2016 IPO STUDY

Proskauer Capital Markets

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Contacts

Any questions regarding this study should be directed to:

Julie M. Allen
Partner
Co-head, Global Capital Markets
+1.212.969.3155
jallen@proskauer.com

Philippa M. Bond
Partner
Global Capital Markets
+1.310.284.5607
pbond@proskauer.com

Stuart Bressman
Partner
Global Capital Markets
+1.212.969.3470
sbressman@proskauer.com

Peter Castellon
Partner
Global Capital Markets
+44.20.7280.2091
pcastellon@proskauer.com

Robin M. Feiner
Partner
Global Capital Markets
+1.212.969.3122
rfeiner@proskauer.com

Maximilian P. Kirchner
Partner
Global Capital Markets
+44.20.7280.2074
mkirchner@proskauer.com

Frank J. Lopez
Partner
Co-head, Global Capital Markets
+1.212.969.3492
flopez@proskauer.com

Monica J. Shilling
Partner
Co-head, Global Private Equity Group
+1.310.284.4544
mshilling@proskauer.com

Michael A. Woronoff
Partner
Co-head, Global Mergers & Acquisitions Group
Co-head, Global Private Equity Group
+1.310.284.4550
mworonoff@proskauer.com

2016 IPO STUDY

Executive Summary

Welcome to this third edition of Proskauer's *IPO Study*. In it, you'll find our analysis of market practices and trends for U.S.-listed initial public offerings (IPOs). Our proprietary database and analyses now cover 309 IPOs that priced between 2013 and 2015.

The 2015 IPO Market[1]

Entering 2015, we were cautiously optimistic about the U.S. IPO market. We saw 74 IPOs price in the first half of 2015 – a decrease from the same period in 2014, but similar in number to the start of 2013. Of these 74 IPOs, 54 priced in the second quarter of 2015. The second half of 2015 saw a fall-off in volume primarily due to market volatility, driven by interest rate speculation, geopolitical risks with Greece and China, significant distress on oil prices and the energy and power (E&P) sector, and poor performance by IPOs priced in the first half of 2015. As a result, only 51 IPOs priced in the second half of 2015 – the lowest deal count during any year's second half since 2012.

The year's $30.1 billion aggregate deal value (including over-allotment) was the lowest since 2009. For some private companies with high valuations, their public debut was actually a "down round." The resurgence of foreign private issuer (FPI) IPOs that occurred in 2014 slowed in 2015, consisting of 13% of IPOs in our study compared to 16% in 2014. This FPI slowdown was driven by a decrease in Chinese IPOs in 2015, which accounted for 17% of FPI IPOs, compared to 26% in 2014. The resurgence of special purpose acquisition companies (SPACs) continued in 2015, with 20 SPACs pricing, compared to 12 in 2014 and 10 in 2013.

The 2016 IPO Market...So Far

The market slowdown has continued into Q1 2016, with no IPOs pricing in January and four pricing in February (as of February 26).

Companies considering an IPO in 2016 will have more flexibility as a result of the Fixing America's Surface Transportation (FAST) Act, which was passed by Congress in December 2015. The FAST Act modified the Jumpstart Our Business Startups (JOBS) Act to require public filing of the IPO registration statement only 15 days before road show launch (down from 21 days) and allows issuers to omit audited financials for prior year(s) that would not be required in the prospectus at pricing. A few quarters of 2016 will need to elapse before we can meaningfully interpret how companies are approaching and implementing the FAST Act's changes.

Key Takeaways

Here are some cross-sector IPO trends that we observed in 2015.

IPOs Were Distributed Consistently Across Industry Sectors (page 45)

The distribution across sectors in 2015 was nearly identical to 2014, and remained broadly consistent with 2013 (excluding FPIs and master limited partnerships (MLPs)). The health care sector continued to represent the largest share of IPOs by deal count, at 39%, compared to 32% in 2013. 22% of IPOs in 2015 were in technology, media, & telecommunications (TMT), compared to 30% in 2013.

Fewer Mega IPOs (page 44)

We covered several mega-sized IPOs in our study last year, including the colossal $21.8 billion IPO by Alibaba and 15 other $1 billion+ IPOs. In 2015, only two $1 billion+ IPOs priced, with the largest being First Data at $2.8 billion. Instead, 2015 saw the continued rise of IPOs raising proceeds in the range of $100–$250 million. This range covered 43% of IPOs in 2015, compared to 41% in 2014 and 31% in 2013.

[1] Source: Dealogic: SEC registered IPOs with initial deal value greater than $50mm+ and excludes BDCs, BCCs/SPACs and REITs.

Year-over-year statistics presented in the executive summary are from our three year analysis dataset, which excludes FPIs, MLPs and E&P IPOs (due to small population) for comparability purposes.

IPOs Are Increasingly Unlikely to Be a Liquidity Event (pages 54 and 56)

2015 saw fewer IPOs with a secondary component – only 19% compared to 26% in 2014 and 28% in 2013. We saw a similar trend with management participation in the secondary – 36%, down from 40% in 2014 and 52% in 2013. Looking a little closer we see that sponsor–backed IPOs are not driving this trend – only about a third had a secondary in each of the last three years. It's clear that non-sponsor deals have driven the drop – only 10% in 2015 had a secondary, compared to 21% in 2013.

In 2015 insiders were not selling as often, but we observed 41% of IPOs had insiders purchasing in the offering, up from 27% in 2014 and 21% in 2013. This three year increase suggests a heightened need for insiders to help support deals in a weaker market. The trend was especially pronounced in the health care sector, where 64% of IPOs had insiders purchasing. Overall, insiders purchased 21% of the total shares in those 2015 IPOs with insider purchasing activity.

Hot-button SEC Comment Areas Vary By Industry (pages 23-24)

Issuers in certain sectors were particularly susceptible to SEC scrutiny in specific hot-button areas. Cheap stock was a focus area for health care issuers (73%), likely driven by the fact that biotech and biopharm sciences companies are more likely to use equity as pre-IPO compensation. Likewise, TMT issuers were scrutinized with respect to revenue recognition (95%), likely as a result of unique contractual arrangements by companies in this sector, as well as market positioning claims (53%) that use non-financial metrics to estimate market size (e.g., website users, viewers, or devices used). Segment reporting comments were prevalent in the industrials (50%), financial services (43%) and TMT (42%) sectors.

Fewer SEC Comments; Longer Time-to-Pricing (pages 14, 22 and 49)

The average number of first round SEC comments decreased 29% from 2013 to 2015, with 30 in 2015, 38 in 2014, and 42 in 2013. Issuers on both the "high" and "low" end of the comments spectrum saw this decrease. From 2013 to 2015, the low end went from 16 to 11, and the high end went from 89 to 78.

In 2015 the average time from first submission or filing to pricing increased to 149 days from 124 days in 2014 (a 20% increase). This may be due to more difficult market conditions.

Interestingly, the number of SEC comments and time-to-pricing varied by sector. Health care had the lowest average number of first round comments (24) and the fastest average time through the SEC (118 days), while financial services had the highest average number of comments (46) and days to pricing (194).

Sponsor-Backed IPOs Were Less Common and Had Different Characteristics (pages 40, 42 and 57)

As a percentage of the overall IPO market, sponsor-backed IPOs decreased to 45%, down from 51% in 2014 and 57% in 2013. The consumer/retail sector had the highest percentage of sponsor-backed IPOs in our 2015 study (83%), followed by 70% in the industrials sector and 55% in the TMT sector. On average, sponsor-backed issuers:

- continue to be larger, with an average market cap at pricing of $1.5 billion, compared to $1.2 billion for non-sponsor-backed issuers;
- are more likely to be eligible to utilize the controlled company exemption and are less likely to have majority-independent boards at pricing;
- are more likely to include a secondary component in their IPOs; and
- are more likely to disclose non-GAAP financial measures.

Year-over-year statistics presented in the executive summary are from our three year analysis dataset, which excludes FPIs, MLPs and E&P IPOs (due to small population) for comparability purposes.

Executive Summary

Are Multiple Class Structures Going Mainstream? (pages 28 and 51)

There was once a time when it was rather challenging to launch an IPO with a multiple class structure, an arrangement that provides insiders and sponsors with special voting rights. Our analyses found that pre-IPO investors are increasingly seeking to maintain control of the companies they take public, and that this is not impacting pricing or aftermarket performance.

In 2015 the percentage of issuers with multiple classes of common stock increased to 24% from 15% in 2014. IPOs with multiple class structures priced in or above the range more often than IPOs with a single class of stock. We also saw every sector execute a deal with a multiple class structure, with greater concentrations in the TMT and financial services sectors.

More Common to Disclose Material Weaknesses in Internal Controls (pages 16 and 48)

There appears to be a trend toward more issuers disclosing a material weakness in internal controls. About one third of IPOs in 2014 and 2015 disclosed a material weakness compared to 17% in 2013. Apparently, the market is not too concerned – in 2015, 77% of issuers disclosing a material weakness in internal controls priced in or above the range, compared to 67% of all IPOs.

Nearly Universal Acceptance of JOBS Act Accommodations (pages 13 and 46)

Almost four years after its passage, accommodations under the JOBS Act appear to be firmly accepted in the market. Overall, 91% of the 2015 IPOs in our study were by emerging growth companies (EGCs), an 18% increase from 2013, and 100% of the 2015 IPOs in the health care, E&P and financial services sectors were by EGCs. Consistent with 2014, virtually all EGCs in our study opted to confidentially submit their registration statements. Furthermore, the number of EGCs that utilized the JOBS Act accommodation permitting two years of audited financials (rather than three) increased to 69% in 2015, up from 58% in 2014 and 39% in 2013. In addition, nearly half of EGCs in 2015 showed only two years of selected financial information.

Corporate Governance Structure Remains Mostly Steady (pages 50-51)

Board characteristics remained remarkably consistent over the past three years, with an average of 7.3 directors in 2015, compared with 7.6 and 7.8 in 2014 and 2013, respectively. In 2015, 68% of issuers in our study had a majority of independent directors, similar to the 69% in 2014 and 68% in 2013. The number of issuers providing for certain anti-takeover measures in their bylaws (such as a classified board structure and a restriction on stockholders' ability to call a special meeting) also remained relatively unchanged. Our findings did indicate, however, a 12% increase in the percentage of issuers separating Chairman and CEO roles, from 2013 to 2015.

Lock-up Trends (pages 37-39; 55)

The 180-day lock-up market standard endured in 2015, but as in every year, there were a few IPOs with unique structures. One lock-up disclosure trend that is clear: issuers are more frequently disclosing that "substantially all" shares are locked up (50% of IPOs in our study disclosed this in 2015, compared to 36% in 2014), instead of quantifying the number of shares locked up. As is customary, issuers themselves are locked up for 180 days post-IPO, but carve-outs for issuing shares in connection with an acquisition, joint venture or other commercial arrangement (usually capped at between 5% and 10% of shares outstanding) are becoming increasingly prevalent: this type of carve-out was included in 84% of IPOs in our study in 2015, 72% in 2014, and 64% in 2013.

Year-over-year statistics presented in the executive summary are from our three year analysis dataset, which excludes FPIs, MLPs and E&P IPOs (due to small population) for comparability purposes.

Fees and Expenses Remain Consistent (pages 52-53)
Average total IPO fees and expenses (excluding underwriting fees) remained consistent over the past three years, and so did the split between legal fees, accounting fees and printing costs. From 2013 to 2015, fees and expenses for non-EGCs continued to be meaningfully higher than those for EGCs, but were lower as percentage of deal value. Average total IPO fees and expenses for EGCs (excluding underwriting fees) over the last three years was $3.7 million, representing approximately 3.2% of gross proceeds of the base deal on average, as compared with average total non-EGC fees and expenses of $6.4 million, representing approximately 1.4% of gross proceeds of the base deal on average.

SPACs on the Rise (pages A12-A15)
Special Purpose Acquisition Companies (SPACs) are making a comeback, with more SPAC IPOs in the market in 2015 than in any year since before the financial crisis of 2008. Although we do not include SPACs in our overall IPO study, we have included an appendix discussing the SPAC market and comparing key terms of the structure being used today, versus the structure that was predominant in the SPAC market in 2006 and 2007. Among the key differences in today's market as compared to the old: mechanics make it more difficult for large shareholders to block the consummation of a business combination; sponsors now foot the cost of SPAC working capital (rather than take it out of IPO proceeds from public shareholders); and a greater percentage of underwriting fees are deferred until completion of the initial business combination.

We hope you enjoy the 2016 *IPO Study* and welcome your comments. Please feel free to contact any of our lawyers listed inside the front cover.

Year-over-year statistics presented in the executive summary are from our three year analysis dataset, which excludes FPIs, MLPs and E&P IPOs (due to small population) for comparability purposes.

2015 Overview

Methodology

Population

- Our proprietary database now includes 309 IPOs, which priced from 2013 to 2015.
- This study covers 90 IPOs that priced in 2015: 78 domestic issuers and 12 foreign private issuers (FPIs).
  - The total population that met our criteria (described below) in 2015 was 125.
- Our three year analysis section covers 258 IPOs (excluding MLPs and FPIs): 74 in 2015, 86 in 2014 and 98 in 2013.
- The criteria for our study include:
  - Listing on a U.S. exchange.
  - Minimum initial base deal of $50 million in first public filing.
- Our study excludes: blank check companies (BCCs), special-purpose acquisition companies (SPACs), trusts, real estate investment trusts (REITs) and business development companies (BDCs).
- There is an appendix included for FPIs and SPACs in 2015.

Sources and Analysis

- Data compiled from publicly available: (i) registration statements on Form S-1 and Form F-1 and final prospectuses, (ii) SEC comment letters and (iii) as-filed underwriting agreements.
- Financial information is based on the issuer's most recent audited fiscal year as disclosed in the final prospectus.
- Market, sector, financial sponsors and performance information is sourced from Dealogic.
- The term "average offer" means the average percentage change from the IPO price to the closing price on 1 day, 30 days, 90 days or 180 days (excludes deals priced after August 1, 2015) after the initial trade date and includes market data available as of January 31, 2016 (our cut-off date).
- References to shares locked up refer to shares owned prior to the IPO.
- Analysis of first round SEC comment letters and time to pricing excludes 4 prior public reporting issuers, 2 of which underwent a recent SEC review of Form S-4, and 1 issuer who had recently filed but withdrew a registration statement that had gone through SEC review (collectively referred to as "prior SEC-reviewed issuers").
- Analysis of corporate governance items excludes MLPs and FPIs, given their different corporate governance structures and available exemptions under stock exchange rules.
- All data was compiled, reviewed and analyzed by Proskauer capital markets attorneys and corporate finance analysts.

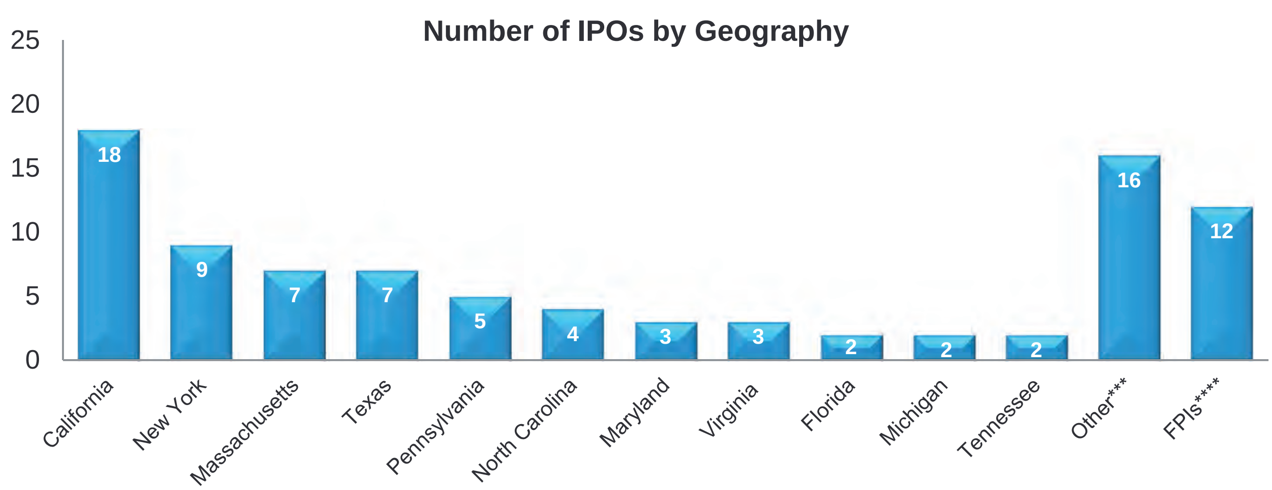
Sector & Geographic Analysis

Sectors Represented*

- The number of IPOs per sector is proportional to the industry composition for all 132 IPOs in 2015 meeting our criteria.

Geographic Distribution

- We analyzed the geographic distribution of IPOs by surveying the location of issuers' headquarters.
- Our study included issuers with headquarters in 24 states and 9 foreign countries.
- In the U.S. market, California was home to the highest percentage of IPOs (24%), followed by New York (12%) and Massachusetts and Texas (9% each).
- California IPOs were dominated by health care and TMT issuers, together representing 14 of 18 (78%) of California IPOs.
- New York IPOs included multiple sectors, with the most in TMT.
- Health care IPOs represented 6 of the 7 (86%) Massachusetts IPOs.
  - 5 of these 6 (83%) were biotech/biopharm.

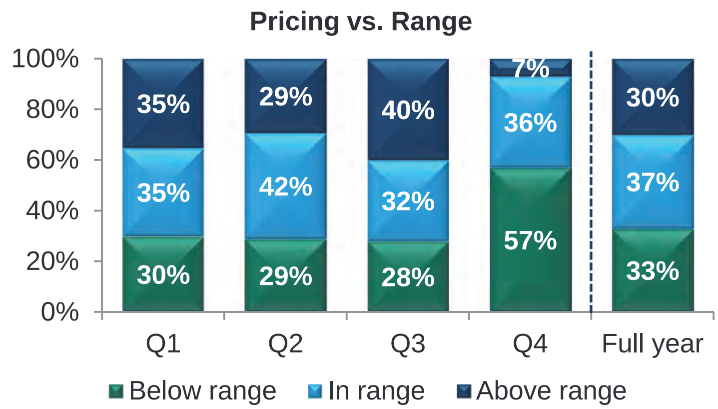


*Our study does not cover C-corporation IPOs in the real estate sector due to its small sample size (none in 2015, two in 2014 and two in 2013).
**Our consumer/retail sector includes professional services and hospitality/lodging.
***Other includes AZ, CO, CT, GA, IA, IL, KS, MN, NH, NJ, OH, WA and WI.
****FPI issuers include issuers with headquarters in Canada (2), China (2), UK (2) and one each from Australia, Austria, Denmark, France, Israel and Italy.

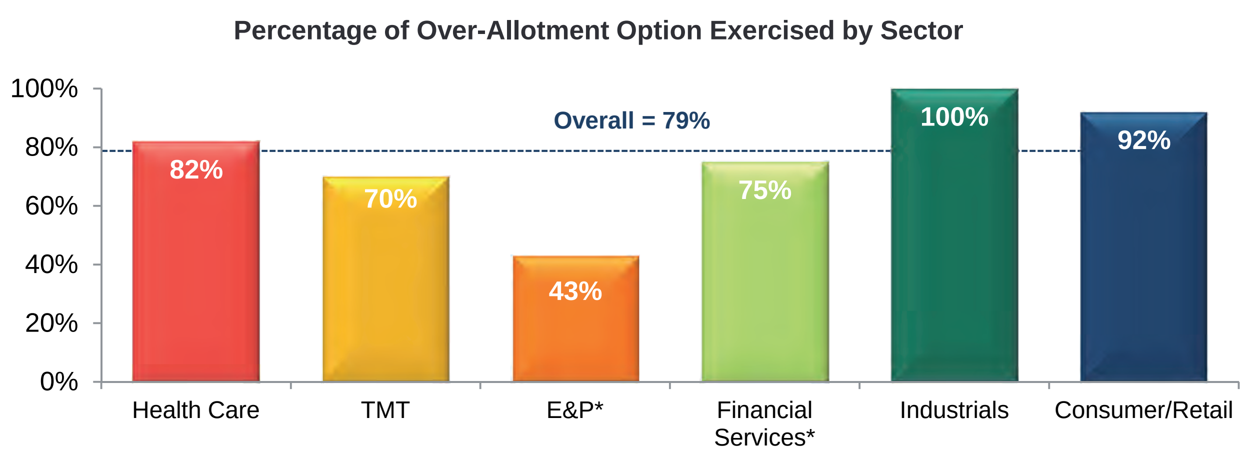
Market Analysis

Deal Execution, Over-Allotment Option and Exchange Listing

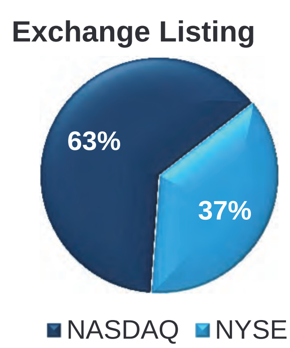
» Out of 90 IPOs, 17 (19%) priced in Q1, 34 (38%) in Q2, 25 (28%) in Q3 and 14 (15%) in Q4.



» The over-allotment option was partially or fully exercised in 71 of 90 (79%) IPOs in our study.



» More IPOs listed on NASDAQ than NYSE.



*Please note that there were relatively small IPO populations in 2015 in the E&P (7) and financial services (8) sectors.

Market Analysis

Deal Value*

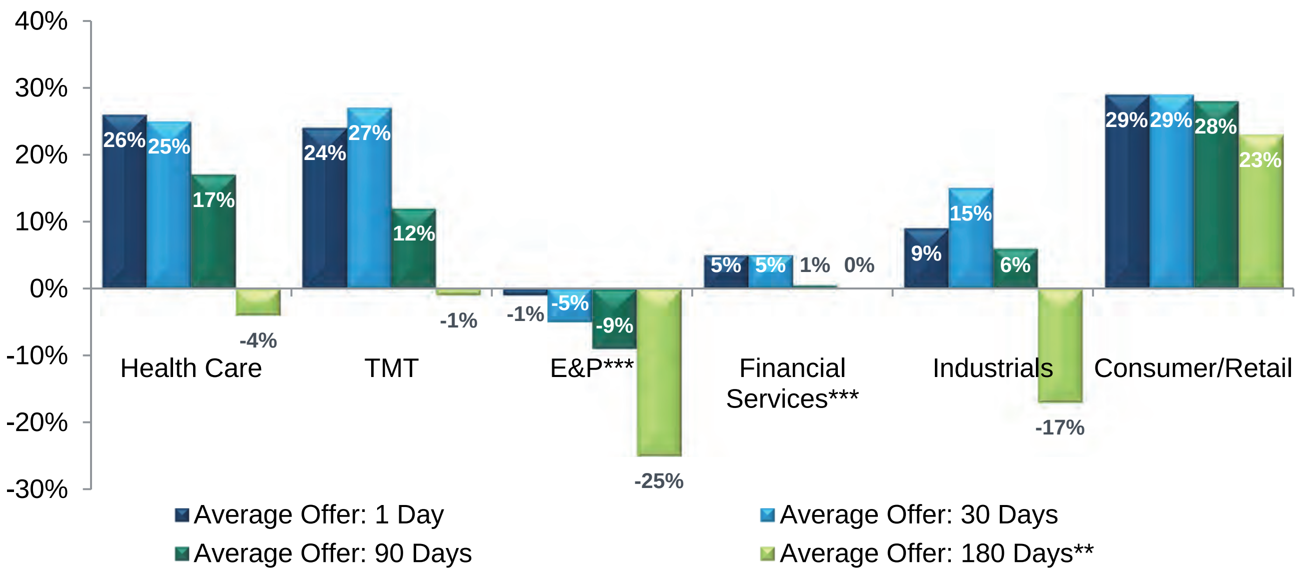
- The average deal value (priced amount) was $264.5 million, compared to $386.0 million (excluding Alibaba) in 2014.
- The median deal value was $124.2 million in 2015 compared to $150.0 million in 2014.
- There were 2 IPOs with a deal value over $1 billion in the study, compared to 16 in 2014. In the overall market, there were 3 IPOs of this size in 2015 and 17 in 2014.
- The largest deal in 2015 was First Data with a deal value of $2.8 billion.

Deal Types

- 39 of 90 (43%) IPOs were sponsor-backed.
- 4 of 90 (4%) IPOs were MLPs; all were in the E&P sector.
- 5 of 90 (6%) IPOs were spin-offs.
    - Two of the largest spin-offs were Ferrari NV (spin-off from Fiat Chrysler) and TerraForm Global (spin-off from SunEdison).

Aftermarket Performance

- Overall, IPOs initially performed strongly in the aftermarket, with an average 1-day offer of 20%, an average 30-day offer of 21% and an average 90-day offer of 12%, but subsequently experienced headwinds with an average 180-day offer of -3%**.



*Deal value includes exercise of the over-allotment option where applicable.
**Only includes deals priced before August 1, 2015.
***Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

JOBS and FAST Acts: Overview

Emerging Growth Companies (EGCs)

» The Jumpstart Our Business Startups (JOBS) Act became effective April 5, 2012.
  - The law created a new class of issuers called Emerging Growth Companies (EGCs), and provides flexibility for EGCs pursuing IPOs.

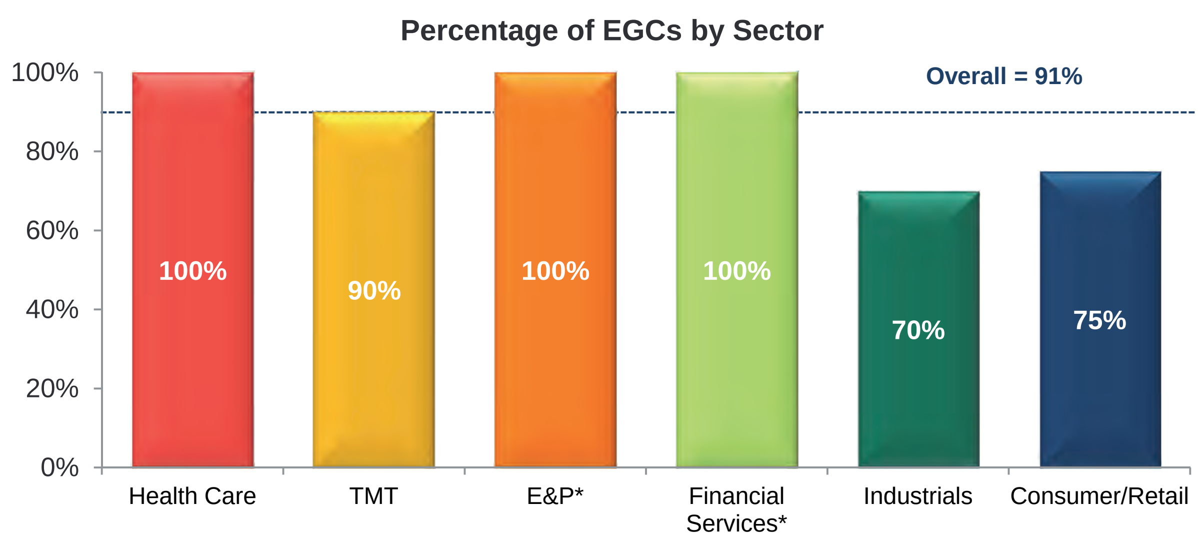
» EGCs are issuers with less than $1 billion of annual gross revenue during their most recent completed fiscal year.

» An issuer that is an EGC will remain an EGC until the earliest of:
  - The last day of the fiscal year 5 years after its IPO;
  - The last day of the fiscal year in which it has gross revenues of $1 billion or more;
  - The date it has issued more than $1 billion in non-convertible debt during a 3-year period; and
  - The date it becomes a "large accelerated filer" (generally an issuer with a public float of at least $700 million that has been publicly reporting for at least 1 year).

» In December 2015, Congress passed the Fixing America's Surface Transportation (FAST) Act, which modified the JOBS Act in certain respects:
  - Public filing of the registration statement required only 15 days before road show launch (down from 21 days under the JOBS Act).
  - EGC status locked in upon initial confidential submission.
  - Issuers permitted to omit audited financials for prior year(s) that would not be required in the prospectus at pricing.

Sector Analysis

» 82 of 90 (91%) IPO issuers were EGCs.



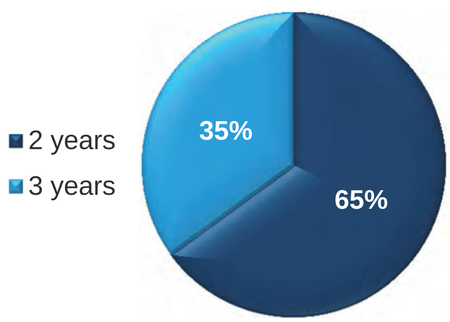
*Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

Financials & Confidential Submission

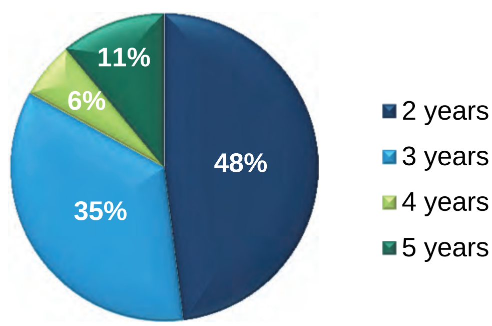
Years of Financials*

- A majority of EGCs included two years of audited financials.
- Most EGCs included two or three years of selected financials.

Years of Audited Financials

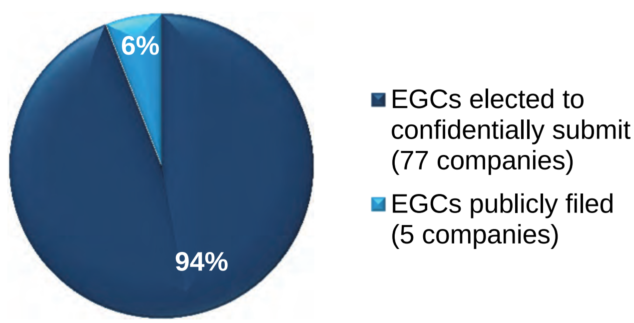


Years of Selected Financials



Confidential Submission**

- 77 of 82 (94%) EGCs elected to confidentially submit under the JOBS Act.



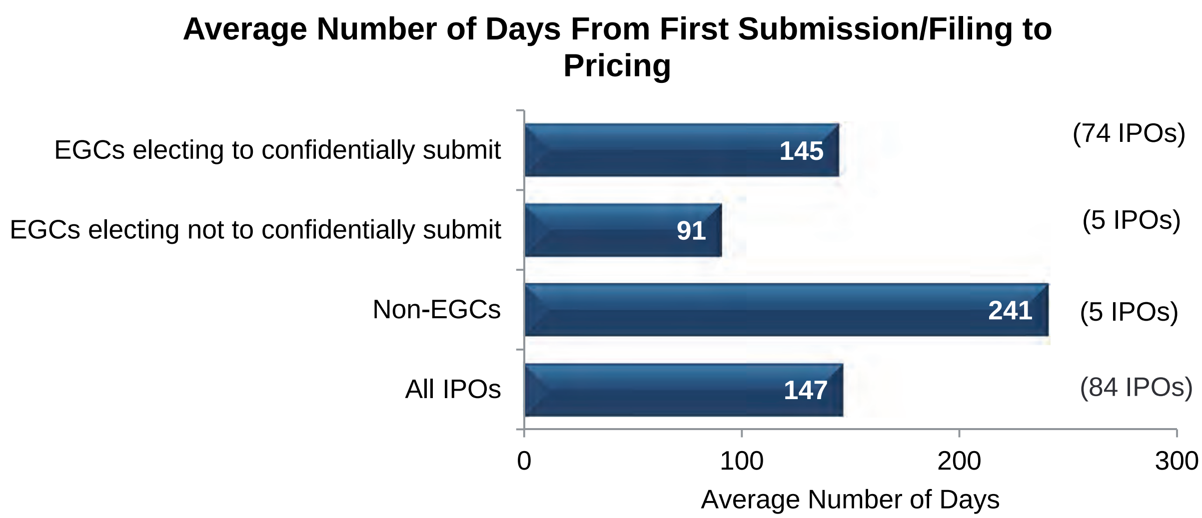
*The JOBS Act provides scaled financial disclosure requirements for EGCs, requiring only two years of audited financials and two years of selected financial data. Non-EGCs are required to include three years of audited financials and five years of selected financials. Non-EGCs are excluded as well as two EGCs that provided financials since inception (i.e., the period of time since inception of the company, which may be less than two years).

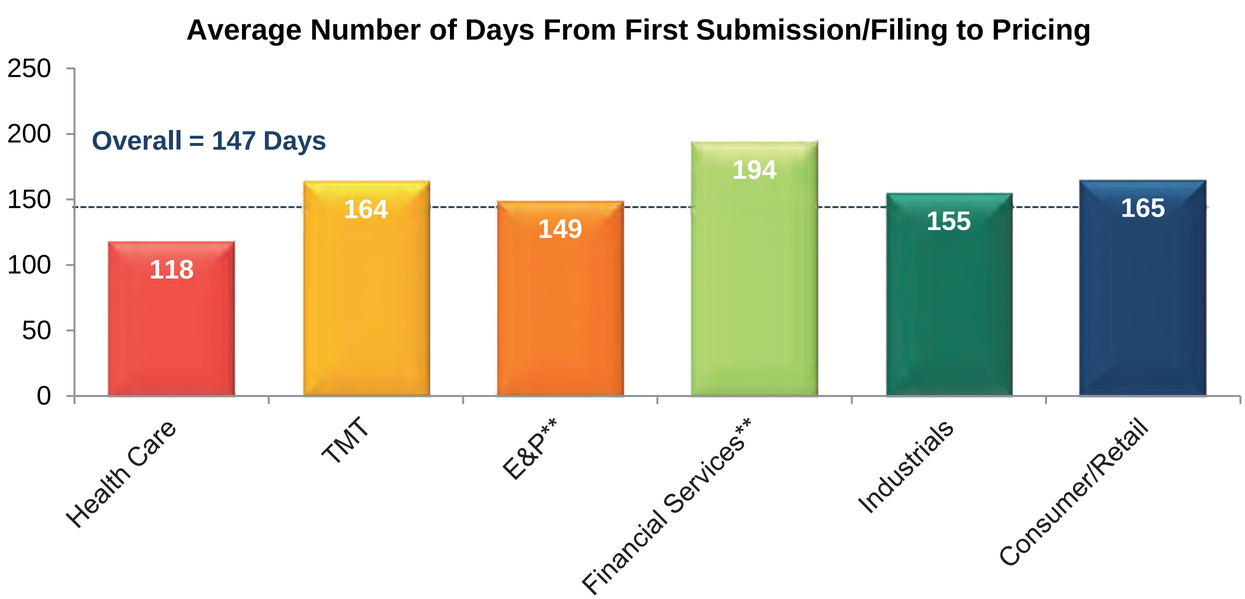
**The JOBS Act permits an EGC to submit a registration statement for review by the SEC on a confidential basis.

Time to IPO

Time to IPO*

» On average, EGCs that made a confidential submission publicly filed 97 days after their first confidential submission and priced 48 days after the public filing.



