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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.

San Diego Middle Market M&A Update Third Quarter of 2016

In the third quarter, global M&A deal value exceeded \$800 billion, signaling the second consecutive quarterly increase, after falling from the dizzying heights of 2015. Blockbuster deals (Spectra Energy/Enbridge, ARM Holdings/SoftBank Group) have driven significant deal value with a median deal size of \$210 million for the quarter, suggesting that while fewer quality companies are coming to market, those that do are receiving outsized multiples. In addition to other market influences (interest rates, oil prices, a tense presidential election in the U.S. and Turkey's failed coup), the lukewarm macro-economic conditions prevalent worldwide throughout the quarter in the wake of the Brexit vote contributed to an improved yet lackluster quarter. M&A tailwinds for the quarter included continued sluggish growth in U.S. GDP, causing companies to turn to acquisition as an alternative to organic growth, rapid advancements in technology, low interest rates and high levels of cash among strategic companies and private equity firms.

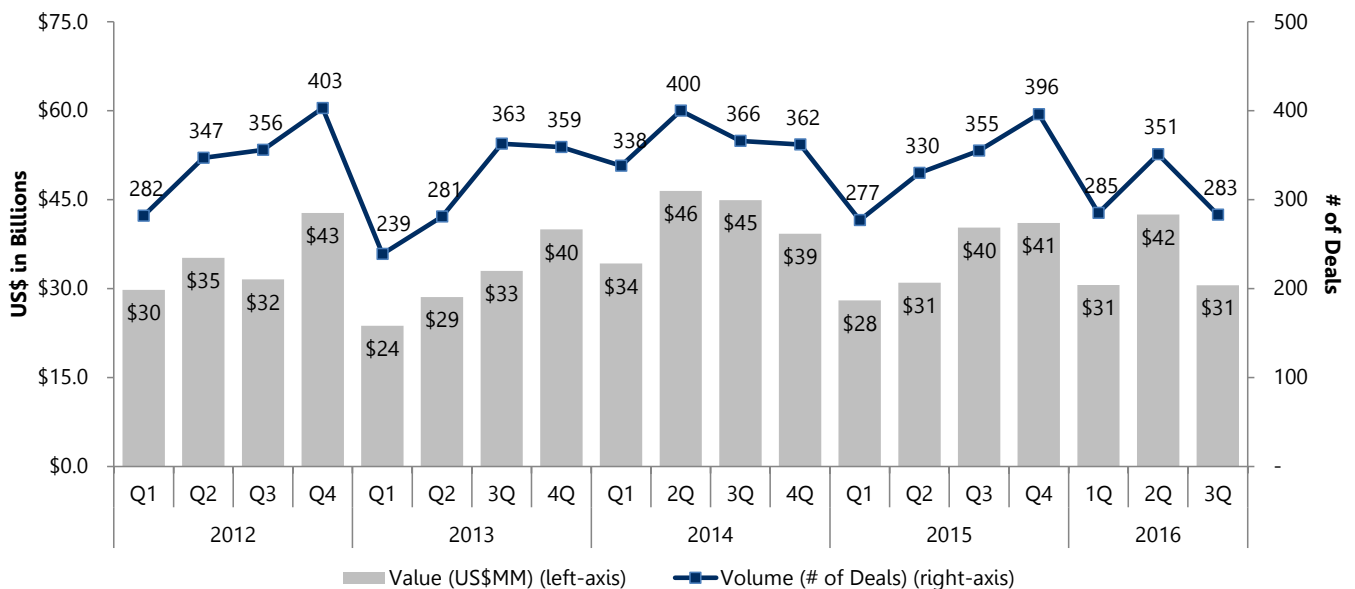
Amidst rather slow deal flow in the wider M&A market, private equity has shown resilience. The third quarter saw over 900 private equity-backed buyout deals announced or completed, worth an aggregate \$90 billion. Typically accounting for around 25% of M&A activity, sponsor-backed deals were responsible for 31% of total M&A transactions in Q3 2016, the highest portion of the market in the past five years. This growing slice of the market is another two consecutive quarter growth trend that suggests that the current slowdown in overall deal count is having a more significant impact on strategic rather than financial buyers. Add-on transactions are becoming increasingly prevalent, accounting for 56% of private equity transactions.

The third quarter proved to be the strongest quarter yet for a dreary 2016 in U.S. IPOs. 40 IPOs raising \$6.6 billion fell short of the 45 IPOs and \$7.3 billion raised in Q3 2015. Despite low activity, companies took advantage of low volatility and increasing investor interest during the quarter to get deals completed, resulting in the strongest activity in July and September, accompanied by the traditional summer slowdown in August. The third quarter recovery came after dismal first and second quarter of the year, partially due to the availability of cheap debt, providing effective private funding alternatives for large private companies such as Uber and Airbnb. Accompanied by a healthy, diverse industrial mix and strong aftermarket performance, the third quarter proved to be relatively optimistic for the IPO market. The third quarter also portended well for the follow-on market, as the strongest quarter since Q2 2015. With 168 follow-on deals raising over \$40 billion, issuances were up 21% compared to the same quarter of last year.

In summary, Q3 2016 had the essence of continued recovery, showing strength in many areas and delivering on growth across the board over the previous quarter. Moving forward, the E&Y Capital Confidence Barometer has said that more than half of executives surveyed plan to make acquisitions in the next 12 months, pointing to a determination to counter the low-growth disruptive environment. Executives are also aware of the need to show growth support valuations that are higher than the long-term average.

