

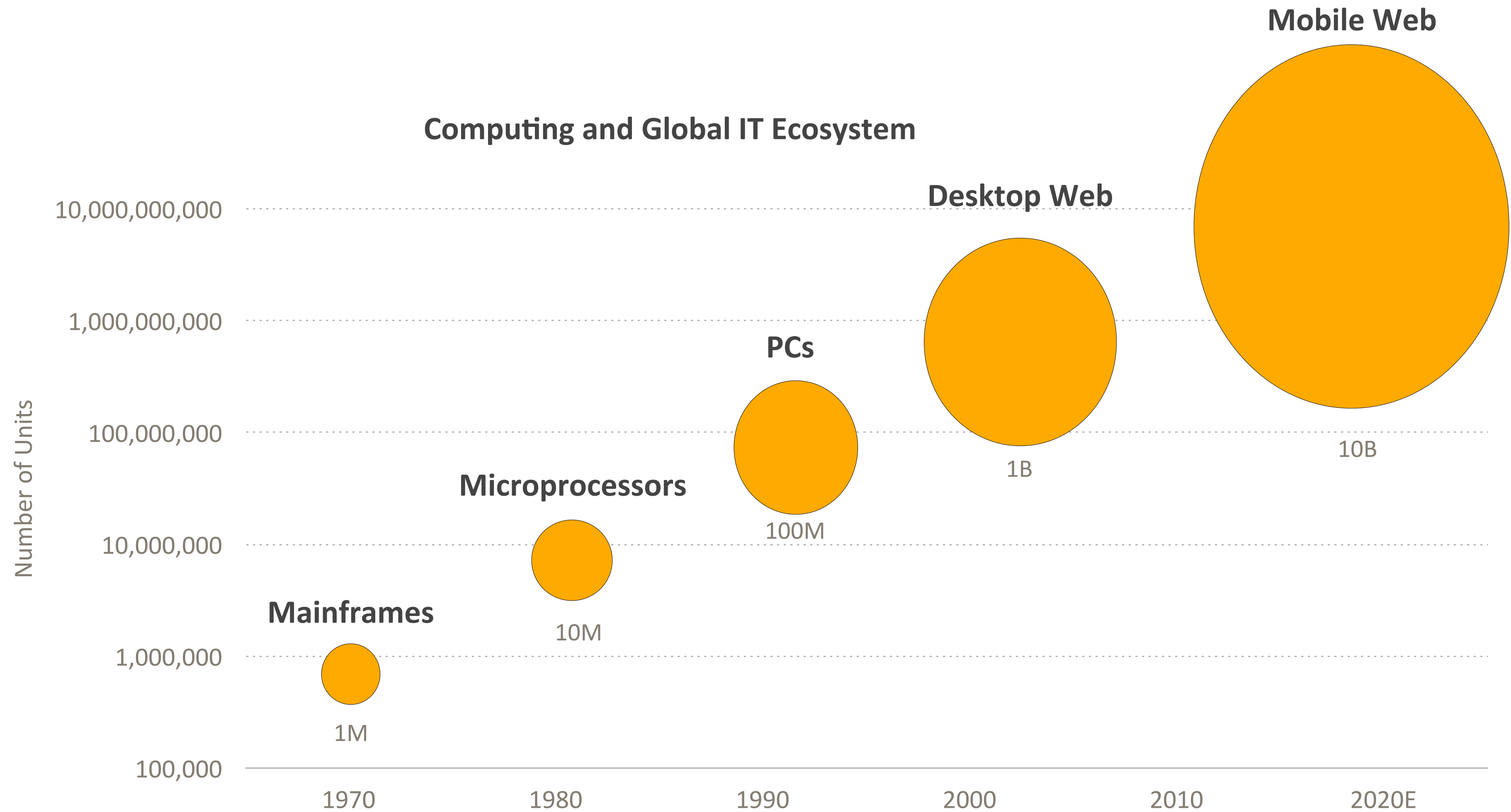


The Future of Mobile Enterprise

Enterprise Apps & The Mobile Workplace



Evolution to a Mobile World

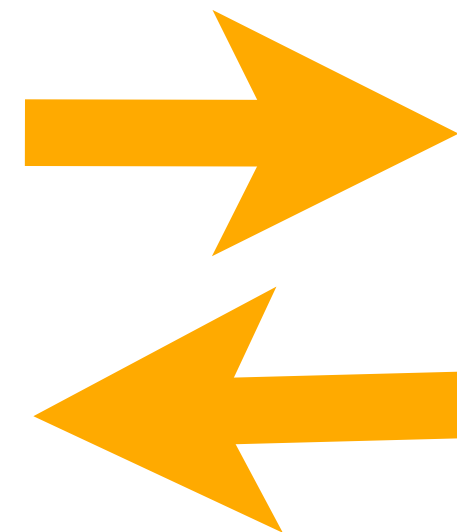


Changing Landscape

PC Industry
370M PC's sold in 2012
Est. 1.8b PC's currently in use worldwide
Accepted lifespan is 3 - 5 years
Often shared amongst different users
Laptops are quasi-portable and accessible while desktops are static
Hardware Centric "My Device, My PC"

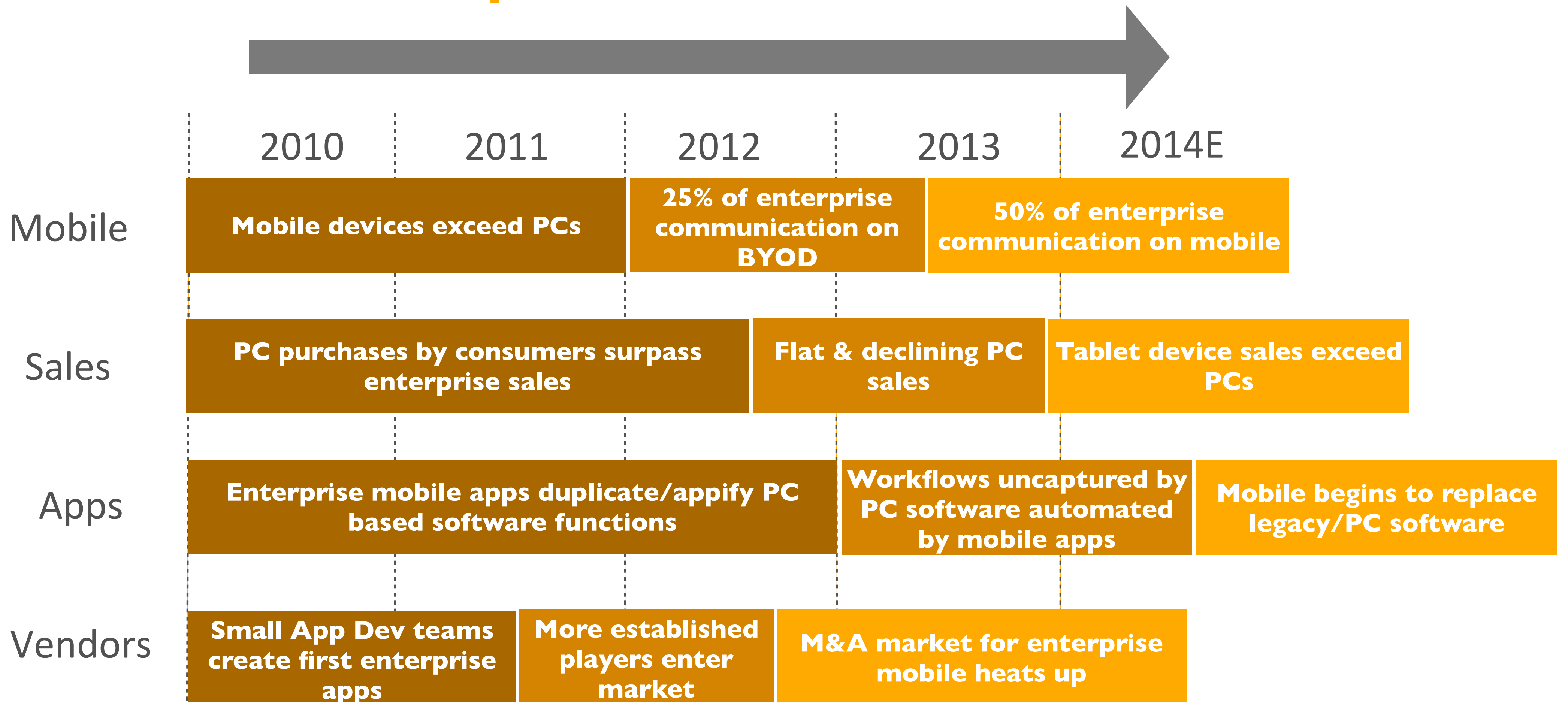
Mobile Industry
Est 1.9b units sold worldwide in 2012
3.5b mobile users, over 50% of the world's population
Accepted lifespan is 2-3 years
Unique end user
Can be taken and used anywhere
Information Centric "My Data"

PCs are turning into traditional servers, used for large data storage, media collection, backup.

