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About W Partners

W Partners is a boutique investment banking advisory firm that provides financial advisory services to middle-market companies in the Western United States. Our services include mergers, acquisitions, financings, capital raising, and strategic transaction advice to business owners and family offices.

Utah Middle Market M&A Update Fourth Quarter of 2015

The market environment in 2015 proved favorable for deal making due to the sheer abundance of usable cash on corporate balance sheets and private equity dry powder, central bankers production of historically cheap debt financing options, and record low interest rates. In addition, businesses themselves grew, increasing cash flows and consequently increased the pressure from shareholders to make the money work.

Global M&A in 2015 was the year of the mega-deal, making it an age of strategic transformation, pushing transactions to record levels. The 2015 M&A landscape revealed 57 deals worth of more than \$10 billion, compared to 39 in 2007 and 50 in 2006. There were nine deals worth more than \$50 billion, and the average size of the top ten deals was \$80 billion, a 80%+ increase over 2014. Global M&A value increased in 2015 to \$4.3 trillion, exceeding its previous top of \$4.1 trillion in 2007 and M&A volume reached 38,644 transactions, making it the most active year ever.

In terms of deal multiples, purchase prices paid measured against key financial metrics increased significantly over the prior year. Median deal multiples of revenue and free cash flow both rose more than 20% from 2014, and median deal multiples for revenue (1.7x), net income (23.7x), EBITDA (11.2x) and free cash flow (33.1x) all exceeded their 2007 peak levels.

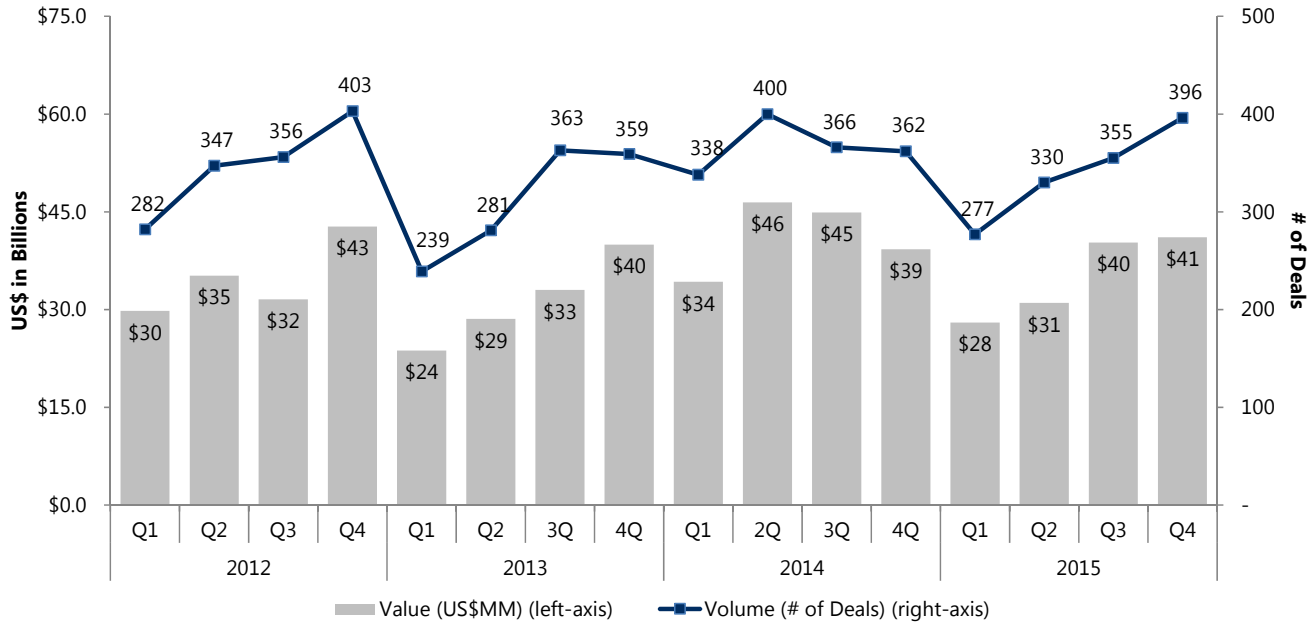
Global IPO volume 2015 was 1,218, a 2% decrease from 2014, and 2015 global IPO total value dropped to \$195 billion in capital raised, a 25% decrease from 2014. While IPO metrics declined over last year, they actually compare quite favorably to the 10-year annual global median of 1,241 deals and \$176 billion in annual IPO proceeds.