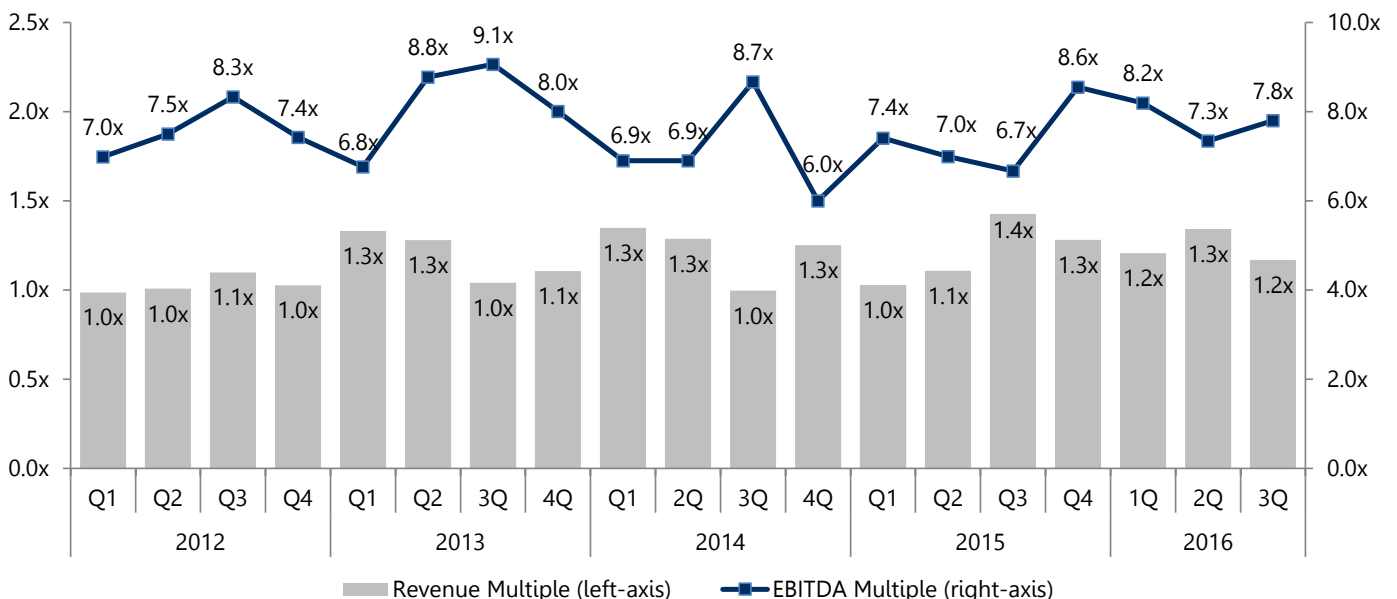
M&A Activity – Middle Market

U.S. middle market deal activity in the third quarter declined significantly from the prior year quarter, with deal volume and value taking a 20% dip. Technology and Healthcare were responsible for the largest portion of this decline, decreasing in deal volume by 45% and 30%, respectively. However, on a trailing 12-month basis, deal value was up 5% over the prior year period which may prove that Q3 was only a temporary decrease. Decreased activity suggests that the market is likely digesting the outsized multiples remaining from recent quarters, reaching a shortage of quality companies being brought to market to justify premium valuations.



Valuation Multiples – Middle Market M&A Transactions

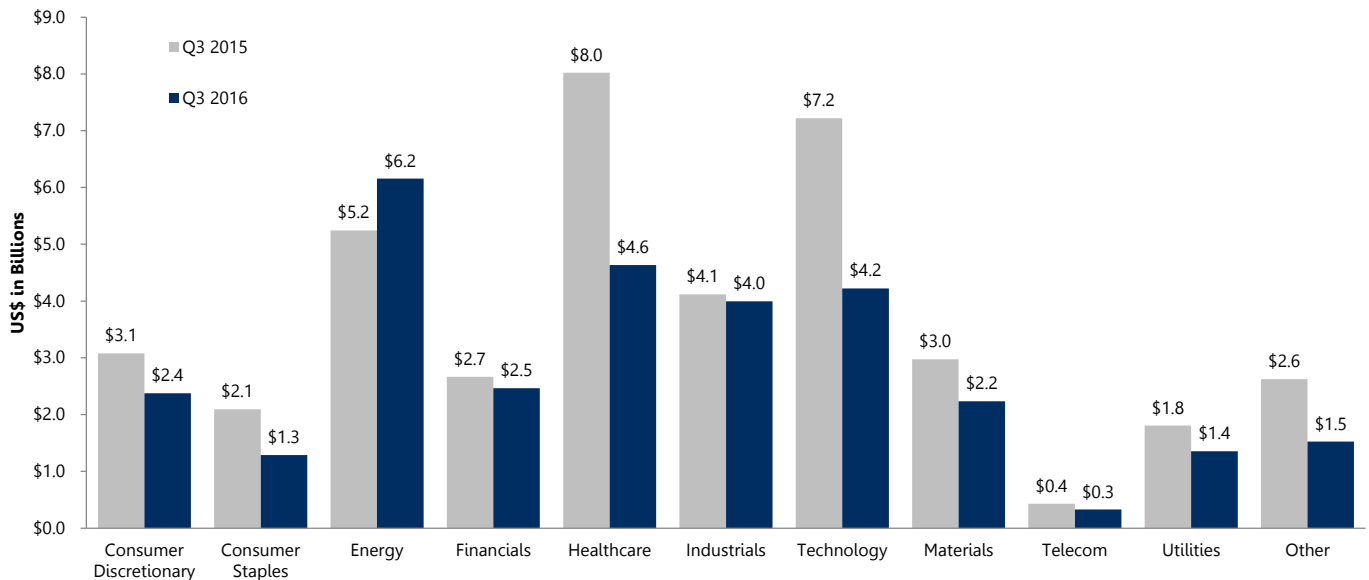
Disclosed middle market M&A revenue multiples for the quarter experienced a slight decline, while EBITDA multiples made a modest recovery from a two quarter slide. While both deal value and average deal size fell during the quarter, a rise in EBITDA multiples paid suggests that the middle market M&A deal pipeline is likely drying up after an explosive 2015 and early 2016, forcing increased investor demand for the remaining quality opportunities that bear smaller average enterprise values, further fueled by competition among funds for effective “dry powder” deployment.



Note: Middle market defined as transactions between \$10 and \$500 million in the U.S., excluding transactions in real estate. EBITDA multiples disclosed in less than 10% of all transactions.
Source: S&P Capital IQ.