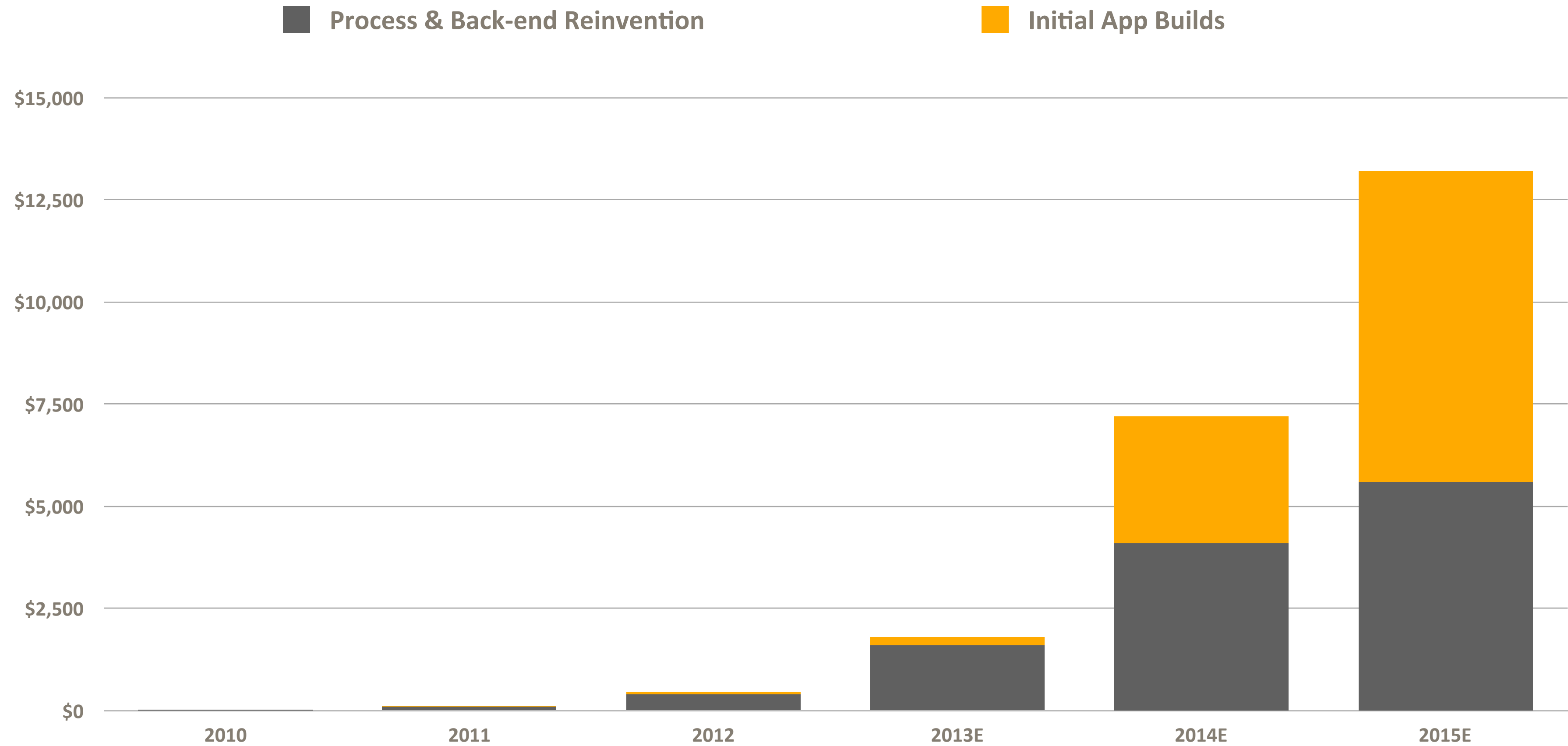


Smart devices are the new PCs, with functionality and usage converging with traditional PC usage.

Mobile Enterprise Timeline



Global Mobile Enterprise Market (\$US B)



Source: Forrester Research, Inc.

Mobile Applications for the Enterprise

paperless office

- Asset/Expense Management
- Audits
- Inspections
- Invoicing
- Sales/Purchase Order Management
- Work Order Management

workflow automation

- Field Service Automation
- Inventory Management
- Mobile Office (mail, IM, calendar)
- Mobile Web
- Salesforce Automation
- Unified Communications

analytics & big data

- Customer Engagement
- Operational KPIs
- Real-Time Data Flow
- Unified Address Book
- Usage Metrics
- User Feedback

Benefits of Mobile Enterprise

Deeper Customer Relationships

Modernizing & Mobilizing Legacy Interfaces

Automation of Workflows

Data Available at All Times

Making Data Capture More Accurate & Efficient

New Product Development and Revenue Capture

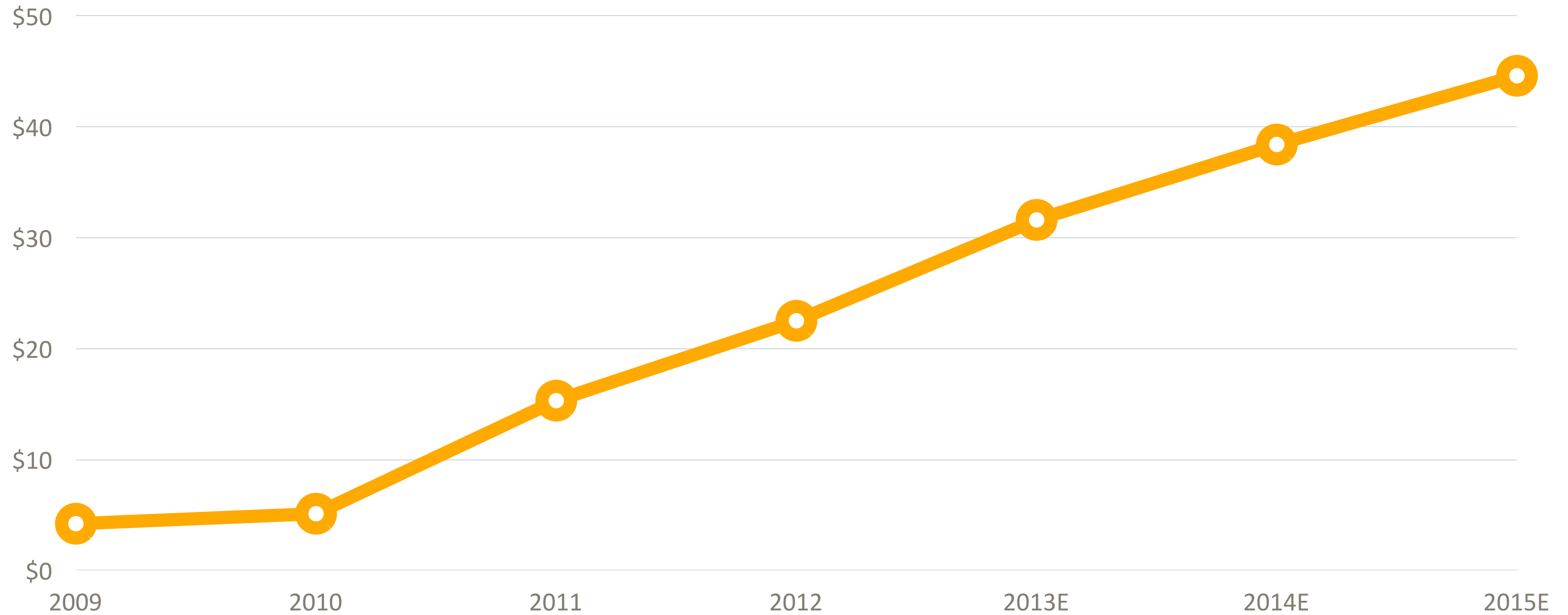
Real-Time Workforce and Customer Collaboration