While we see some level of caution from investors, particularly with the volatility in the capital markets seen in January, i.e. no US IPOs, the capital markets came into the year relatively strong overall. Whereas investors pulled back towards the back half 2015, the US capital markets as a whole raised more funds in 2015 than in 2014 as VCs invested in \$77 billion across 8,097 financing rounds, surpassing the \$68 billion of 2014. Generally, venture capital funding reached its highest levels since 2000, helping private companies to drive valuations higher and stay private longer, although recently down rounds and down round IPOs are beginning to become more prevalent.

Globalization continues to be a major driver of M&A, and we expect to see high global M&A activity in 2016. While some suggest big-ticket deals will continue next year, we suspect that there may be a decrease in funding big ticket M&A due to the slow down across high-yield. VC activity and multiples for certain deals may come down as well. Although, according to PwC's Deals Practice 2015 US Capital Markets Watch, 46% of US CEOs say they expect to complete a domestic M&A deal during 2016, the recent capital market volatility experienced during January is likely to temper financing availability and therefore dampen expansionary acquisitions.

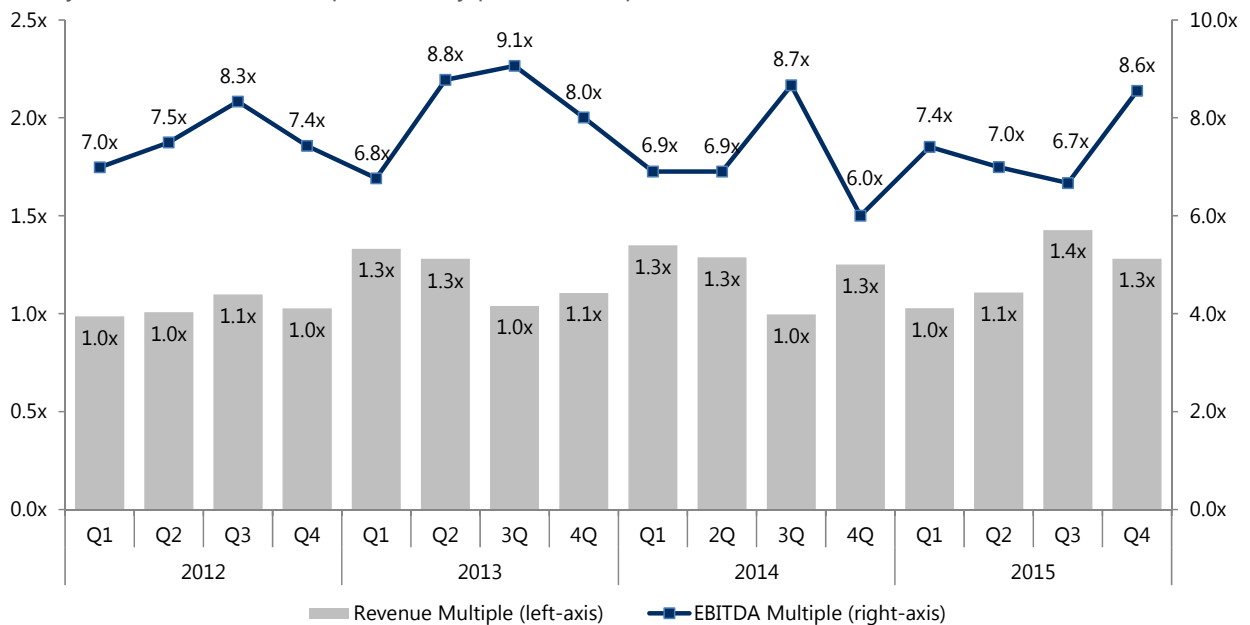
M&A Activity – Middle Market

M&A middle market activity reached \$140 billion in transaction value in 2015 with more than 1,350 transactions being completed. Although the year ended up with approximately 10% lower overall activity from the prior year, the last quarter of 2015 represented the best quarter of the year both in terms of transaction value and volume. The moderation of activity in 2015 is a sign of the maturing M&A cycle which has shown relatively stable levels of activity during the past several years.