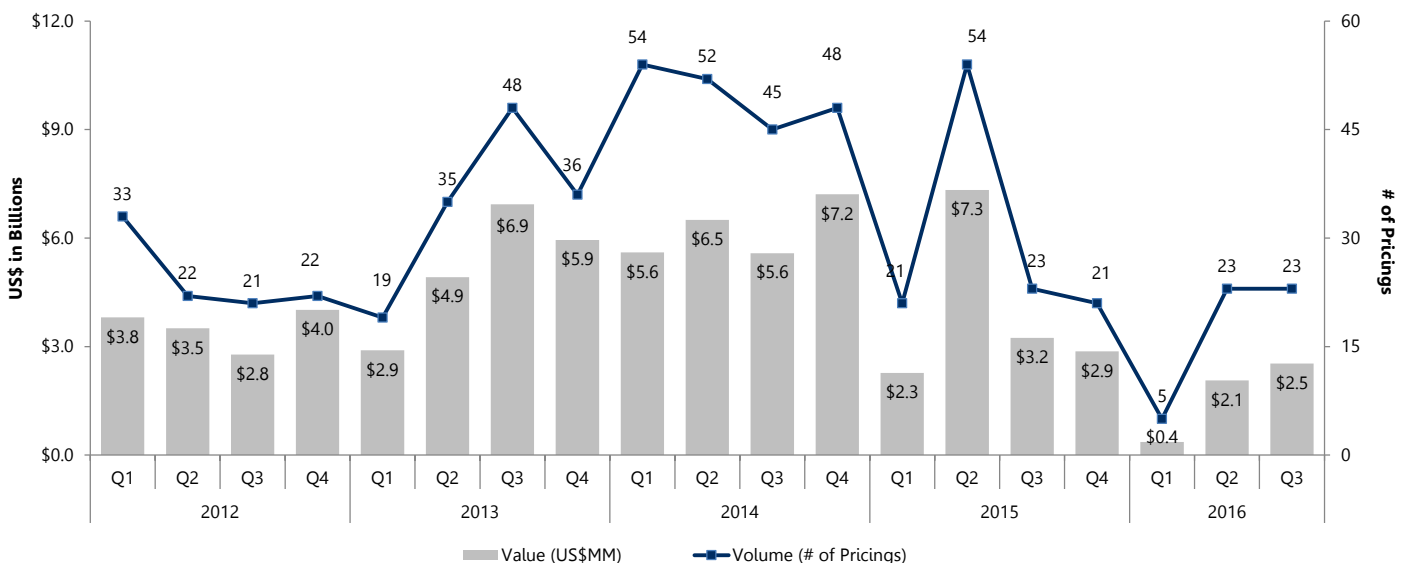
M&A Activity by Sector – Middle Market

Deal activity by sector in the third quarter of 2016 saw declines in deal value across the board, with exception to the Energy sector, which grew by 19% over the prior year quarter and accounted for 13% of quarterly deal volume. Primary contributors to the continued performance of the Energy sector include strong activity within the Oil and Gas Exploration and Production vertical. The largest decline, in Healthcare (43% decrease in deal value), can be attributed to a sharp reduction in deal value in the verticals of Life Sciences, Managed Healthcare, and Healthcare Distributors, the three of which collectively fell by 68%. Despite a 46% decline in deal volume from the Technology sector, compared to the prior year quarter, it remained a large portion of total deal volume for the quarter.



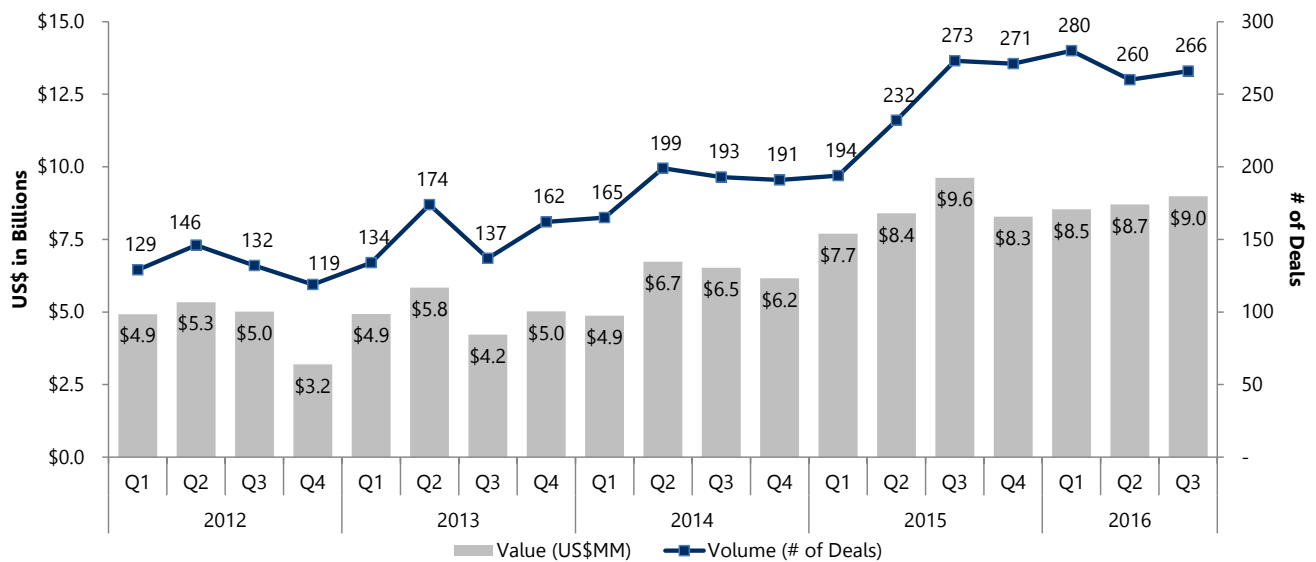
IPO Activity – Middle Market

Middle market IPO activity was relatively flat in the third quarter, maintaining the same level of 23 IPOs as both the previous quarter and the prior year quarter. Deal value declined 22% from the same quarter of 2015, as the IPO market continues to be weak in 2016. Healthcare continued to contribute the largest number of IPOs, yet saw a 29% decrease compared to the prior year quarter, a shortfall that was compensated for by IPOs from the Technology sector. Stagnant IPO activity is accompanied by a prevailing market for alternative methods of financing as companies continue to keep their options open amidst private capital markets that remain open.