Stronger ROI

Apps Disrupt Telecom Market

	Historical	New Paradigm
Mobile Hardware	Poor customer choices, dominated by Telco's and tied to service plans	More choice, handset customization, plan flexibility
App Market	Limited to apps supplied by OEM (sms, camera) or OEM app market	+ IM apps for consumer and enterprise, open app market
Market Nexus	Telco and OEM	OS & App Market
Competitive Basis	Phone Plan Pricing	Handset Price, App Market, OS

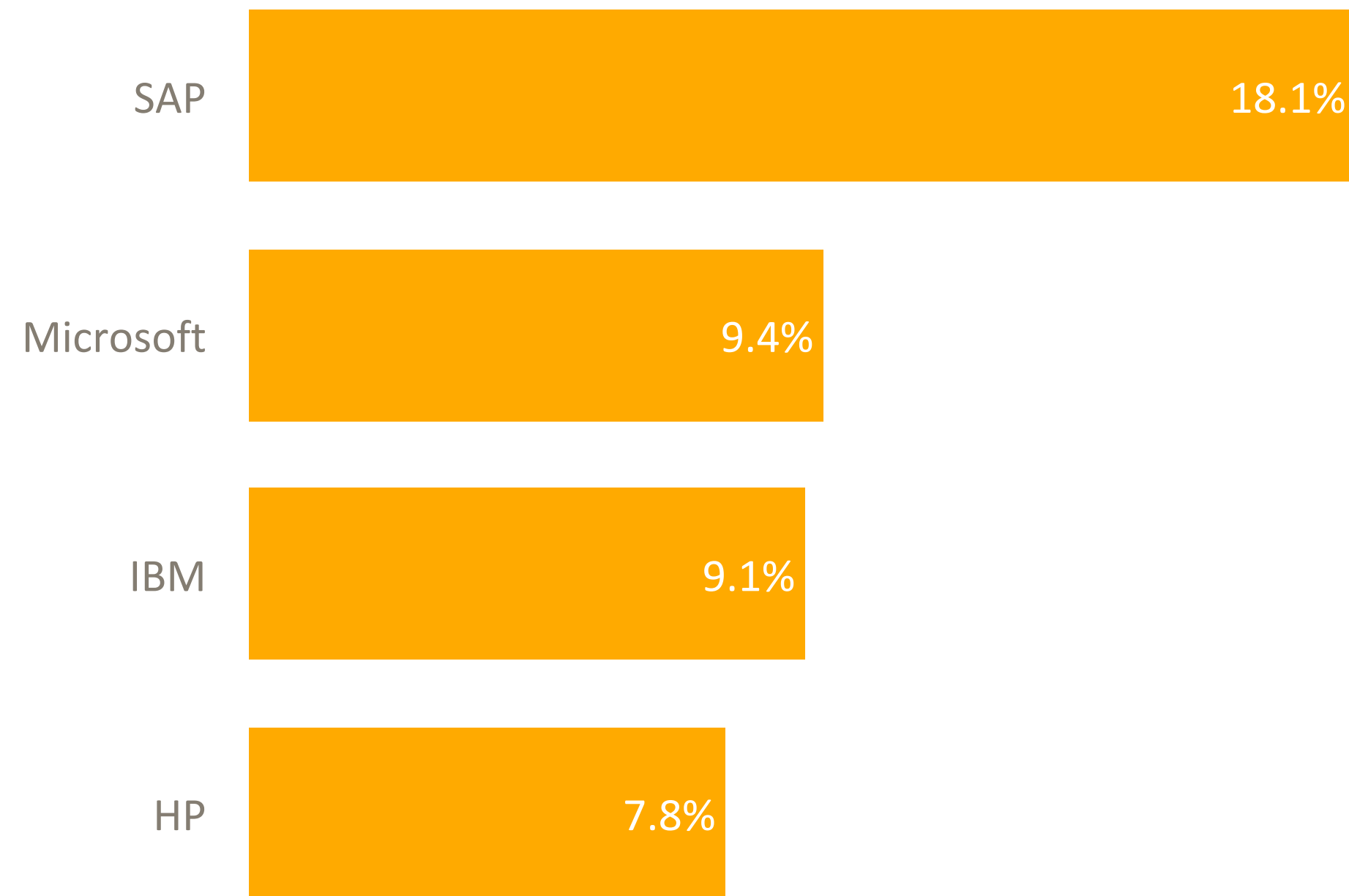
Global Mobile Application Revenue (\$US B)



Source: Forrester Research, Inc.