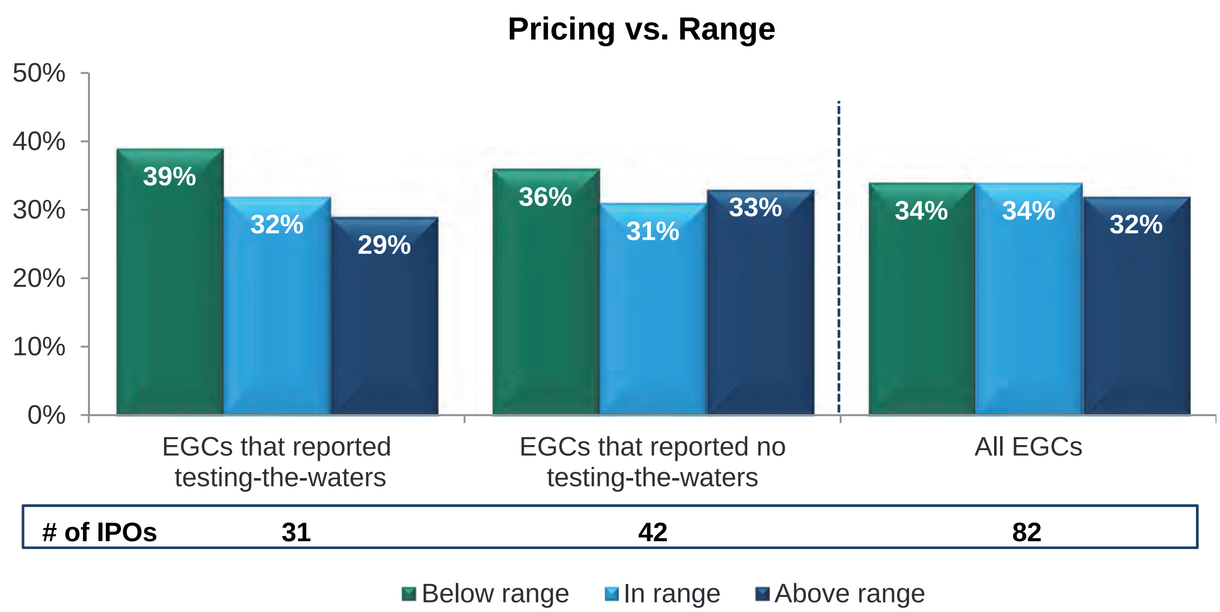


*Excludes five prior SEC-reviewed issuers and an additional IPO with confidential submission to pricing greater than 18 months.
**Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

Testing-the-Waters

Testing-the-Waters*

- Out of the 82 EGCs, 31 reported to the SEC that they engaged in testing-the-waters, 42 reported to the SEC that they did not and information was not available for the remaining 9.
- Of the 31 EGCs that confirmed using testing-the-waters in their SEC response letters, 18 were in health care and 8 in TMT.



*The JOBS Act permits EGCs to engage in testing-the-waters with institutional investors before or during the registration process to gauge investor interest in an IPO. Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters. Initial response letters addressing testing–the–waters comment not available on the SEC website (EDGAR) for 9 EGCs.

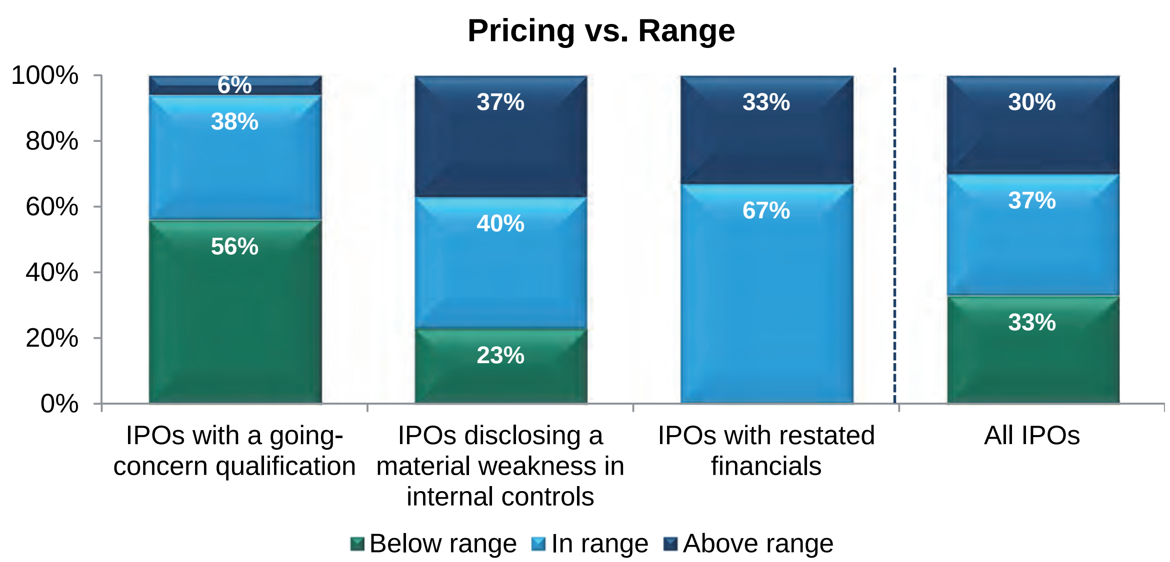
Accounting/Internal Controls

Overview

- Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers collectively audited 87% of the IPOs reviewed for this study.
- Other auditors included BDO, Crowe Horwath, Dixon Hughes, Grant Thornton, Mayer Hoffman and McGladrey.

Analysis

- Of the 90 IPOs:
  - 16 (18%) had a going-concern qualification.
    - 12 of these 16 (75%) were health care issuers, 3 were TMT (19%) and 1 was industrials (6%).
    - 8 of these 16 (50%) were pre-revenue issuers.
  - 30 (33%) disclosed a material weakness in their internal control over financial reporting.
    - 5 of these 30 (17%) were pre-revenue issuers.
  - 6 (7%) had restated financials.
    - 3 of these 6 (50%) were in health care.



Flash Results

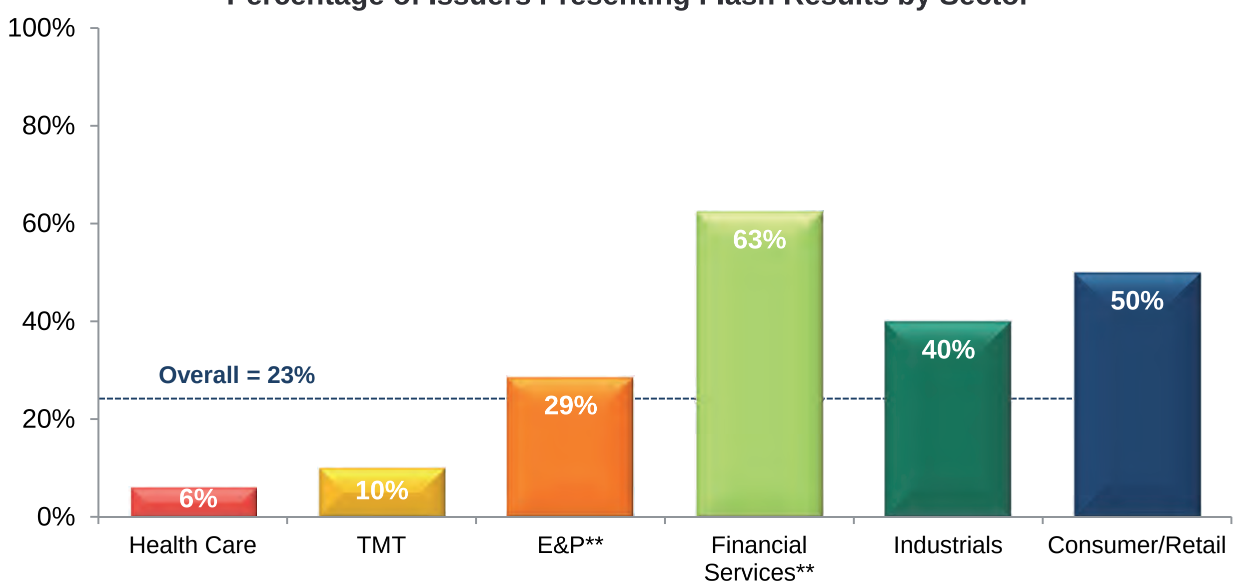
Flash Results

- "Flash results" refer to estimated financial results for a recently completed fiscal period before complete financial statements are available. They are typically presented as ranges, and often only cover select financial line items or operating metrics. They are not required under accounting rules, but are often presented for disclosure reasons, particularly the closer the offering date is to the financial staleness date.
- Overall, 21 of 90 (23%) IPOs showed flash results.
- 49 IPOs priced within 45 days after the end of the first, second or third fiscal quarter.
  - 15 of these 49 (31%) showed flash results.*
  - 32 of these 49 (65%) priced within 30 days of quarter end, and 7 of these 32 (22%) showed flash results.
  - 17 of these 49 (35%) priced within 31-45 days of quarter end, and 8 of these 17 (47%) showed flash results.

Sector Analysis

- Flash results were more commonly presented in the financial services, industrials and consumer/retail sectors, and were the least common in health care. Flash results in health care may be less meaningful due to the high percentage of pre-revenue issuers.

Percentage of Issuers Presenting Flash Results by Sector

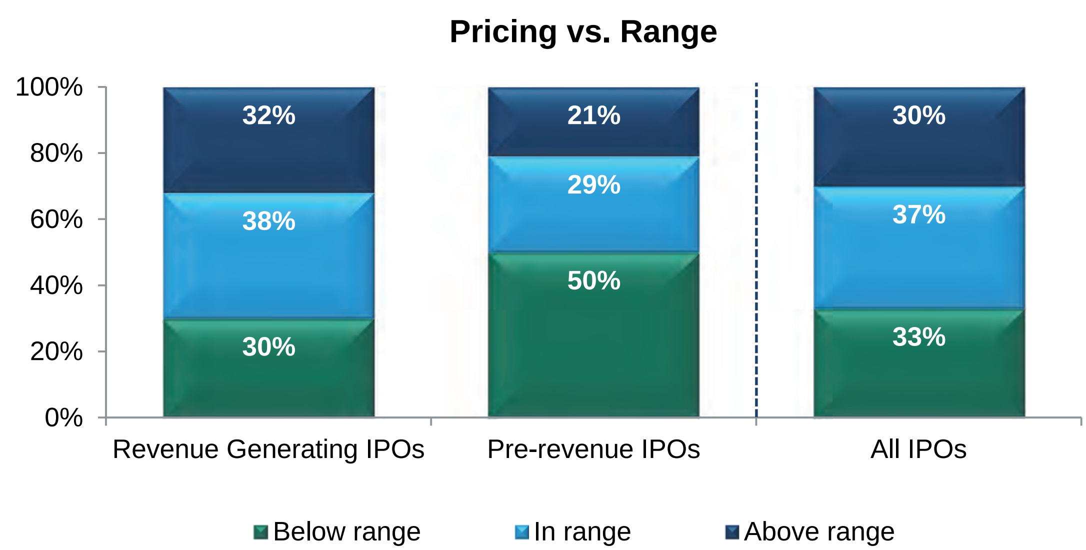


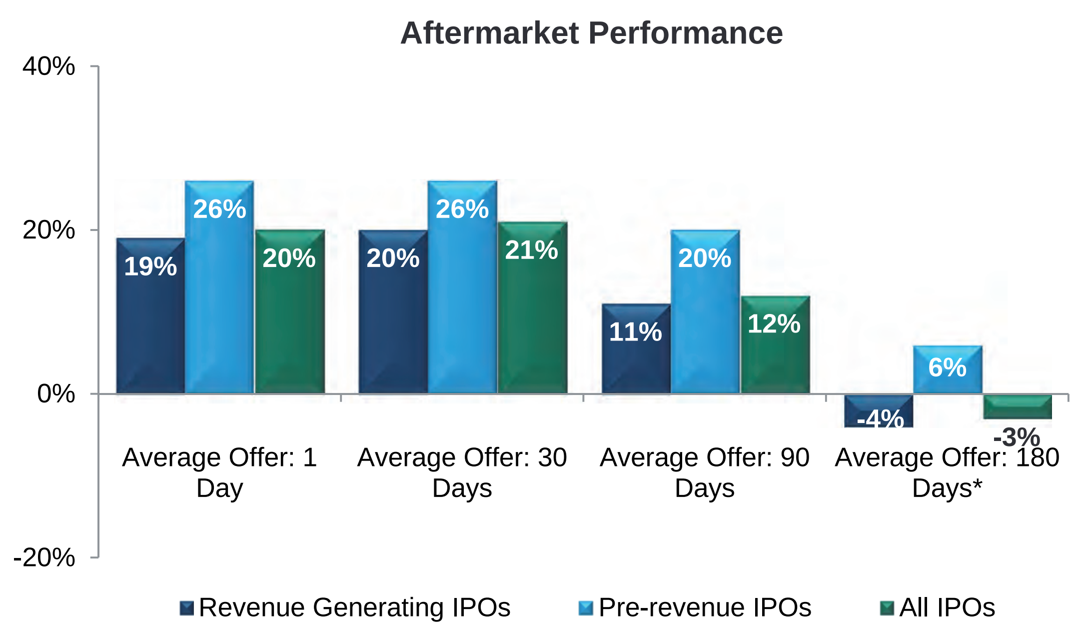
*In addition, 2 of the 49 showed complete financial statements for the latest completed fiscal period, even though the prior period financial statements were not yet stale.
**Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

Revenue

Revenue

- 14 of 90 (16%) IPOs were by pre-revenue issuers. All of these pre-revenue issuers were biotech/biopharm companies.
  - Revenue generating issuers were more likely to price in or above the range, but were outperformed in the aftermarket by pre-revenue issuers.



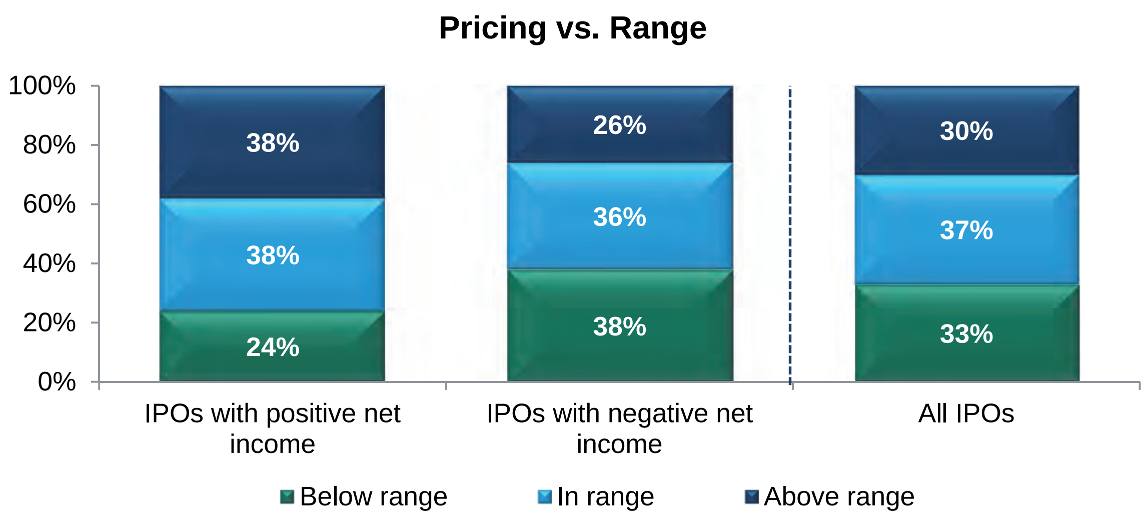


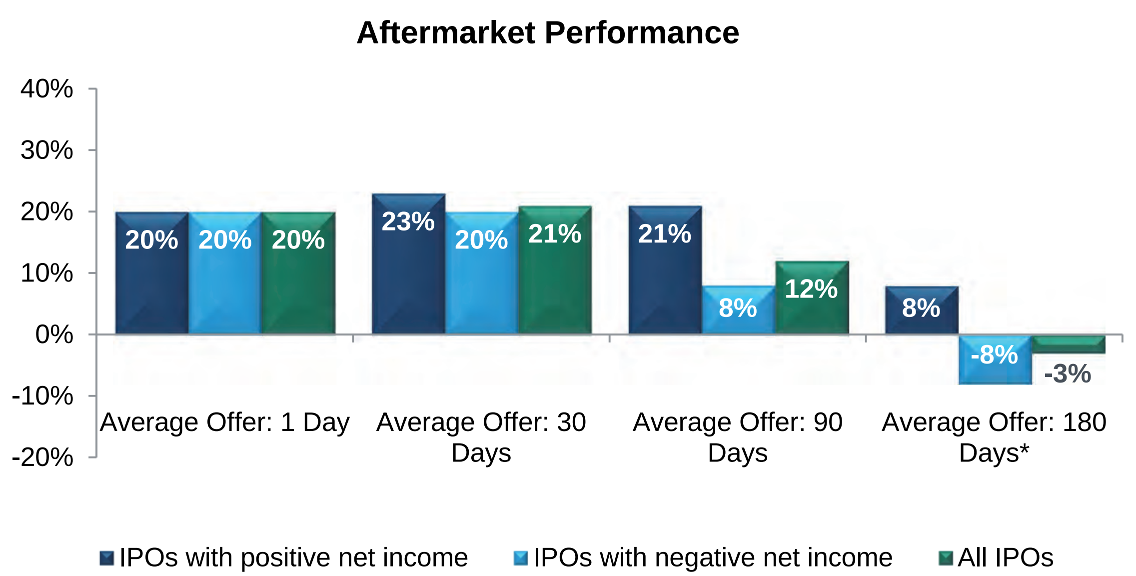
*Only includes deals priced before August 1, 2015.

Net Income

Net Income

- 58 of 90 (64%) IPOs disclosed negative net income in their most recent audited fiscal year.
  - 31 of these 58 (53%) were in health care and 14 of these 58 (24%) were in TMT.
- Issuers with positive net income were more likely to price in or above the range than those with negative net income.





*Only includes deals priced before August 1, 2015.

EBITDA/Adjusted EBITDA & Operating Metrics

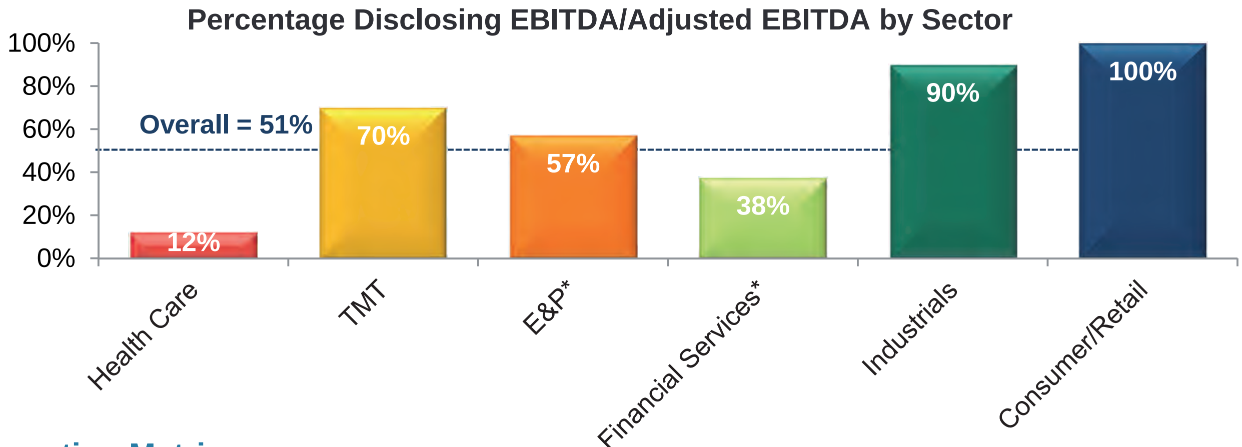
EBITDA/Adjusted EBITDA

» In addition to financial measures calculated in accordance with Generally Accepted Accounting Principles (GAAP), many issuers disclose non-GAAP financial measures, such as EBITDA and adjusted EBITDA.

- 46 of 90 (51%) issuers disclosed EBITDA and/or adjusted EBITDA.
  - 38 of these 46 (83%) issuers reported positive EBITDA and/or adjusted EBITDA.
    - 14 of these 38 (37%) also reported negative net income.
  - 8 of these 46 (17%) reported negative EBITDA and/or adjusted EBITDA.
    - 6 of these 8 (75%) were in TMT.

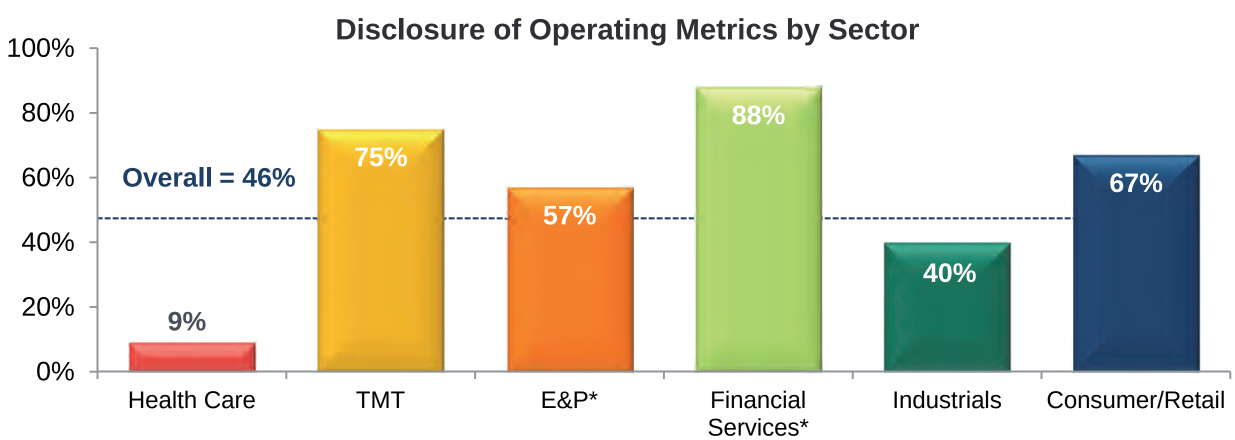
Sector Analysis

» The percentage of issuers that disclosed EBITDA and/or adjusted EBITDA in the IPO prospectus varied across sectors.



Operating Metrics

» Operating metrics are non-financial performance measures and vary by sector. Common examples include page views, production data, reserves, portfolio statistics, credit quality ratios, capital ratios, new orders, lots sold, units sold, backlog, store count and number of customers.



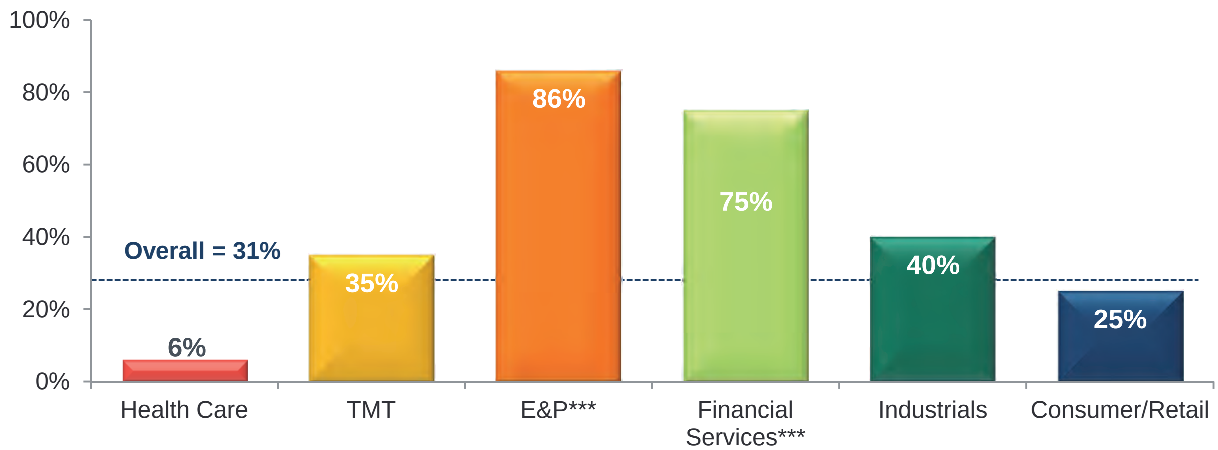
*Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

Pro Forma Financial Statements

Pro Forma Financial Statements

- Under Regulation S-X, the SEC requires issuers that have recently acquired a business that exceeds 20% of the issuer's assets, investments or revenues (or issuers for which such an acquisition is deemed probable) to include standalone pro forma financial statements giving effect to the transaction.* Pro forma financial statements may also be required for a recent or proposed significant business disposition** and other events where disclosure would be material to investors (e.g., a recapitalization of the company).
- 28 of 90 (31%) IPOs included pro forma financial statements in the IPO prospectus.
  - 7 of these 28 (25%) were TMT issuers.
  - 6 of these 28 (21%) were E&P issuers, 4 of which were also MLPs.
    - These 6 E&P issuers represent 86% of the E&P IPOs in our study.
- Adjustments in pro forma financial statements gave effect to some or all of the following: application of the IPO proceeds, acquisitions, recapitalizations, formation transactions, reorganizations and related debt financings.

Percentage of IPOs Including Pro Forma Financial Statements by Sector

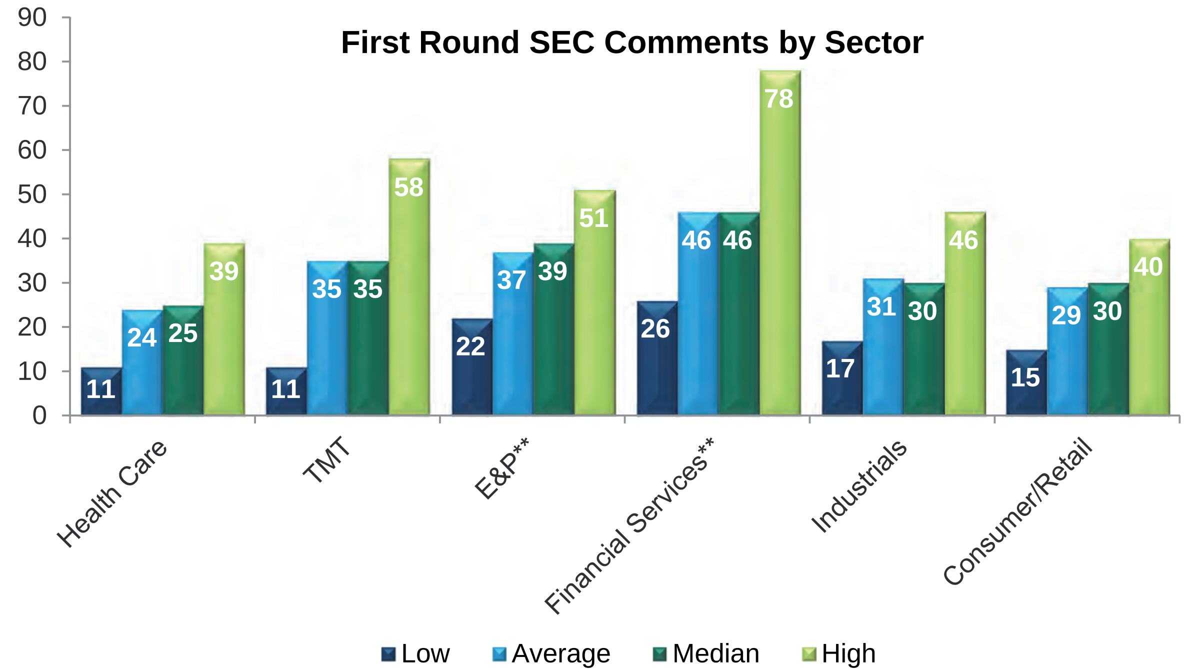


*See Article 11 of Regulation S-X. Occasionally, IPO issuers may include pro forma financial statements in the prospectus even if not technically required but considered material to investors.
**Dispositions at a 10% or greater significance level and not fully reflected in the issuer's financial statements.
***Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

SEC Comments: Total First Round Comments

Total First Round SEC Comments*

- The lowest number of SEC comments received in a first round comment letter was 11, the average was 31, the median was 29 and the highest was 78.



Financial & Accounting Comments*

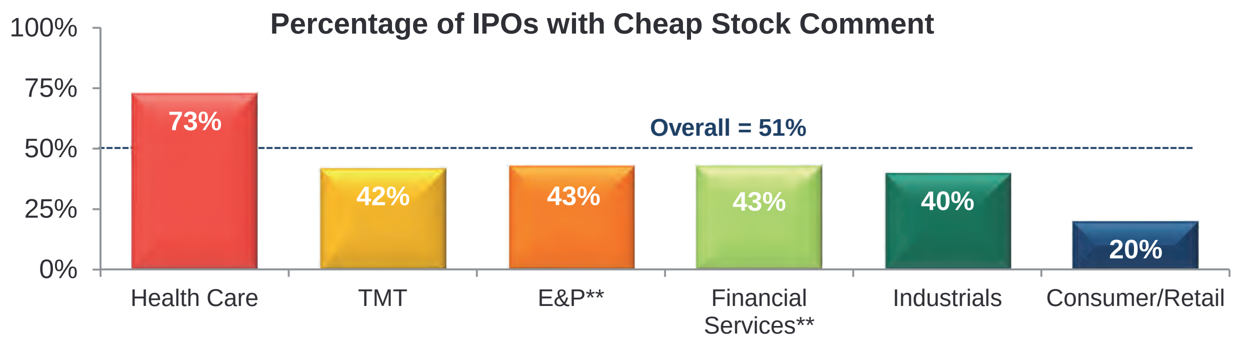
- Financial and accounting-related comments include those on the summary financials, selected financials, capitalization, management's discussion & analysis (MD&A), historical financial statements (F-pages) and pro forma financial statements.
  - The average number of first round financial and accounting-related comments was 11, the median was 9 and the highest was 33.

*Excludes five prior SEC-reviewed issuers and two issuers for which SEC comment letters were not yet publicly available.
**Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

SEC Comments: A Closer Examination

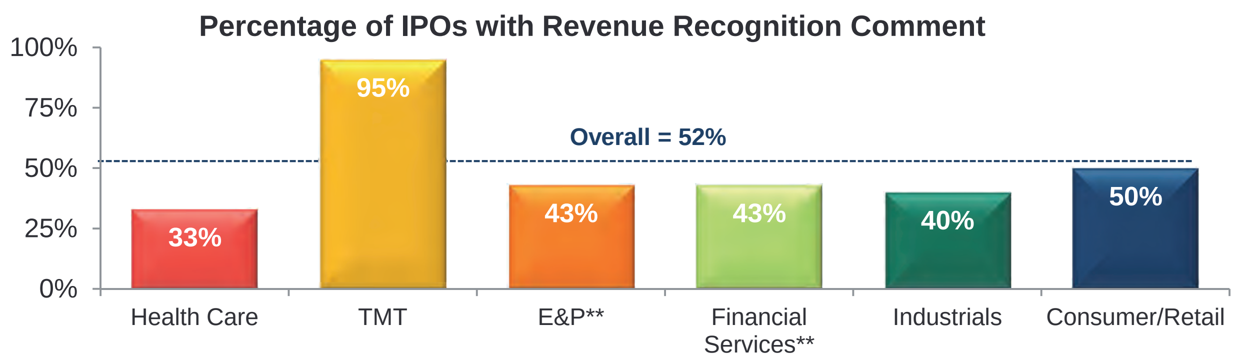
Cheap Stock*

» Cheap stock comments relate to the difference in valuation represented by (1) pre-IPO equity grants, typically in the form of options to purchase stock issued to officers or directors, and (2) the expected IPO price.



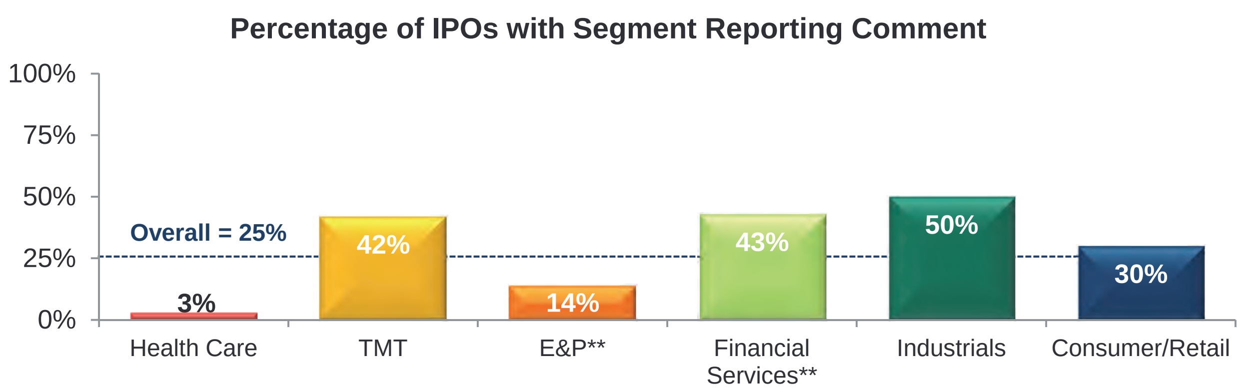
Revenue Recognition*

» Revenue recognition comments relate to the accounting policies that govern when an issuer records revenue from its operations.



Segment Reporting*

» Segment reporting comments relate to an issuer's identification of its operating segments – public issuer accounting rules require the issuer to provide more detailed financial reporting for each segment.



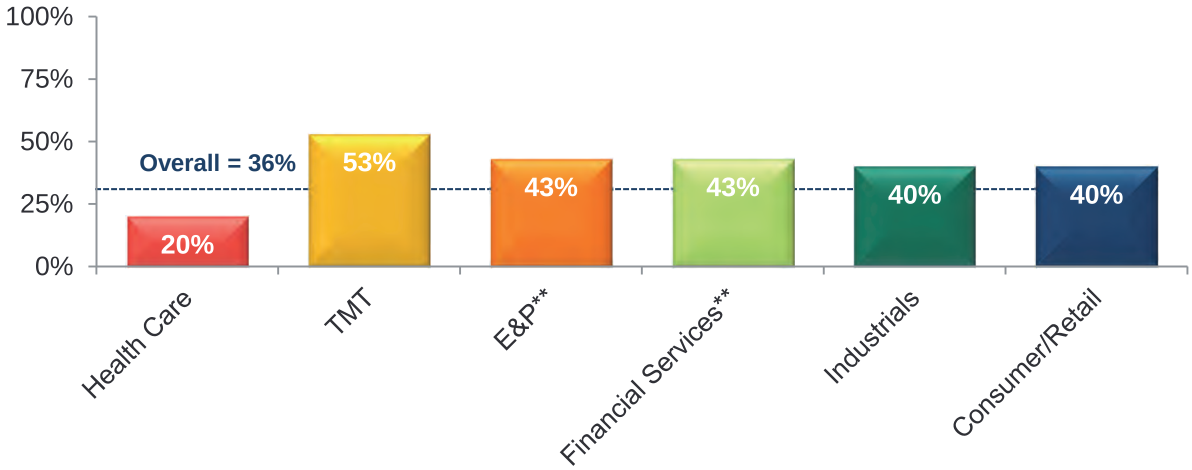
*Excludes five prior SEC-reviewed issuers and two issuers for which SEC comment letters were not yet publicly available.
**Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

SEC Comments: A Closer Examination

Market Positioning Claim*

» Market positioning claim comments relate to requests that the issuer substantiate claims regarding its competitive position in its market or sector and/or purported market share for its products and services.