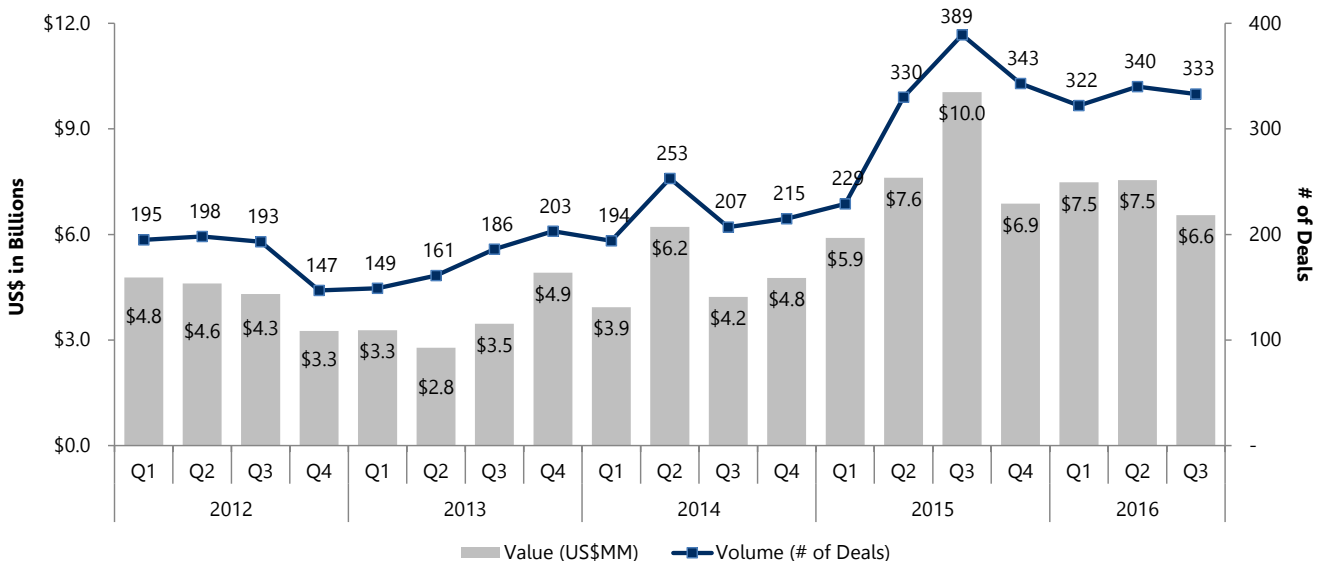
Private Placement Activity – Middle Market

Middle market private placement activity in the third quarter kept pace with the marginal gains in deal value over the previous two quarters. In comparison to the same quarter of 2015, activity tapered off slightly yet maintained healthy levels, relatively consistent with the previous four quarters. Low interest rates and market ambiguity have sustained a healthy market for private funding in the absence of true IPO activity. Major strides were taken in the Industrials and Consumer Discretionary sectors, while Technology, Consumer Staples, and Materials combined for a collective 27% decline in deal volume from the prior year quarter. Healthcare and Technology continued to represent the largest portion of deal activity, with nearly two thirds of total deal volume.



Venture Capital Investment Activity – Middle Market

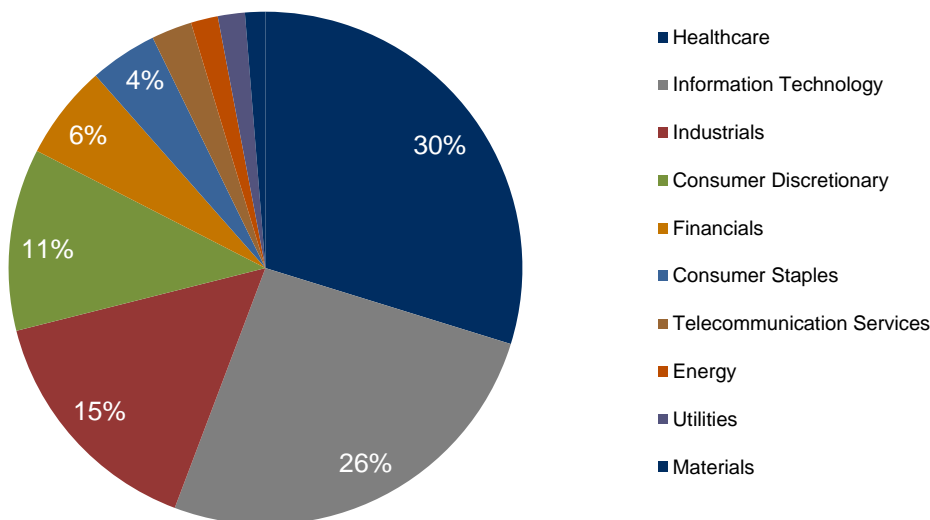
Venture capital activity experienced a significant decline from the prior year quarter, falling 14% and 34% in volume and value, respectively. The Consumer Discretionary sector was the only sector that showed year over year growth, increasing in deal volume by 12%. The Technology and Healthcare sectors maintained a dominant presence in venture capital, accounting for two thirds of investment activity in terms of deal volume for the quarter, despite a 6% drop in Technology and flat growth in Healthcare when compared to the prior year quarter. A subdued quarter for venture capital reflects the general skepticism found in the market, pushing investors toward safer, more mature opportunities for stability while concerns grow louder on the valuations of the unicorn companies.



San Diego M&A Activity by Sector

There were 68 San Diego region M&A transactions during the third quarter, consisting of both buy and sell-side transactions. Healthcare and Technology, once again, led the charge with more than half of total transactions. Of the 68 transactions, 38 were San Diego-based companies that were targeted by acquirors, and an additional 6 transactions had a financial investor based out of San Diego. Some notable transactions included Sequenom, Inc. being acquired by Laboratory Corp. of American Holdings for \$414 million as a strategic add-on acquisition, as well as Sorrento Therapeutics, Inc.'s sell off of the Worldwide License to their Anti-PD-1 Antibody to Les Laboratoires Servier SAS for \$978 million, in July.