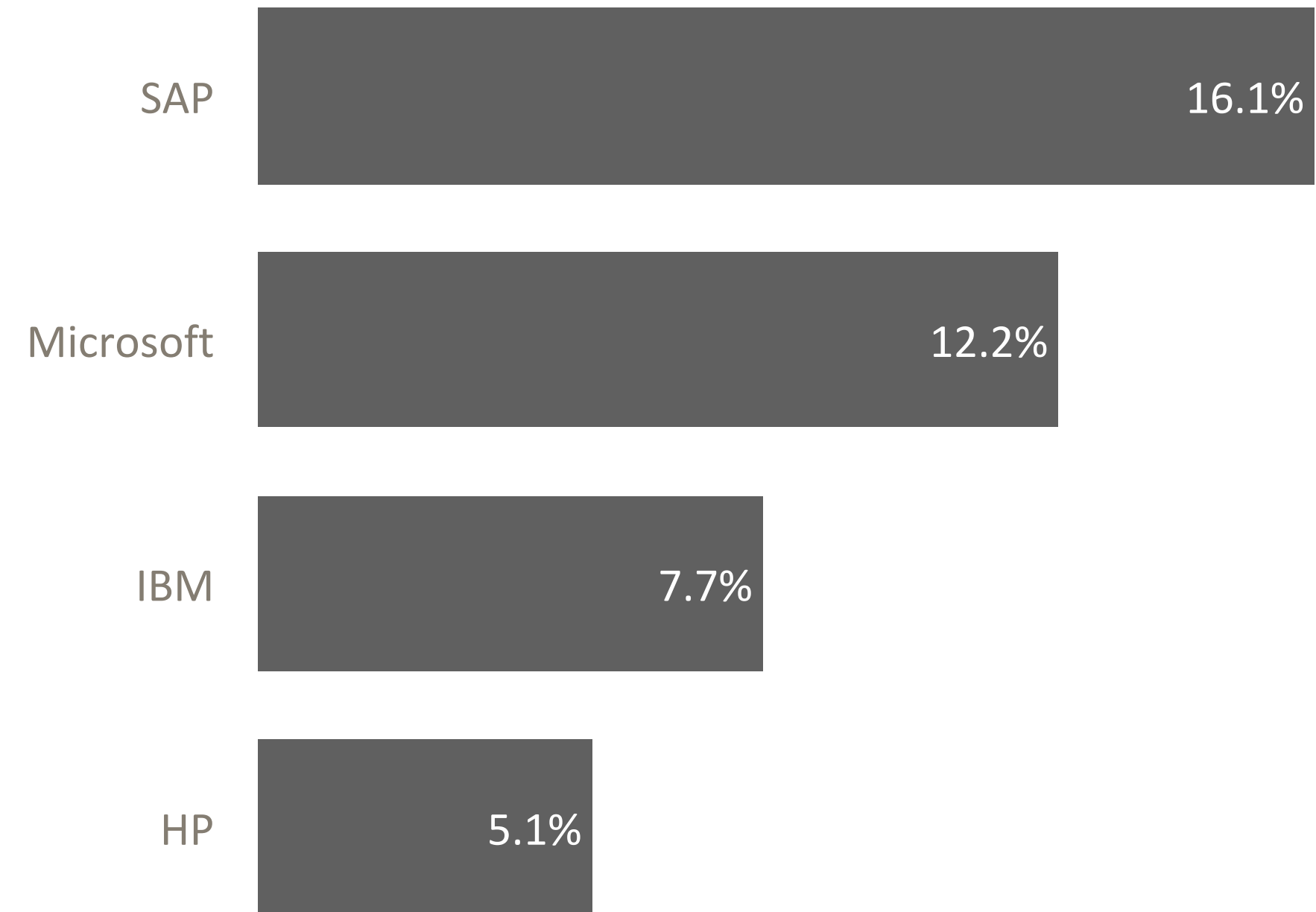
Enterprise Mobile Vendors

Mobile Device Management Market Share



Source: IDC

Enterprise Mobile App Platform Market Share

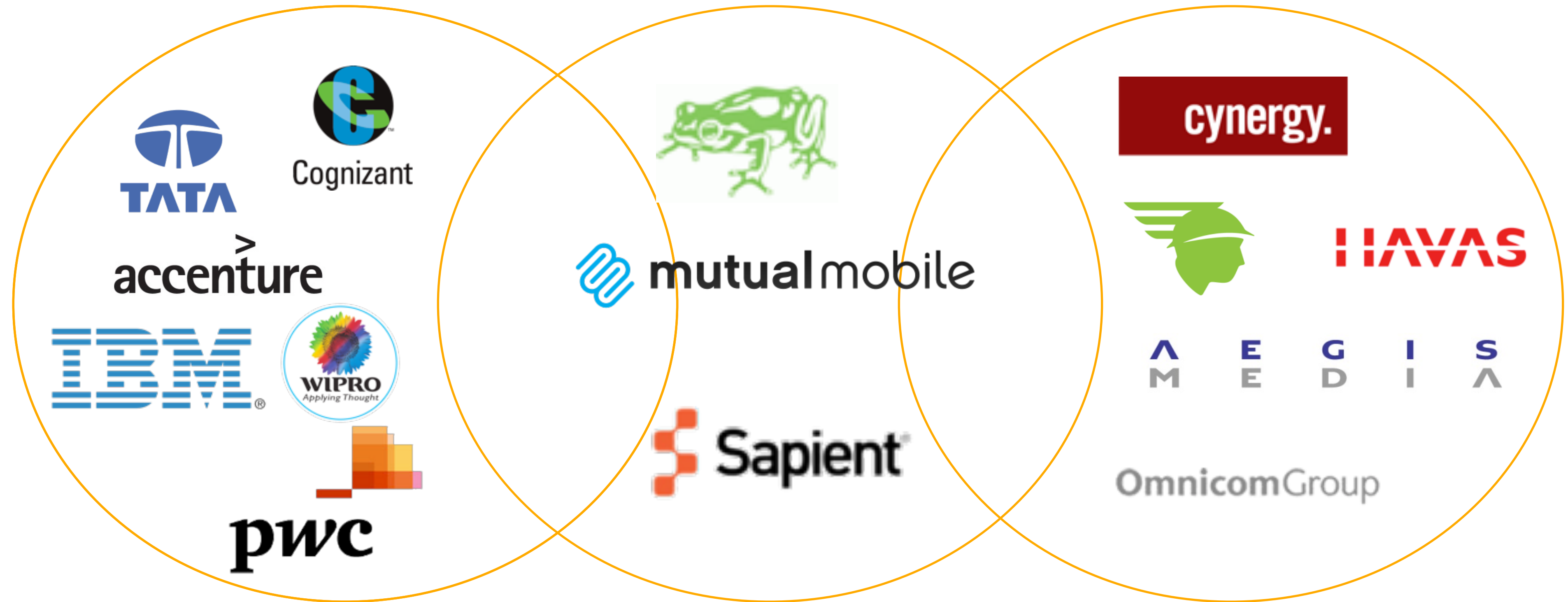


The enterprise mobile market is highly fragmented--engendering opportunity for independents and consolidators alike. Many of these vendors have collapsed into suites from an ecosystem of partners that have collaborated to deliver more comprehensive solutions.

Enterprise Mobile Market Dynamics

CTO

CMO



IT Services

Core Product

Marketing

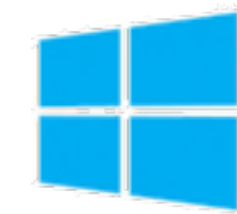
The Problem

System Fragmentation

Developers have the challenge of making apps for multiple platforms, or sometimes not being able to support a favored platform of a client. To deal with market fragmentation, cross platform tools such as source translators and web-to-native toolkits were developed to increase the number of platforms developers could write for. Unsurprisingly, this has been a significant source of M&A activity recently. Some notable acquisitions include IBM's purchase of enterprise app platform Worklight for an estimated \$70M and

Appcelerator's acquisition of Cocofish. To some degree CPT tools reduce headaches for developers, but still don't offer a solution for enterprises trying to manage a workforce using a mixture of corporate and BYOD hardware and on different systems. As mobile and enterprise apps become more critical to the enterprise, an overarching solution is required.

***Solution for the Enterprise:
Mobile Device
Management***



Mobile Device Management

What is MDM?

Mobile Device Management (MDM) software secures, manages, monitors and supports mobile devices deployed across different mobile operators and enterprises. MDM functionality often includes distribution of data, applications, and configurations for mobile and smart devices. MDM applies to both employee owned products (BYOD) used in the enterprise as well as company owned devices.

Enterprise MDM services assist enterprises in managing their complex mobile, communications, and IT needs with managed security, software, application, and inventory management services across multiple platforms and operating systems, primarily on smart enabled devices. MDM services are becoming more and more critical to the enterprise as mobile devices become a more popular and economical means of servicing workflows.

Building an MDM Strategy

Mobility Framework

Mobility frameworks establish tablet support guidelines including: the types of devices supported, which operating systems, the level of security, whom is responsible for costs, and which employees will be covered.

Security Policy

MDM security policies establish a framework for eliminating security threats, though a series of passwords and best practices for application management. There should be recourse to lock out data on stolen or lost devices and offer anti-malware and anti-intrusion layers.

Device Support

Device management policies establish processes for introducing new applications and devices to the enterprise network, define how those devices and applications should be used and managed, and set guidelines for maintaining and servicing the devices.

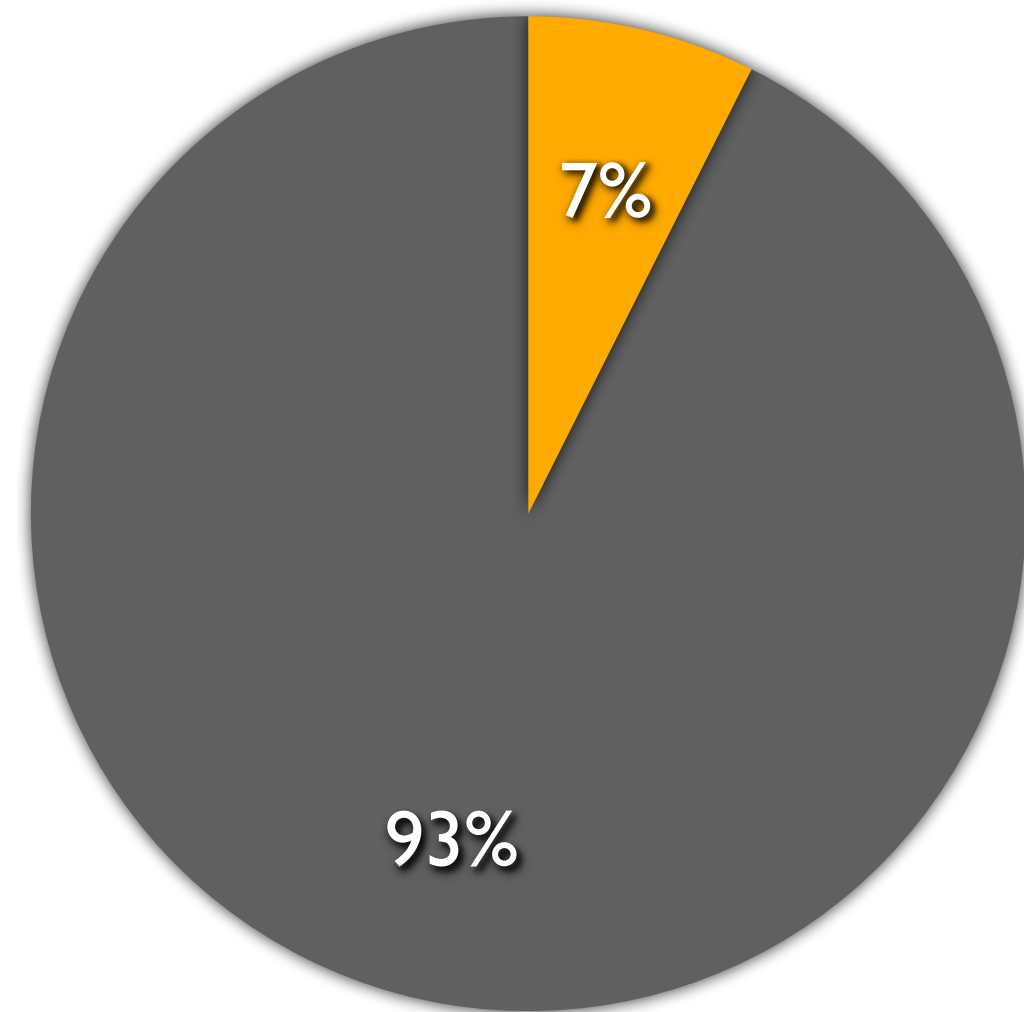


Enterprise Mobile M&A

Mobile enterprise M&A exploded in 2012.

