500 USD at signature plus an additional amount under standard working capital clause adjustment. The total consideration also includes four interim payments based on TNG performance from fiscal year 2017 to 2020. In no event shall the aggregate Purchase Price exceed \$20,000 USD.