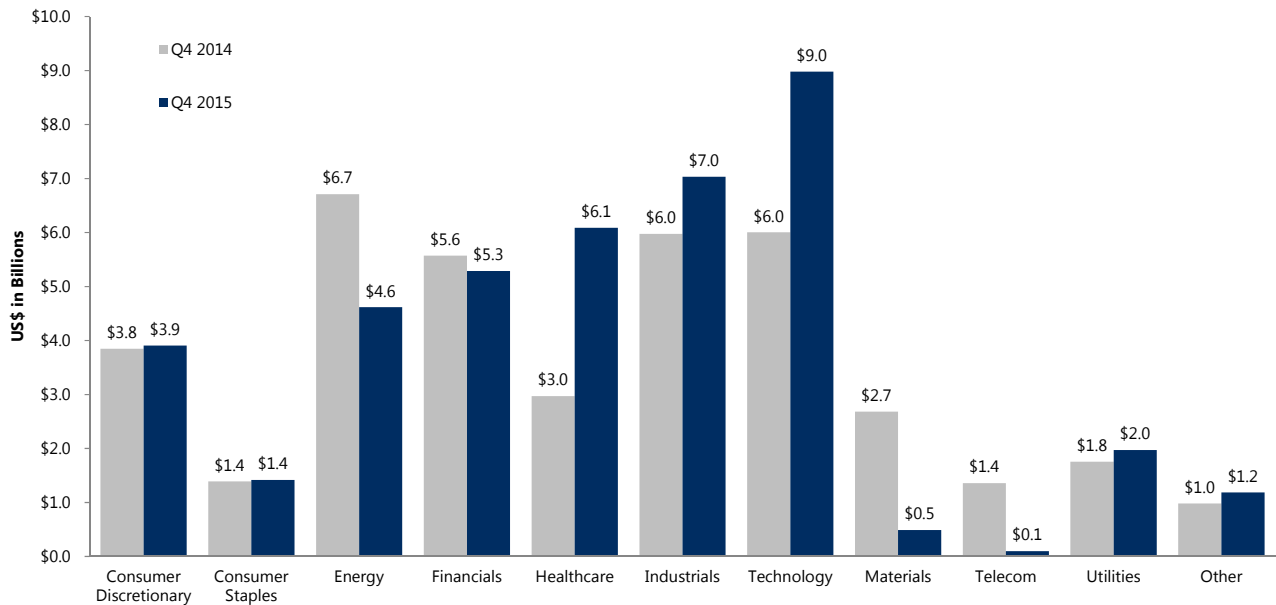
Valuation Multiples – Middle Market M&A Transactions

Revenue multiples declined slightly in the last quarter to 1.3x, while EBITDA transaction multiples reached a 2015 peak of 8.6x and increased significantly over prior year period 6.0x. EBITDA transaction multiples were most commonly disclosed by the Industrials, Consumer Discretionary and Technology sectors, while we saw a low number of disclosed multiples from the Healthcare sector. Nevertheless, this peak in the EBITDA multiple paid reflects the positive competitive dynamics for sellers that have faced favorable economic conditions which have resulted in significant discretionary cash available for acquisitions by potential acquirers.