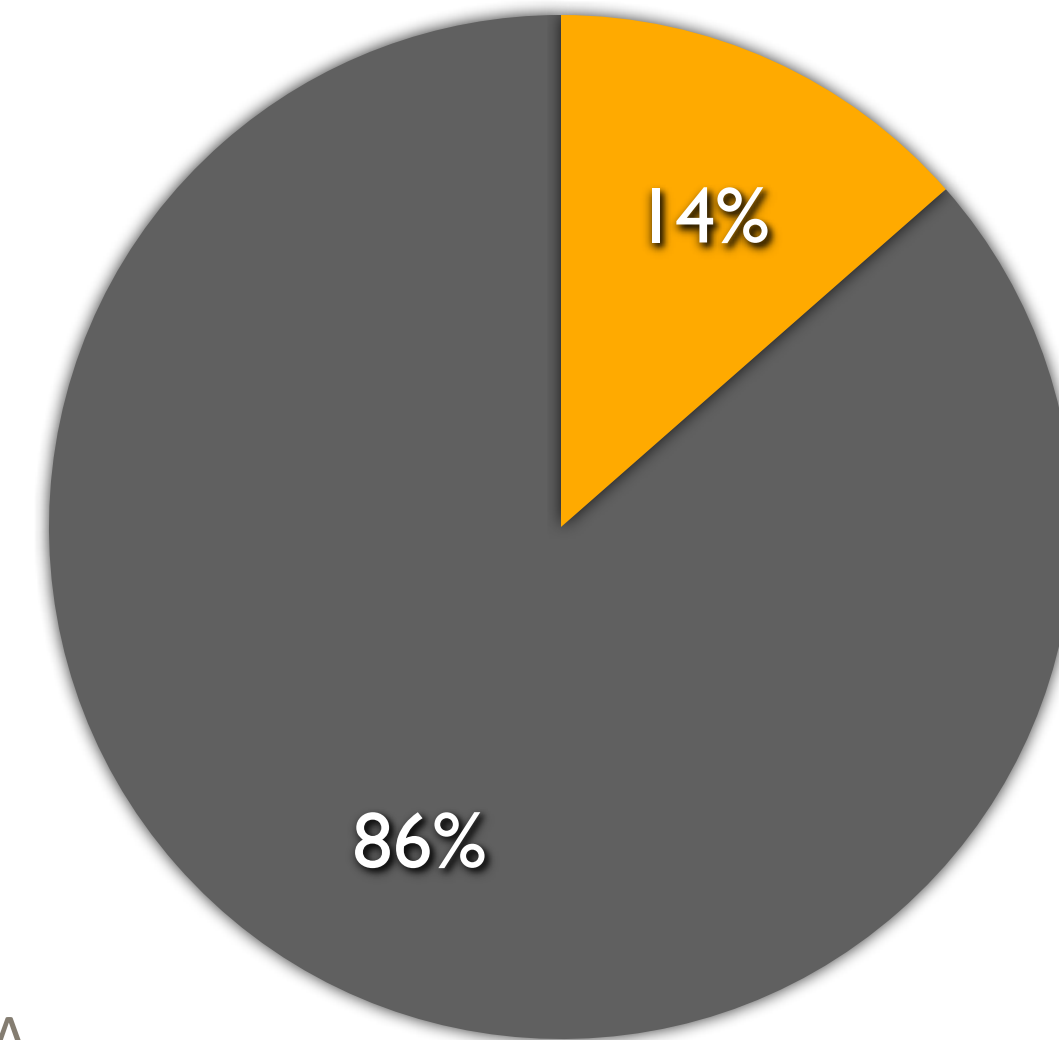
2011 Mobile Enterprise M&A Activity

● Mobile Enterprise ● Mobile Software (other)



2012 Mobile Enterprise M&A Activity

● Mobile Enterprise ● Mobile Software



Buyers are increasingly utilizing M&A to address enterprises struggling with the BYOD phenomenon to fully capture the potential for mobile apps/web to accelerate their business with the new technologies.

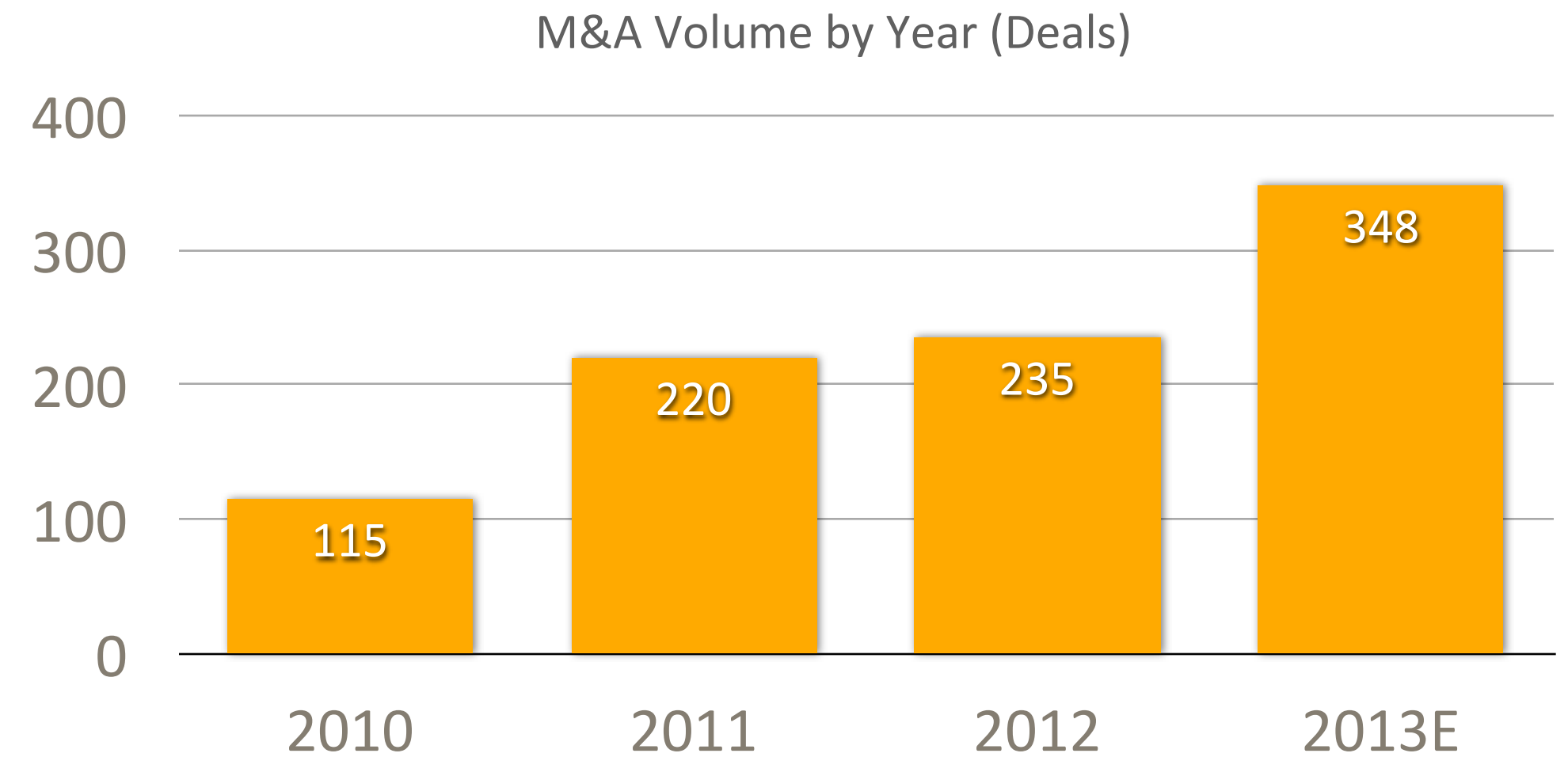
Source: Capital IQ

Mobile Enterprise M&A Landscape

- Unprecedented activity in mobile app development, start-up creation, and subsequent M&A activity is a means of working new solutions into established portfolios.
- The diversity of mobile buyers comes from a number of different focus areas. Traditional technology providers as well as those without a technology portfolio are entering the mobile arena.