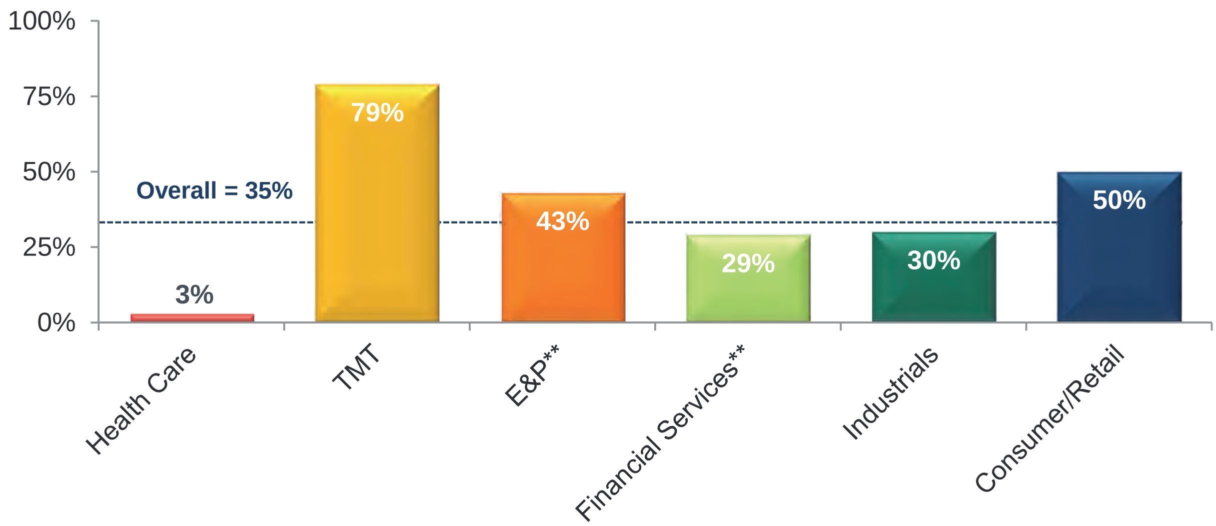
Percentage of IPOs with Market Positioning Comment



Back-Up Support*

» Back-up support comments relate to requests that the issuer provide third-party or internal analysis, documentation or reasoning for superlative statements and/or market share or other similar data in the prospectus.

Percentage of IPOs with Back-Up Support Comment

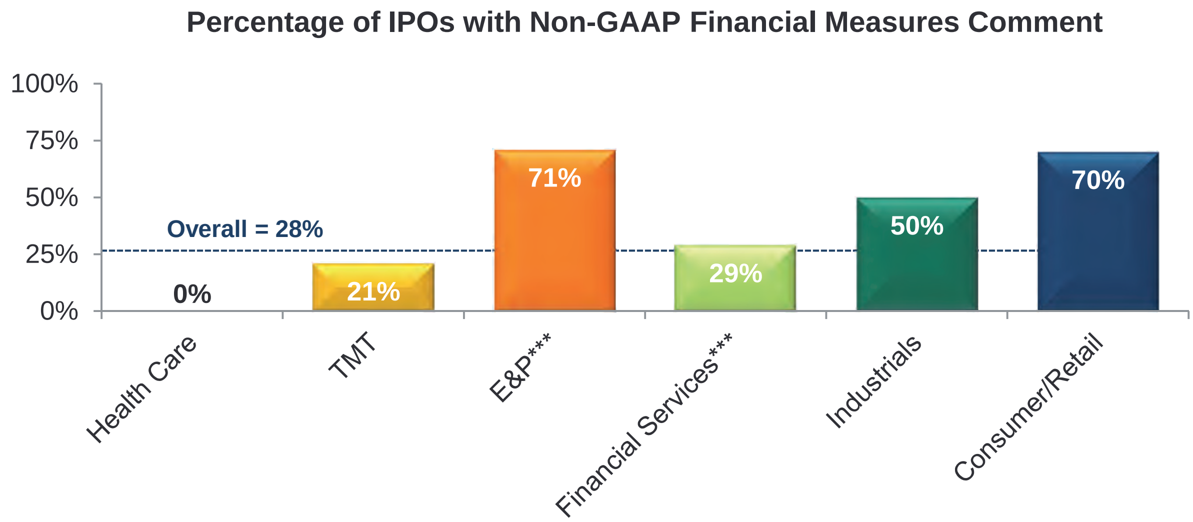


*Excludes five prior SEC-reviewed issuers and two issuers for which SEC comment letters were not yet publicly available.
**Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

SEC Comments: A Closer Examination

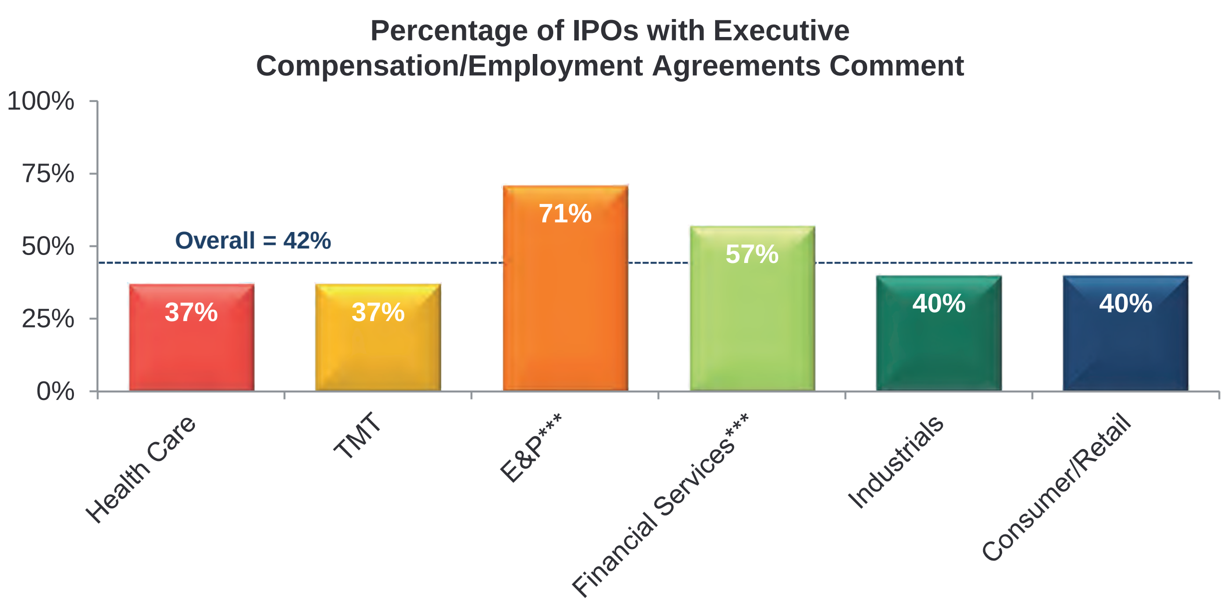
Non-GAAP Financial Measures*

» Non-GAAP financial measures comments relate to an issuer's use and presentation of non-GAAP financial measures, the rationale for such measures and the appropriateness of adjustments taken.**



Executive Compensation/Employment Agreements*

» Executive compensation/employment agreements comments relate to the compensation paid to the issuer's officers, directors or consultants, and related employment matters.



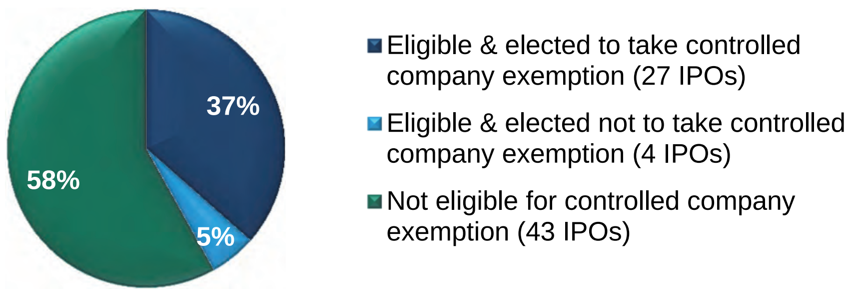
*Excludes five prior SEC-reviewed issuers and two issuers for which SEC comment letters were not yet publicly available.
**Other Non-GAAP financial measures besides EBITDA/adjusted EBITDA include adjusted or net operating income, free cash flow and funds from operations.
***Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

Corporate Governance: Controlled Company Exemption

Overview*

- The listing standards of the NYSE and NASDAQ exempt controlled companies from certain corporate governance requirements, including the need to have a majority of independent directors on the board and fully independent nominating and compensation committees within one year of IPO pricing. A controlled company is a company in which more than 50% of the voting power for election of directors is held by an individual, a group or another company.
- 31 of 74 (42%) issuers in our corporate governance analysis were eligible for the controlled company exemption and 27 of these 31 (87%) eligible issuers elected to take advantage of the exemption.
  - 20 of 27 (74%) controlled companies were sponsor-backed.
  - 12 of 27 (44%) had multiple classes of common stock.
  - 7 of 27 (26%) had a majority of independent directors on their boards at pricing, despite being exempt from this requirement.

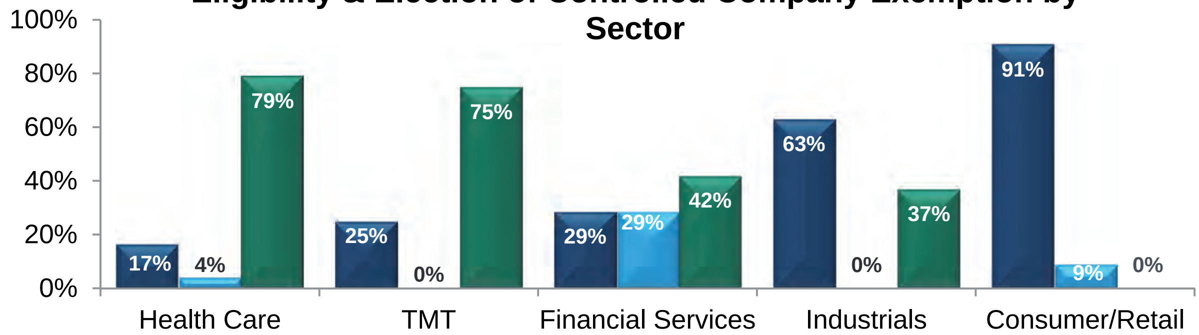
Eligibility & Election of Controlled Company Exemption



Controlled Companies by Sector**

- A majority of health care and TMT issuers were not eligible for the controlled company exemption, while most industrials and all consumer/retail issuers were eligible.

Eligibility & Election of Controlled Company Exemption by Sector



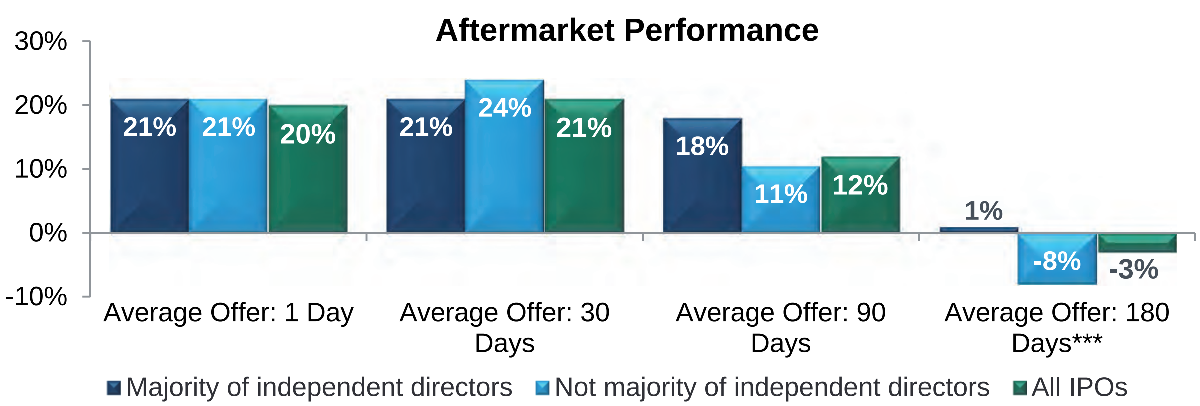
	Health Care	TMT	Financial Services	Industrials	Consumer/Retail
# of IPOs	29	16	7	8	11

*Excludes 4 MLPs and 12 FPIs (no MLPs are FPIs). MLPs are excluded because they are generally exempt from NYSE and NASDAQ corporate governance requirements. FPIs are excluded because they are permitted to rely on home jurisdiction governance rules.
**Excludes three E&P IPOs due to small sample size after excluding MLPs.

Corporate Governance: Key Items

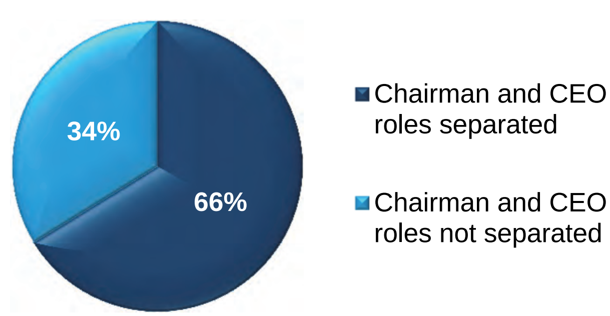
Director Independence*

- The average number of directors on the board at pricing was 7 and the average number of independent directors was 4.
- 50 of 74 (68%) issuers had a majority of independent directors on the board at pricing.
  - Of the 50 issuers with a majority of independent directors, the average board independence was 73%.
  - Of the remaining 24 issuers, the average board independence was 34%.
- Of the 24 issuers that did not have a majority of independent directors:
  - 20 of 24 (83%) were eligible for, and elected to take, the controlled company exemption.
  - 4 of 24 (17%) used the transition period under applicable stock exchange rules.**



Separation of Chairman and CEO Roles*

- 49 of 74 (66%) issuers separated the Chairman and CEO roles at pricing.

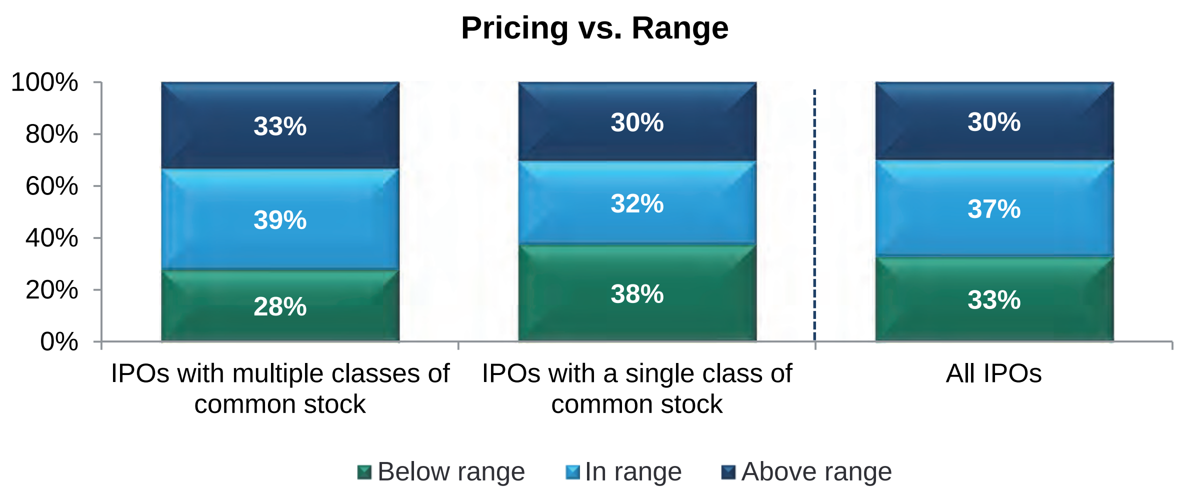


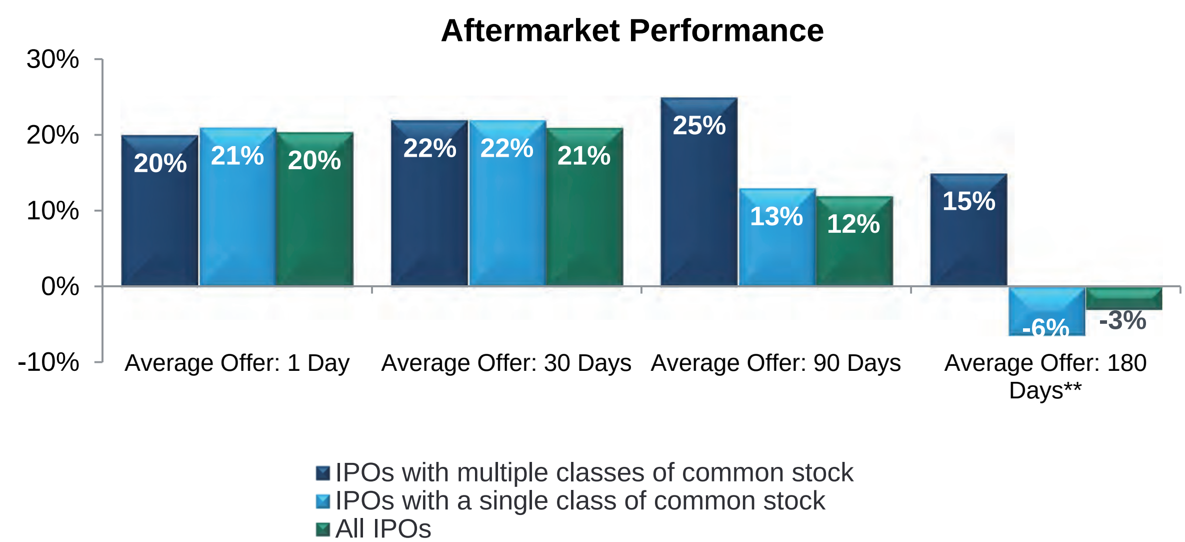
*Excludes MLPs (given their unique governance structures) and FPIs (subject to home jurisdiction governance rules).
**The NYSE and NASDAQ require that a majority of the issuer's board be independent within one year of pricing or losing controlled company status.
***Only includes deals priced before August 1, 2015.

Corporate Governance: Classes of Common Stock

Classes of Common Stock*

- 18 of 74 (24%) issuers had multiple classes of common stock.
- The 18 issuers with multiple classes of common stock included 1 in health care, 9 in TMT, 1 in E&P, 3 in financial services, 1 in industrials and 3 in consumer/retail.
    - 12 of these 18 (67%) were eligible for the controlled company exemption.





*Excludes MLPs (given their unique governance structures) and FPIs (subject to home jurisdiction governance rules).
**Only includes deals priced before August 1, 2015.

Corporate Governance: Anti-Takeover Measures & Exclusive Forum Provisions

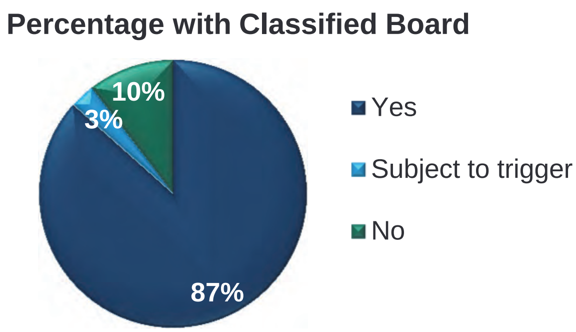
Overview

- In connection with their IPO, issuers often adopt some or all of the following takeover defenses in their governing documents:
  - **Classified board**: Roughly a third of the directors are up for election each year for a three year term, as opposed to annual elections for all directors.
  - **Blank check preferred stock:** Allows the board of directors to issue preferred stock, without stockholder approval, that may have special voting, conversion or control rights.
  - **Restrictions on stockholder action by written consent:** Limits the ability of stockholders to act other than at a meeting.
  - **Supermajority voting**: More than a simple majority of the voting power of the issuer's outstanding stock is required to take certain corporate actions, which could include amendments to the issuer's governing documents.
  - **Limitations on stockholders' ability to call special meetings:** Limits the ability of stockholders to act other than at a meeting called by the board, CEO, Chairman or other person authorized by the issuer's governing documents.
  - **Stockholder rights plan or poison pill:** Allows an issuer's existing stockholders, upon a hostile bidder's acquisition of a specified percentage of shares, to purchase additional shares at a deeply discounted price in order to deter a potential hostile takeover bid.
- Certain takeover defenses are **subject to triggers**, meaning that the provisions do not take effect until the stock ownership level of a significant stockholder or group of stockholders goes below a certain percentage (or above in the case of poison pills).
- Many issuers have also adopted **exclusive forum provisions**, which limit the courts in which certain types of internal-affairs stockholder litigation can be brought.
- The above-mentioned defenses are most common in Delaware companies. Many non-U.S. jurisdictions do not allow certain of these; for example, a percentage of stockholders may be permitted by law to call a special meeting in some countries.

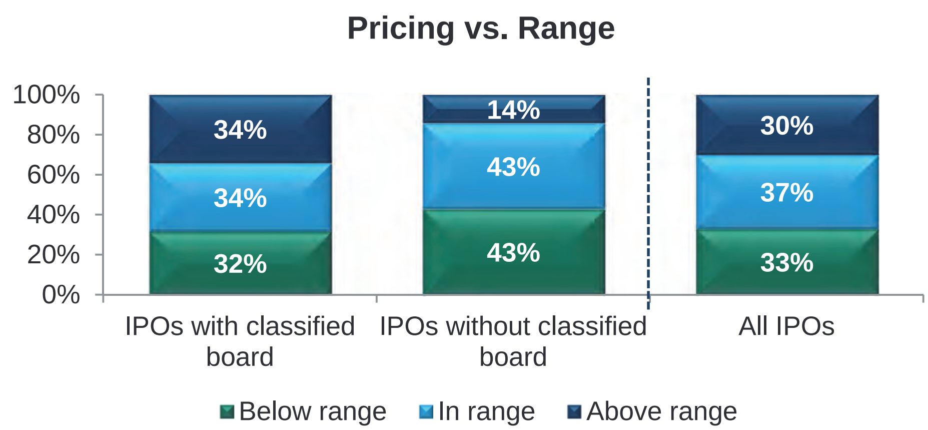
Anti-Takeover: Classified Board

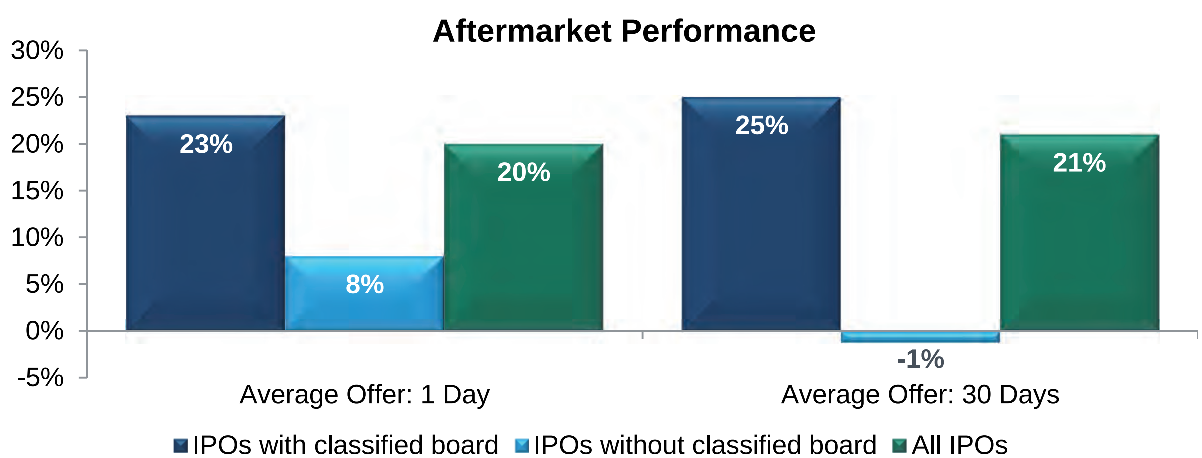
Classified Board*

» 58 of 67 (87%) issuers had a classified board.



» Issuers with a classified board more frequently priced in or above the range and outperformed in the aftermarket compared to issuers that did not have a classified board.





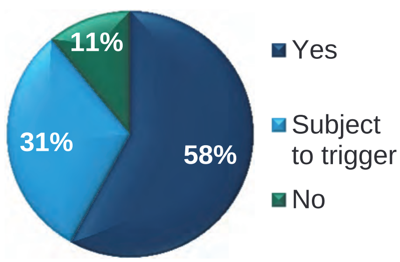
*Excludes MLPs (given their unique governance structures), FPIs (subject to home jurisdiction governance rules) and non-U.S. incorporated issuers (where anti-takeover defenses work differently).

Other Anti-Takeover Measures & Exclusive Forum Provisions

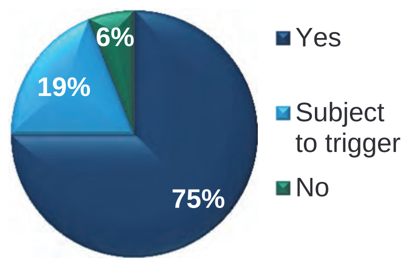
Anti-Takeover Measures and Exclusive Forum Provisions*

- A majority of issuers adopted restrictions on stockholders' ability to act by written consent or to call a special meeting, as well as supermajority voting requirements to take certain corporate actions, such as changes to an issuer's governing documents.

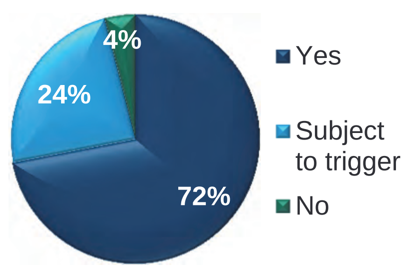
Percentage with Restrictions on Stockholder Actions by Written Consent



Percentage with Supermajority Voting Requirements



Percentage with Restrictions on Stockholders Ability to Call Special Meeting



- All issuers had authorized blank check preferred stock.
- No issuers had a poison pill at the time of the IPO.
- 57 of 67 (85%) issuers had exclusive forum provisions.
  - 56 of 57 (98%) issuers elected the jurisdiction of incorporation as the exclusive forum.
  - The other issuer elected the location of its headquarters.

*Excludes MLPs (given their unique governance structures), FPIs (subject to home jurisdiction governance rules) and non-U.S. incorporated issuers (where anti-takeover defenses work differently).

IPO Fees and Expenses

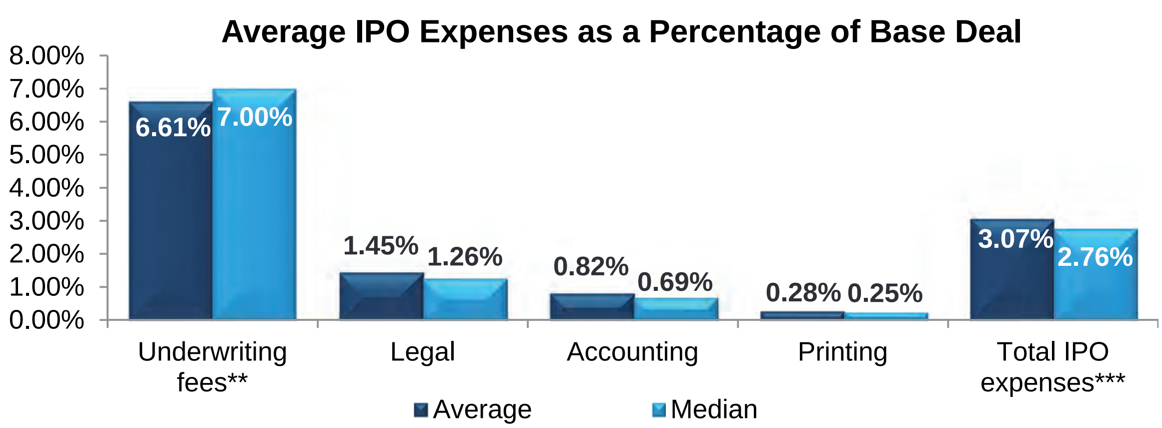
IPO Fees and Expenses*

» Underwriting fees and total other IPO expenses (excluding underwriting fees) are summarized below:

Fee Category	Low	Average	Median	High
Underwriting Fees**	$1,750,000	$13,412,689	$8,400,000	$83,200,000
Total IPO Expenses***	$1,061,000	$4,220,188	$3,600,000	$10,800,000

» The most significant components of IPO expenses (excluding underwriting fees) are typically legal and accounting fees and printing costs.

Fee Category	Low	Average	Median	High
Legal	$250,000	$2,011,876	$1,650,000	$9,000,000
Accounting	$185,000	$1,073,879	$850,000	$4,100,000
Printing	$85,000	$395,475	$325,000	$2,000,000



*Excludes 1 IPO that disclosed $10 million in total offering expenses but did not provide a breakdown of legal, accounting and printing costs.
**Underwriting fees are the percentage of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
***Total IPO expenses excludes the underwriting fees.

IPO Fees and Expenses: EGCs vs. Non-EGCs

EGCs

» Underwriting fees and total other IPO expenses (excluding underwriting fees) for EGC IPOs are summarized below:

Fee Category	Low	Average	Median	High
Underwriting Fees*	$1,750,000	$11,527,476	$8,176,256	$57,166,250
Total IPO Expenses**	$1,061,000	$4,077,570	$3,560,884	$10,500,000

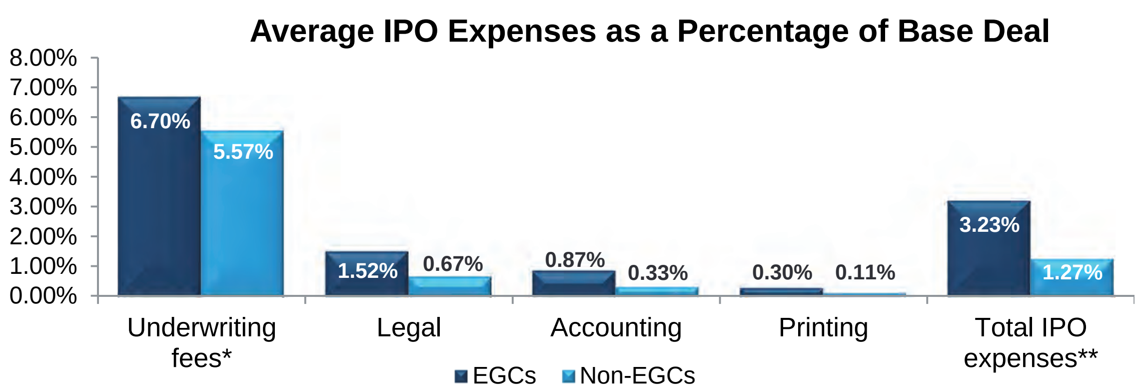
Fee Category	Low	Average	Median	High
Legal	$250,000	$1,917,890	$1,600,000	$9,000,000
Accounting	$185,000	$1,047,869	$857,500	$4,100,000
Printing	$85,000	$384,113	$300,000	$2,000,000

Non-EGCs***

» Underwriting fees and total IPO expenses (excluding underwriting fees) for non-EGC IPOs are summarized below:

Fee Category	Low	Average	Median	High
Underwriting Fees*	$15,152,500	$35,496,609	$24,600,000	$83,200,000
Total IPO Expenses**	$2,700,000	$5,890,857	$5,700,000	$10,800,000

Fee Category	Low	Average	Median	High
Legal	$1,200,000	$3,112,857	$3,000,000	$5,300,000
Accounting	$400,000	$1,378,571	$700,000	$3,800,000
Printing	$200,000	$528,571	$550,000	$800,000



**Underwriting fees are the percentage of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.

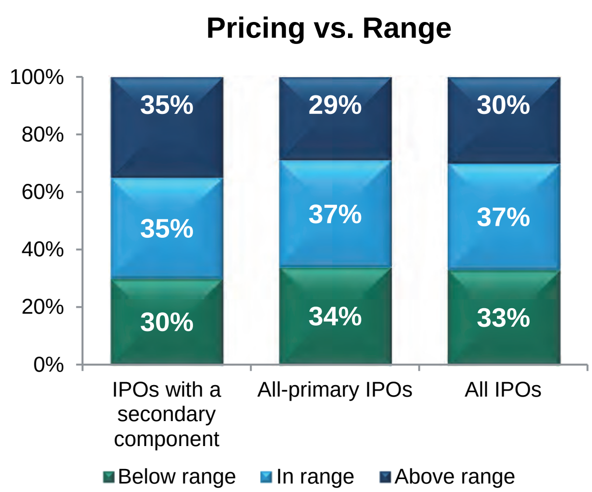
**Total IPO expenses excludes the underwriting fees.

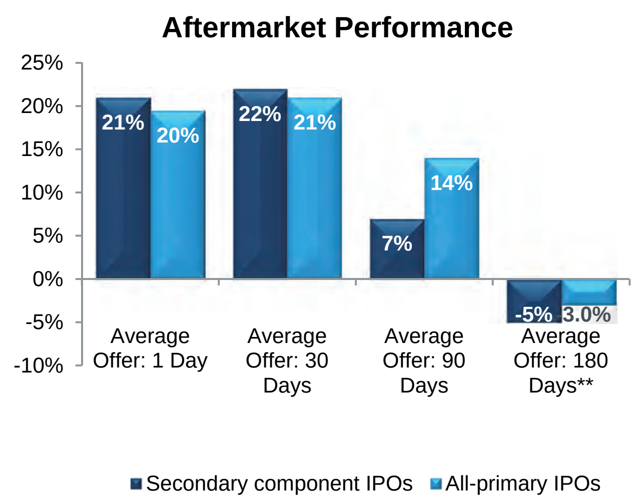
***Excludes 1 of the 8 non-EGCs that disclosed $10 million in total offering expenses but did not provide a breakdown of legal, accounting and printing costs.

Deal Structure: Secondary Component & Management Sales

Secondary Component*

» 17 of 90 (19%) IPOs had one or more selling stockholders.

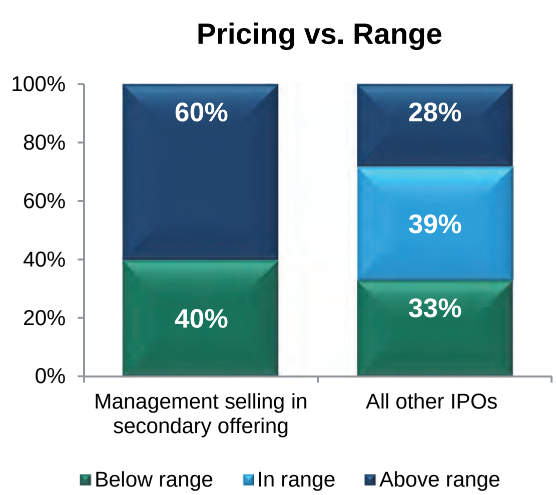


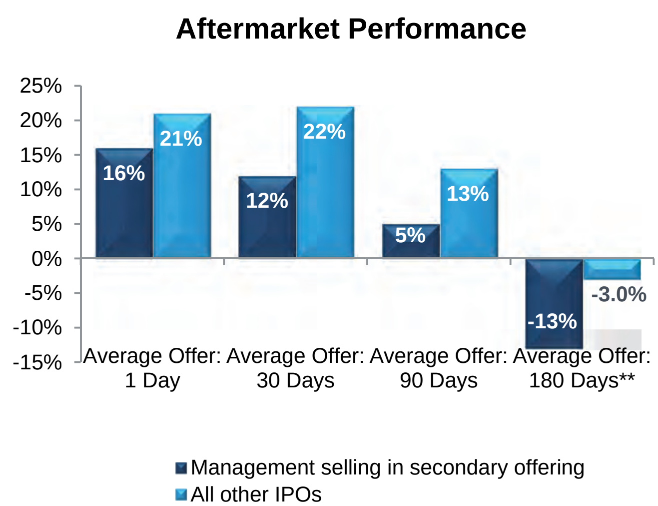


Management Sales

» Management participated as selling stockholders in the base offerings in 5 of 17 (29%) IPOs with a secondary component.

- These 5 IPOs underperformed the other 85 IPOs in the aftermarket.