San Diego Transaction Mix
(Last Twelve Months)



San Diego M&A Transaction Details for Q3 2016

| Announced Date | Target | Acquiror | Target Industry | Target Business Description | Size (\$mm) | TEV ¹ /Revenue | TEV ¹ /EBITDA |
|-------------------------------|---|--|----------------------|---|-------------|---------------------------|--------------------------|
| Consumer Discretionary | | | | | | | |
| 09/30/2016 | Brehm Communications Inc., The Princeton Daily Clarion, the Mount Carmel Register and The Standard | Paxton Media Group LLC | Publishing | Newspaper | - | - | - |
| 09/19/2016 | Wall & Broadway | KCD Public Relations, Inc. | Advertising | Public relations services | - | - | - |
| 09/19/2016 | Maximum Manuals, LLC | Assessment Compliance Group, Inc. | Publishing | Minimum equipment list (MEL) manuals designer | - | - | - |
| 09/15/2016 | Mad Catz, Certain Assets of its Simulation Business | Logitech Inc. | Consumer Electronics | Flight, space and farm simulation controllers | \$13 | - | - |
| 08/29/2016 | Toulon Design | Callaway Golf Co. (NYSE:ELY) | Leisure Products | Golf putter manufacturer | - | - | - |
| 08/08/2016 | AquiSense Technologies LLC | Nkkiso America, Inc. | Household Appliances | UV-C LED disinfectant systems | \$9 | - | - |
| 08/08/2016 | R.J. Safety Supply Company Inc. | Mallory Safety and Supply, Inc. | Specialty Stores | Safety supply retailer | - | - | - |
| 08/01/2016 | Current Audio LLC | Structured Cable Products | Consumer Electronics | Audio products | - | - | - |
| 07/06/2016 | The Marquette Group | Mindstream Interactive, LLC | Advertising | Marketing Agency | - | - | - |
| Consumer Staples | | | | | | | |
| 08/09/2016 | Renew Interests, LLC | Youngevity International, Inc. (OTCPK:YGYI) | Personal Products | Nutritional supplement and skincare | - | - | - |
| 08/01/2016 | Nature's Pearl Corporation | Youngevity International, Inc. (OTCPK:YGYI) | Personal Products | Antioxidants and supplements | - | - | - |
| 07/18/2016 | Pon Food Corporation | Good Source Solutions Inc. | Food Distributors | Food retail distributor | - | - | - |

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in the greater San Diego area. The San Diego-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.

San Diego M&A Transactions (Cont'd)

| Announced Date | Target | Acquiror | Target Industry | Target Business Description | Size (\$mm) | TEV ¹ /Revenue | TEV ¹ /EBITDA |
|-------------------|---|--|---|--|-------------|---------------------------|--------------------------|
| Energy | | | | | | | |
| 08/08/2016 | Buckthorn Renewables, LLC | NRG Renew LLC | Alternative Energy | Solar energy production | \$16 | - | - |
| 07/25/2016 | Matrix Oil Corporation | Royale Energy Inc. (OTCPK:ROYL) | Oil and Gas Exploration and Production | Oil and natural gas production services | \$42 | - | - |
| Financials | | | | | | | |
| 09/14/2016 | Legend Group Holdings, LLC - Seller: FAS Holdings, Inc. | Lincoln Investment Capital Holdings, LLC | Asset Management and Custody Banks | Investment and retirement planning services | - | - | - |
| 08/29/2016 | Electronic Entertainment Design and Research, Inc. | The NPJ Group, Inc. | Asset Management and Custody Banks | Video game industry research | - | - | - |
| 08/01/2016 | Blue Horizon Insurance Services, Inc. | Arthur J Gallagher & Co. (NYSE:AJG) | Insurance Brokers | Insurance brokerage services | - | - | - |
| 07/21/2016 | ISBC Holdings Limited | Global Payout, Inc. (OTCPK:GOHE) | Diversified Banks | International banking services | \$3 | - | - |
| Healthcare | | | | | | | |
| 09/30/2016 | RxAnte Inc. - Seller: Millennium Health, LLC | UPMC Enterprises | Health Care Technology | Analytical healthcare platform | - | - | - |
| 09/20/2016 | Panther Biotechnology, Inc. (OTCPK:PBVA) | Brown Technical Media Corp. | Biotechnology | Acquisition and development of advanced therapeutics | - | - | - |
| 09/13/2016 | Jordan Reses Supply Company, LLC - Seller: Mitchell International, Inc. | First Nation Group, LLC | Healthcare Distributors | Medical equipment distribution | - | - | - |
| 09/13/2016 | Pharmatek Laboratories, Inc. | Catalent Pharma Solutions, Inc. | Life Sciences Tools and Services | Pharmaceutical chemistry product development | - | - | - |
| 09/12/2016 | TheraStaff LLC - Seller: Eastridge Workforce Solutions | Therapy Staff, LLC | Healthcare Services | Healthcare staffing services | - | - | - |
| 09/08/2016 | Lpath Inc. (NasdaqCM:LPTN) | Apollo Endosurgery, Inc. | Biotechnology | Disease treatment and therapeutics | - | - | - |
| 09/06/2016 | Schiring Radiographic Imaging, Inc. | Merry X-Ray Corporation | Healthcare Equipment | Diagnostic imaging services, supplies and support | - | - | - |
| 08/25/2016 | Legacy for Life, LLC | Youngevity International, Inc. (OTCPK:YGYI) | Healthcare Distributors | Nutraceutical product distribution and marketing | - | - | - |
| 08/22/2016 | Grossmont Emergency Medical Group | Team Health Holdings, Inc. (NYSE:TMH) | Healthcare Services | Healthcare emergency services | - | - | - |
| 08/17/2016 | NLT SPINE Ltd. | SeaSpine Holdings Corporation (NasdaqGS:SPNE) | Healthcare Equipment | Spinal surgery instruments | \$53 | - | - |
| 08/16/2016 | Cosmederm Bioscience, Inc., TriCalm line of anti-itch products | Life Wear Technologies, Inc. | Pharmaceuticals | Anti-itch products | - | - | - |
| 08/15/2016 | Semmur Pharmaceuticals, Inc. | Scintilla Pharmaceuticals, Inc. | Pharmaceuticals | Non-opioid back pain drugs | \$200 | - | - |
| 08/10/2016 | Softcup - Seller: Evofem Inc. | The FLEX Company | Health Care Products | Feminine health products | - | - | - |
| 08/08/2016 | Morrisey Associates Inc. | Echo Inc. | Health Care Technology | Healthcare software solutions | \$48 | 3.8x | - |
| 08/05/2016 | Disabled Mobility Systems, LLC | WMK, Inc. | Healthcare Distributors | Handicapped and wheelchair accessible vans | - | - | - |
| 08/04/2016 | Cosmetic Laser Dermatology | West Dermatology Med Management, Inc. | Healthcare Services | Cosmetic dermatology procedures | - | - | - |
| 08/02/2016 | SCILEX Pharmaceuticals, Inc. | Scintilla Pharmaceuticals, Inc. | Pharmaceuticals | Pharmaceutical pain treatment | \$70 | - | - |
| 08/01/2016 | Entra Health Systems LLC | CRF Health, Inc. | Health Care Technology | Cloud-based tools and integrated healthcare technologies | - | - | - |
| 07/27/2016 | Sequenom Inc. | Laboratory Corp. of America Holdings (NYSE:LH) | Life Sciences Tools and Services | Molecular diagnostics testing services | \$414 | 3.1x | - |
| 07/25/2016 | Alphatec Holdings, Inc. International Operations and Distribution Channel Business | Globus Medical Ireland, Limited | Healthcare Equipment | Medical device manufacturing and distribution | \$80 | - | - |