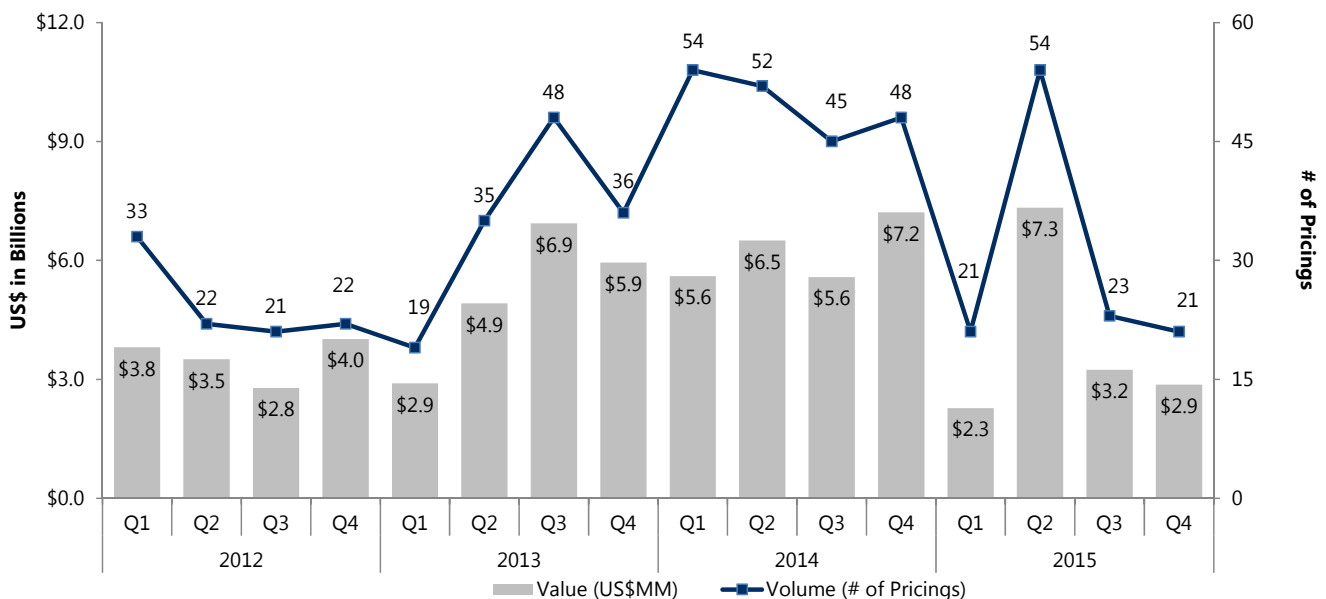
M&A Activity by Sector – Middle Market

The Healthcare sector showed the largest increases in activity with both deal values and volumes more than doubling over the prior year period. The Technology sector also showed strength during the quarter with a 50% increase in value and 27% in volume over the prior year. Meanwhile, Energy and Materials transactions decreased significantly over prior year period as the rout in commodity prices continued to send shock waves through the energy and materials markets globally.



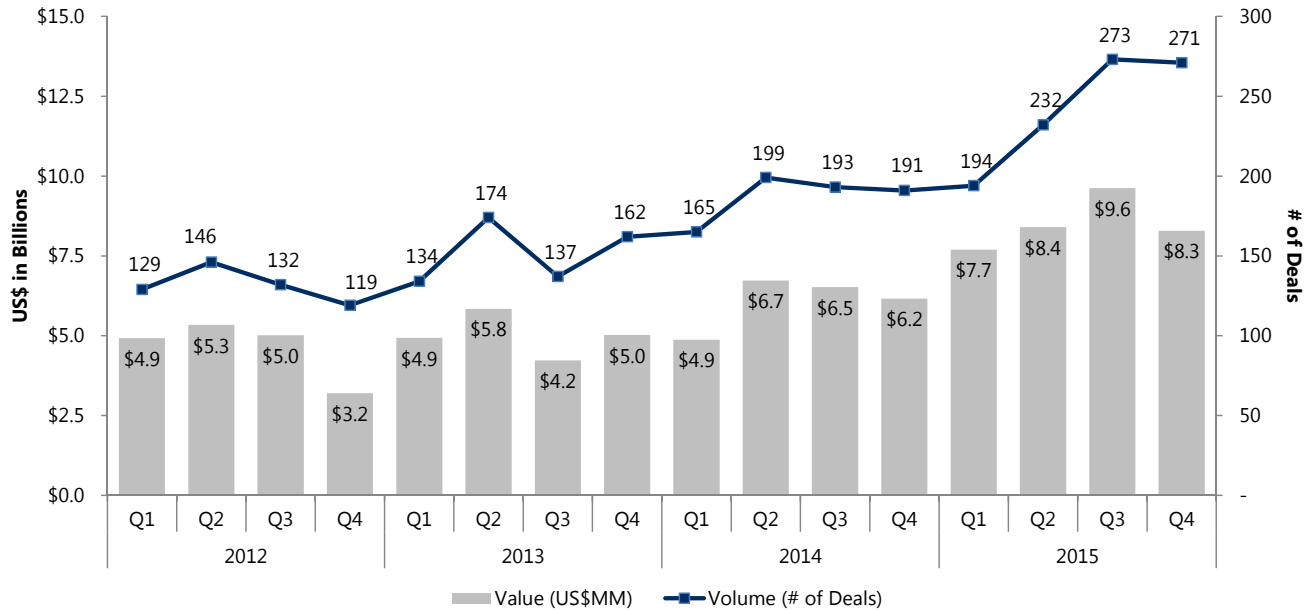
IPO Activity – Middle Market

After showing considerable strength in the second quarter, the IPO market moderated substantially in the second half of the year. Overall, IPO values decreased by 37% and volume by 40% in 2015 compared to 2014. The year ended with offerings that included mostly Healthcare and Information Technology transactions, with each sector constituting greater than 40% of total offerings. The most notable offerings during the fourth quarter included Atlassian, Pure Storage, Match Group, and Square, all from the Technology sector.