“The confluence of computing, connectivity and the cloud means that your phone is an extension of everything you do. The new rule is ‘mobile first’ in everything. Our job is to make mobile be the answer to everything.”

-Eric Schmidt, Chairman, Google



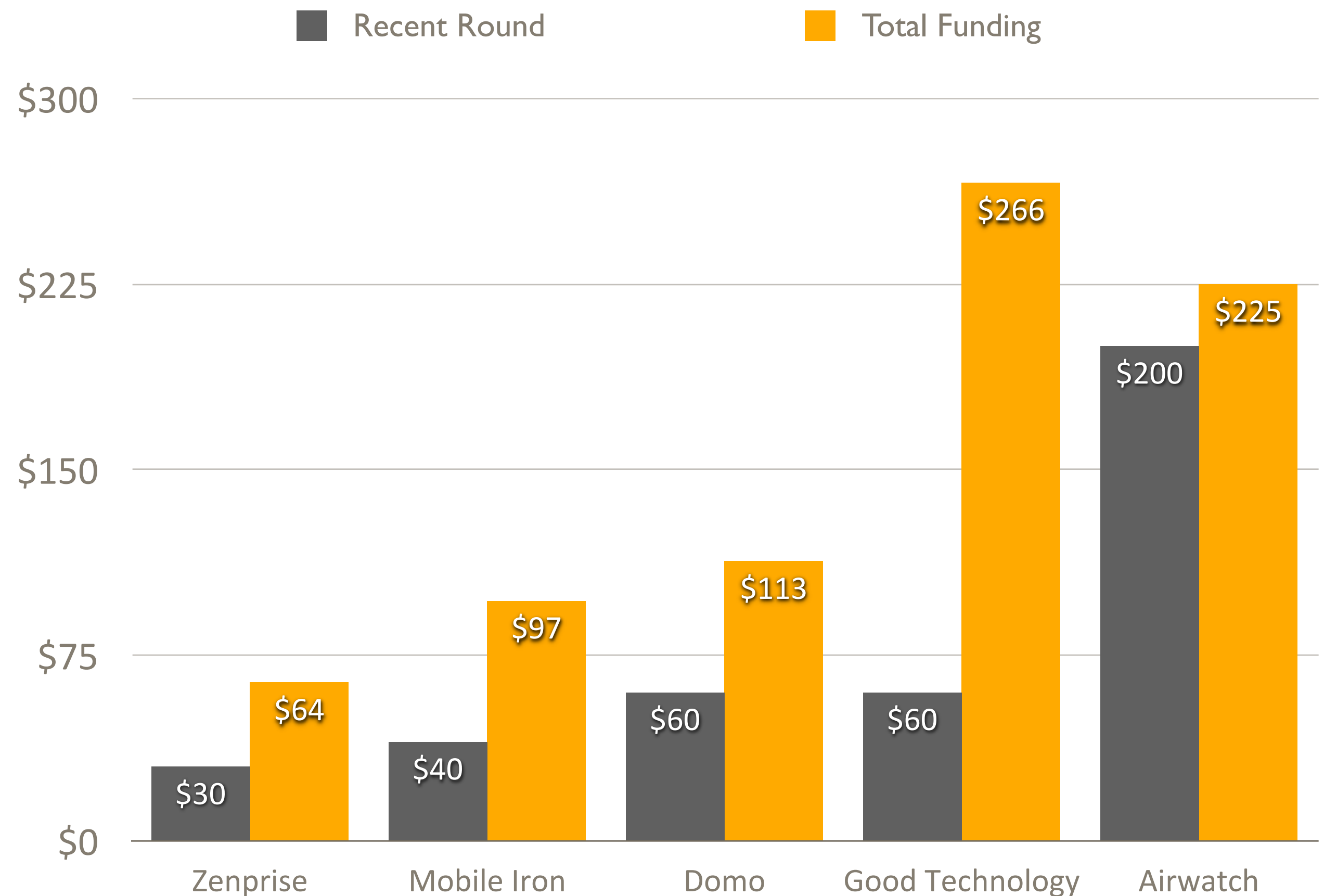
- FY 2013 M&A volume is on pace to reach 348 transactions, a marked increase over 2012's 235 transactions.
- Mobile software M&A now accounts for 15.9% of all software M&A transactions, up from 3.7% in 1Q10

Recent MDM Funding Rounds (\$M)

Record Rounds

AirWatch, a global leader and innovator in mobile device security and enterprise mobile management, secured a \$200M Series A Round last February after initially only receiving \$25M in financing. This is a clear signal that acquisitions to build out mobile work suites are about to explode.

Gartner estimates that nearly 70% of US medium-to-large enterprises will buy an MDM product within the next five years. So mobile enterprise players are working hard now to differentiate their offerings from the rest of the marketplace and get ready to compete as large vendors prepare to start buying mobile enterprise assets.



Mobile Device Management Acquisitions

Date	Acquirer	Target	Target Description	Strategic Rationale	Deal size TEV (\$M)	LTM Rev. (\$M)	TEV / LTM Rev (x)
10/2/12	Good Technology, Inc.	AppCentral, Inc.	Provides smart phone application and data distribution, monitoring and management software as a service (SaaS) for businesses	Extend MAM offerings	na	\$1	na
12/5/12	Citrix Systems, Inc.	Zenprise, Inc.	Provides enterprise mobile device management for businesses	Monitor and secure mobile data	\$327	\$23	14.2x
9/20/12	GFI Software	VizualMobile	VizualMobile provides device management SaaS for businesses globally.	Strengthen MDM practice by offering cloud-based solutions	na	na	na
6/20/12	LANDesk Software	WaveLink Corporation	Provides smart phone and tablet device management software	Enable end-to-end mobile management	\$90	\$20	4.5x
1/31/12	Myriad Group AG	Synchronica	Provides mobile data synchronization and backup software for mobile device manufacturers and telecom service providers	Increase scope necessary to compete	\$38.9	\$18	2.2x
3/20/12	Symantec Corporation	Nukona Inc	Provides smart phone application distribution software and SaaS that enables businesses to deploy enterprise app stores.	Complete MAM offering	\$28	na	na
3/5/12	Symantec Corporation	Odyssey Software	Provides mobile device management software	Increase Symantec's offerings in MDM security	\$60	\$5	12x
10/18/11	Numara Software, Inc.	Fromdistance	Provides Web-based mobile device management software certificates	To compete with MDM and MAM providers	\$7	\$1	7x
Mean					\$44.7	\$11	6.4x
Median					\$49.44	\$18.0	5.8x