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

San Diego M&A Transactions (Cont'd)

| Announced Date | Target | Acquiror | Target Industry | Target Business Description | Size (\$mm) | TEV ¹ /Revenue | TEV ¹ /EBITDA |
|-------------------------------|---|--|--|---|-------------|---------------------------|--------------------------|
| Healthcare (continued) | | | | | | | |
| 07/21/2016 | Diadexus, Inc., Operational Assets | Diazyme Laboratories, Inc. | Healthcare Equipment | Cardiac disease risk diagnostics | \$5 | - | - |
| 07/12/2016 | Sywest Medical Technologies Inc. | Merry X-Ray Corporation | Healthcare Distributors | Medical imaging solutions | - | - | - |
| 07/06/2016 | Sorrento Therapeutics, Inc., Worldwide License of Anti-PD-1 Antibody | LES LABORATOIRES SERVIER SAS | Pharmaceuticals | Immunotherapy for cancer treatment | \$978 | - | - |
| 07/01/2016 | Emergent Respiratory, LLC | Next Life Medical Inc. | Healthcare Equipment | Medical device manufacturing and marketing | - | - | - |
| Industrials | | | | | | | |
| 09/22/2016 | Skyport Studio, Inc. | AVRP Studios, Inc. | Research and Consulting Services | Architectural design | - | - | - |
| 09/15/2016 | Language Translation, Inc. | LinguaLinx Inc. | Diversified Support Services | Translation and interpreting services | - | - | - |
| 07/15/2016 | Earthlite Massage Tables, Inc. | Branford Castle Partners, L.P.; Siguler Guff & Company, LP | Office Services and Supplies | Massage and spa treatment tables | - | - | - |
| 07/05/2016 | California Clean Power Corporation | Pilot Power Group, Inc. | Research and Consulting Services | Consulting and support services | - | - | - |
| Information Technology | | | | | | | |
| 09/21/2016 | Novatel Wireless Inc., Mobile Broadband Business | Jade Ocean Global Limited | Internet Software and Services | Mobile broadband business | \$50 | - | - |
| 09/19/2016 | CyberFlow Analytics, Inc. | Webroot Inc. | Systems Software | Cyber security solutions | - | - | - |
| 09/19/2016 | Concierge Technologies Inc. (OTCPK:CNCG) | Wainwright Holdings, Inc. | Technology Distributors | Production and distribution of gourmet meat pies | - | - | - |
| 09/14/2016 | Transfer B.V. | Altium Limited (ASX:ALU) | Systems Software | Electronic design automation training | - | - | - |
| 09/09/2016 | Automated Housing Referral Network | Marcoa Publishing, LLC | Internet Software and Services | Housing referral platform for the military community | - | - | - |
| 09/08/2016 | Hubb Systems LLC | Broadcast Microwave Services, Inc. | Technology Hardware, Storage and Peripherals | Mobile computing solutions | - | - | - |
| 08/26/2016 | McCain, Inc. | SWARCO AG | Electronic Equipment and Instruments | Advanced traffic control equipment | - | - | - |
| 08/19/2016 | Affinity Sports, LLC | Dick's Sporting Goods Inc. (NYSE:DKS) | Internet Software and Services | Integrated software solutions for youth and adult soccer associations | - | - | - |
| 08/16/2016 | Moko Social Media Limited, RunHaven | Competitor Group, Inc. | Internet Software and Services | Digital community for running enthusiasts | - | - | - |
| 08/16/2016 | Digithrive, Inc. | TPT Global Tech, Inc. (OTCPK:TPTW) | Internet Software and Services | Web and application development services | - | - | - |
| 08/09/2016 | Nervana Systems | Intel Corporation (NasdaqGS:INTC) | Technology Hardware, Storage and Peripherals | Custom hardware solutions for machine learning algorithms | - | - | - |
| 08/03/2016 | CakeSystems, Inc. | Renovate America, Inc. | Internet Software and Services | Software solutions for contractors and energy efficiency programs | - | - | - |
| 08/01/2016 | MIR3, Inc. | Emergency Communications Network, LLC | Application Software | Mass and emergency notification software | - | - | - |
| 07/27/2016 | AdAssured | Pepperjam, LLC | Internet Software and Services | Online marketing compliance solutions | - | - | - |
| 07/18/2016 | TDC Acquisition Holdings, Inc. | 5D Robotics Inc. | Electronic Equipment and Instruments | Ultra-wideband (UWB) hardware and software solutions | - | - | - |
| 07/15/2016 | Mission Technology Group, Inc. | One Stop Systems, Inc. | Technology Hardware, Storage and Peripherals | Data connectivity and PCI expansion systems manufacturer | - | - | - |