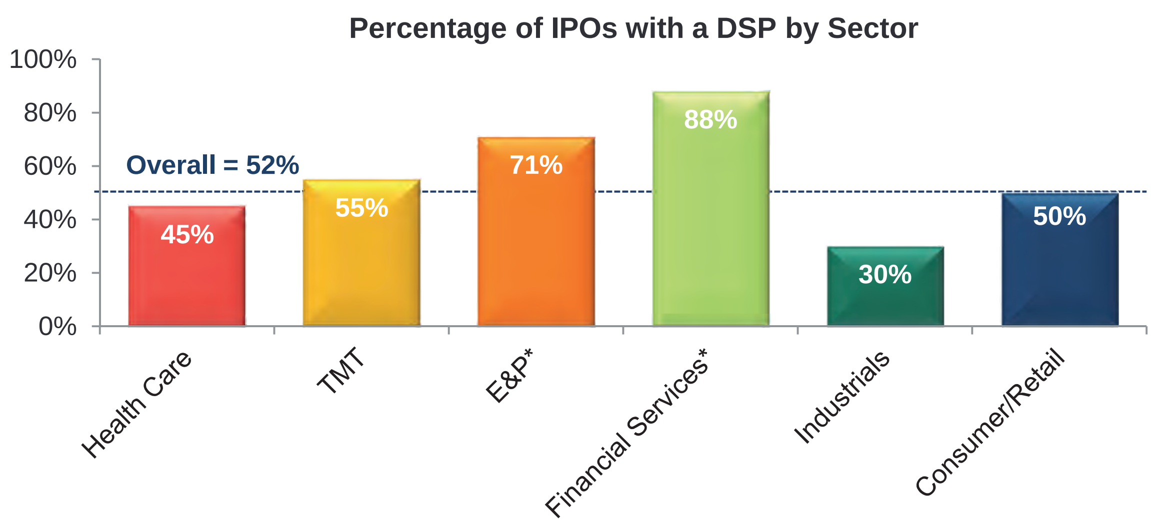


*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (3 IPOs).
**Only includes deals priced before August 1, 2015.

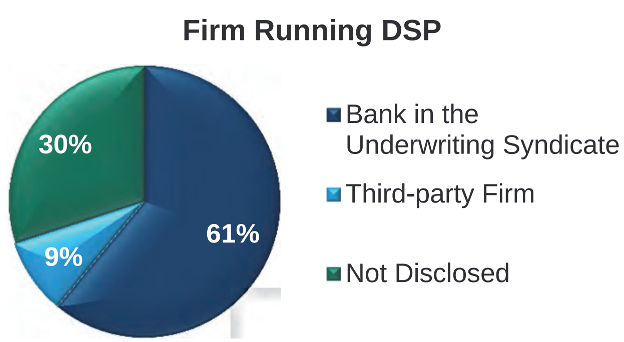
Deal Structure: Directed Share Programs

Directed Share Programs (DSPs)

- Directed share programs (DSPs) allow insiders, employees and other individuals with relationships with the issuer to purchase stock in the IPO. At the request of the issuer, the underwriters reserve a certain amount of the shares in the IPO for purchase by DSP participants.
- 47 of 90 (52%) IPOs included DSPs.
- The average disclosed DSP size for all IPOs was 6%, the lowest was 1% and the highest was 15%.



- Of the 47 DSPs, 61% were run by a bank in the underwriting syndicate, 9% were run exclusively by a third-party firm not in the syndicate and 30% did not disclose the administrator of the DSP.

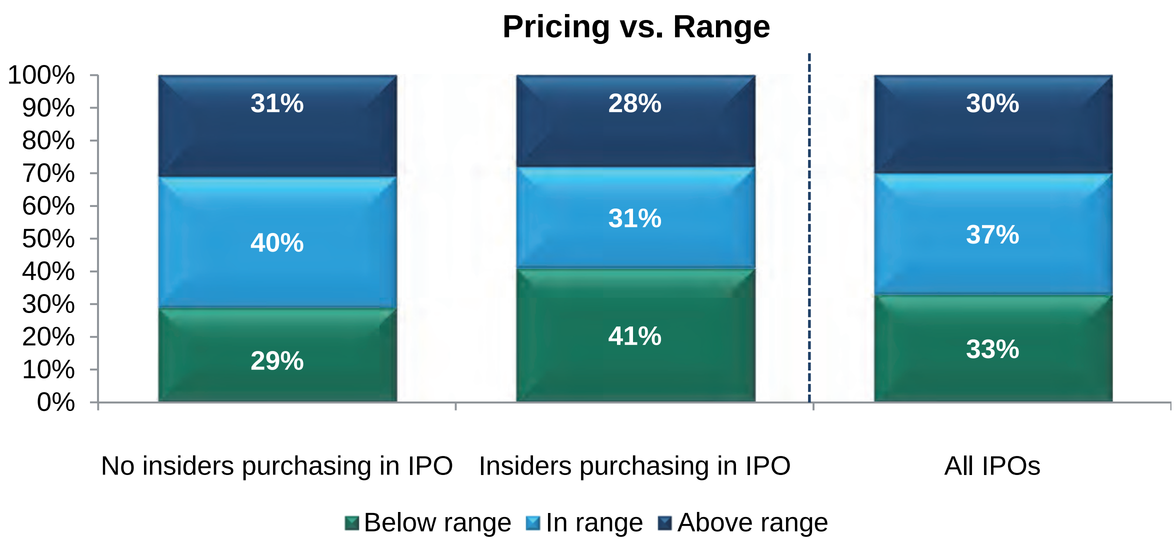


*Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

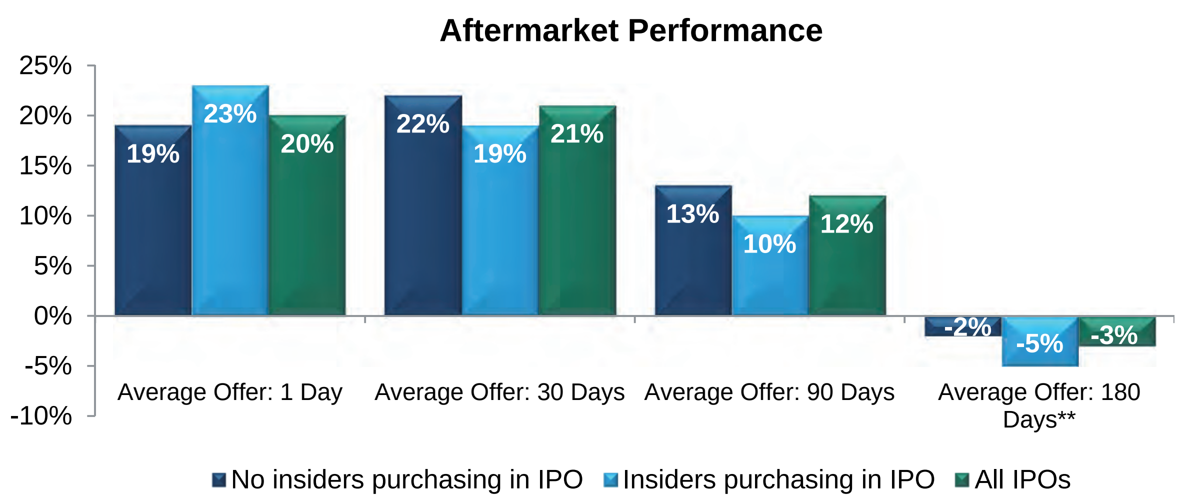
Deal Structure: Insiders Purchasing in IPO

Insiders Purchasing in IPO*

» 32 of 90 (36%) issuers disclosed insiders purchasing in the IPO.
  - 21 of 32 (66%) issuers were in health care.
  - In these 32 IPOs, insiders comprised an average of 21% of the shares sold in the IPO.



» IPOs with insider purchases performed relatively similarly in the aftermarket compared to those without insider purchases.



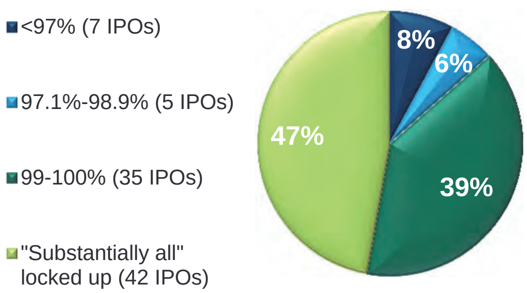
*Does not include purchases through a DSP.
**Only includes deals priced before August 1, 2015.

Lock-Ups

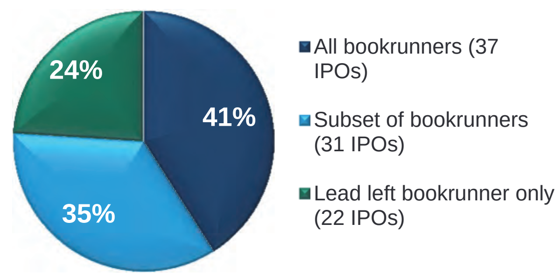
Overview

- The underwriters in an IPO generally require the issuer, as well as directors, officers and pre-IPO stockholders, to agree not to sell shares of the issuer for a period of time – typically 180 days – following pricing. The lock-up agreement typically contains limited exceptions.
- Most issuers either disclosed a percentage locked up close to 100% (average 97.6%*) or stated that “substantially all” pre-IPO shares are locked up.

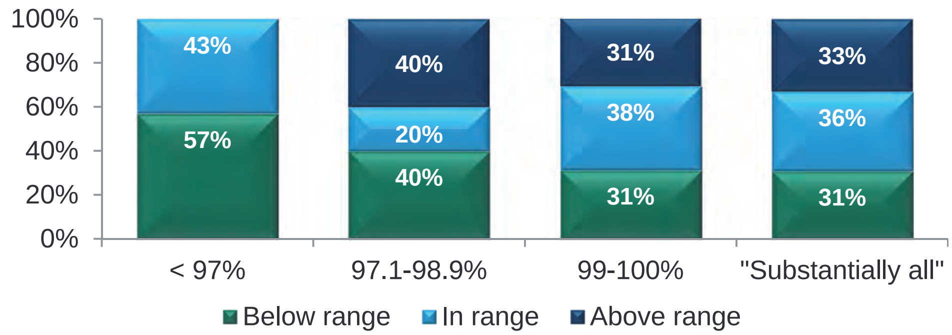
Shares Locked Up*



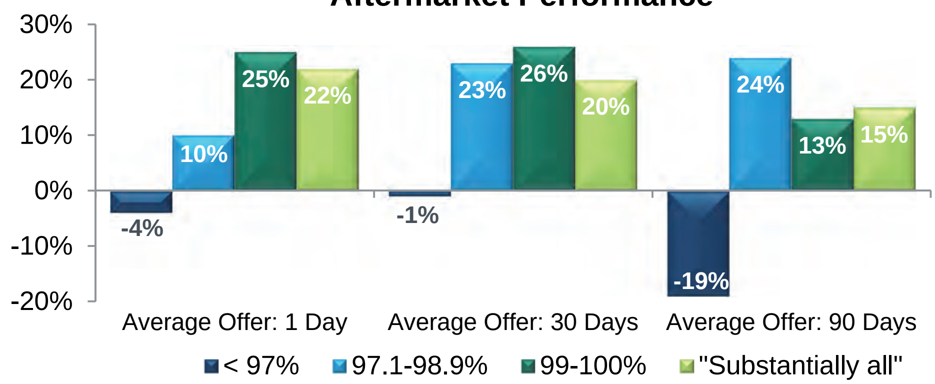
Lock-Up Release**



Pricing vs. Range



Aftermarket Performance



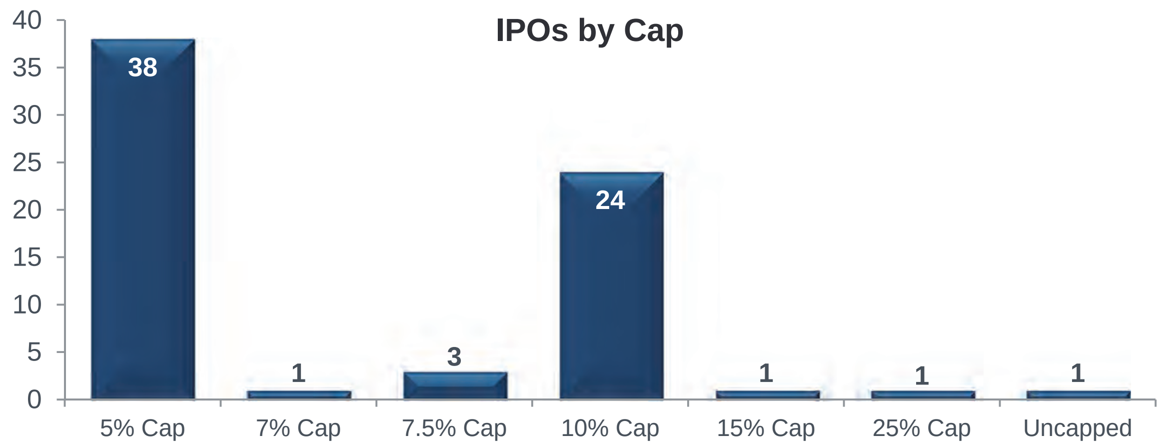
*This 97.6% average is based on a total of 47 IPOs that disclosed the percentage or number of shares locked up. Some issuers (42 of 90) do not specify quantity, but disclose that “substantially all” pre-IPO shares are locked up. One issuer provided indeterminable information.

**Typically, lock-up release rights are negotiated amongst the bookrunners and the issuer. The parties that control release rights may, prior to the expiration of the lock-up period, permit the company and/or certain stockholders to sell their shares in an organized follow-on offering or freely into the open market.

Lock-Ups: Carve-Out for Issuances in Connection with Acquisitions or Joint Ventures

Acquisition/JV Carve-Outs

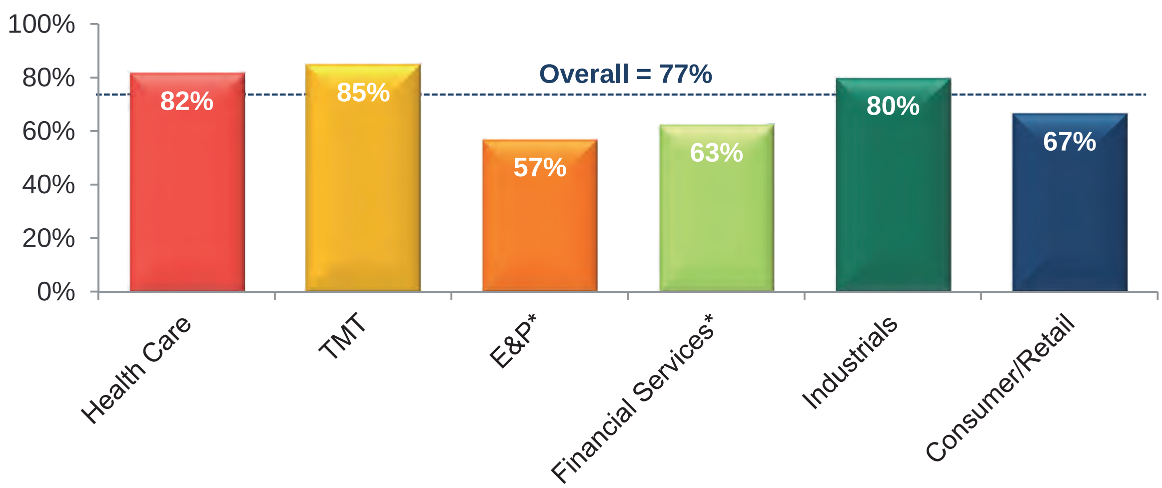
- 69 of 90 (77%) IPOs included a carve-out in the issuer's lock-up agreement for stock issuances in connection with acquisitions/joint ventures (JVs).
- All but one of the 69 had a cap on the number of shares that could be issued (reflected as a percentage of shares outstanding):



Sector Analysis

- Issuer lock-up carve-outs for acquisitions/JVs were most prevalent in health care, industrials and TMT IPOs.

Percentage of IPOs with Lock-Up Carve-Out For Acquisitions/JVs by Sector



*Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.

Lock-Ups: Unique Structures

Examples of Unique Lock-Up Structures

- Etsy: One-half of pre-IPO shares released after 180 days; one-quarter each after 270 and 360 days, respectively; one-third of affiliate shares released at each release date.

- Atlassian: Non-executive employees can sell up to 10% of outstanding Class A ordinary shares beginning 2 business days after the Q1 2016 earnings release, so long as it is at least 135 days after the offering, which priced in December 2015.

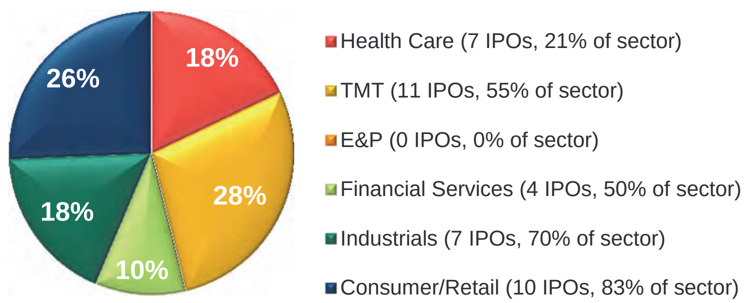
- Black Stone Minerals (MLP): Limited partners of MLP released after 45 days; everyone else 180 days.

Sponsor-Backed IPOs

Overview

- 39 of 90 (43%) IPOs were sponsor-backed.*
  - 32 of these 39 (82%) were EGCs as compared to 91% of all IPOs.

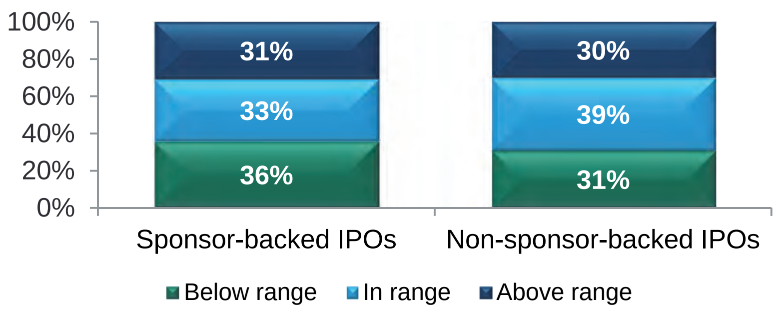
Sponsor-Backed IPOs by Sector



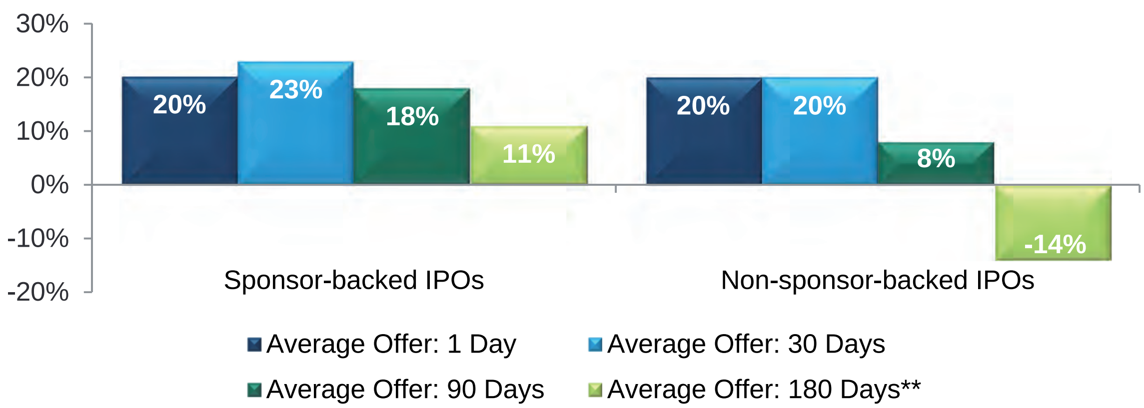
Performance

- Non-sponsor-backed IPOs priced in the range or above the range slightly more frequently than sponsor-backed IPOs but underperformed in the aftermarket relative to sponsor-backed.

Pricing vs. Range



Aftermarket Performance

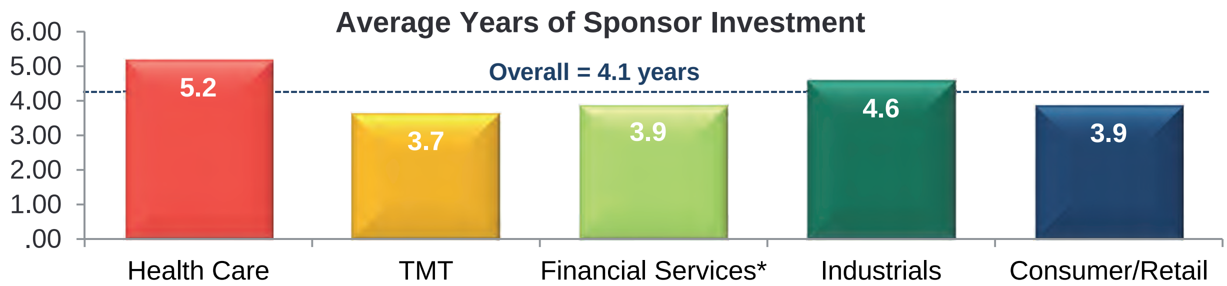


*As defined by Dealogic.
**Only includes deals priced before August 1, 2015.

Sponsor-Backed IPOs: Length of Investment & Management/Termination Fees

Length of Sponsor Investment

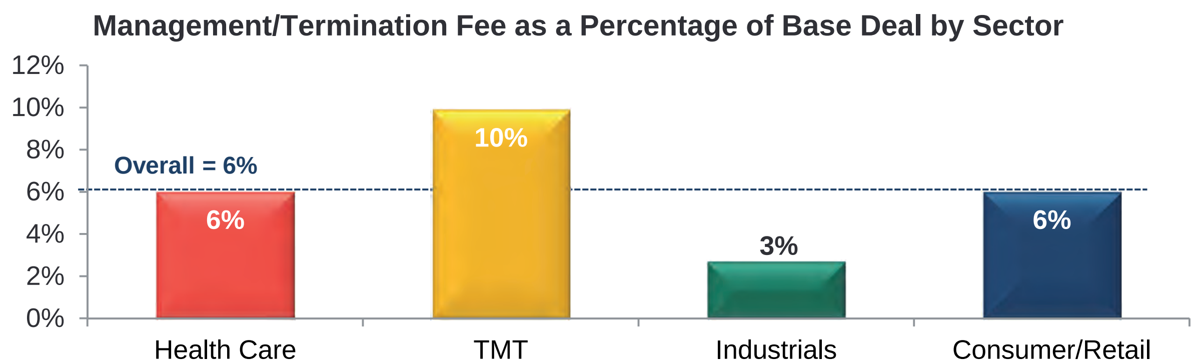
» The average length of sponsor investment prior to the IPO was 4.1 years.



Management/Termination Fees

» Management/termination fees are one-time fees paid in connection with an IPO to an issuer's equity sponsor(s), typically pursuant to a pre-IPO management services agreement.

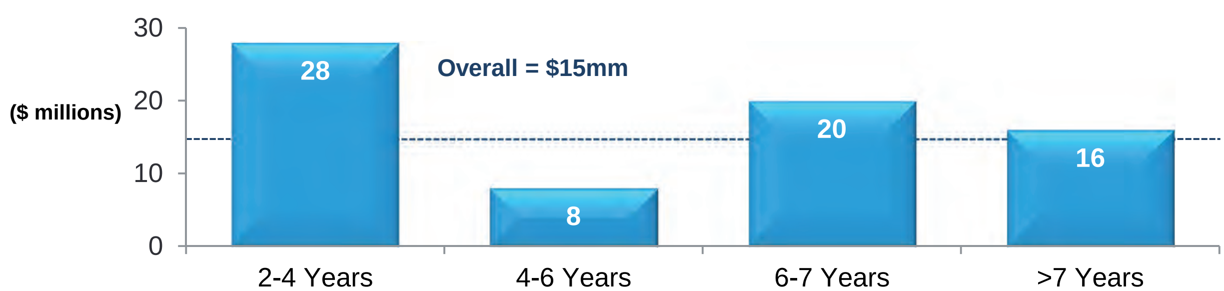
- 10 of 39 (26%) sponsor-backed issuers paid management/termination fees to the sponsor group in connection with the IPO.



# of IPOs	2	3	3	2

Length of Sponsor Investment Relative to Fee Paid**

» The average fee was approximately $15 million, excluding one outlier of $78 million in an IPO with a base deal of $2.6 billion.



# of IPOs	2	3	1	2

*Please note that there were relatively small IPO populations in 2015 in E&P (7) and financial services (8) sectors.
**Excludes one outlier of a $78 million fee and one without buy-in date.

Sponsor-Backed IPOs: Key Comparisons

Key Comparisons

	Sponsor-Backed	Non-Sponsor-Backed
Percentage of total IPOs	43%	57%
Percentage of IPOs that are EGCs	82%	98%
Average market capitalization at pricing	$1.5bn	$1.2bn
Average number of directors*	8	7
Average number of independent directors*	4	5
Percentage of issuers with majority-independent boards*	55%	78%
Average percentage of board independence*	52%	67%
Percentage of IPOs eligible for the controlled company exemption*	70%	20%
Average number of total first round SEC comments**	35	28
Average number of days from first submission/filing to pricing** (excludes an IPO with submission to pricing over 18 months)	179	127
Average total IPO expenses (excluding underwriting fees)	$4.8mm	$3.9mm
Median total IPO expenses (excluding underwriting fees)	$4.2mm	$3.3mm
Percentage of IPOs with a secondary component***	26%	14%
Percentage of IPOs disclosing EBITDA and/or adjusted EBITDA	79%	29%
Percentage of IPOs with DSPs	56%	49%
Percentage of IPOs with insiders purchasing	23%	45%

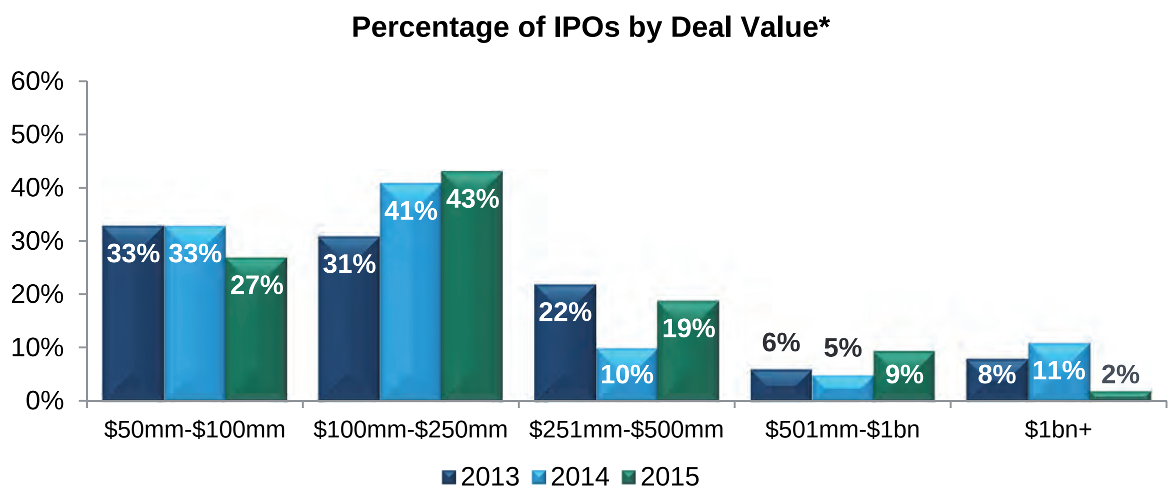
*Excludes MLPs (given their unique governance structures) and FPIs (subject to home jurisdiction governance rules).
**Excludes five prior SEC-reviewed issuers and two issuers for which SEC comment letters were not yet publicly available.
***IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (2 in sponsor-backed; 1 in non-sponsor-backed).

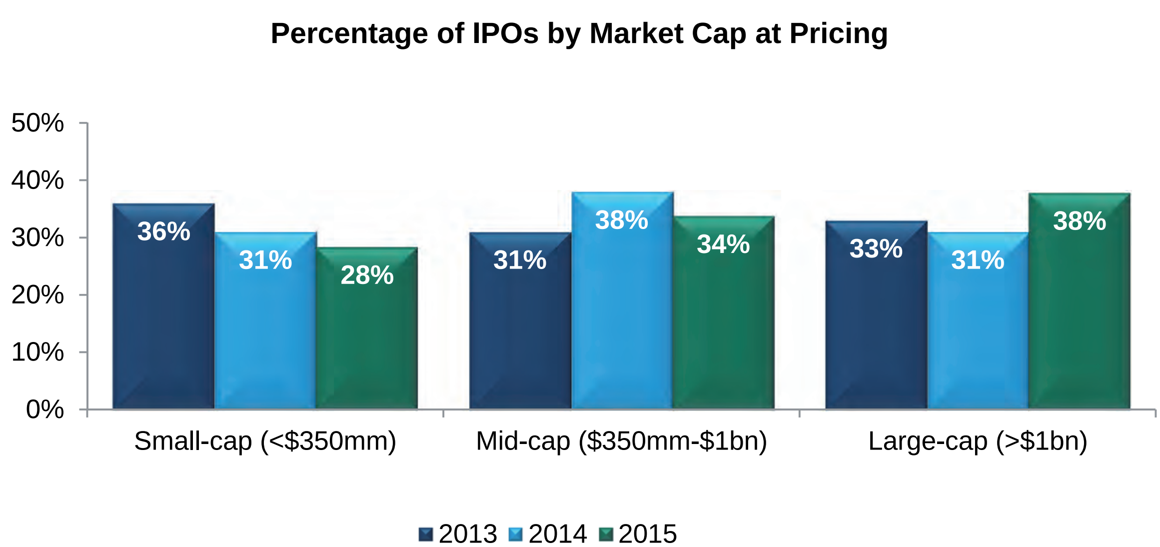
Three Year Analysis

Overview

Population

- In our three year analysis, we examined 258 IPOs: 74 IPOs that priced in 2015, 86 IPOs that priced in 2014 and 98 IPOs that priced in 2013.
- This three year analysis uses the same methodology as our overall study, except that for comparability purposes we excluded 12 FPIs and 4 MLPs (that are not also FPIs) in 2015 and 19 FPIs and 14 MLPs (that are not also FPIs) in 2014 because we did not review FPIs and MLPs in 2013. However, there is a FPI year-over-year analysis at the end of this section.
- For three year sector analysis, we also excluded E&P IPOs because of the small population after excluding MLPs and FPIs.





*Deal value includes exercise of the over-allotment option where applicable.

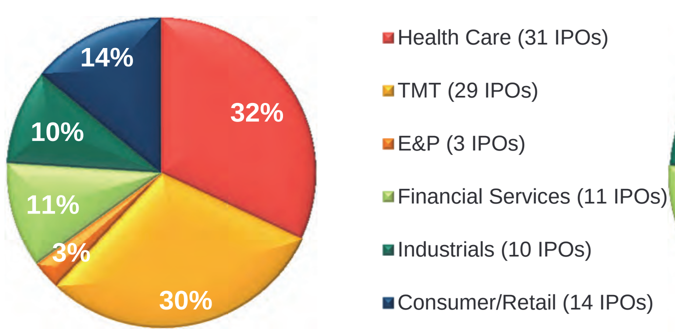
Sector Analysis

Sector Trends

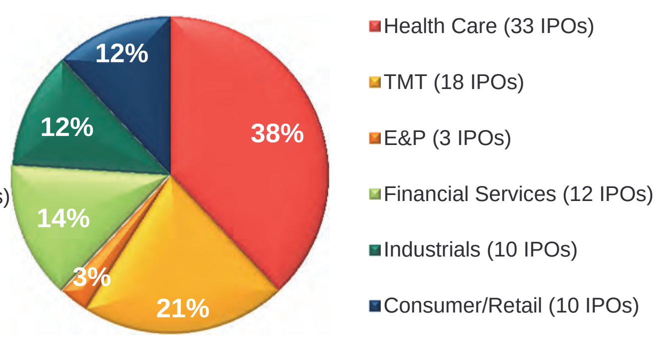
» Key takeaways:
- From 2013 to 2015, the health care and TMT sectors maintained the highest number of IPOs.

Sectors by Deal Count*

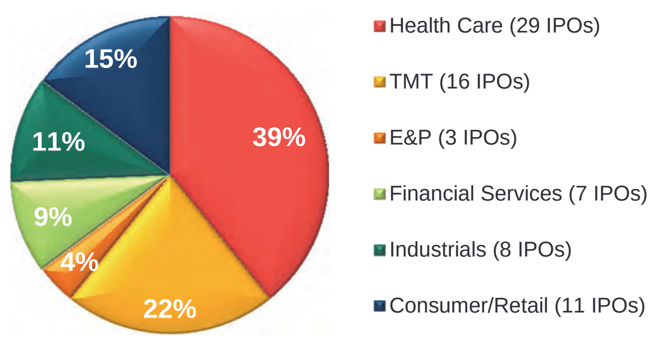
2013



2014



2015



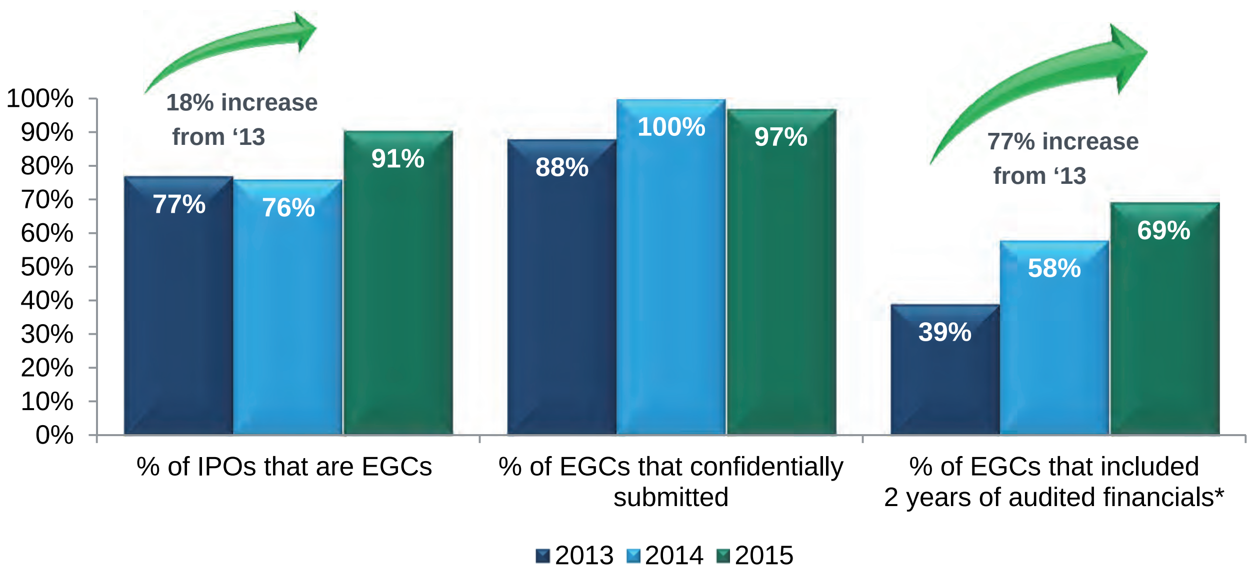
*Excludes MLPs and FPIs.