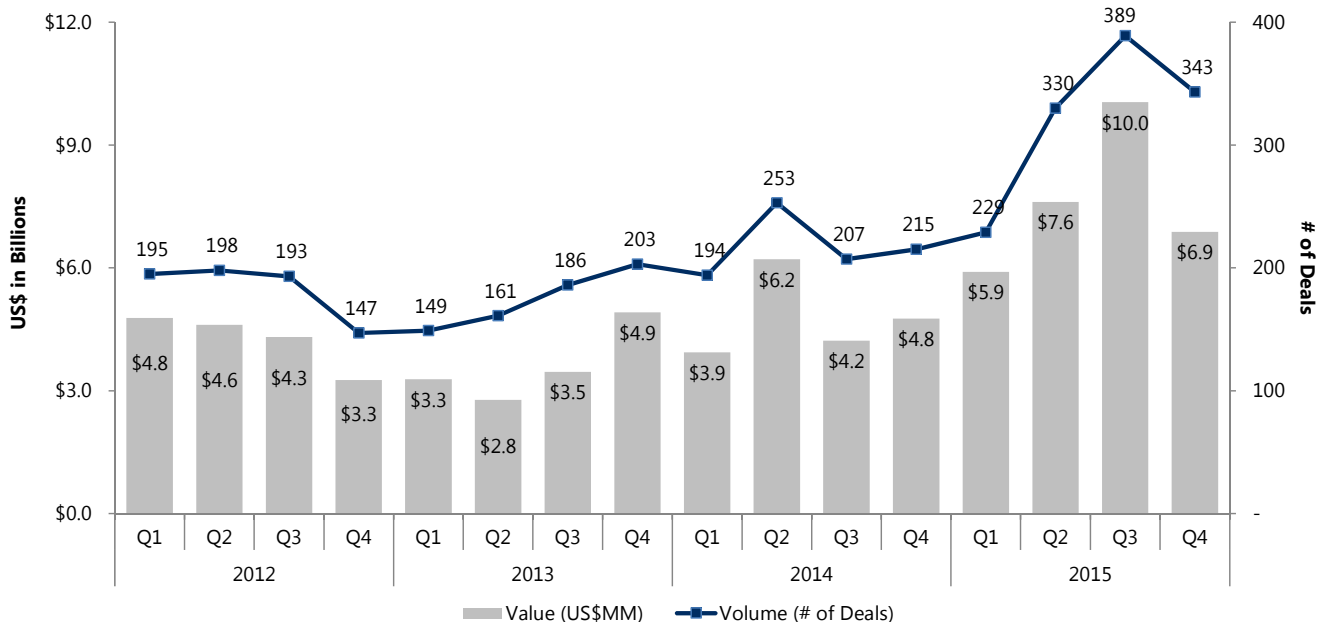
Private Placement Activity – Middle Market

The desire to invest in private enterprises continues the trend seen in prior quarters. Capital raised in private placements in 2015 was up by 40%, and private placement volume increased by 30% from prior year. Similarly, in the last quarter private placement increased by 34% in value and by 42% in volume over prior year period. By far the most-active sectors were Technology, which represents alone 43% of total 2015's private placement volume, followed by Healthcare, which represents 25%, and Financials and Consumer Discretionary that together represent another 18%.