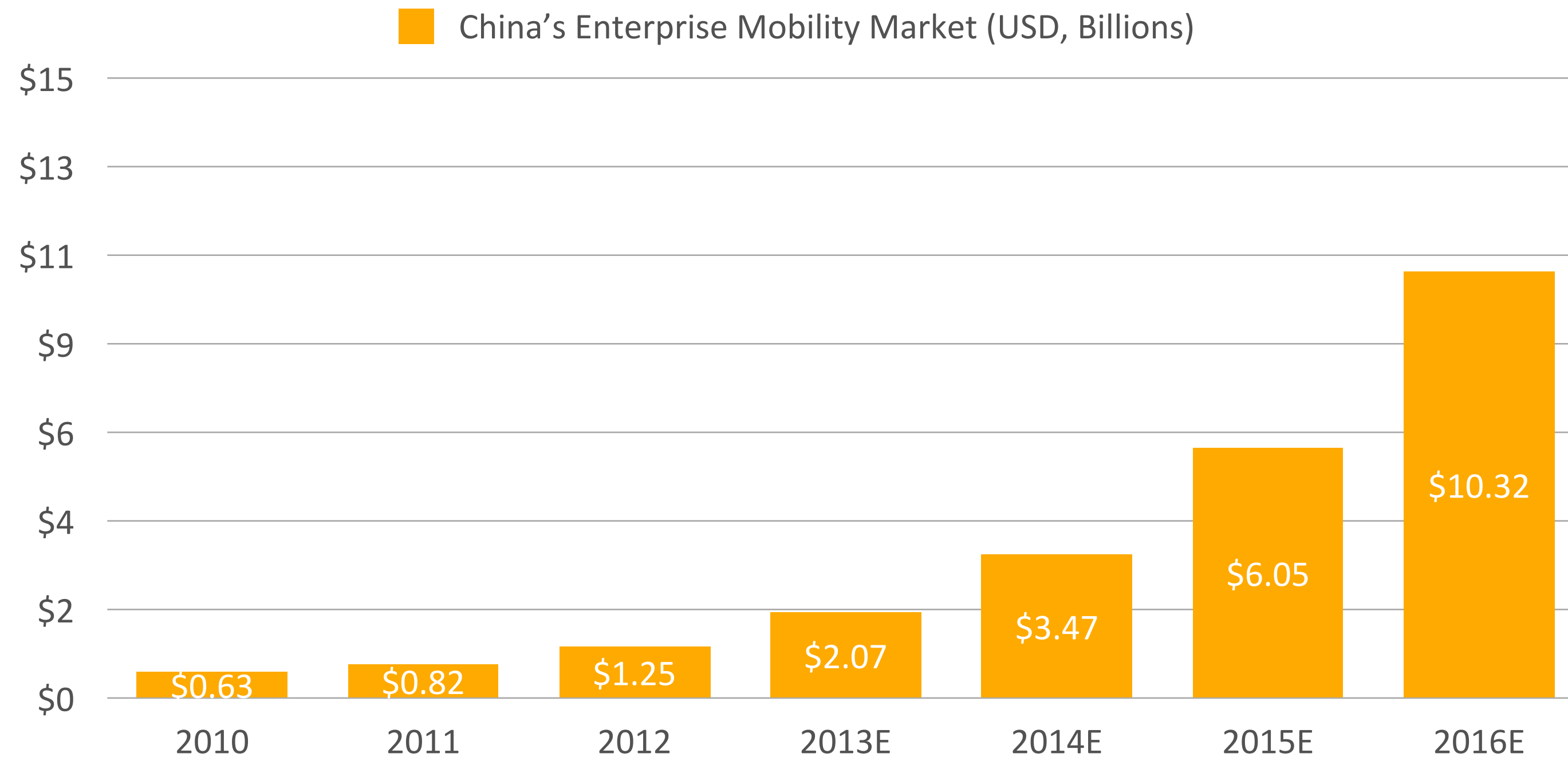
Selected Mobile Services Acquisitions

Date	Acquirer	Target	Target Description	Strategic Rationale	Deal size TEV (\$M)	LTM Rev. (\$M)	TEV / LTM Rev (x)
8/20/12	NCC Group	Intrepidus Group	Provides mobile application and device security services. It offers assessment services.	Widen range of offerings, industry IP, and new tech customers	\$5.8	\$3.3	1.8x
5/21/13	Mobivity Holdings Corp.	Front Door Insights LLC	Provides Web-based mobile marketing software that enable businesses to deliver marketing text messages to consumers.	Strengthen position in mobile marketing solutions	\$2.69	na	na
3/8/11	Vringo, Inc.	m-Wise, Inc.	Provides mobile entertainment content delivery and management software and software as a service for business globally	Generate product, customer and cost synergies	\$3.7	\$2.8	1.3x
1/31/11	Motricity	Adenyo	Provides mobile advertising campaign creation and analytics and mobile web design software for businesses globally	Enhance Motricity' s ability to deliver a full range of mobile data service solutions	\$100	\$20	5x
6/20/12	WPP Group plc	AKQA	Provides Web design, online marketing campaign creation and management, and social media and mobile marketing services	Enhance mobile and digital offerings	\$540	\$189	2.9x
2/22/12	Aegis Group plc	Roundarch	Provides Web design, search engine optimization (SEO) and social media marketing services	Increase the scale of digital advertising	\$125.3	\$62.8	2x
8/4/11	Augme Technologies, Inc.	HipCricket, Inc.	HipCricket provides targeted mobile SMS, MMS, and Email marketing services for businesses	Provide mobile marketing solutions	\$44.5	\$9.4	4.7x
3/16/12	PlayPhone, Inc.	Social Hour Inc.	Provides mobile and social media marketing services for businesses.	Enhance program for marketing and lead generation on mobile devices	\$51.5	na	na
Mean					\$109.2	\$47.9	3.0x
Median					\$48	\$14.7	2.5x

Selected Mobile Technology Acquisitions

Date	Acquirer	Target	Target Description	Strategic Rationale	Deal size TEV (\$M)	LTM Rev. (\$M)	TEV / LTM Rev (x)
4/23/12	Securitas AB	Trailback	Provides GPS-based cargo vehicle tracking systems and software for the transportation and shipping sectors	Strengthen market position globally	\$5	\$2.1	2.4x
4/16/12	Software AG	my-Channels	Provides enterprise messaging middleware for financial institutions, businesses and government agencies globally.	Enable Software AG's customers to integrate their enterprise applications	\$25	\$5	5.0x
1/31/12	IBM Corporation	Worklight, Inc.	Provides cross-platform smart phone and Web application development software	Enhance MEAP and mobile SDK offerings	\$70	\$10	7.0x
7/7/11	eBay, Inc.	Zong	Provides mobile payment processing software	Strengthen PayPal's leadership position in mobile payments and digital goods	\$240	na	na
5/31/11	Software AG	Metismo Ltd.	Provides mobile application development software for businesses	Add to business process portfolio offerings	\$15	\$1	15.0x
12/2/10	Research in Motion	The Astonishing Tribe AB	Provides smartphone user interface (UI) development software for mobile device manufacturers	Enhance RIM's user experience	\$125	\$25	5.0x
6/1/10	Research in Motion	QNX Software Systems International	Provides middleware, development tools, and operating system software and services for embedded design applications	QNX embedded operating system provided RIM an in-house OS	\$200.1	\$40	5.0x
3/26/10	Nokia Corp.	Navarra, Inc.	Provides a mobile Web browser and a mobile widget building platform	Enhance internet experiences on Nokia mobile device	\$130	\$25	5.2x
Mean					\$101.3	\$15.4	5.7x
Median					\$97.5	\$10	5.2x

Emerging Frontier – China's Enterprise Mobile Market



The world's largest mobile operator, China Mobile, developed its own smartphone OS (Open Mobile System) based on Android with support from OEM's, along with a cross-platform mobile market app store.

Once China's app market becomes less fragmented, foreign developers will take greater interest in building enterprise apps for China based clients.