JOBS Act

JOBS Act

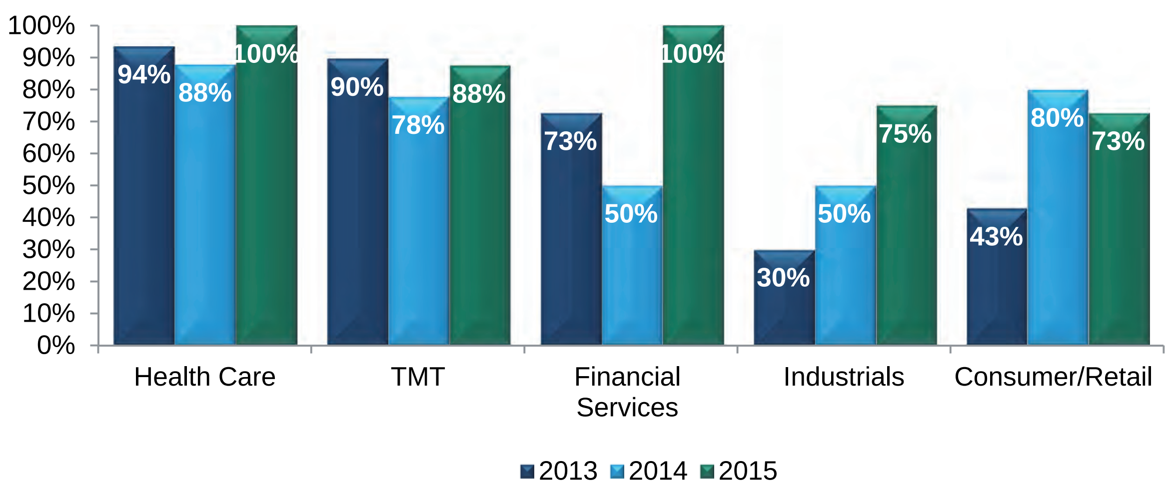
» Key takeaways:

- Increase in the percentage of IPOs that are EGCs.
- Virtually all EGCs confidentially submitted in 2014 and 2015.
- Continued increase in the percentage of EGCs that included 2 years vs. 3 years of audited financial statements.



Sector Analysis

» From 2014 to 2015, there was an increased percentage of IPOs by EGCs within all sectors, except a slight decrease in consumer/retail following a large increase from 2013 to 2014.



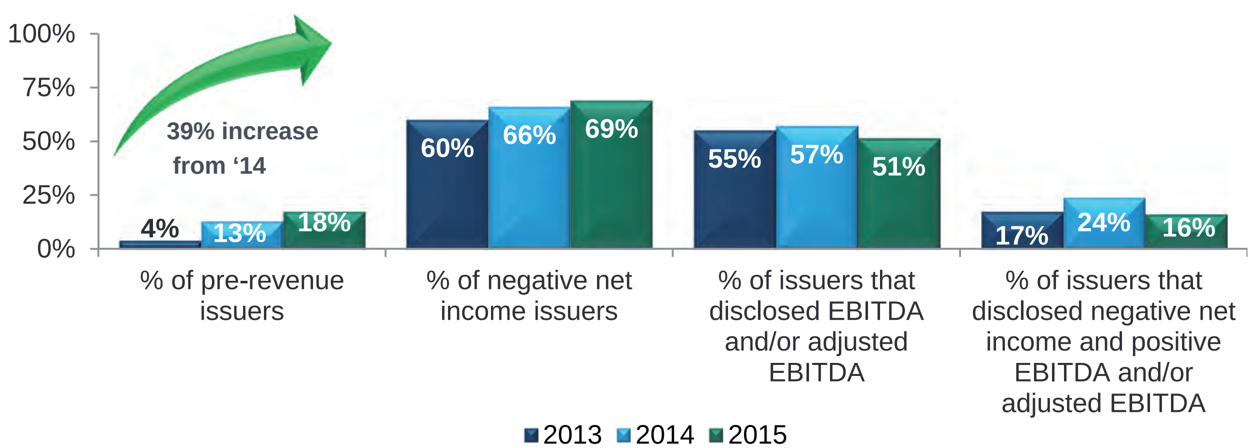
*Excludes 2 EGCs in 2015 that provided financials since inception (i.e., the period of time since inception of the company, which may be less than 2 years).

Financials

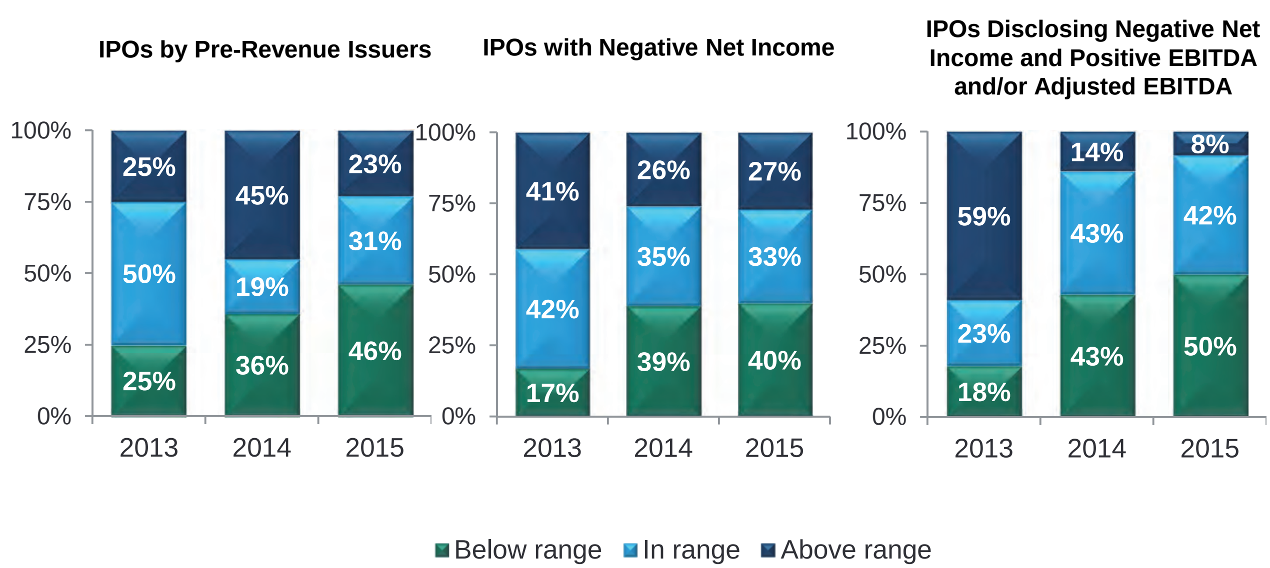
Financials

» Key takeaways:

- Significant increase in the percentage of IPOs by pre-revenue issuers.
- Relatively flat percentage of issuers that had negative net income.
- Relatively flat percentage of issuers reporting both negative net income and positive EBITDA and/or adjusted EBITDA.



Pricing vs. Range

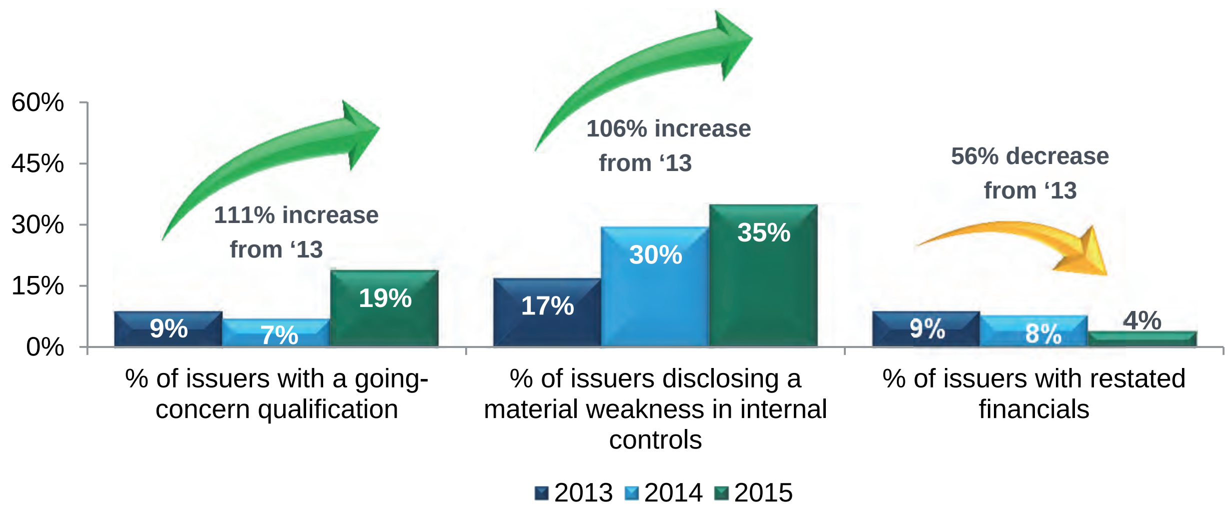


Accounting/Internal Controls

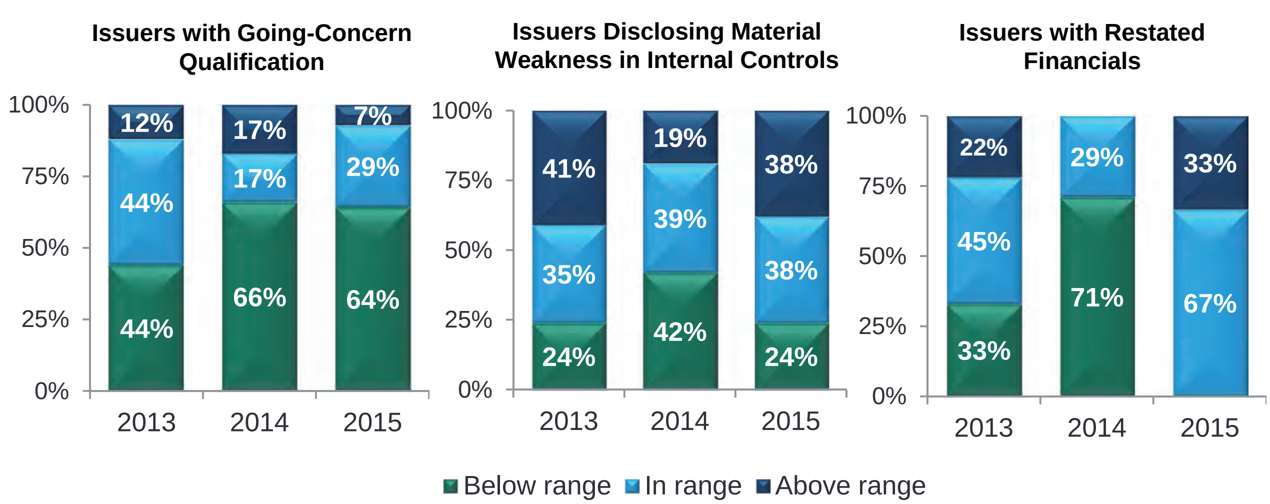
Accounting/Internal Controls

» Key takeaways:

- From 2013 to 2015, there was an increase in the percentage of issuers that had a going-concern qualification and the percentage of issuers disclosing a material weakness in their internal controls over financial reporting, and a decrease in the percentage of issuers that had restated financials.



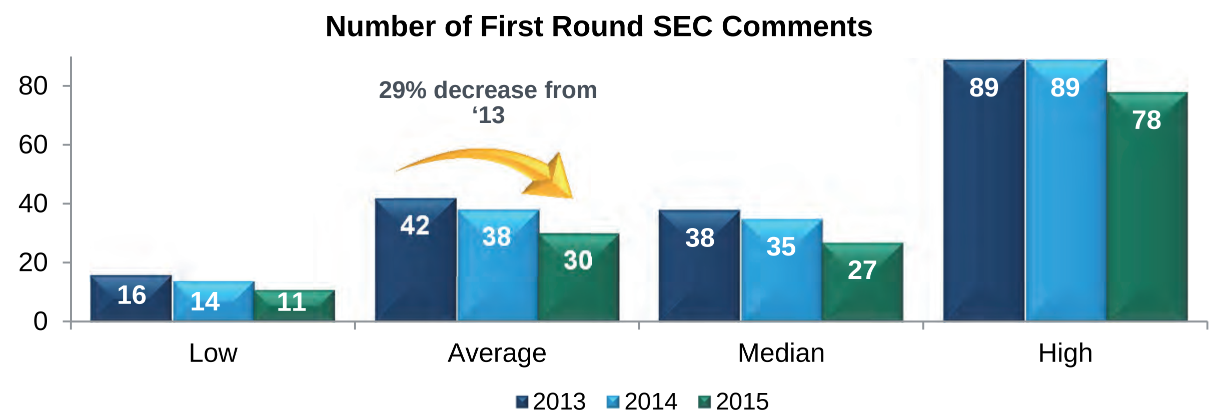
Pricing vs. Range

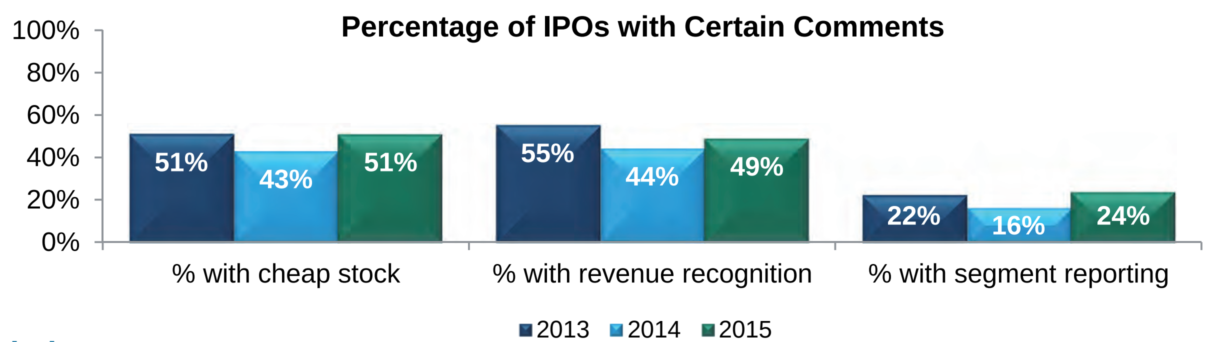


SEC Review

Total First Round SEC Comments*

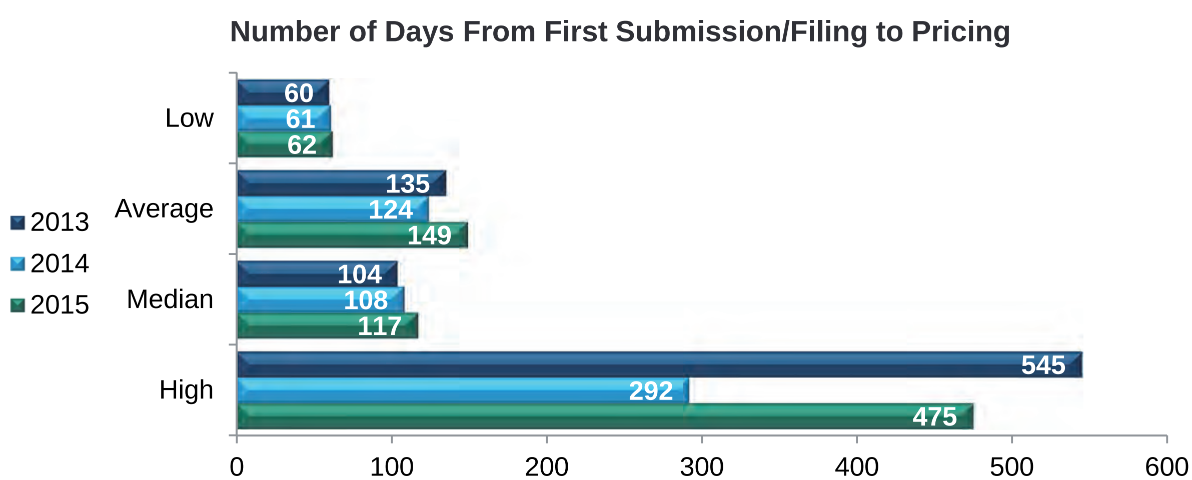
» There was a decrease in the average number of first round SEC comments over the past three years.





Timing**

» From 2014 to 2015, the average time from first submission/filing to pricing was longer (20% increase).



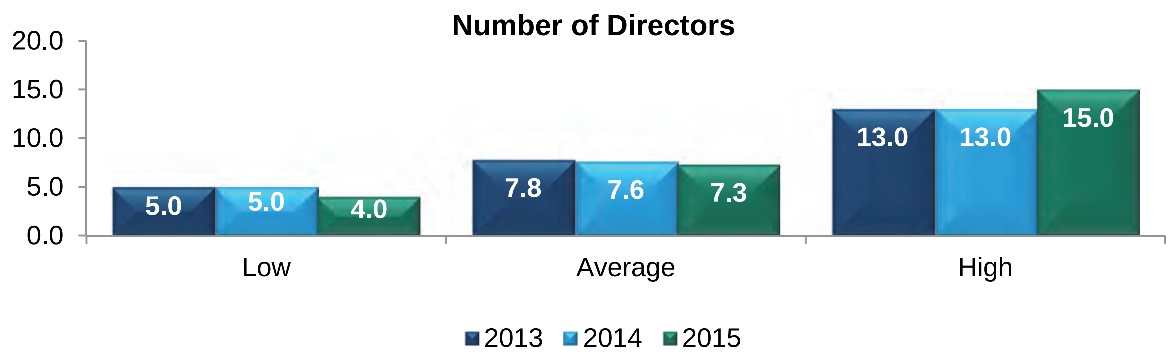
*Excludes prior SEC-reviewed issuers and issuers for which SEC comment letters were not yet publicly available (1 in 2013, 1 in 2014 and 2 in 2015).

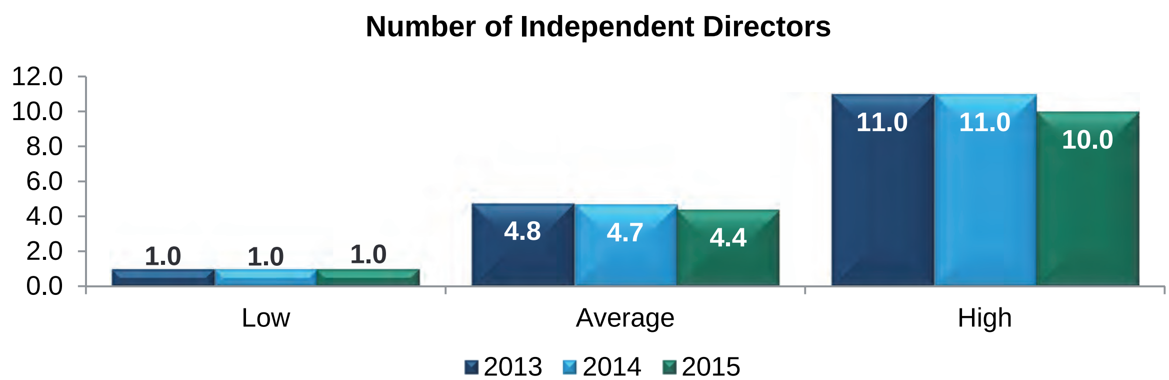
**Excludes prior SEC-reviewed issuers and also an additional 4 in 2013 and 1 in 2015 with time from first submission/filing to pricing of greater than 18 months.

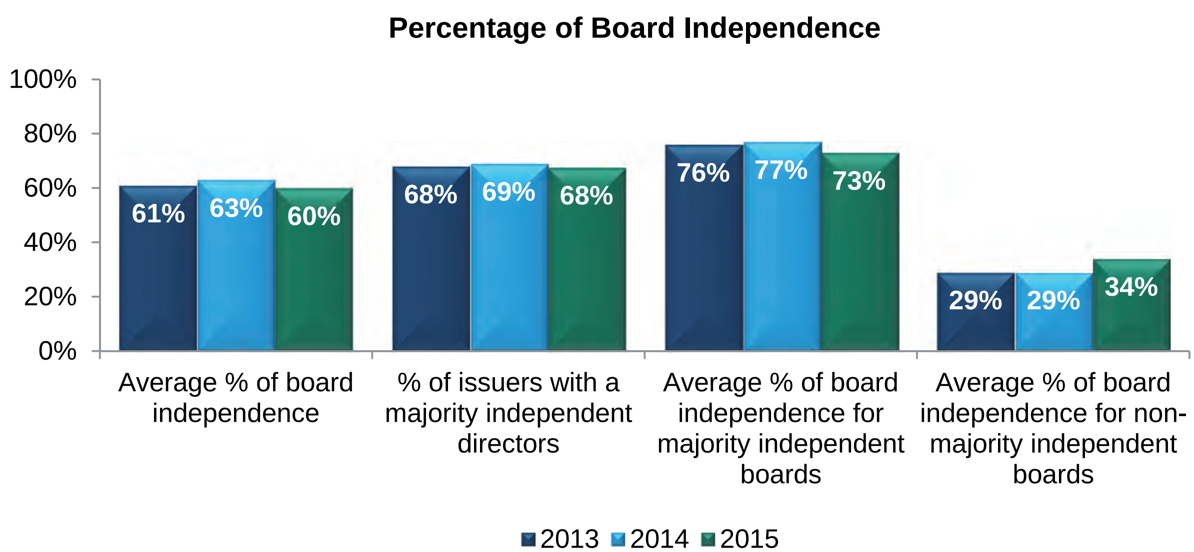
Corporate Governance: Director Independence

Director Independence

» Composition of boards remained consistent over the past three years.



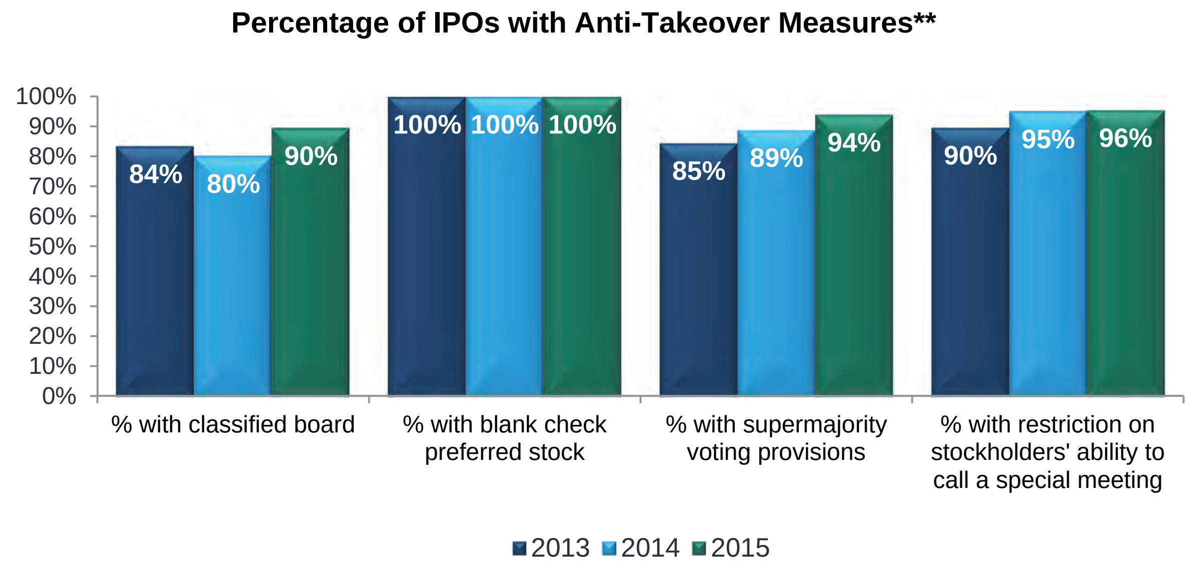




Corporate Governance: Anti-Takeover Measures and Key Items

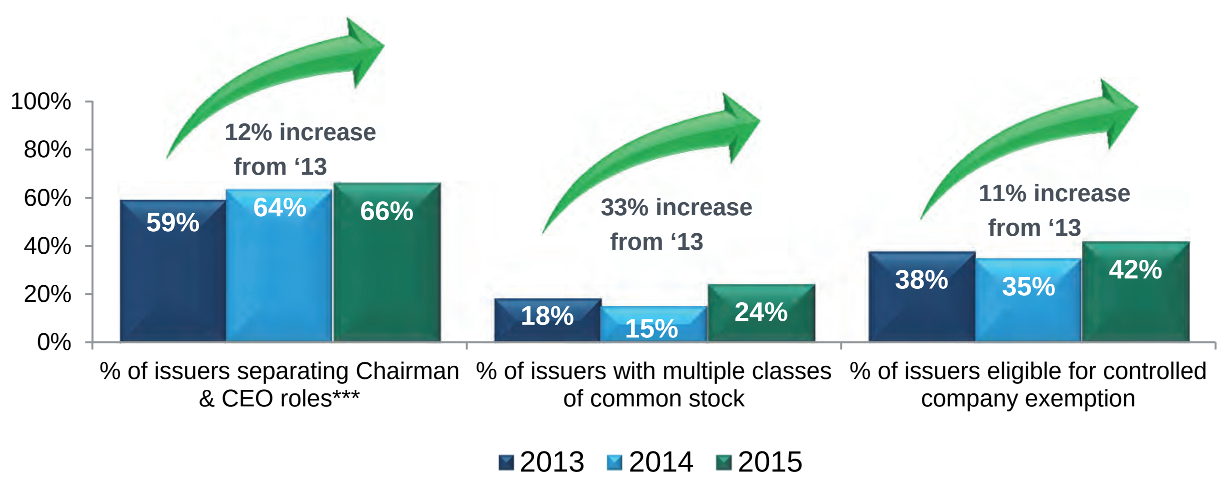
Anti-Takeover Measures*

» IPOs with anti-takeover measures remained consistent over the past three years.



Other Key Corporate Governance Items

» From 2013 to 2015, there was an increase in the percentage of issuers that separated Chairman & CEO roles, had multiple classes of common stock and were eligible for the controlled company exemption.

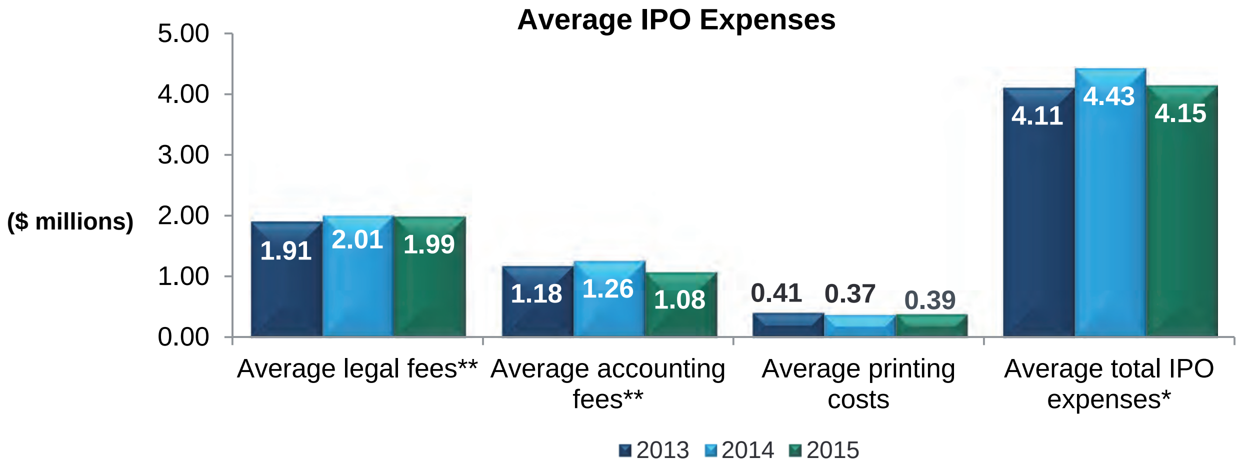


*Excludes non-U.S. incorporated issuers.
**Includes anti-takeover measures subject to trigger.
***Excludes one IPO in 2014 with insufficient information.

IPO Fees and Expenses

IPO Fees and Expenses*

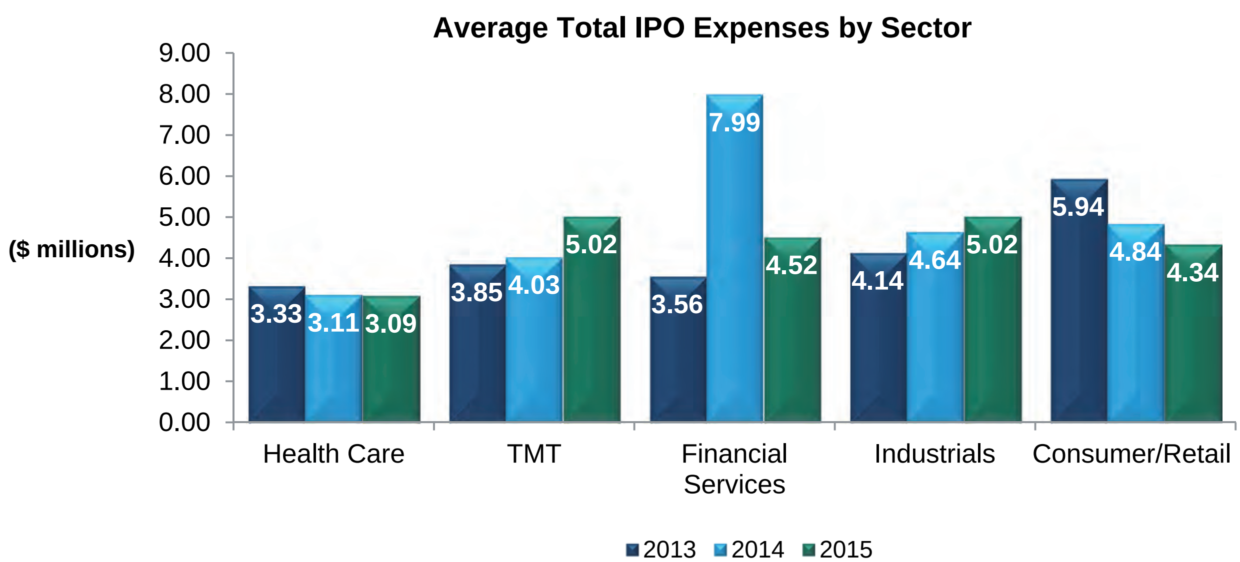
» Consistency in average total IPO expenses, excluding underwriting fees.



Median ($mm)	$1.50	$1.50	$1.60	0.89	$0.97	$0.88	$0.35	$0.30	$0.33	$3.37	$3.30	$3.53

Expenses as % of base deal	1.28%	1.35%	1.43%	0.82%	0.85%	0.83%	0.26%	0.26%	0.28%	2.73%	2.92%	2.98%

IPO Expenses by Sector*

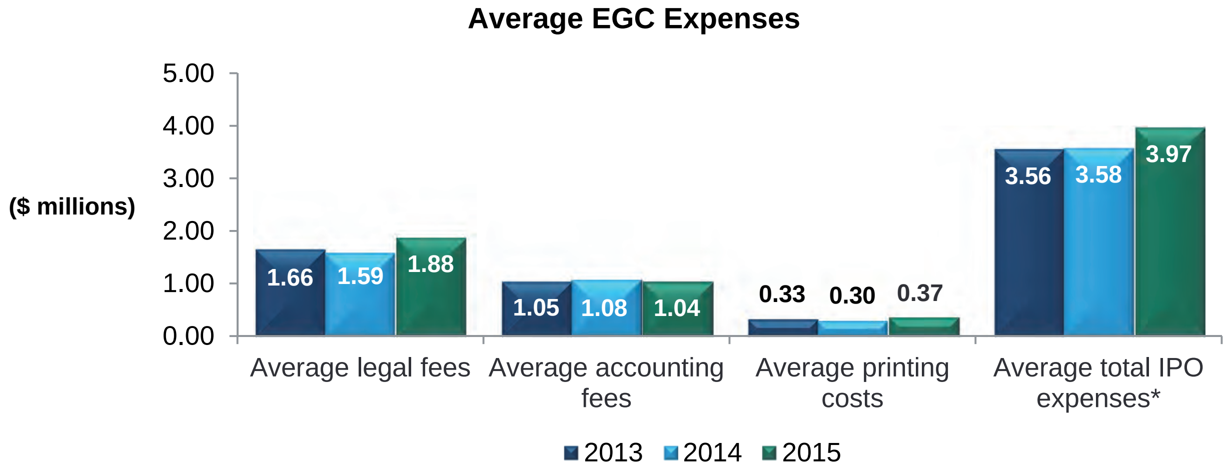


*Excludes underwriting fees.
**Excludes 1 IPO in 2014 with insufficient information.

IPO Fees and Expenses: EGCs vs. Non-EGCs

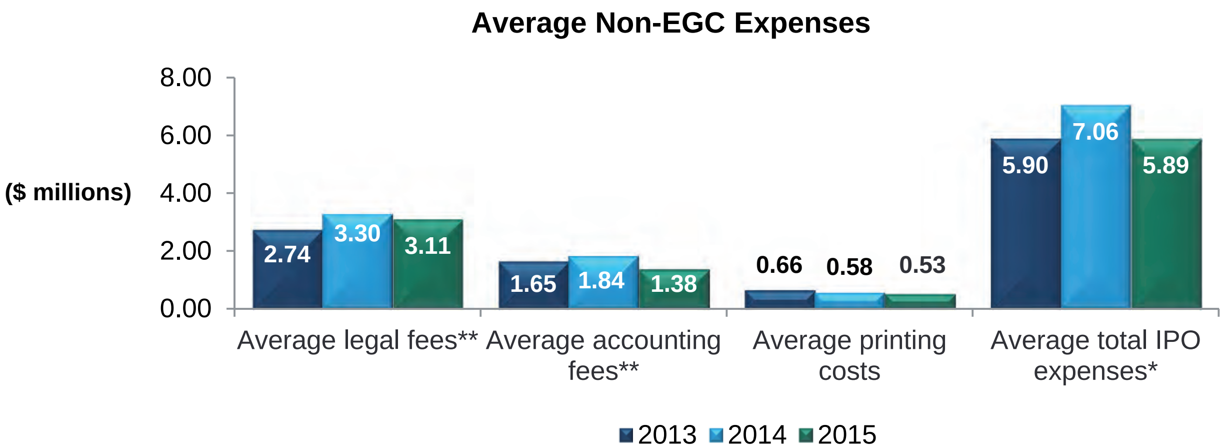
EGCs vs. Non-EGCs*

» From 2013 to 2015, expenses for non-EGCs continued to be meaningfully higher than those for EGCs.



Median ($mm)	$1.45	$1.44	$1.52	$0.80	$0.90	$0.90	$0.30	$0.28	$0.30	$3.20	$3.00	$3.47

Expenses as % of base deal	1.49%	1.55%	1.50%	0.94%	1.01%	0.89%	0.29%	0.30%	0.30%	3.16%	3.36%	3.15%



Median ($mm)	$2.55	$2.85	$3.00	$1.41	$1.28	$0.70	$0.50	$0.43	$0.55	$5.20	$6.06	$5.70

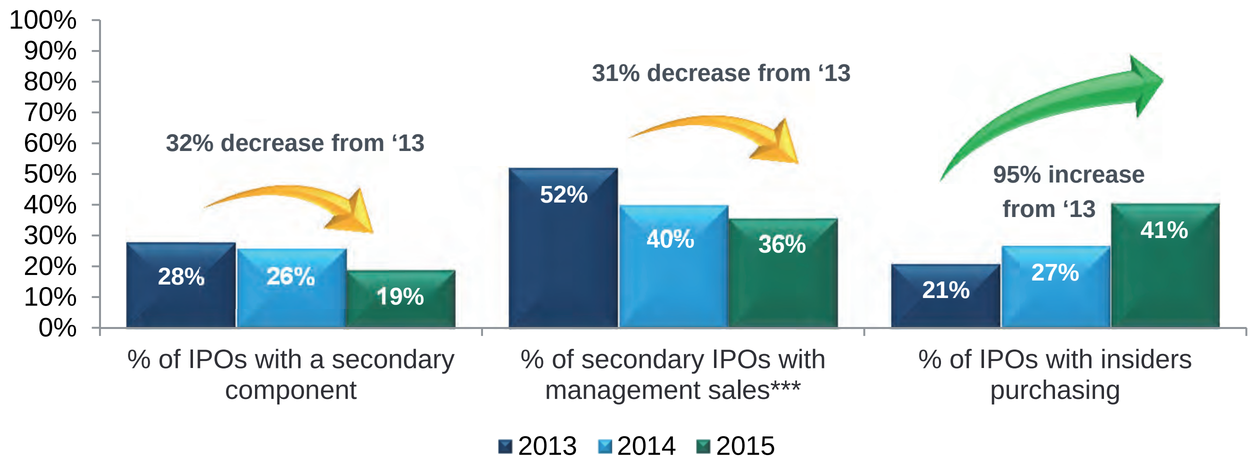
Expenses as % of base deal	0.62%	0.76%	0.67%	0.39%	0.32%	0.33%	0.15%	0.12%	0.11%	1.32%	1.53%	1.27%

*Excludes underwriting fees.
**Excludes 1 IPO in 2014 with insufficient information.