Venture Capital Investment Activity – Middle Market

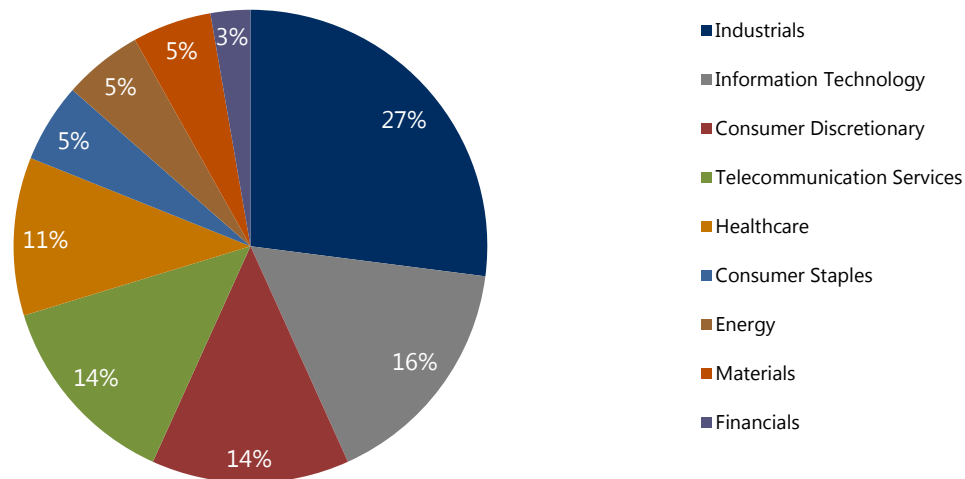
While we see that VC activity in the last quarter of 2015 declined significantly, disrupting the five-quarter streak of improvement, overall 2015 was a better year than 2014 both in terms of transaction value and volume. VC transaction value increased by 60% and volume by 50% from the year before, and the last quarter increased by 44% in value and 60% in volume over prior year period. Technology and Healthcare continue to constitute most of the VC transactions, holding similar ratios to previous quarters with the sectors comprising approximately two-thirds of all transactions with Technology transactions outnumbering Healthcare transactions by more than two-to-one.



Utah M&A Activity by Sector

The fourth quarter included a total of 37 Utah related M&A transactions reported. Consistent with Utah's diverse economy, the transactions were spread across industry sectors led by transaction volume in the Industrials making up more than 25% of total transactions. The most notable transaction during the quarter was when Wex Inc., a payment-processing company based in Maine, agreed to buy Ogden-based Electronic Funds Source from the private-equity firm Warburg Pincus for about \$1.5 billion in cash and stock. Wex will pay \$1.1 billion in cash and issue four million shares, and post-transaction, Warburg Pincus will become the Wex's largest shareholder.

Utah Transaction Mix
(Last Twelve Months)



Utah M&A Transaction Details for Q4 2015

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ / Revenue	TEV ¹ / EBITDA
Consumer Discretionary							
12/02/2015	Premium Inc.	Jacksons Food Stores, Inc.	Automotive Retail	Fuel and Convenience Stores	-	-	-
12/01/2015	Diversified Suburban Newspapers, Inc.	Swift Communications, Inc.	Publishing	Park City Newspaper	-	-	-
11/24/2015	Dynojet Research, Inc.	Irving Place Capital; New Value Capital	Auto Parts and Equipment	Fuel Management and Diagnostic Auto Parts	-	-	-
10/13/2015	Great Western Leasing & Sales, Inc.	Argosy Capital; Headhaul Capital Partners LLC	Automotive Retail	Flatbed and Construction Trailer Retailer	-	-	-
10/06/2015	Sundance Cinemas LLC - Seller: Sundance Group, LLC*	Carmike Cinemas Inc. (NasdaqGS:CKEC)	Movies and Entertainment	Owner Operator of Movie Theaters	\$36	-	-
Consumer Staples							
11/19/2015	Dynamic Health Laboratories, Inc.	Nutraceutical International Corporation (NasdaqGS:NUTR)	Packaged Foods and Meats	Manufacture/Supply Natural Liquid Health Products	\$19	-	-
11/19/2015	Calroy Health Sciences, LLC - Seller: Vascular Health Sciences, LLC	Morningbell Wellness, LLC	Personal Products	Manufacture Healthcare Supplements	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in Utah. The Utah-based company is denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research and estimates.