1. Total enterprise value.

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

San Diego M&A Transactions (Cont'd)

| Announced Date | Target | Acquiror | Target Industry | Target Business Description | Size (\$mm) | TEV ¹ /Revenue | TEV ¹ /EBITDA |
|--|--|---|--------------------------------------|--|-------------|---------------------------|--------------------------|
| Materials | | | | | | | |
| 07/22/2016 | Tri-Pack Enterprises, Inc. | Pretium Packaging, LLC | Metal and Glass Containers | Plastic packaging materials manufacturer | - | - | - |
| 07/13/2016 | M&M Plastics, Inc. | Curbell Plastics, Inc. | Commodity Chemicals | Plastic fabrication services | - | - | - |
| Telecommunication Services | | | | | | | |
| 08/15/2016 | CloudConnect, LLC | Simplified Networks, LLC | Alternative Carriers | Virtual phone services for business communications | - | - | - |
| Utilities | | | | | | | |
| 08/08/2016 | SunE Waiawa Solar, Kawaihoa Solar Holdings, Welawela Land Holdings and SunE Oahu Solar Holdings | NRG Renew LLC | Renewable Electricity | Solar energy production | \$47 | - | - |
| 08/08/2016 | Seven Companies SunEdison, Inc. (OTCPK:SUNE.Q), First Wind California Holdings, LLC and SunE Wind Holdings, Inc. | NRG Renew LLC | Renewable Electricity | Solar energy production | \$125 | - | - |
| 07/22/2016 | Geronimo Energy, LLC, Apple Blossom Wind Project in Michigan | Sempra U.S. Gas & Power, LLC | Renewable Electricity | Wind energy production | \$22 | - | - |
| M&A Exits for Companies that have a Financial Investor Based in San Diego | | | | | | | |
| 09/17/2016 | Professional Pediatric Home Care, Inc. - Seller: Private Equity Capital Corp.* | Pediatric Services of America, Inc. | Healthcare Services | Home nursing services for ill children | - | - | - |
| 09/06/2016 | RetroSense Therapeutics, LLC - Seller: Nervada, Inc.* | Allergan plc (NYSE:AGN) | Biotechnology | Life-enhancing gene therapy | \$60 | - | - |
| 08/02/2016 | Speakeasy, Inc. - Seller: Social Leverage, LLC* | NIKE, Inc. (NYSE:NKE) | Internet and Direct Marketing Retail | Operates a shopping site for music fans | - | - | - |
| 08/02/2016 | Embed.ly, Inc. - Seller: Social Leverage, LLC* | A Medium Corporation | Internet Software and Services | Platform for converting URLs into embedded content | - | - | - |
| 07/21/2016 | Coolan, Inc. - Seller: Keshif Ventures, LLC* | salesforce.com, inc. (NYSE:CRM) | Internet Software and Services | Data-driven community-based software platform | - | - | - |
| 07/05/2016 | Hostess Brands, LLC - Seller: Metropoulos & Co.* | Gores Holdings, Inc. (NasdaqCM:GRSH) | Packaged Foods and Meats | Produces and supplies crème-filled snack cakes | \$2,198 | 3.5x | 12.1x |

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in the greater San Diego area. The San Diego-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.

San Diego Private Placement and Venture Capital Activity

San Diego companies raised over \$350 million in private capital during the third quarter. The Healthcare sector continued to receive the largest portion of total funding, accounting for two-thirds of total capital raised. The largest investment within the Healthcare sector during the quarter was \$45 million in funding raised by Ambrx, Inc., a Biotechnology company focusing on protein therapeutics. Other notable non-Healthcare investments included Carmel Ventures' \$15 million investment in CellSavers, Inc., a company providing quick, affordable cell phone repair services following an initial seed investment from Sequoia Capital Israel. Technology company, Certona Corporation, also received a \$30 million investment from Primus Capital. Avalon Ventures maintained a strong presence throughout the quarter, making four appearance, all of which were within the Healthcare sector.

San Diego-based Companies that Raised Capital

| Announced Date | Issuer | Round/Investors(s) | Issuer Industry | Issuer Business Description | Amount Raised (\$mm) |
|-------------------------|---------------------------------------|--|----------------------------------|--------------------------------------|----------------------|
| Consumer Staples | | | | | |
| 09/23/2016 | Pirch, Inc. | Not disclosed | Home Improvement Retail | Appliance retailer | \$10 |
| 08/18/2016 | CellSavers, Inc | Series A: Carmel Ventures; Sequoia Capital Israel | Home Improvement Retail | Smart phone and mobile device repair | \$15 |
| Healthcare | | | | | |
| 09/30/2016 | Burl Concepts, Inc. | Not disclosed | Healthcare Equipment | Ultrasound device manufacturer | \$3 |
| 09/30/2016 | Patara Pharma, Inc. | Not disclosed | Biotechnology | Allergy and disease therapeutics | \$6 |
| 09/27/2016 | Fortis Therapeutics, Inc. | Series A: Vivo Capital, LLC; Osage Partners LLC; Avalon Ventures, LLC ; Lilly Asia Ventures; Bregua Corporation | Biotechnology | Cancer treatment | \$18 |
| 09/19/2016 | MD Revolution Inc. | Not disclosed | Health Care Technology | Digital healthcare platform | \$10 |
| 09/13/2016 | Nielsen BioSciences, Inc. | Not disclosed | Biotechnology | Cell-mediated immune responses | \$3 |
| 09/08/2016 | AltheaDx, Inc. | Not disclosed | Life Sciences Tools and Services | Molecular diagnostics | \$6 |
| 08/22/2016 | Singlera Genomics Inc. | Series A: Lilly Asia Ventures; Green Pine Capital Partners Co., Ltd; CDBI Partners | Biotechnology | Genetic testing services | \$20 |
| 08/18/2016 | Avelas BioSciences, Inc. | Avalon Ventures, LLC ; Alexandria Venture Investments; Ervington Investments Limited; Bregua Corporation; Inbio Ventures; Wuxi Healthcare Ventures | Biotechnology | Cancer surgery technology | \$20 |
| 08/10/2016 | Histogen, Inc. | Not disclosed | Biotechnology | Regenerative medicine | \$6 |
| 08/04/2016 | Evoform Holdings, Inc. | Series D: Woodford Asset Management LLP | Biotechnology | Female reproductive care | \$25 |
| 08/04/2016 | Ambrx, Inc. | Humanwell Healthcare (Group) Co.,Ltd. (SHSE:600079); Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (SHSE:600196); HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd.; China Everbright Investment Management Limited; Apricot Capital, LLC; Sinopharm Capital | Biotechnology | Protein therapeutics | \$45 |
| 08/03/2016 | PatientSafe Solutions, Inc. | Not disclosed | Health Care Technology | Healthcare coordination solutions | \$4 |
| 08/01/2016 | StatRad Holdco, LLC | Not disclosed | Health Care Technology | Cloud-based medical image exchange | \$29 |
| 07/29/2016 | Nucorion Pharmaceuticals, Inc. | Series A: Ligand Pharmaceuticals Incorporated (NasdaqGM:LGND); Silver River International Investment Ltd. | Biotechnology | Anti-cancer and anti-viral agents | \$5 |
| 07/21/2016 | AristaMD, Inc. | Series A: Avalon Ventures, LLC; Correlation Ventures | Healthcare Services | Referral management system | \$11 |
| 07/15/2016 | Medsphere Systems Corporation | Not disclosed | Health Care Technology | Healthcare record platform | \$15 |
| 07/14/2016 | Synthorx Inc. | Avalon Ventures, LLC ; RA Capital Management, LLC; Correlation Ventures | Biotechnology | Novel protein therapeutics | \$5 |