Deal Structure & DSPs

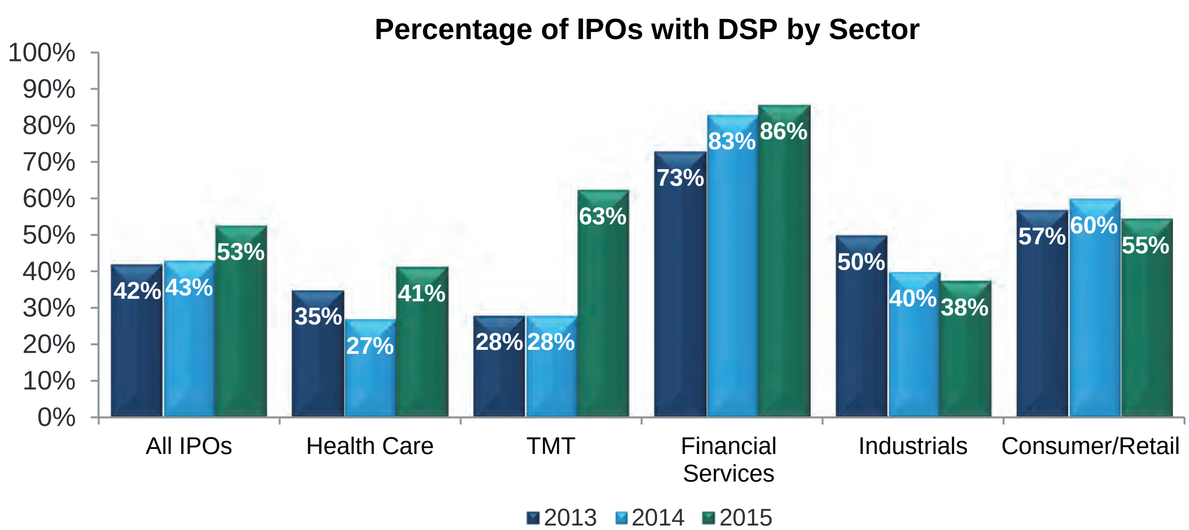
Deal Structure

- From 2013 to 2015, there was a decrease in the percentage of IPOs with a secondary component and in the percentage of IPOs with management selling in the base offering (among IPOs with a secondary component).
- From 2013 to 2015, there was an increase in the percentage of IPOs with insiders purchasing.**



Directed Share Programs (DSPs)

- There was a significant increase in the percentage of IPOs in the TMT sector with DSPs.
- Financial services has led all other sectors in the percentage of IPOs with a DSP in each of the last three years of our study.



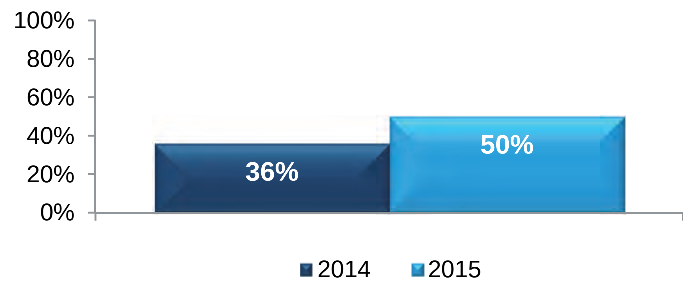
*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (6 in 2013, 4 in 2014 and 2 in 2015).
**Does not include purchases through a DSP.
*** Excludes 2 IPOs in 2014 with insufficient information.

Lock-Ups & Carve-Outs

Lock-Ups

- Our three year analysis showed a slight decrease in the average percentage of pre-IPO shares locked up from 99% in 2013 to 96.9% in 2015.*
- From 2014 to 2015, an increasing percentage of issuers had not quantified the number of shares locked up in the IPO prospectus.

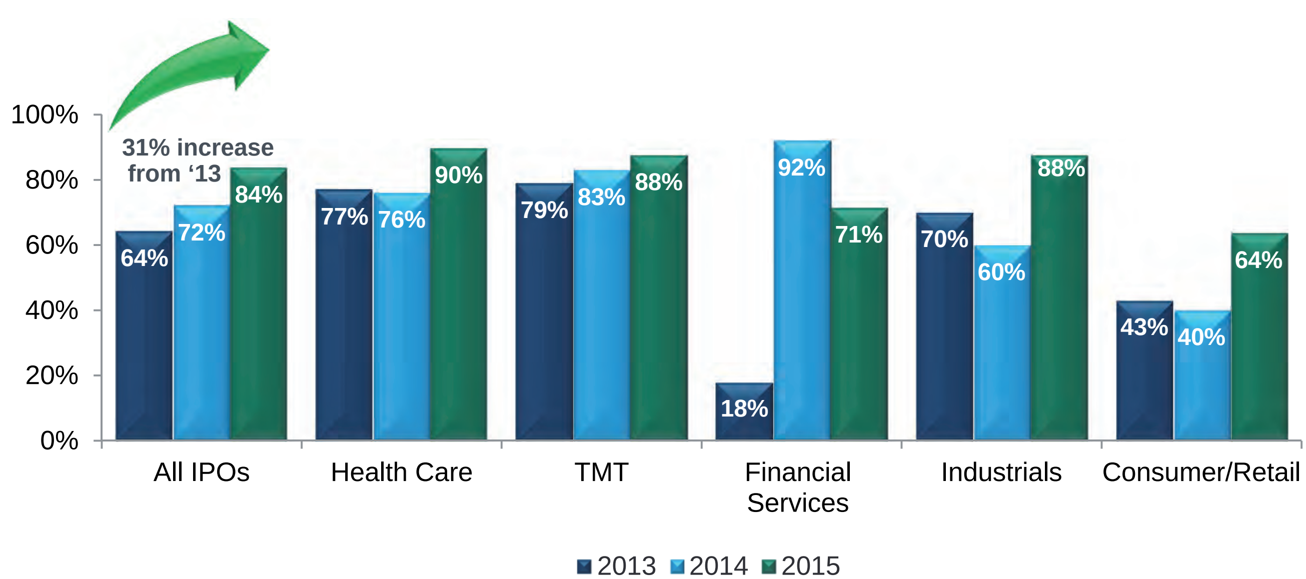
Percentage of IPOs Disclosing "Substantially All" Shares Locked Up



Issuer Carve-out for Acquisitions/JVs

- From 2013 to 2015, there has been an increase in the issuer carve-out for acquisitions/JVs in all sectors.

Percentage of IPOs with Issuer Lock-Up Carve-out for Acquisitions/JVs by Sector



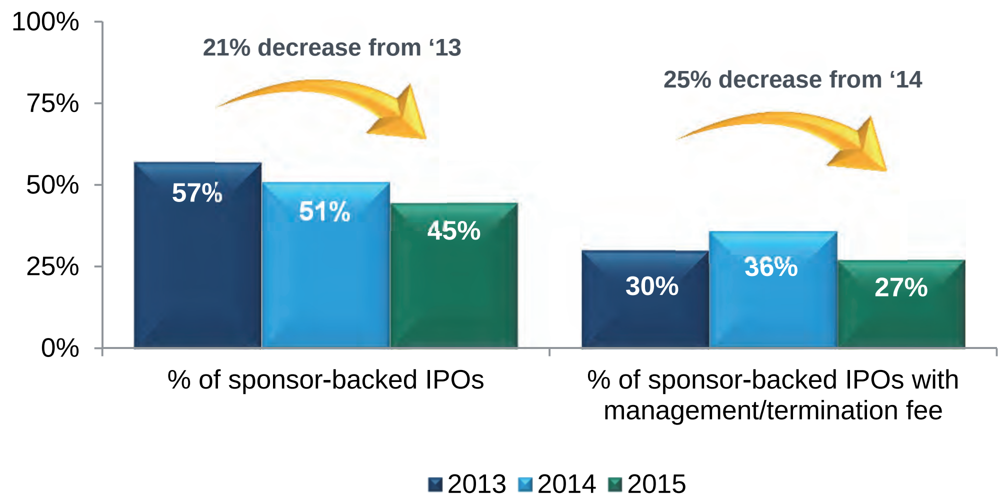
*Based on 88 IPOs in 2013, 52 IPOs in 2014 and 36 IPOs in 2015 that disclosed percentage or number of shares locked up. Excludes IPOs indicating that "substantially all" pre-IPO shares were locked up, and 1 outlier in 2014.

Sponsor-Backed IPOs

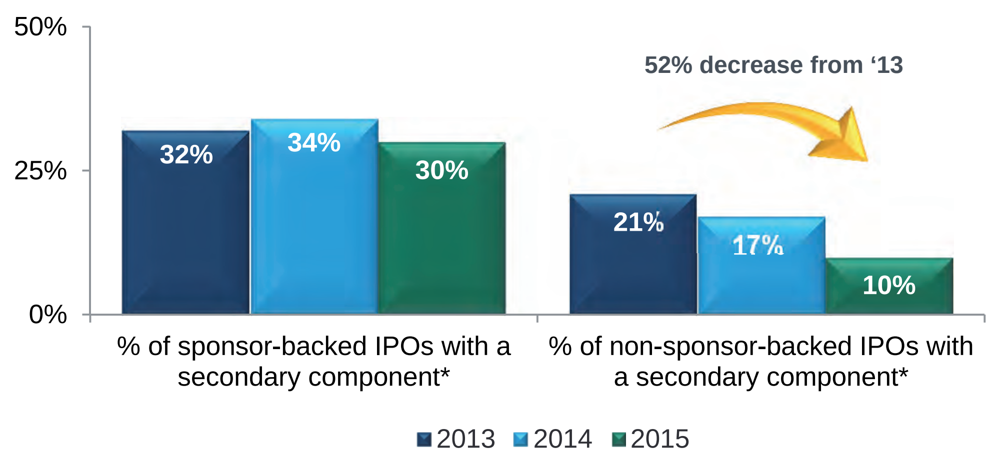
Sponsor-Backed IPOs

» Key takeaways:

- From 2013 to 2015, there was a decrease in percentage of sponsor-backed IPOs.
- From 2014 to 2015, there was a decrease in the percentage of sponsor-backed IPOs with management/termination fees paid to the sponsor group in connection with the IPO.



- Sponsor-backed IPOs consistently included a secondary component more than non-sponsor-backed IPOs and the gap is widening.



*IPOs with a secondary component only in the over-allotment option are not counted as having a secondary component (2015: two in sponsor-backed; none in non-sponsor-backed).

Sponsor-Backed IPOs

Key Comparisons

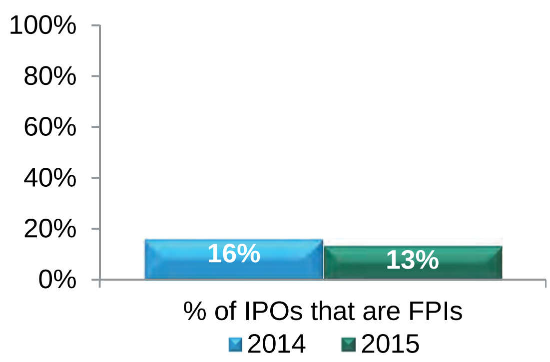
	Sponsor-Backed			Non-Sponsor-Backed		
	2013	2014	2015	2013	2014	2015
Percentage of IPOs	57%	51%	45%	43%	49%	55%
Average market capitalization at pricing	$1.55bn	$1.89bn	$1.72bn	$1.28bn	$1.30bn	$851mm
Average number of directors	8	8	7	7	7	7
Average number of independent directors	5	4	4	5	5	5
Percentage of IPOs with majority independent Boards	59%	52%	55%	81%	86%	78%
Average number of total first round SEC comments*	43	39	35	41	36	26
Average number of days from first submission/filing to pricing date**	137	116	188	133	132	123
Average total IPO expenses (excluding underwriting fees)	$4.46mm	$4.63mm	$4.89mm	$3.64mm	$4.22mm	$3.56mm

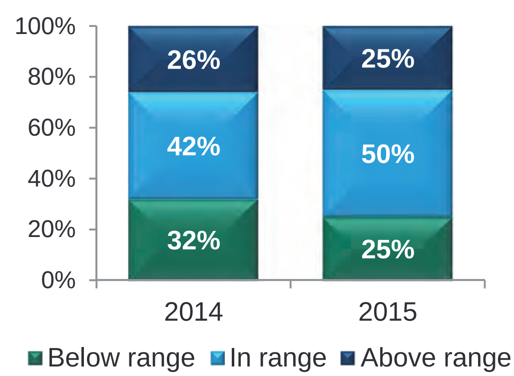
*Excludes prior SEC-reviewed issuers and issuers for which SEC comment letters were not yet publicly available (one in 2013, one in 2014 and two in 2015).
**Excludes prior SEC-reviewed issuers and also excludes an additional four IPOs in 2013 and one in 2015 with time from first submission/filing to pricing of greater than 18 months.

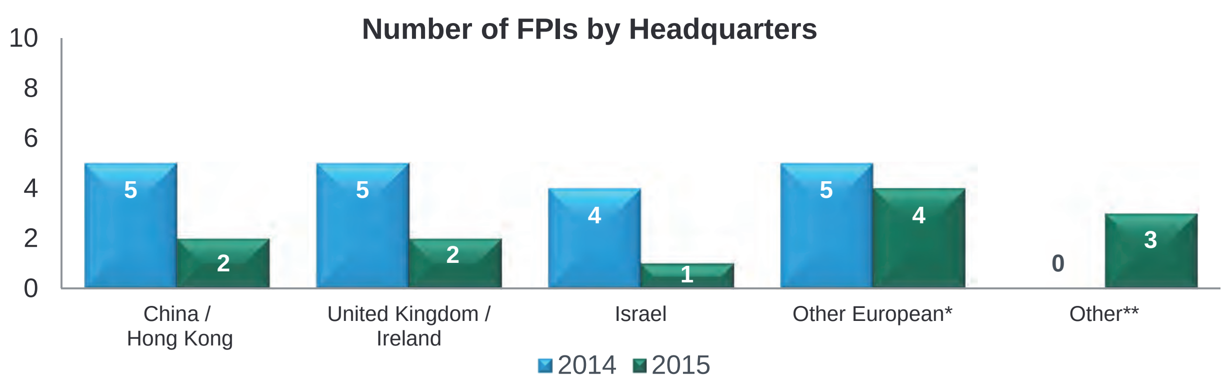
FPIs Year-Over-Year

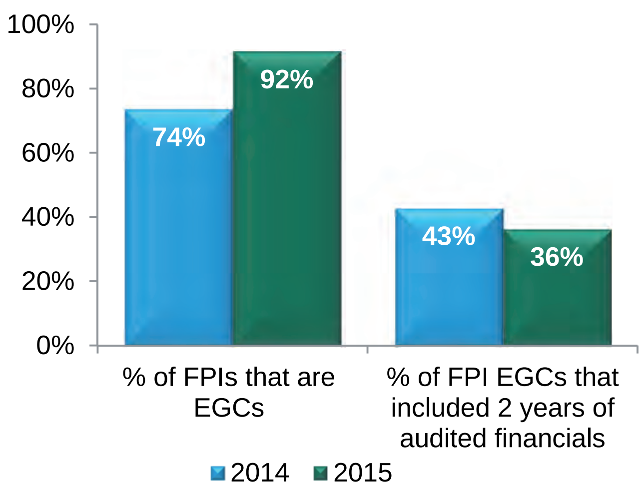
Overview

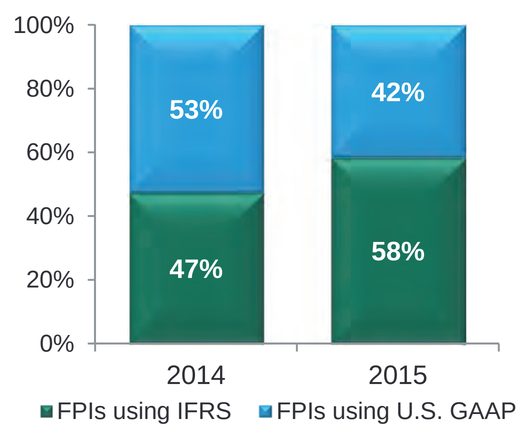
- We did not examine FPIs in 2013. In our FPIs year-over-year analysis, we examined 31 IPOs (12 in 2015 and 19 in 2014).
- There is a separate FPI appendix at the end of the study.









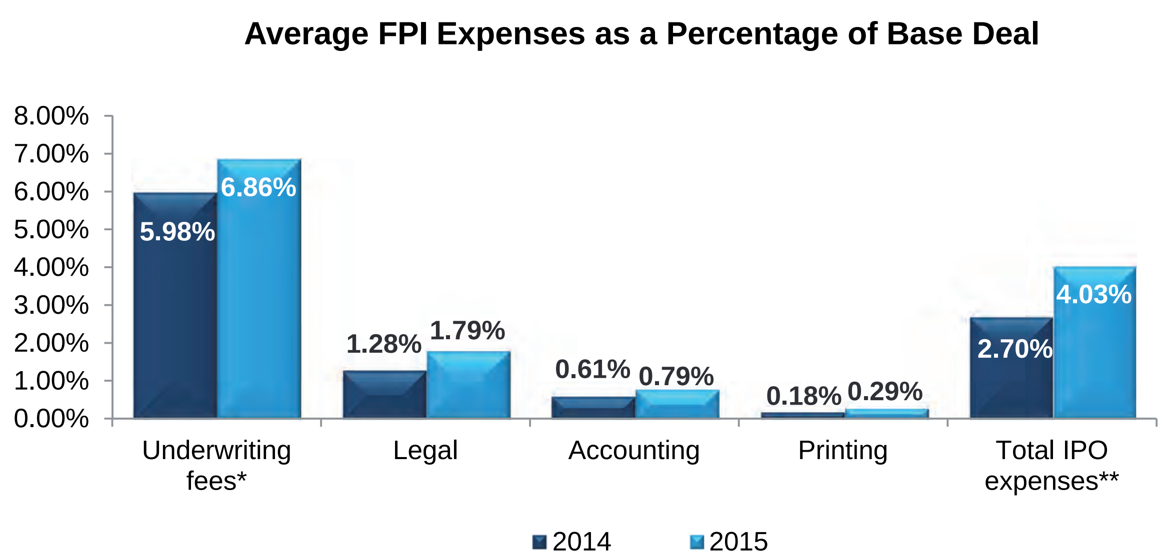


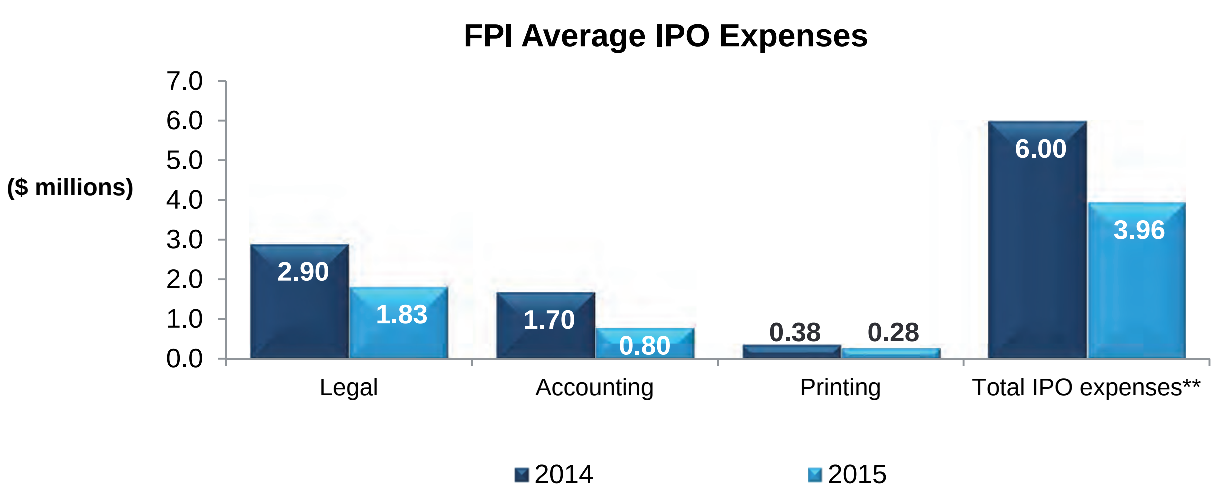
*Other European includes: 2014 – Belgium, Germany, Monaco, Norway and Spain. 2015 – Austria, Denmark, France and Italy.
**Other includes: 2015 – Australia and Canada.

FPIs Year-Over-Year

Expenses

» IPO expenses for FPIs decreased from 2014 to 2015, but because FPI deals tended to be smaller this year, they were up as a percentage of base deal.





*Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
**Total IPO expenses excludes underwriting fees.

Health Care

Health Care Executive Summary

Proskauer IPO Database
2015: 33 IPOs (37% of 2015)
2014: 37 IPOs (31% of 2014)
2013: 31 IPOs (31% of 2013)
Total: 101 Health Care IPOs

Health care was the largest sector by deal count for the third year in a row. Of health care IPOs priced in 2015, 27 (82%) were by biotech or biopharm companies, 5 (15%) were by medical devices or diagnostics companies and 1 (3%) was by a hospital/clinical services company. Since 2013, our study has examined a total of 101 health care IPOs.

Fewer SEC Comments and Shortest Time to Pricing – In 2015, health care IPOs received fewer first-round comments compared to the average IPO in our overall study (24 vs. 31). This continues a trend of a decreasing number of comments, down from 30 in 2014 and 36 in 2013. Health care issuers were more likely to receive a cheap stock comment than issuers in any other sector (73%, compared to 51% across all sectors), likely because biotech and biopharm companies more often use equity as pre-IPO compensation. Health care issuers are also comparatively less likely to receive revenue recognition (33%, compared to 52% across all issuers) or segment reporting (3%, compared to 25% across all issuers) comments, both of which can lead to delays in the SEC process. Comments in these areas would not be applicable to pre-revenue issuers. These patterns of SEC comments may partially explain the shorter time to pricing in this sector – in 2015, health care IPOs took an average of 118 days (118 days in 2014) from the first confidential submission (if an EGC) or initial filing (if a non-EGC) to IPO pricing, compared to an average of 147 days (127 days in 2014) overall for all IPOs.*

No Secondary Sales** – No health care IPO in our study had a secondary component, compared to 19% in our overall study. The difference may principally be due to the smaller average size of biotech/biopharm IPOs and their overall need for cash. This was a decrease from 2013 (when 10% of health care IPOs had a secondary component) and 2014 (6%).

Scaled Financials – Taking advantage of the reduced financial reporting accommodations offered to EGCs, 87% of the health care IPOs in our study included two years of audited financials, compared to 65% of EGCs in our overall study, and 81% included two years of selected financials, compared to 48% of EGCs in our overall study. Biotech/biopharm issuers were even more likely to limit themselves to two years of financials, with 96% including two years of audited financials and 92% including two years of selected financials.***

Testing, Testing – All health care issuers in our 2015 study were EGCs, compared to 88% in 2014 and 94% in 2013, and compared to 91% across all sectors in 2015. We have testing-the-waters communications data for 27 of the 33 (82%) health care issuers and 18 of the 27 (67%) reported to the SEC that they engaged in testing-the-waters communications, compared to 38% of the issuers for which we have data across all sectors. Of these 18 health care issuers, 17 were biotech/biopharm issuers. Since many health care issuers are pre-revenue or pre-net income, these issuers often benefit from feedback from potential investors prior to marketing their transaction.

Insider Participation – Nearly two in three (64%) health care issuers, and nearly three in four (74%) biotech and biopharm issuers, disclosed insiders purchasing in the IPO, compared to 36% in our overall study. On average, purchases by these insiders comprised 26% of the gross proceeds of health care IPOs, compared to 21% of the gross proceeds across all sectors. Health care issuers with insiders purchasing performed slightly better in the aftermarket than IPOs without insiders purchasing overall, and better than IPOs with insiders purchasing in any other sector.

Financial Statement Issues (Usually) Are Not an Issue – About one in three health care IPOs (36%) in our study had a going-concern qualification (compared to 18% for all IPOs), about one in three (36%) disclosed a material weakness (similar to 33% for all IPOs), and 3 (9%) had restated financials (compared to 7% for all IPOs). Almost all health care issuers disclosing a material weakness or restating financials priced at or above the range, compared to 67% of all IPOs, but 50% of the health care IPOs with a going concern qualification priced below the range. Fourteen of the health care issuers (42%), including 52% of biotech/biopharm issuers, were pre-revenue, compared to just 16% across all issuers. Revenue-generating health care issuers were more likely to price in or above the range, but pre-revenue health care issuers outperformed revenue generating issuers in the aftermarket.

*Excludes prior SEC-reviewed issuers (two in health care, five overall) and an additional IPO with confidential submission to pricing greater than 18 months in overall.
**In the base offering. There was one health care IPO in 2015 with selling stockholders in the shoe.
***Excludes two IPOs that provided financials since inception (i.e., the period of time since inception of the company, which may be less than two years).

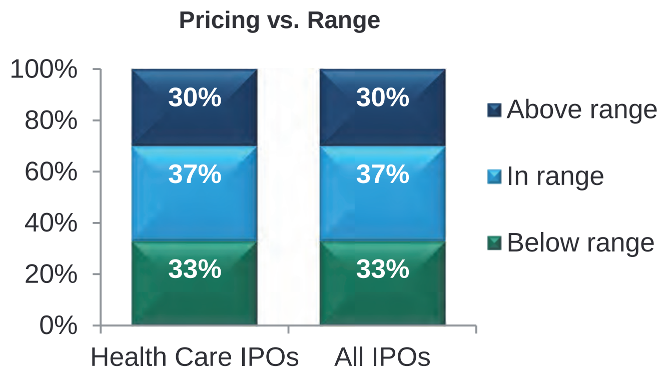
Health Care Market Analysis

Overview

- We analyzed 33 health care IPOs in 2015:
  - 27 (82%) biotech/biopharm.
  - 5 (15%) medical devices/diagnostics.
  - 1 (3%) hospitals/clinics.
- 4 of 33 (12%) were FPIs, with headquarters in Austria, Denmark, France and United Kingdom.
- The U.S. health care issuers were headquartered in 12 states, with the most in California (9 of 29 (31%)) and Massachusetts (6 of 29 (21%)).

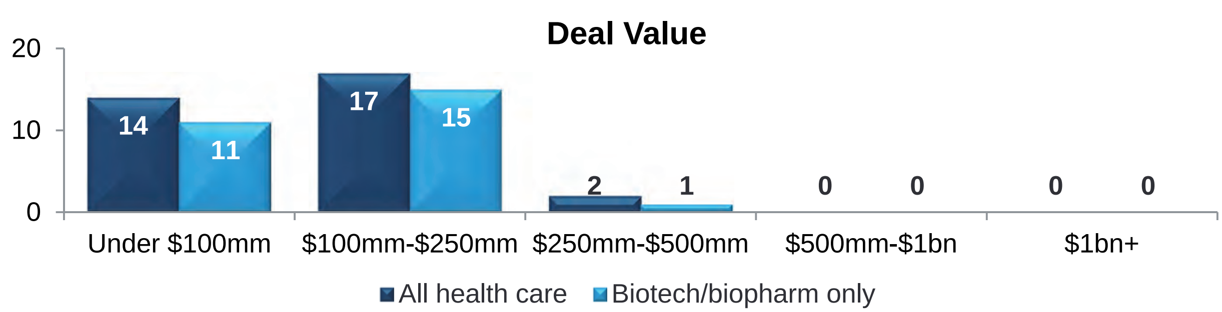
Deal Execution

- 11 of 33 (33%) health care IPOs priced below the range, the same as our overall study.

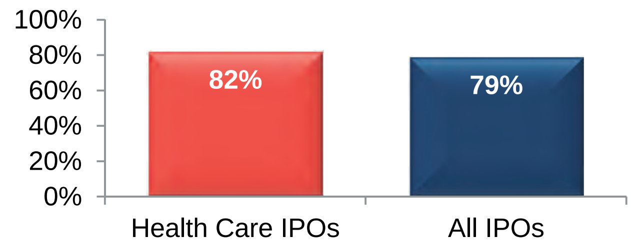


Deal Value & Over-Allotment*

- Virtually all health care IPOs were below $250 million.



- The over-allotment option was partially or fully exercised in 27 of 33 (82%) health care IPOs, compared to 79% in our overall study.

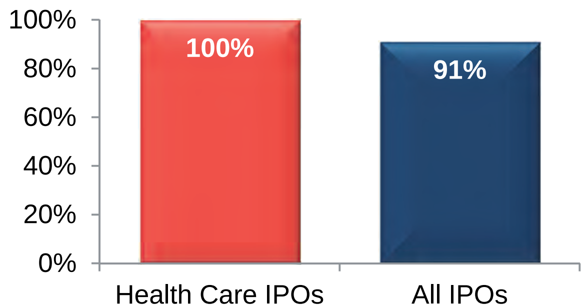


*Deal value includes exercise of the over-allotment option where applicable.

Confidential Submission & Testing-the-Waters

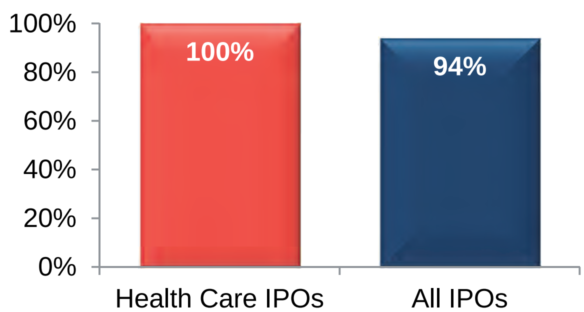
Overview

» All 33 health care IPOs were EGCs, compared to 91% in our overall study.



Confidential Submission

» All 33 health care IPOs elected confidential submission, compared to 94% of EGCs in our overall study.



Testing-the-Waters

» We have testing-the-waters data on 27 of 33 (82%) health care IPOs.*
  - 18 of these 27 (67%) health care IPOs reported that they conducted testing-the-waters.
    - 17 of these 18 (94%) were biotech/biopharm.

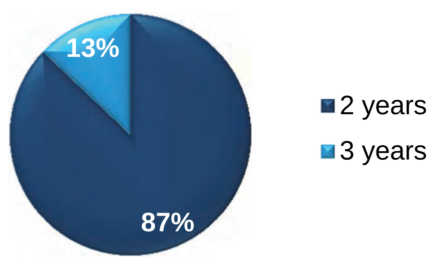
*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Financials

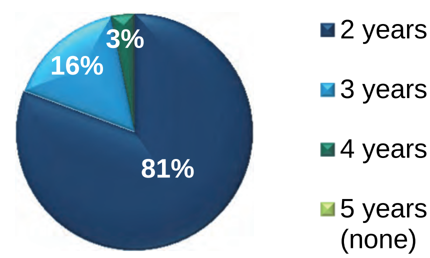
Years of Financials: All Health Care IPOs*

» 87% of health care IPOs (all EGCs) included two years of audited financials (compared to 65% of EGCs in our overall study) and 81% included two years of selected financials (compared to 48% of EGCs in our overall study).

Years of Audited Financials



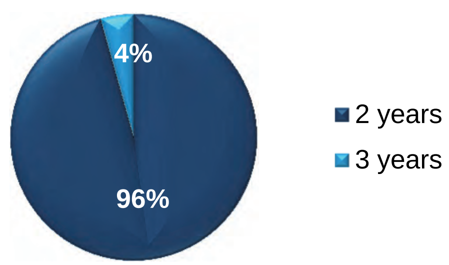
Years of Selected Financials



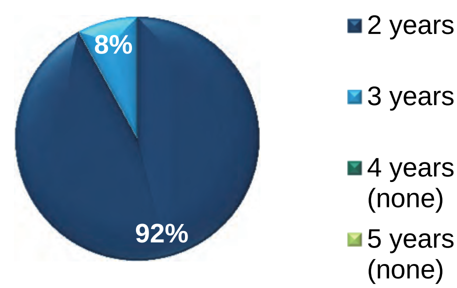
Years of Financials: Biotech/Biopharm IPOs*

» 96% of biotech/biopharm IPOs included two years of audited financials and 92% included two years of selected financials.

Years of Audited Financials



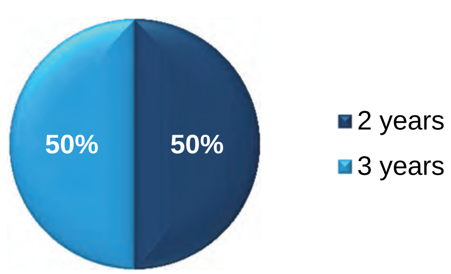
Years of Selected Financials



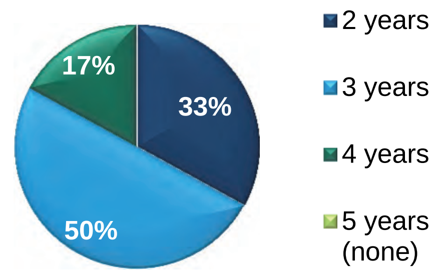
Years of Financials: Non-Biotech/Biopharm Health Care IPOs

» 50% of non-biotech/biopharm health care IPOs included two years of audited financials and 33% included two years of selected financials.

Years of Audited Financials



Years of Selected Financials



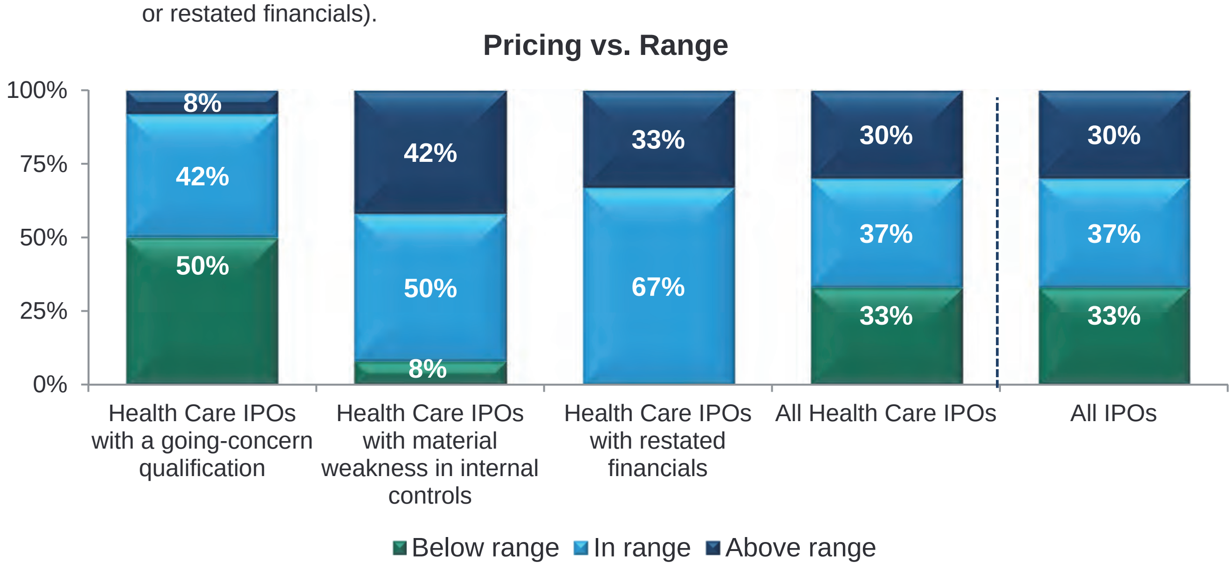
*Excludes two IPOs that provided financials since inception (i.e., the period of time since inception of the company, which may be less than two years).