Utah M&A Transactions (Cont'd)

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Energy							
09/14/2015	Cutters Wireline Service, Inc.	Tong Petrotech Inc.	Oil and Gas Equipment and Services	Cased-Hole Electric Wireline Services	-	-	-
10/13/2015	FX Energy Inc.	ORLEN Upstream Sp z o.o.	Oil and Gas Exploration and Production	Oil and Gas Exploration and Oilfield Services	\$134	4.7x	-
Financials							
10/19/2015	Electronic Funds Source LLC	WEX Inc. (NYSE:WEX)	Consumer Finance	MasterCard Payment Solutions	\$1,470	-	-
Healthcare							
12/14/2015	Legacy Medical Imaging, L.P.	BC Technical, Inc.	Healthcare Distributors	Seller & Servicer of Medical Imaging Equipment	-	-	-
12/02/2015	Magnaserv Enterprises, Inc.	BC Technical, Inc.	Healthcare Services	Seller & Servicer of Medical Imaging Equipment	-	-	-
11/20/2015	Coherex Medical, Inc. - Seller: Signal Peak Ventures*	Biosense Webster, Inc.	Healthcare Equipment	Manufacture of Cardiac Catheter-Based Technologies	-	-	-
11/02/2015	Knome, Inc.	Tute Genomics, Inc.	Life Sciences Tools and Services	Human Genome Interpretation Technologies	-	-	-
Industrials							
01/12/2016	Hightech Signs, Inc.	Hightech Image, Inc.	Office Services and Supplies	Corporate Sign Design and Manufacture	-	-	-
11/19/2015	Waste Control Specialists, LLC	Rockwell Holdco, Inc.	Environmental and Facilities Services	Hazardous Waste Treatment	\$367	-	-
11/16/2015	EnergySolutions, Inc, Projects, Products, and Technology Business	WS Atkins plc (LSE:ATK)	Environmental and Facilities Services	Nuclear Waste Remediation	\$318	-	-
11/09/2015	InterPlan Co. Inc.	Parametrix, Inc.	Research and Consulting Services	Transportation Planning and Engineering Services	-	-	-
11/05/2015	Alterra, LLC	The Terminix International Company Limited Partnership	Environmental and Facilities Services	Pest Control Services	-	-	-
11/05/2015	Employers Drug Program Management, Inc.	WorkforceQA LLC	Human Resource and Employment Services	Drug and Alcohol Testing Management Services	-	-	-
10/30/2015	Concentric Security Resources, LLC - Seller: Blackdiamond Consultants LLC	Minuteman Security Technologies, Inc.	Security and Alarm Services	Security Systems Integration Products	-	-	-
10/28/2015	Black Box Engineering, Inc.	CAID Industries, Inc.	Construction and Engineering	Mechanical Engineering Services	-	-	-
10/20/2015	Unishippers Global Logistics, LLC	Ridgemont Equity Partners	Air Freight and Logistics	Corporate Shipping and Freight Services	-	-	-
10/08/2015	Wilkinson Construction Company, Inc.	Geneva Rock Products, Inc.	Construction and Engineering	Road Construction and Maintenance	-	-	-

1. Total enterprise value.

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Utah M&A Transactions (Cont'd)

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Information Technology							
12/17/2015	ShopSavvy, Inc.	Purch, Inc.	Application Software	Provider of Mobile Device Shopping Applications	-	-	-
11/30/2015	Davisbase Consulting, LLC	SolutionsIQ, Inc.	IT Consulting and Other Services	Technology Consulting and Training Services	-	-	-
11/20/2015	Guestery LLC	Chatbooks Inc.	Internet Software and Services	Online Event Guest Registration	-	-	-
10/28/2015	3DPlusMe, Inc.	whiteclouds inc.	Internet Software and Services	Merchandising Platform for Consumer 3D Printing	-	-	-
10/18/2015	International Document Services, Inc.	The Reynolds and Reynolds Company	Internet Software and Services	Mortgage Closing Document Preparation Software	-	-	-
10/16/2015	Integrated Business Solutions IBS, Inc.	Datashield, LLC	IT Consulting and Other Services	Information Security Software Solutions	-	-	-
Materials							
12/02/2015	Golden Eagle International Inc., Substantially All Assets	Gulf Coast Capital, L.L.C.	Gold	Gold Mill and Plant	-	-	-
11/16/2015	American Pacific Corporation	Huntsman Family Investments, LLC	Specialty Chemicals	Manufacture and Supply of Fine and Specialty Chemicals	-	-	-
Telecommunication Services							
12/14/2015	Global Connect LLC	TCN, Inc.	Wireless Telecommunication Services	Web-Based Voice Messaging	-	-	-
12/10/2015	Nobile Communications, 50 stores in Florida	Spring Communications, Inc.	Computer and Electronics Retail	Cellular Phone Retail	-	-	-
12/10/2015	AT&T, Inc.. 27 AT&T Dealers	Spring Communications, Inc.	Technology Distributors	Technology Retailer and Service Provider	-	-	-
11/04/2015	Smart Wireless, Inc. and Wireless Jungle	Spring Communications, Inc.	Computer and Electronics Retail	Cellular Phone Retail	-	-	-
11/02/2015	Easy Office Phone	Jive Communications, Inc.	Alternative Carriers	Telecommunications and Web Technology Provider	-	-	-
M&A Exits for Companies that have a Financial Investor Based in Utah							
11/09/2015	Elastica, Inc. - Seller: Pelion Venture Partners*	Blue Coat Systems Inc.	Internet Software and Services	Cloud Security Systems	\$280	-	-
10/07/2015	Ticketfly, Inc. - Seller: Cross Creek Advisors*	Pandora Media, Inc. (NYSE:P)	Internet Software and Services	Event Ticketing and Marketing	\$500	6.7x	-