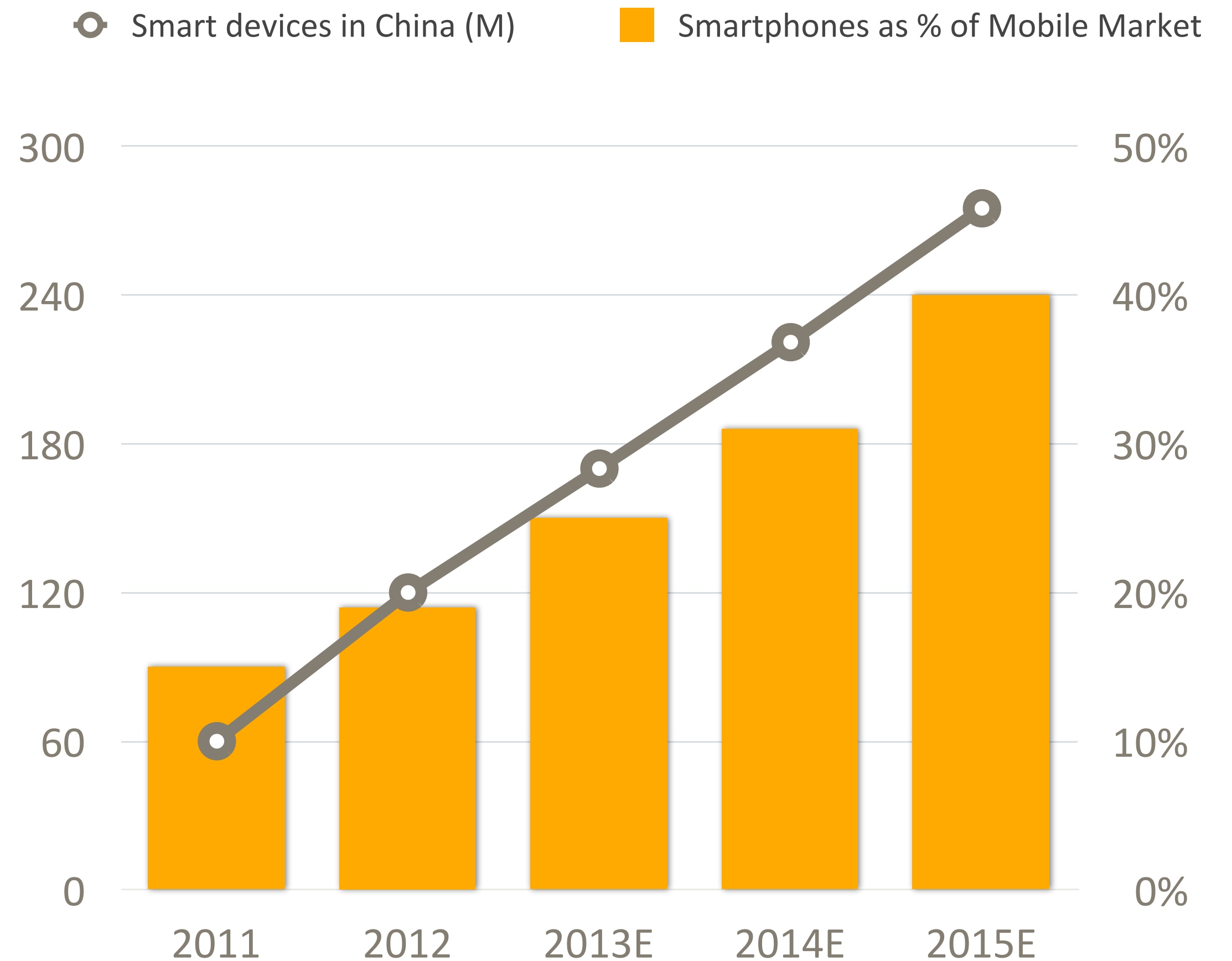
China's Mobile Market

Not Just Another Market

China's mobile market matters not simply because it has a growing population of 1.3b. Fewer and fewer Chinese are accessing the web via PC, and as online services such as electronic payments become applied, many traditional online services will be conceived and designed as 'mobile only' products.

Convergence

Not surprisingly, China's app market is growing in tandem with smart device proliferation. An inevitable convergence between mobile, cloud, and BYOD along the lines of the American experience means plenty of opportunities for global vendors of enterprise mobile services as well as M&A activity by Chinese buyers and sellers.

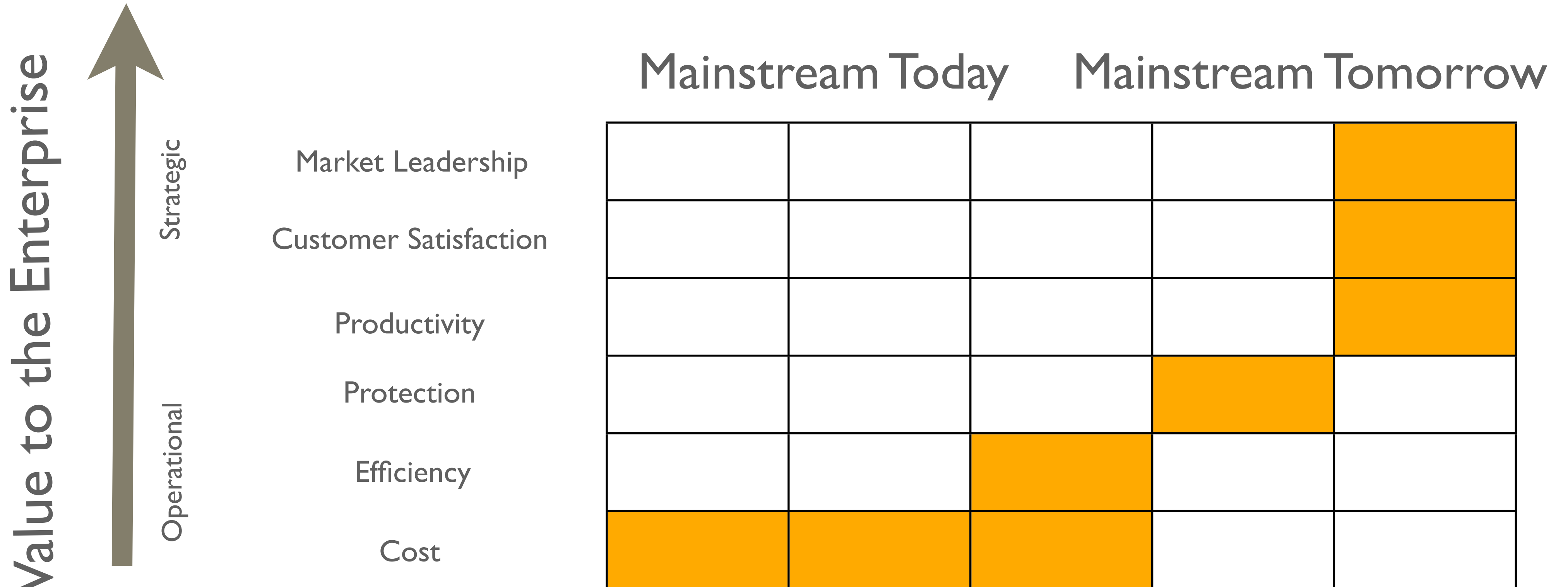


Other Emerging Mobile Trends

The New Rules of the Game

1. **Rapid** and much shorter innovation cycles--mobile enterprise apps will ramp much faster than enterprise web apps did a decade ago
2. **Convergence** between enterprise mobile and communications, commercial, social networking, and legacy software
3. **Extensive** opportunities in emerging markets--leapfrog license software entirely
4. **Symbiotic** and parallel growth--OEMs, app developers, telecoms, middleware providers, big data analytics firms
5. **M&A** will continue apace. Best mobile innovations have incubated through small and nimble startups and larger firms need to build extensive solution sets
6. **Appification** will change users from thinking about “my device” to “my data.” Will demand access to data via mobile devices from anywhere

Future of Mobile Enterprise



Enterprises will migrate to managed mobility services for operational *and* strategic benefits.

Elements of Mobility

Source: Yankee Group

About MergerTech

By Technology Entrepreneurs, For Technology Entrepreneurs

MergerTech's mission is to enable small to medium-sized technology companies to realize the value of their business. As the only investment banking firm exclusively focused on this space, we apply our deep domain expertise and global knowledge of buyers to deliver three key values: fast introduction to buyers, best terms and value, and greatest certainty of deal closure.

Experience in Building and Selling Technology Companies

MergerTech investment bankers have decades of experience in technology solutions and services businesses. We have founded, grown and sold technology companies ourselves, so we speak your language and recognize your company's best selling points. It's no wonder we've completed over 100 engagements with buyers and sellers across the globe.

Helping Sellers Convert Work Into Wealth

MergerTech leaders have expertise in all aspects of technology investment banking, including mergers and acquisitions, capital raises for growth or recapitalization, and a spectrum of advisory services. Step by step, we help you prepare and present your company for the best possible outcome. As a result, you move quickly past preparing for a sale and get down to negotiating a sale with multiple buyers.



Recently Closed Transactions



has sold an interest to



MergerTech acted as advisor to Mutual Mobile in this transaction

August 2013



Mobile App Development



has been acquired by



MergerTech acted as advisor to AppFog in this transaction

June 2013



Cloud Infrastructure



has been acquired by



MergerTech acted as advisor to Axiom in this transaction

December 2012



Enterprise Software



has been acquired by



MergerTech acted as advisor to Geoloqi in this transaction

October 2012



Geolocation



has been acquired by



MergerTech acted as advisor to Vital Networks in this transaction

August 2012



Managed IT Services



has been acquired by



MergerTech acted as advisor to CrowdCompass in this transaction

June 2012



Mobile Application



has been acquired by



MergerTech acted as advisor to WiseWindow in this transaction

April 2012



Big Data



has been acquired by



MergerTech acted as advisor to Small Society in this transaction

January 2012



Mobile App Development

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thanks

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