Accounting/Internal Controls & Flash Results

Accounting/Internal Controls: All Health Care IPOs

» Of the 33 health care IPOs:

- 12 (36%) had a going-concern qualification.
- 12 (36%) disclosed a material weakness in internal control over financial reporting.
- 3 (9%) had restated financials.
- 21 of 33 (64%) health care IPOs had at least one of the issues above (going-concern, material weakness or restated financials).



Accounting/Internal Controls: Biotech/Biopharm IPOs

» Of the 27 biotech/biopharm IPOs:

- 10 (37%) had a going-concern qualification.
- 10 (37%) disclosed a material weakness in internal control over financial reporting.
- 3 (11%) had restated financials.
- 18 of 27 (67%) biotech/biopharm IPOs had at least one of the issues above (going-concern, material weakness or restated financials).

Flash Results

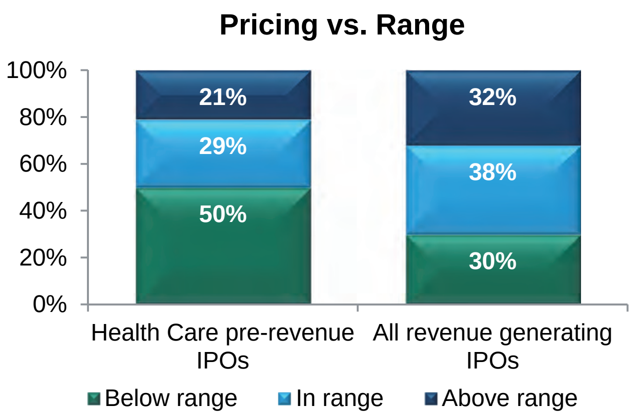
» 17 of 33 (52%) health care IPOs priced within 45 days of the end of the first, second or third quarter.

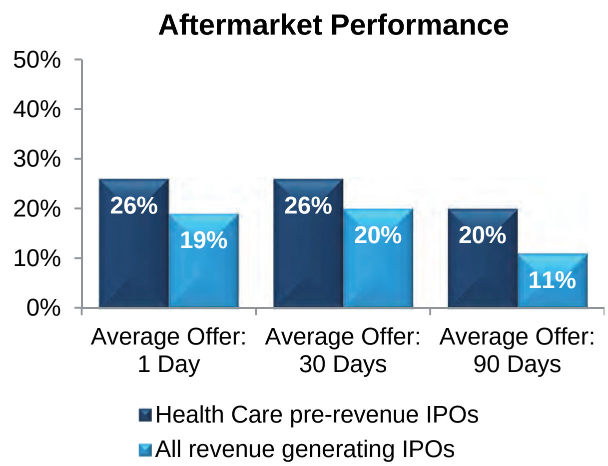
- 1 of these 17 (6%) health care IPOs showed flash results. Flash results may be less meaningful for health care IPOs due to a high percentage of pre-revenue issuers.

Revenue, Net Income & EBITDA/Adjusted EBITDA

Revenue

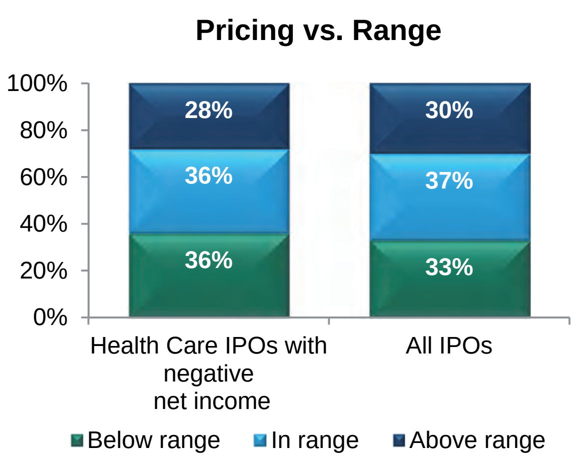
- 14 of 33 (42%) health care IPOs were pre-revenue, compared to 16% in our overall study.
- 14 of 27 (52%) biotech/biopharm IPOs were pre-revenue, and 23 of 27 (85%) had no product sales as of the pricing date.
- These 14 represent all the pre-revenue IPOs in our study.

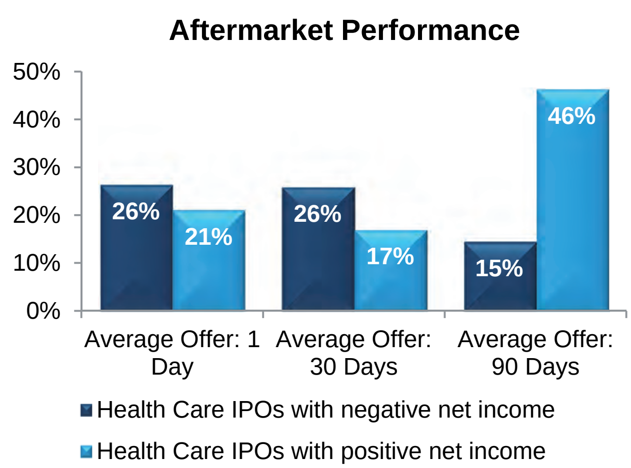




Net Income

- 31 of 33 (94%) health care IPOs had negative net income, compared to 64% in our overall study.
  - 26 of 27 (96%) biotech/biopharm IPOs had negative net income.





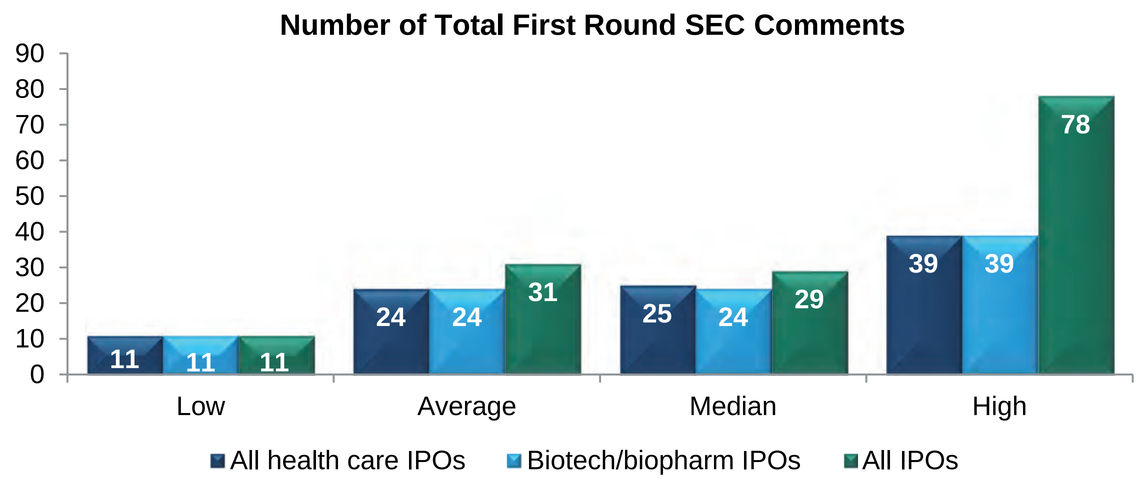
EBITDA/Adjusted EBITDA

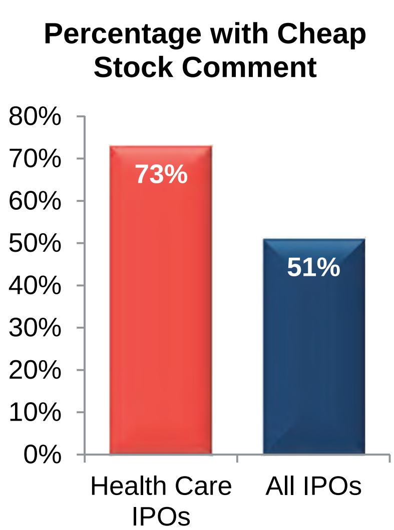
- 4 of 33 (12%) health care IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.

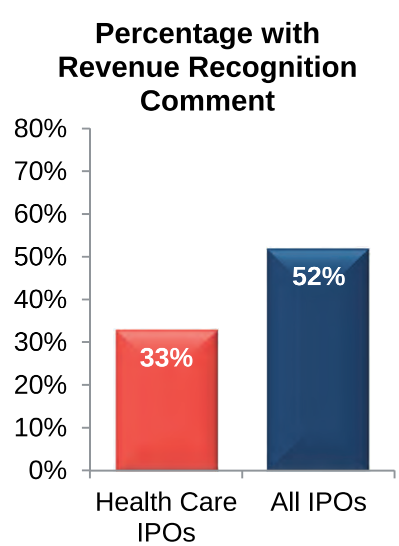
SEC Comments

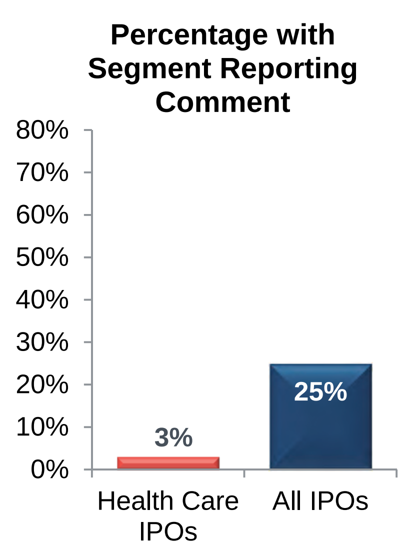
Total First Round SEC Comments*

- On average, the total number of first round SEC comments for health care IPOs was lower than in our overall study.
- 22 of 30 (73%) had cheap stock comments, compared to 51% in our overall study.
- Segment reporting and revenue recognition were less common than in the overall study.







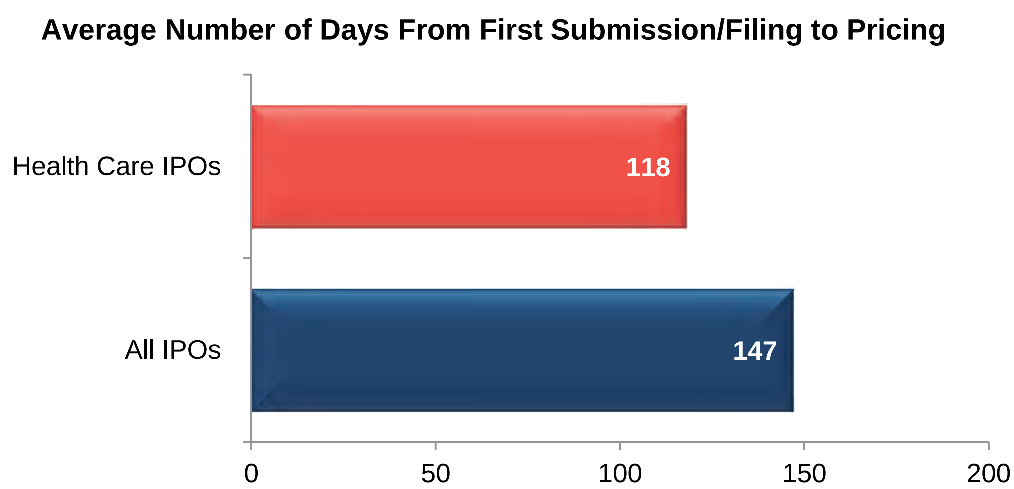


*Excludes prior SEC-reviewed issuers (two in healthcare, five overall) and one issuer for which SEC comment letters were not yet publicly available in health care and two in overall.

Timing

Timing*

- The time period from first submission/filing to pricing for health care IPOs was shorter than the overall average.



- The 118 days in 2015 for health care IPOs was the same as the 118 days in 2014.

*Excludes prior SEC-reviewed issuers (two in health care, five overall) and an additional IPO with confidential submission to pricing greater than 18 months in overall.

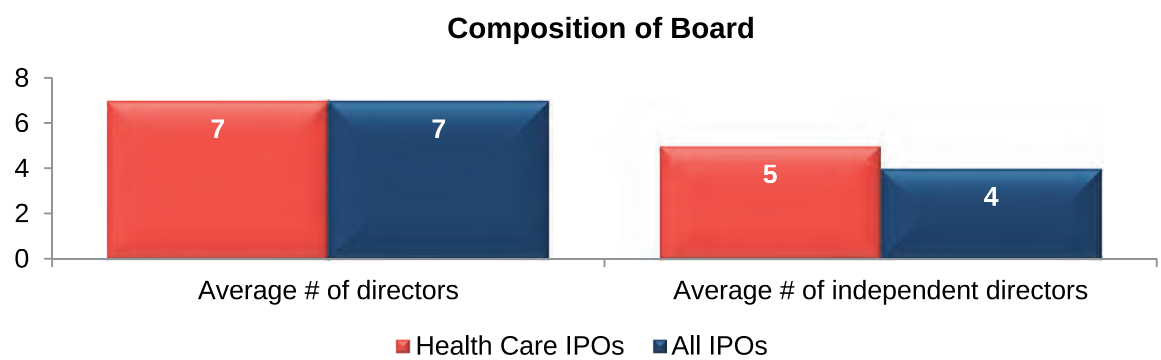
Corporate Governance: Key Items

Controlled Company Exemption*

- 6 of 29 (21%) health care issuers were eligible for the controlled company exemption, compared to 42% in our overall study.
  - 5 of 6 (83%) elected to take advantage of the exemption.

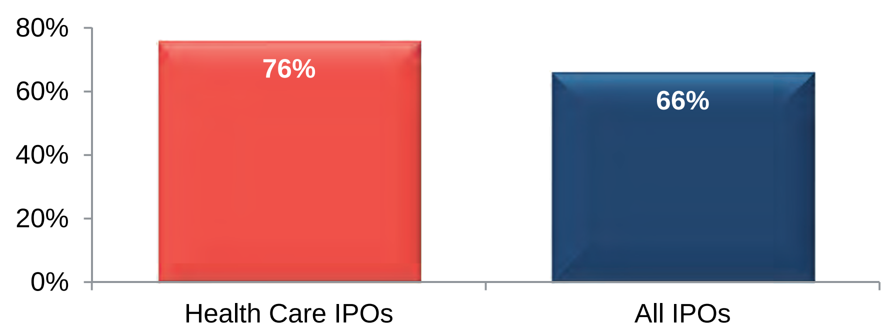
Director Independence*

- 23 of 29 (79%) health care issuers had a majority of independent directors on their boards, compared to 68% in our overall study.
  - On average, these 23 had 76% independent boards.
  - On average, the remaining 6 issuers had 44% independent boards. 4 of these 6 were controlled companies, and the other two took advantage of phase-in rules.



Separation of Chairman & CEO Roles*

- 22 of 29 (76%) health care issuers separated their Chairman and CEO roles, compared to 66% in our overall study.



Classes of Common Stock*

- 1 of 29 (3%) health care issuers had multiple classes of common stock, compared to 24% in our overall study.

*Excludes FPIs (subject to home jurisdiction governance rules).

IPO Fees and Expenses

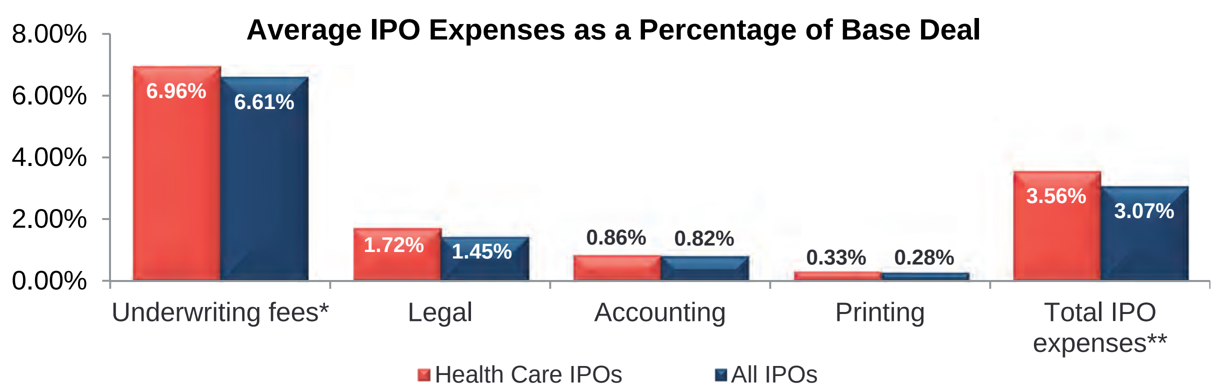
IPO Fees and Expenses

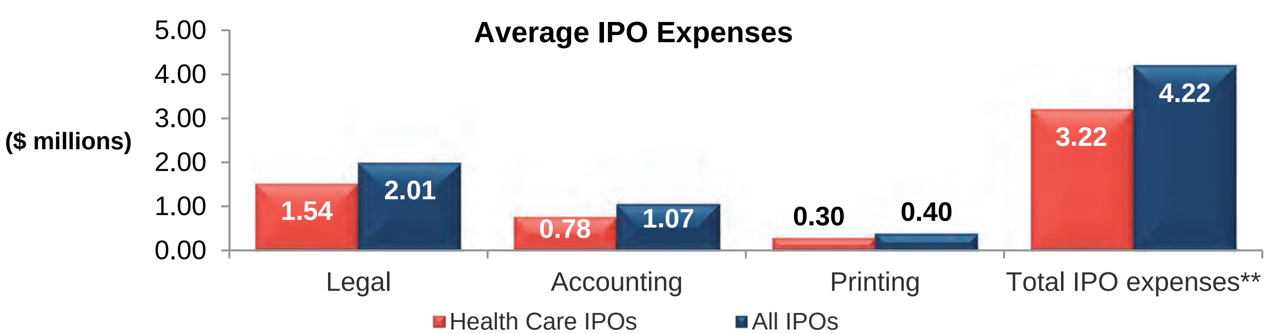
» Underwriting fees and total other IPO expenses (excluding underwriting fees) for health care IPOs are summarized below:

Fee Category	Low	Average	Median	High
Underwriting Fees*	$2,796,500	$7,742,347	$7,128,800	$22,050,000
Total IPO Expenses**	$2,000,000	$3,219,761	$3,000,000	$6,300,000

» Legal fees, accounting fees and printing costs for health care IPOs are summarized below:

Fee Category	Low	Average	Median	High
Legal	$525,000	$1,537,604	$1,500,000	$2,760,000
Accounting	$217,500	$780,261	$690,000	$2,000,000
Printing	$85,000	$304,583	$300,000	$700,000



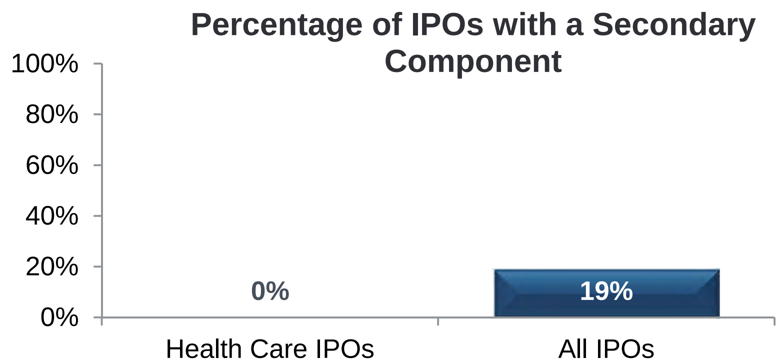


*Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
**Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component, Management Sales & DSPs

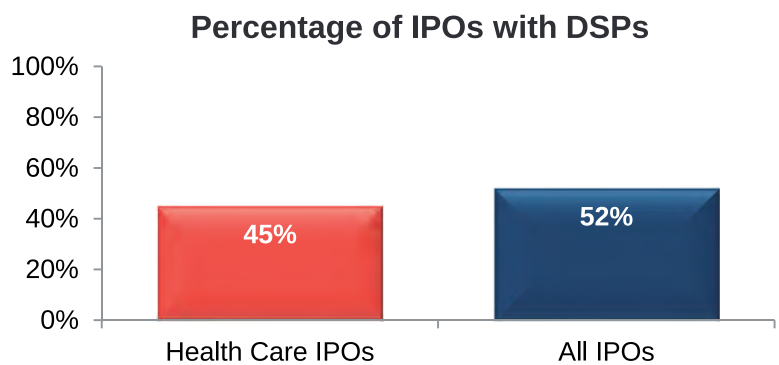
Secondary Component*

» No health care IPOs had a secondary component, compared to 19% in our overall study.



Directed Share Programs (DSPs)

» 15 of 33 (45%) health care IPOs included DSPs, compared to 52% in our overall study.

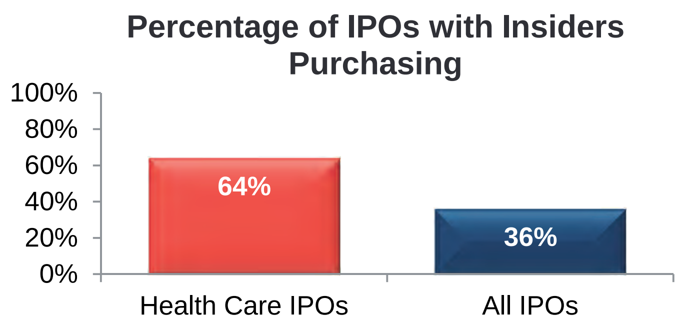


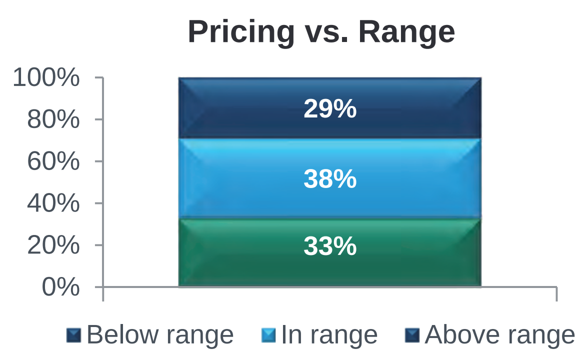
*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component. (one in health care; three IPOs in overall study).

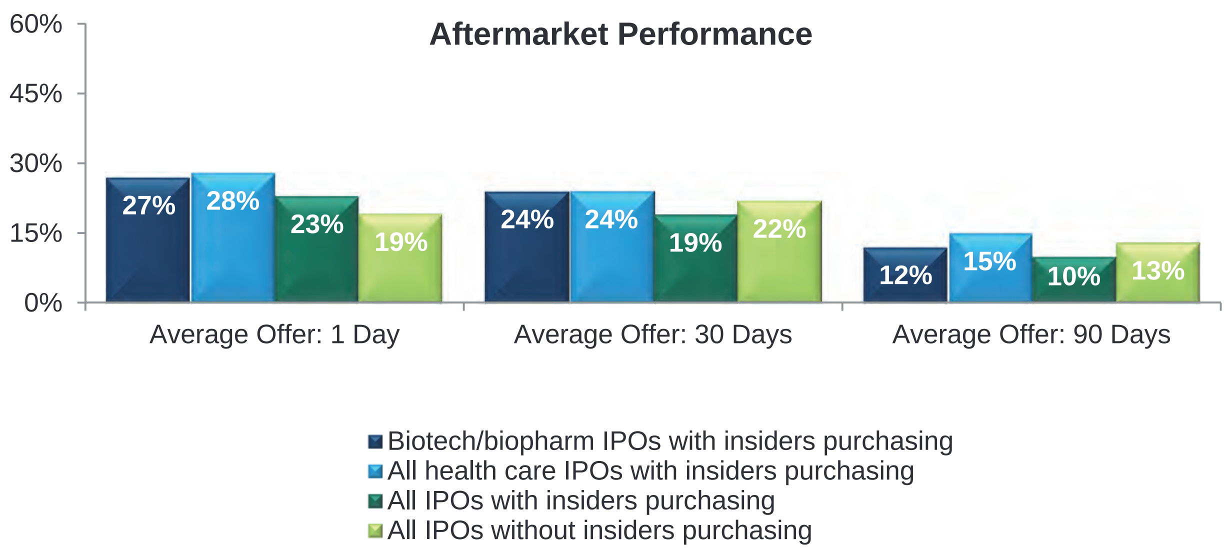
Deal Structure: Insiders Purchasing

Insiders Purchasing in IPO*

- 21 of 33 (64%) health care issuers disclosed insiders purchasing in the IPO, compared to 36% in our overall study.
  - 20 of 27 (74%) biotech/biopharm issuers disclosed insiders purchasing in the IPO.
- In these 21 IPOs, insiders comprised an average of 26% of the shares sold in the IPO, compared to an average of 21% overall.





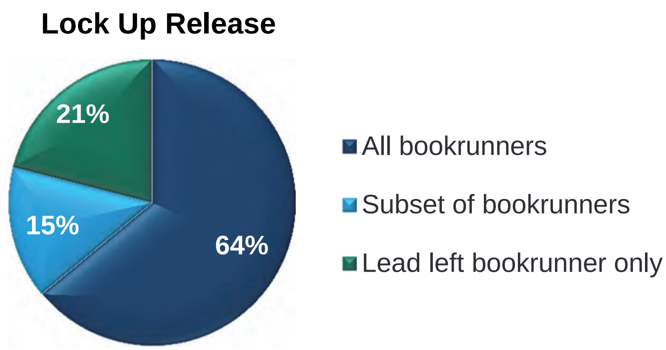


*Does not include purchases through a DSP.

Lock-Ups & Carve-Outs

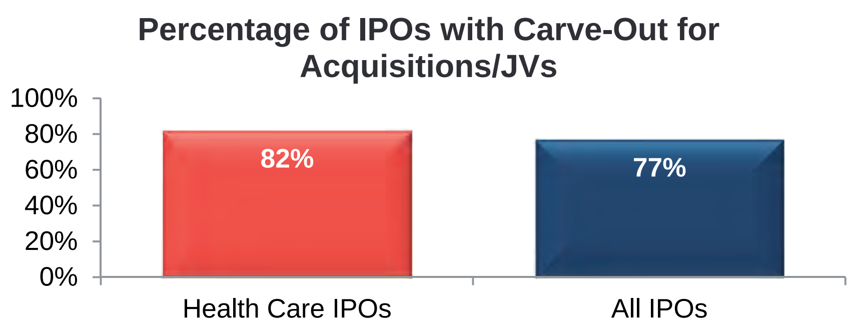
Lock-Ups

- In health care IPOs, on average, 98.9% of pre-IPO shares were locked up*, compared to 97.6% in our overall study.
- 21 of 33 (64%) health care IPOs required all bookrunners to release the lock-up, 5 of 33 (15%) required a subset of bookrunners and 7 of 33 (21%) required only the lead left bookrunner.

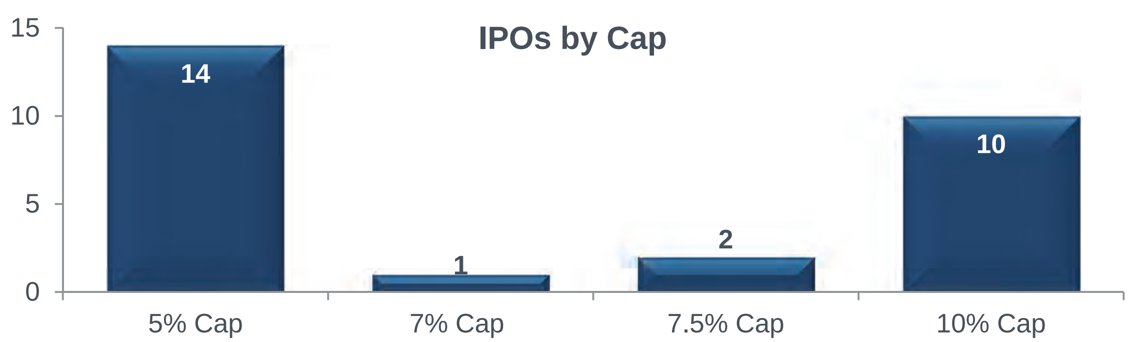


Carve-Outs

- 27 of 33 (82%) health care IPOs included a carve-out in the issuer lock-up for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 77% in our overall study.



- Of the 27 health care IPOs with acquisition/JV carve-outs, all included a cap, reflected as a percentage of shares outstanding, on the number of shares that could be issued:



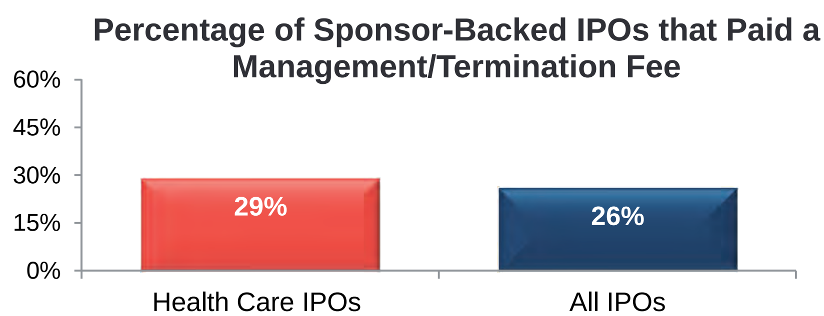
*Based on 17 health care IPOs that disclosed percentage or number of shares locked up.

Sponsor-Backed IPOs

Sponsor-Backed and Management/Termination Fees

» 7 of 33 (21%) health care IPOs were sponsor-backed, compared to 43% in our overall study.

- 2 of these 7 (29%) IPOs paid management or termination fees to the sponsor group in connection with the IPO, compared to 26% in our overall study.
- The management/termination fees was $5.4 million for one issuer and $6.5 million for the other.



» The average length of sponsor investment was 5.2 years, the lowest was 1.7 years and highest was 7.5 years.

Key Comparisons

	Sponsor-Backed	Non-Sponsor-Backed
Percentage of health care IPOs	21%	79%
Average market capitalization at pricing	$375mm	$585mm
Average number of directors*	6	7
Average number of independent directors*	4	5
Average number of total first round SEC comments**	30	23
Average number of days from first submission/filing to pricing date***	172	108
Average total IPO expenses (excluding underwriting fees)	$4.10mm	$2.98mm

*Excludes FPIs (subject to home jurisdiction governance rules).
**Excludes two prior SEC-reviewed issuer and one issuer for which SEC comment letters were not yet publicly available.
***Excludes two prior SEC-reviewed issuer.

Technology, Media & Telecommunications

TMT Executive Summary

Proskauer IPO Database
2015: 20 IPOs (22% of 2015)
2014: 25 IPOs (21% of 2014)
2013: 29 IPOs (29% of 2013)
Total: 74 TMT IPOs

Mix of Business and Consumer – Nearly two in three 2015 TMT IPOs (65%) involved business-to-business software and technology companies, including cloud-based technologies, health care technology, cybersecurity and fiber optics. The remaining 7 of 20 (35%) were consumer-facing companies, and included well-known names such as Etsy (arts and crafts), Fitbit (fitness), GoDaddy.com (website design), Match Group (online dating) and MINDBODY (sports and leisure).

SEC Comments Emphasize Revenue Recognition and Segment Reporting – TMT issuers were twice as likely to get a revenue recognition comment than issuers in any other sector: 95% of TMT issuers received comments in this area, compared to 52% in all other sectors. Commonly addressed areas included: timing of revenue recognition (e.g., over the term of a contract or estimated customer life), collection of revenues through third-party intermediaries (e.g., channel partners, direct or indirect advertisers) and multiple-element arrangements (e.g., hardware sold together with software licenses and other services). TMT issuers also received more segment reporting comments (42% of TMT IPOs vs. 25% overall) and back-up support comments (79% of TMT IPOs vs. 35% overall). These comments can be time-consuming to resolve, and in some cases may impact marketing if the SEC disagrees with issuer's approach.

Overall, Relatively Better Pricing – In both of the past two years, TMT IPOs have had a greater percentage of deals pricing above the range (44% and 45% of TMT IPOs in 2014 and 2015, respectively, compared to about 30% for all IPOs in both years).

TMT Showcasing Historical Financials – Only 22% of 2015 TMT issuers that qualified as EGCs took advantage of the reduced financial reporting accommodation to show just two years of audited financials (21% in 2014). The substantial majority of TMT EGCs elected to provide a full three years of audited financials – possibly an indication of the desire among TMT issuers to showcase their track record of results. Similarly, only 11% of 2015 EGCs and a mere 5% of 2014 EGCs in the TMT sector showed two years of selected financial information. No other sector had such a high percentage of EGCs volunteering three years of audited financials or three or more years of selected financials.

More Dual Class Stock Structures in TMT (For This Year) – In 2015, 56% of TMT IPOs had multiple classes of common stock, compared to 24% in the overall IPO study.* This was the highest percentage for any sector in the study, and a sharp increase from the percentage for TMT last year in 2014 (11%). This may reflect an increasing desire among TMT founders or sponsors to retain control over company activities through classes of stock with more votes per share while sharing economics with public investors. There did not seem to be any significant impact of the multiple class structure on IPO pricing in this sector, nor on aftermarket performance. There was a slight correlation between multiple class common stock IPOs in this sector and improved 90-day and 180-day aftermarket performance, compared to those with just a single class of common stock.

Longer Time From Initial Submission/Filing to Pricing – In 2015, TMT IPOs took an average of 164 days (138 days in 2014) from the first submission or filing to price the IPO, compared to an average of 147 days (127 days in 2014) overall for all IPOs – perhaps owing in part to significant SEC accounting comments in the areas of revenue recognition and segment reporting.

*Excludes FPIs (subject to home jurisdiction governance rules).

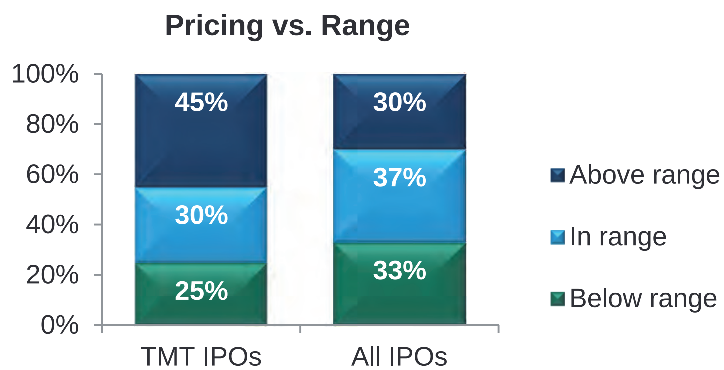
TMT Market Analysis

Overview

- We analyzed 20 technology, media & telecommunications (TMT) IPOs in 2015.
- 4 of 20 (20%) were FPIs, with headquarters in Australia, Canada, China and United Kingdom.
- The U.S. TMT issuers were headquartered in 8 states, with the most in California (5 of 16 (31%)) and New York (3 of 16 (19%)).