1. Total enterprise value.

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Utah Private Placement and Venture Capital Activity

Privately-based Utah companies received approximately \$70 million in funding during the last quarter, with nearly 70% going to the Information Technology sector. The most notable investment was made in Weave Communications Inc., which raised \$22 million from various investors, including from Utah-based Pelion Venture Partners and Peak Ventures. Weave Communications, formerly Recall Solutions, provides communication systems to dental practices that integrates with their patient management software to increase patient engagement.

Announced Date	Issuer	Round/Investors(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Consumer Discretionary					
12/30/2015	FFG Global Holdings LLC	Not disclosed	Restaurants	Restaurant developer and operator	\$3
10/31/2015	BrainStorm, Inc.	Series A: Kickstart Seed Fund	Education Services	Software end-user training services	\$6
Financials					
12/23/2015	Snap Finance LLC	Not disclosed	Specialized Finance	Merchandise financing and e-commerce merchants	\$7
Healthcare					
10/16/2015	Weave Communications Inc.	CrossLink Capital, Inc.; Pelion Venture Partners ; Y Combinator; Peak Capital; Initialized Capital; Peak Ventures ; A Capital	Health Care Technology	Communication services	\$22
Industrials					
10/30/2015	Cascata Packaging, LLC	Not disclosed	Packaging	Not disclosed	\$3
Information Technology					
12/04/2015	DemoChimp LLC	Not disclosed	Internet Software and Services	Automates product demonstrations for B2B sales	\$5
11/11/2015	Ender Labs, LLC	Series A: Origin Ventures; Greycroft Partners LLC; Zetta Venture Partners	Internet Software and Services	Room scheduling management	\$7
11/03/2015	Steton Technology Group, Inc.	Series B: Access Holdings Management Company LLC	Internet Software and Services	Enterprise compliance management solutions	\$8
10/29/2015	Taxometry, LLC	Not disclosed	Application Software	Sales tax software	\$3
10/20/2015	NewVistas LLC	Not disclosed	Technology	Not disclosed	\$17
10/14/2015	Blue Raven Solar, LLC	Peterson Partners LP	Semiconductors	Residential solar energy providers	\$6

Please contact the W Partners team for additional information regarding M&A transactions, private placements, venture capital investments or public market valuations in your particular industry or sector:

Todd Wilson
 Managing Director
 Phone: 858.333.8445
 twilson@wpartners.com


Joel Weinstein
 Director
 Phone: 858.333.8447
 jweinstein@wpartners.com


San Diego Office
 4370 La Jolla Village Drive
 Suite 303
 San Diego, CA 92122
 Phone: 858.333.8444

Salt Lake City Office
 6340 South 3000 East
 Suite 500
 Salt Lake City, UT 84121
 Phone: 801.890.4175

www.wpartners.com

Selected Transactions by W Partners



HAISLA NATION
 Joint-Venture Agreement with

 Financial Advisory



Was Acquired by

 Financial Advisory




Master Franchisee and Exclusive Development Agent for

 Financial and Strategic Advisory





Private Placement of Debt and Equity Securities

 Financial Advisory



The Washington Companies
 Strategic Advisory



Was Acquired by

 Financial Advisory



Acquired the Marine Transportation Assets of

 Financial Advisory



\$100 Million Private Placement

 Financial Advisory



\$95 Million Credit Facility


 Financial Advisory

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