Note: Reflects disclosed private placement and venture capital transactions greater than \$3.0 million where the issuer is headquartered in the greater San Diego area. San Diego-based companies and funds are denoted in bold. Sources: S&P Capital IQ and W Partners research.

San Diego Private Placement and VC Activity (Cont'd)

San Diego-based Companies that Raised Capital (cont'd)

| Announced Date | Issuer | Round/Investors(s) | Issuer Industry | Issuer Business Description | Amount Raised (\$mm) |
|-------------------------------|-------------------------------|---|--|--|----------------------|
| Information Technology | | | | | |
| 09/23/2016 | Certona Corporation | Primus Capital | Internet Software and Services | Omnichannel personalization solutions | \$30 |
| 09/14/2016 | IQ-Analog Corporation | Not disclosed | Semiconductors | High-speed data conversion | \$8 |
| 09/12/2016 | Portfolium, Inc. | SJF Ventures; University Ventures; United Student Aid Funds Inc., Endowment Arm | Internet Software and Services | Cloud-based platform | \$7 |
| 09/07/2016 | Tealium, Inc. | Battery Ventures; Bain Capital Ventures; Tenaya Capital; Georgian Partners | Internet Software and Services | Enterprise tag manage solutions | \$10 |
| 07/22/2016 | Packetsled, Inc. | Blu Ventures LLC; Keshif Ventures, LLC; JHS Ventures | Technology | Network insight for risk management | \$5 |
| 07/21/2016 | Kyriba Corp. | Bpifrance Investissement; HSBC Principal Investments; Daher Capital | Internet Software and Services | SaaS treasury management solutions | \$23 |
| 07/13/2016 | Digital Arbitrage Inc. | eonCapital, LLC; Moore Venture Partners; Cultivation Capital; Seed San Diego | Internet Software and Services | Web-based hospitality management solutions | \$3 |
| 07/12/2016 | Comhear, Inc. | Zylux Acoustic Corporation | Technology Hardware, Storage and Peripherals | Digital audio wearable technology | \$9 |
| 07/12/2016 | AttackIQ, Inc. | Not disclosed | Internet Software and Services | Cybersecurity | \$8 |
| 07/11/2016 | UGSI Solutions, Inc. | Not disclosed | Electronic Manufacturing Services | Disinfection technology products | \$4 |
| 07/01/2016 | Zingle, Inc. | Rincon Venture Partners; Crosscut Ventures Management, LLC | Internet Software and Services | Business texting service | \$3 |

Exits for San Diego-based Financial Sponsors

| Announced Date | Target | Acquiror | Target Industry | Target Business Description | Size (\$mm) | TEV ¹ /Revenue | TEV ¹ /EBITDA |
|--|---|--------------------------------------|--------------------------------------|--|-------------|---------------------------|--------------------------|
| M&A Exits for Companies that have a Financial Investor Based in San Diego | | | | | | | |
| 09/17/2016 | Professional Pediatric Home Care, Inc. - Seller: Private Equity Capital Corp.* | Pediatric Services of America, Inc. | Healthcare Services | Home nursing services for ill children | - | - | - |
| 09/06/2016 | RetroSense Therapeutics, LLC - Allergan plc (NYSE:AGN) Seller: Nervada, Inc.* | | Biotechnology | Life-enhancing gene therapy | \$60 | - | - |
| 08/02/2016 | Speakeasy, Inc. - Seller: Social Leverage, LLC* | NIKE, Inc. (NYSE:NKE) | Internet and Direct Marketing Retail | Operates a shopping site for music fans | - | - | - |
| 08/02/2016 | Embed.ly, Inc. - Seller: Social Leverage, LLC* | A Medium Corporation | Internet Software and Services | Platform for converting URLs into embedded content | - | - | - |
| 07/21/2016 | Coolan, Inc. - Seller: Keshif Ventures, LLC* | salesforce.com, inc. (NYSE:CRM) | Internet Software and Services | Data-driven community-based software platform | - | - | - |
| 07/05/2016 | Hostess Brands, LLC - Seller: Metropoulos & Co.* | Gores Holdings, Inc. (Nasdaq:CMGRSH) | Packaged Foods and Meats | Produces and supplies crème-filled snack cakes | \$2,198 | 3.5x | 12.1x |

Note: Reflects disclosed private placement and venture capital transactions greater than \$3.0 million where the issuer is headquartered in the greater San Diego area. San Diego-based companies and funds are denoted in bold. Sources: S&P Capital IQ and W Partners research.

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:

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Financial Advisory



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