Deal Execution

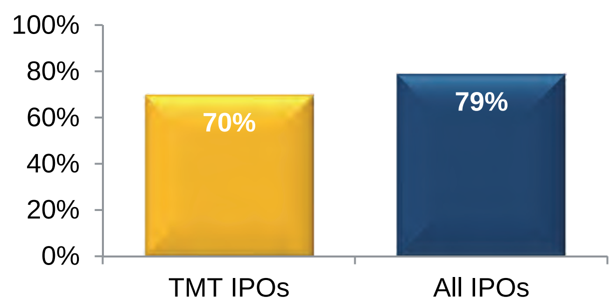
- 9 of 20 (45%) TMT IPOs priced above the range, compared to 30% in our overall study.



Deal Value & Over-Allotment*

- 8 of 20 (40%) TMT IPOs were between $100 million and $250 million.

- The over-allotment option was partially or fully exercised in 14 of 20 (70%) TMT IPOs, compared to 79% in our overall study.

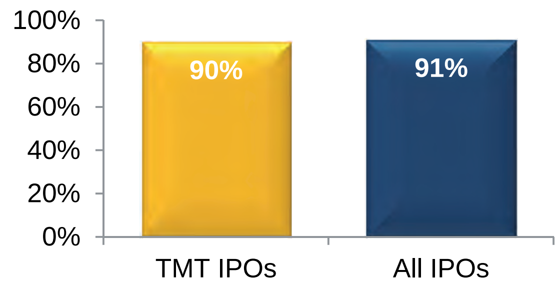


*Deal value includes exercise of the over-allotment option where applicable.

Confidential Submission, Testing-the-Waters & Financials

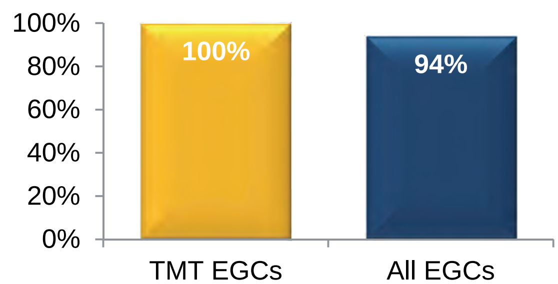
Overview

» 18 of 20 (90%) TMT IPOs were EGCs, compared to 91% in our overall study.



Confidential Submission

» All 18 TMT EGCs elected confidential submission, compared to 94% of EGCs in our overall study.



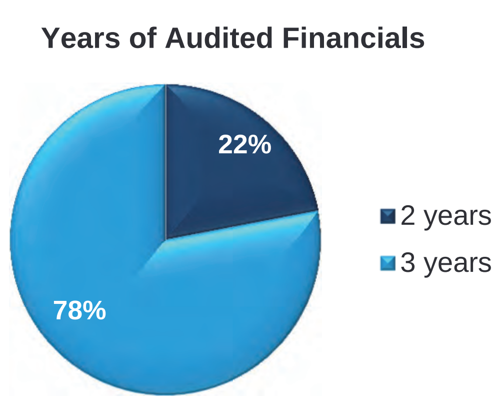
Testing-the-Waters

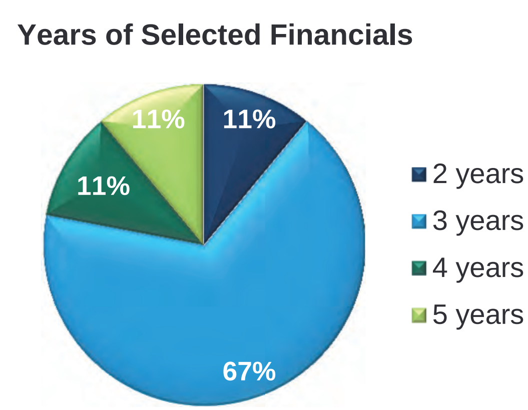
» We have testing-the-waters data on 16 of 18 (89%) TMT EGCs.*

- 8 of these 16 (50%) TMT EGCs reported that they conducted testing-the-waters.

Years of Financials

» 78% of TMT EGCs included three years of audited financials (compared to 35% of EGCs in our overall study) and 89% included at least three years of selected financials (compared to 52% of EGCs in our overall study).



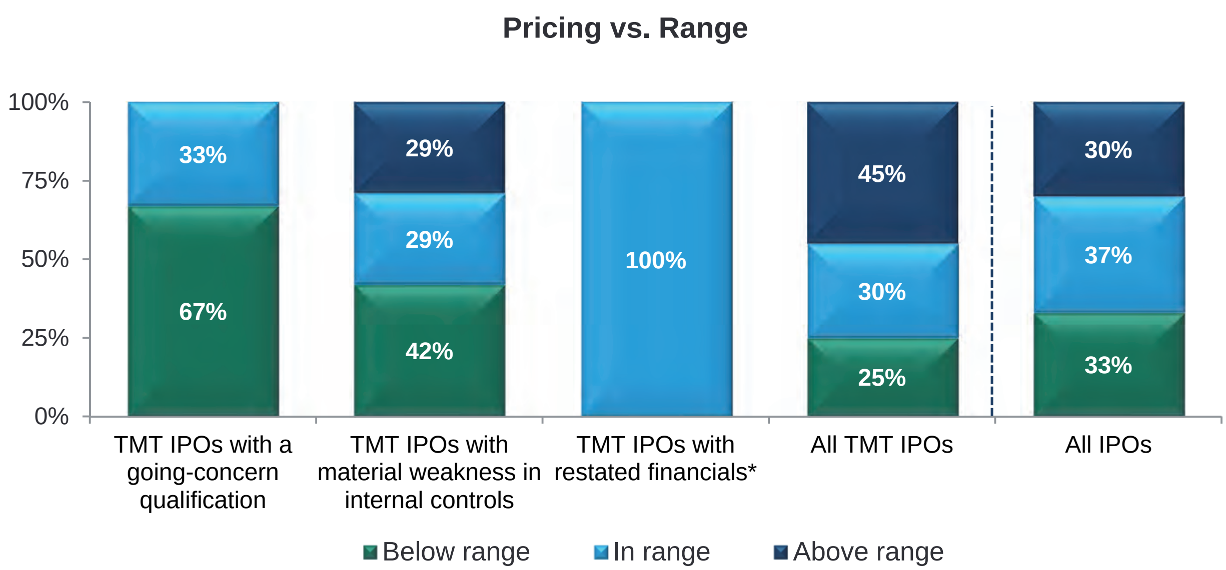


*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Accounting/Internal Controls & Flash Results

Accounting/Internal Controls

- Of the 20 TMT IPOs:
  - 3 (15%) had a going-concern qualification.
  - 7 (35%) disclosed a material weakness in internal control over financial reporting.
  - 1 (5%) had restated financials.



Flash Results

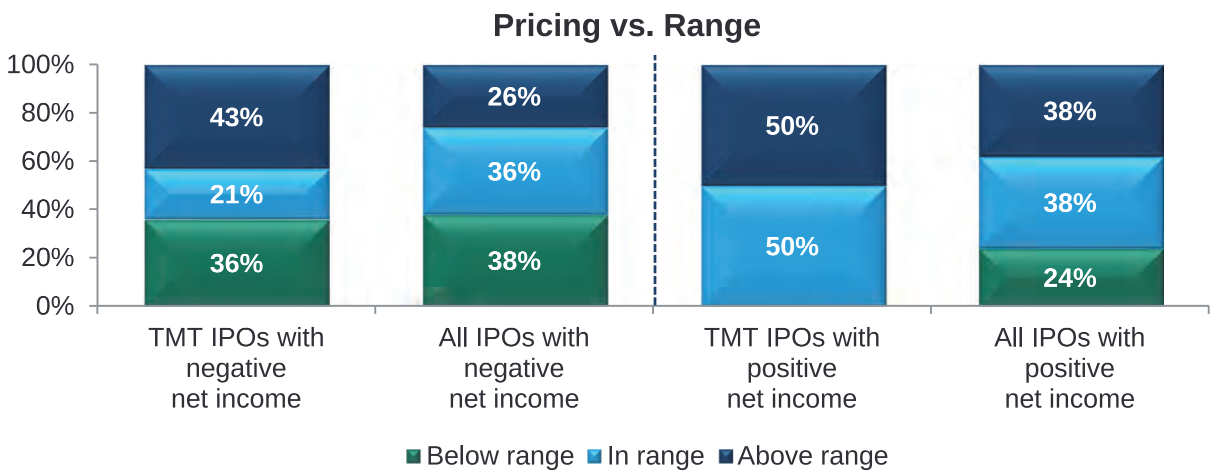
- 7 of 20 (35%) TMT IPOs priced within 45 days of the end of the first, second or third quarter.
  - 1 of these 7 (14%) showed flash results.
  - This issuer provided flash revenues and net income/loss.

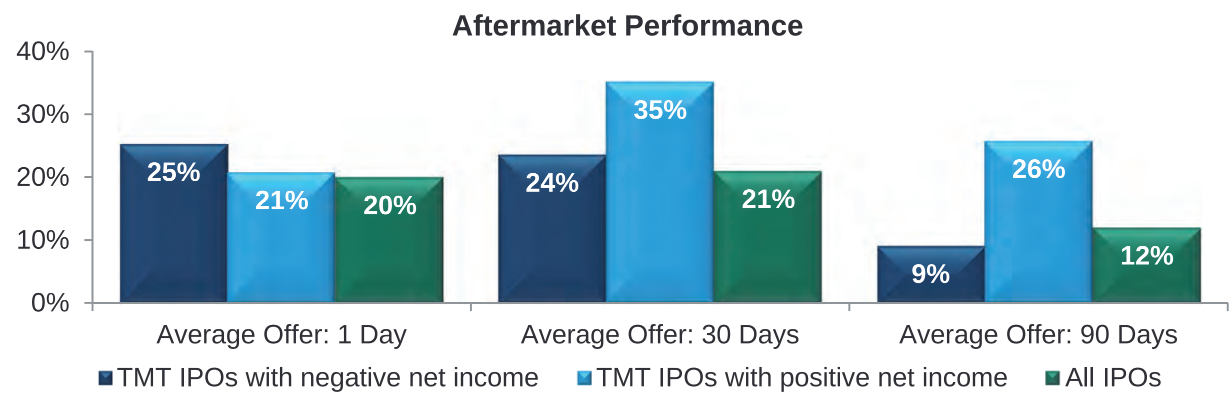
*Based on one IPO with restated financials.

Net Income & EBITDA/Adjusted EBITDA

Net Income

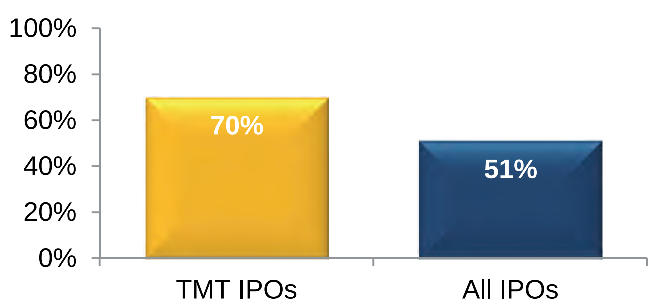
» 14 of 20 (70%) TMT IPOs had negative net income, compared to 64% in our overall study.





EBITDA/Adjusted EBITDA

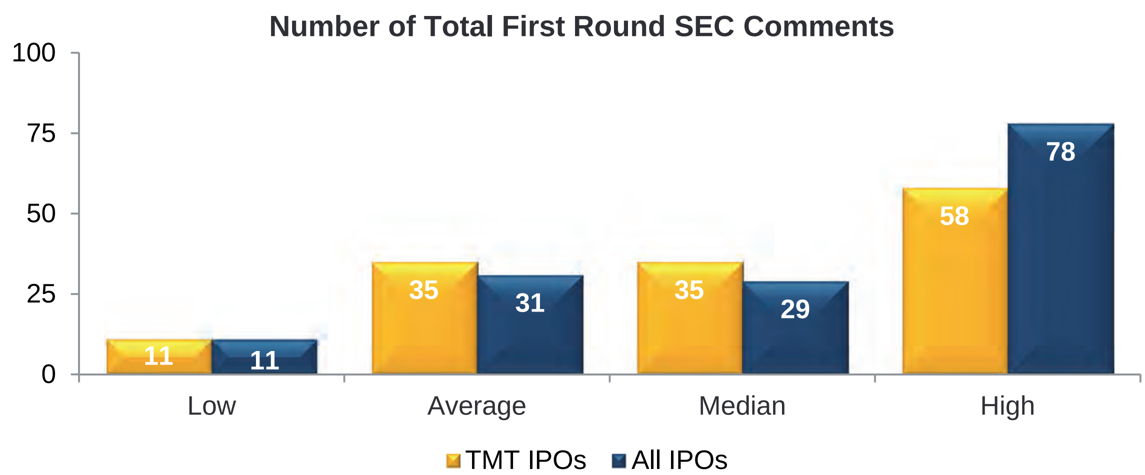
» 14 of 20 (70%) TMT IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.

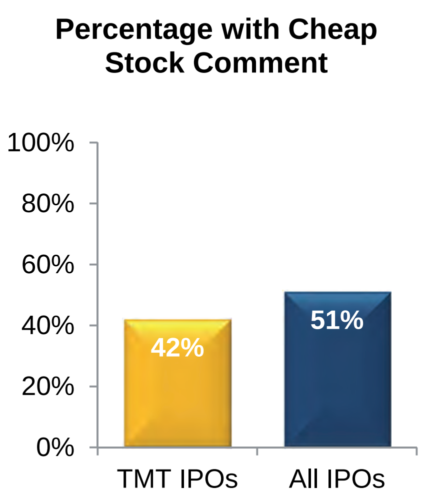


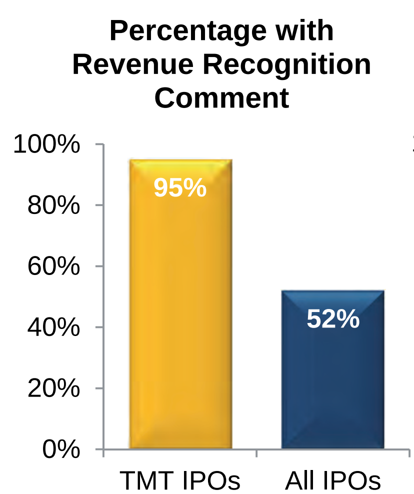
SEC Comments

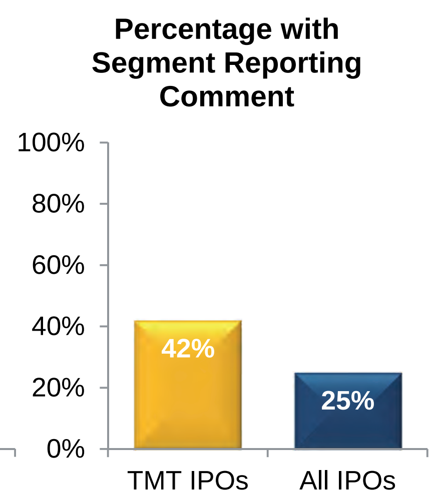
Total First Round SEC Comments*

» On average, the total number of first round SEC comments for TMT IPOs was higher than in our overall study.









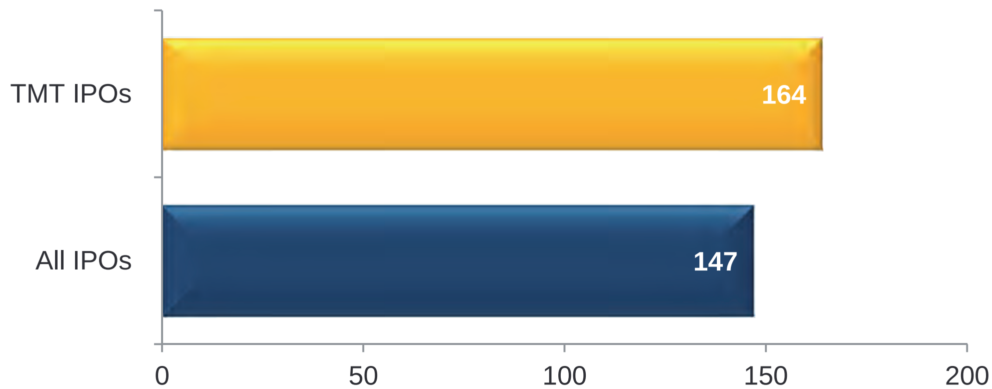
*Excludes prior SEC-reviewed issuers (one in TMT, five overall) and two issuers for which SEC comment letters were not yet publicly available in overall.

Timing

Timing

- The time period from first submission/filing to pricing for TMT IPOs was slightly longer to price than the overall average.

Average Number of Days From First Submission/Filing to Pricing



- The 164 days in 2015 for TMT IPOs is longer than the 138 days in 2014.

*Excludes prior SEC-reviewed issuers (one in TMT, five in overall) and an additional IPO with confidential submission to pricing greater than 18 months in overall.

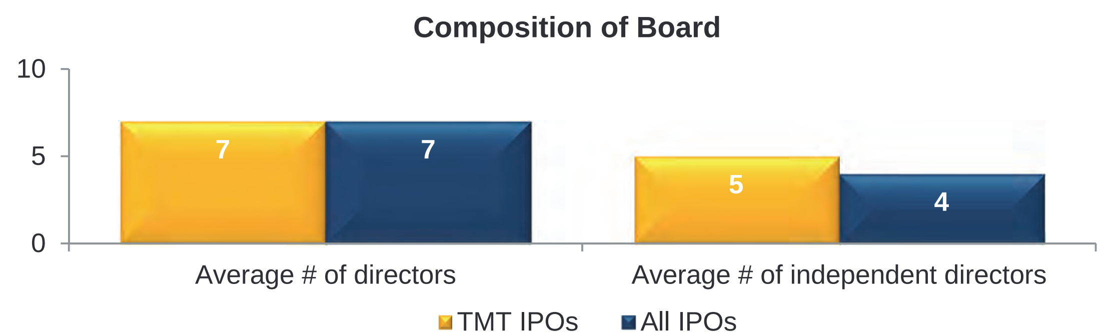
Corporate Governance: Key Items

Controlled Company Exemption*

- 4 of 16 (25%) TMT issuers were eligible for the controlled company exemption, compared to 42% in our overall study.
    - All four elected to take advantage of the exemption.

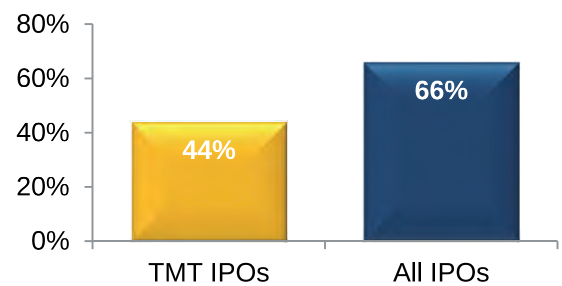
Director Independence*

- 12 of 16 (75%) TMT issuers had a majority of independent directors on their boards, compared to 68% in our overall study.
    - On average, these 12 had 77% independent boards.
    - On average, the remaining 4 had 30% independent boards.



Separation of Chairman & CEO Roles*

- 7 of 16 (44%) TMT issuers separated their Chairman and CEO roles, compared to 66% in our overall study.



Classes of Common Stock*

- 9 of 16 (56%) TMT issuers had multiple classes of common stock, compared to 24% in our overall study.

*Excludes FPIs (subject to home jurisdiction governance rules).

IPO Fees and Expenses

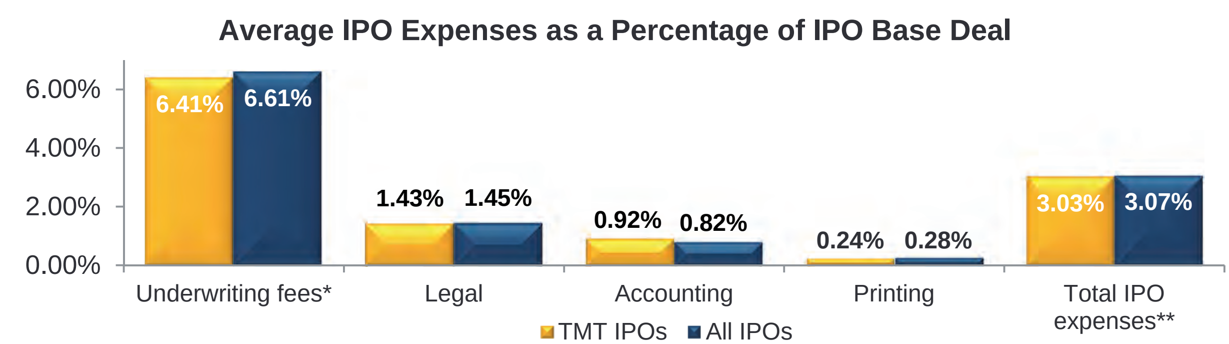
IPO Fees and Expenses

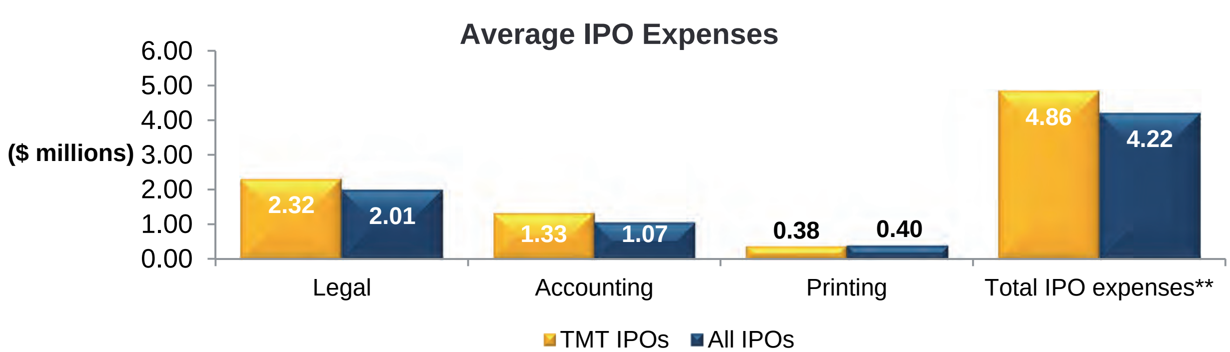
- Underwriting fees and total other IPO expenses (excluding underwriting fees) for TMT IPOs are summarized below:

Fee Category	Low	Average	Median	Maximum
Underwriting Fees*	$1,750,000	$17,858,644	$11,611,250	$83,200,000
Total IPO Expenses**	$1,948,208	$4,857,252	$4,400,000	$10,800,000

- Legal fees, accounting fees and printing costs for TMT IPOs are summarized below:

Fee Category	Low	Average	Median	High
Legal	$550,000	$2,315,850	$2,000,000	$5,300,000
Accounting	$300,000	$1,333,263	$1,375,000	$3,800,000
Printing	$150,000	$383,250	$337,500	$900,000



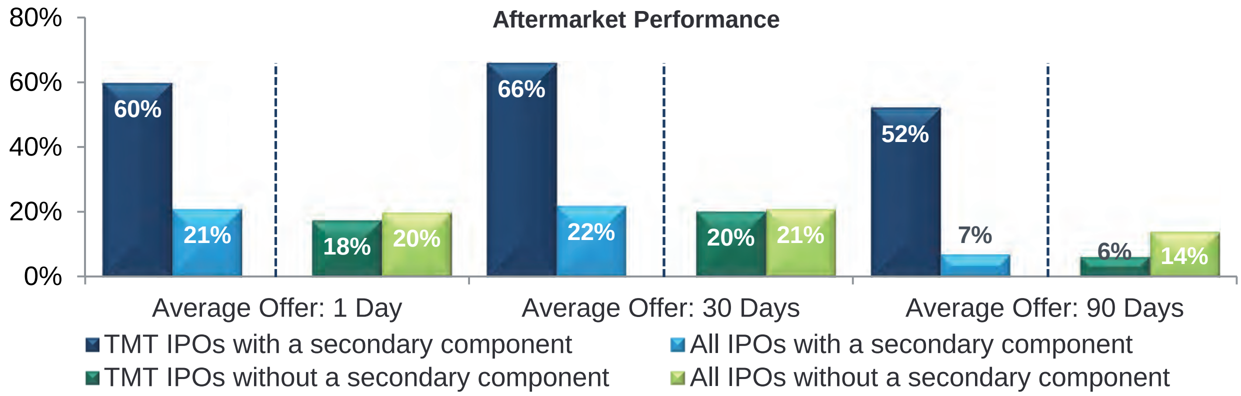


*Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
**Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component, DSPs & Insiders Purchasing

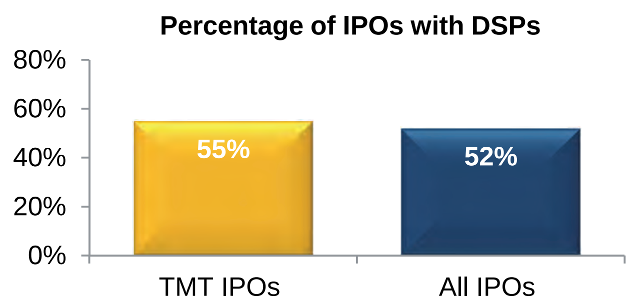
Secondary Component*

» 3 of 20 (15%) TMT IPOs had a secondary component, compared to 19% of IPOs in our overall study.
- These 3 IPOs significantly outperformed in the aftermarket.



Directed Share Programs (DSPs)

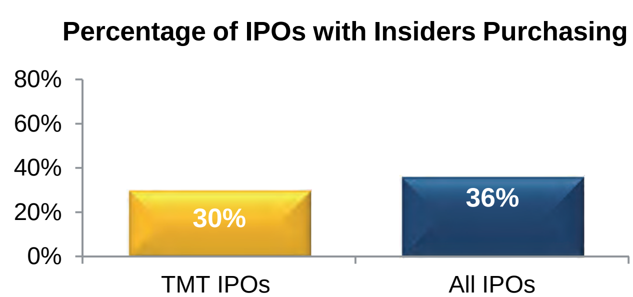
» 11 of 20 (55%) TMT IPOs included DSPs, compared to 52% in our overall study.



Insiders Purchasing**

» 6 of 20 (30%) TMT issuers disclosed insiders purchasing in the IPO, compared to 36% in our overall study.

» In these 6 IPOs, insiders comprised an average of 17% of the shares sold in the IPO, compared to an average of 21% overall.

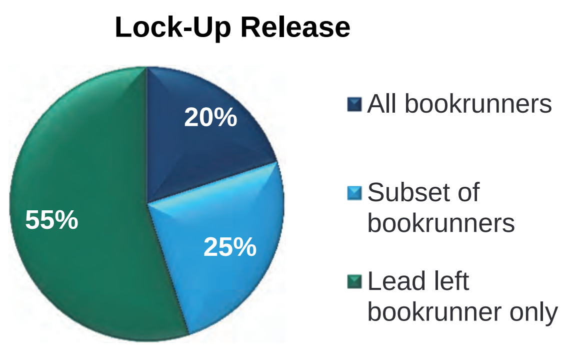


*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (one in TMT; three IPOs in overall study).
**Does not include purchases through a DSP.

Lock-Ups & Carve-Outs

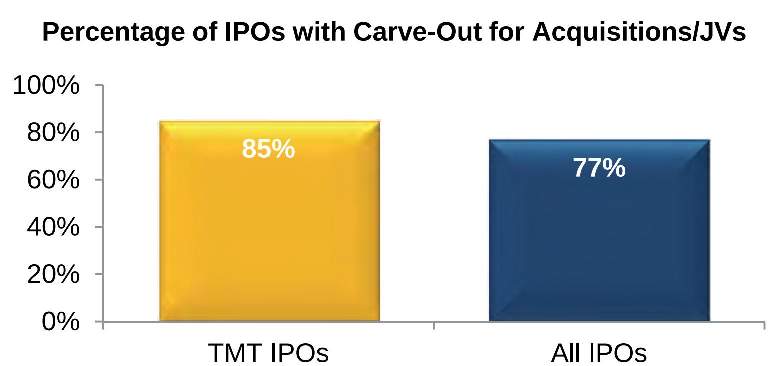
Lock-Ups

- For TMT IPOs, on average, 99.7% of pre-IPO shares were locked up*, compared to 97.6% in our overall study.
- 4 of 20 (20%) TMT IPOs required all bookrunners to release the lock-up, 5 of 20 (25%) required a subset of bookrunners and 11 of 20 (55%) required only the lead left bookrunner.

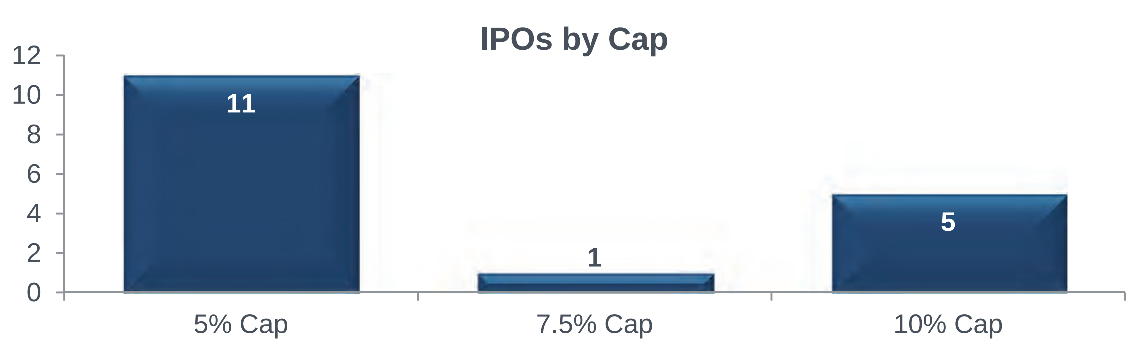


Carve-Outs

- 17 of 20 (85%) TMT IPOs included a carve-out in the issuer lock-up for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 77% in our overall study.



- Of the 17 TMT IPOs with acquisition/JV carve-outs, all included a cap on the number of shares that could be issued (reflected as a percentage of shares outstanding):



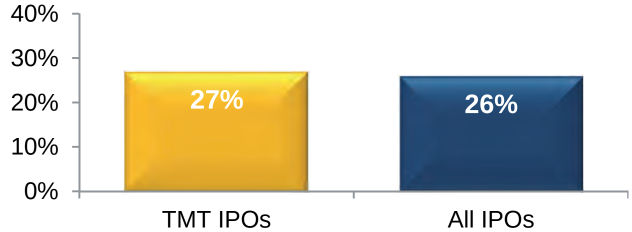
*Based on 10 TMT IPOs that disclosed percentage or number of shares locked up.

Sponsor-Backed IPOs

Sponsor-Backed and Management/Termination Fees

- 11 of 20 (55%) TMT IPOs were sponsor-backed, compared to 43% in our overall study.
  - 3 of these 11 (27%) IPOs paid management or termination fees to the sponsor group in connection with the IPO, compared to 26% in our overall study.
  - The smallest management/termination fee paid in the TMT sector was $20.0 million, the average was $41.3 million and the largest was $78 million.

Percentage of Sponsor-Backed IPOs that Paid a Management/Termination Fee



- The average length of sponsor investment was 3.7 years, the lowest was 1.3 years and the highest was 8.0 years

Key Comparisons

	Sponsor-Backed	Non-Sponsor-Backed
Percentage of TMT IPOs	55%	45%
Average market capitalization at pricing	$2.45bn	$2.02bn
Average number of directors*	8	6
Average number of independent directors*	5	4
Average number of total first round SEC comments**	37	33
Average number of days from first submission/filing to pricing date**	190	136
Average total IPO expenses (excluding underwriting fees)	$5.12mm	$4.54mm
Percentage of IPOs with a secondary component***	9%	22%

*Excludes FPIs (subject to home jurisdiction governance rules).
**Excludes one prior SEC-reviewed issuer.
***IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in sponsor-backed; one in non-sponsor-backed).

Energy & Power

E&P Executive Summary

Proskauer IPO Database
2015: 7 IPOs (8% of 2015)
2014: 16 IPOs (13% of 2014)
2013: 3 IPOs (3% of 2013)
Total: 26 E&P IPOs

Fewer E&P IPOs – Overall, E&P was a smaller part of the IPO market in 2015, with just 11 IPOs pricing in 2015, compared to 29 in 2014. A slightly lower percentage of these issuers were master limited partnership (MLP) IPOs – just 5 of 11 (45%) this year compared to 14 of 29 (48%) last year. Much of the decline in E&P can be attributed to slumping oil prices and worsening overall market conditions, particularly in the latter half of the year.

Mostly Midstream Deals and Alternative Energy – Few of the E&P IPOs completed in 2015 were by traditional oil & gas or mining companies, with just two deals in the first half of the year*, and one small IPO in November**. Most of the 2015 IPOs involving oil & gas were midstream (i.e., pipeline asset) deals, and a majority of E&P IPOs in 2015 involved alternative energy (4 of 7 (57%)). Oil & gas companies have turned to alternative sources of funding, including hybrid securities, restructurings and private equity deals.

Focused in the U.S., But Cover Many States – None of the E&P IPOs in 2015 were foreign private issuers (FPIs), and only 1 of the 7 (14%) included energy projects outside of the United States. Only two focused in a single state, while 4 of 7 (57%) included assets and projects across multiple states and/or countries. Surprisingly, only 28% of U.S. E&P IPOs in our study over the last three years have been by companies based in Texas.

Pricing Within the Range, But Less of an Upshot – The percentage of E&P IPOs that priced within the range in 2015 (57%) was much greater than overall (37%). But there may be little to celebrate, considering that only 1 of 7 (14%) priced above the range, compared to 30% in the over the last three years of our study. In 2014, an impressive 63% of E&P IPOs priced above the range.

Fewer Shoe Exercises – In 2015, 3 of the 7 (43%) E&P IPOs had a partial or complete shoe exercise, compared to 88% last year. This percentage for the E&P sector is also much lower than for all IPOs in 2015 (79%).

Drawing More SEC Comments – E&P issuers in 2015 exceeded the average (37 vs. 31 overall) and median (39 vs. 29 overall) number of first-round SEC comments. Three of the seven (43%) had significant business acquisitions that drew SEC comments, and these three had an average of 43 comments (compared to 36 among the other four without significant acquisition comments).

Directed Share Programs (DSPs) Continue to Be Popular – In 2015, 5 of the 7 (71%) E&P IPOs had DSPs, compared to just 52% in the overall 2015 study. This is consistent with percentages from last year: 81% of 2014 E&P IPOs had DSPs compared to 48% over all sectors.

*Black Stone Minerals, L.P. (oil & gas assets across the United States) and CNX Coal Resources LP (coal mining in Pennsylvania).
**PetroShare Corp (oil & gas assets in Colorado). Because it did not meet the size criteria, it was not included in our IPO study.

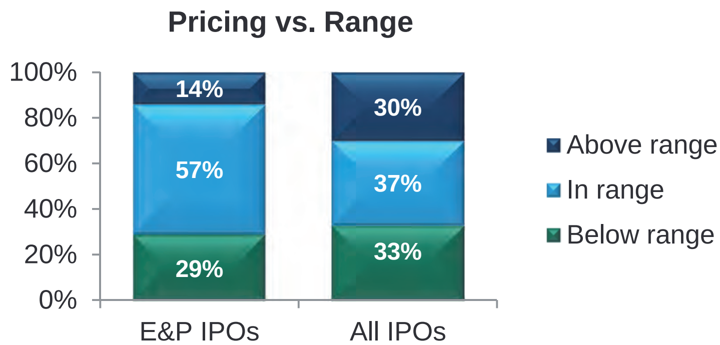
Energy & Power Market Analysis

Overview

- We analyzed 7 energy & power (E&P) IPOs in 2015.
- 4 of 7 (57%) were MLPs.
- None were FPIs or sponsor-backed.
- The U.S. E&P issuers were headquartered in California (2), Delaware, Kansas, Maryland, Pennsylvania and Texas.

Deal Execution

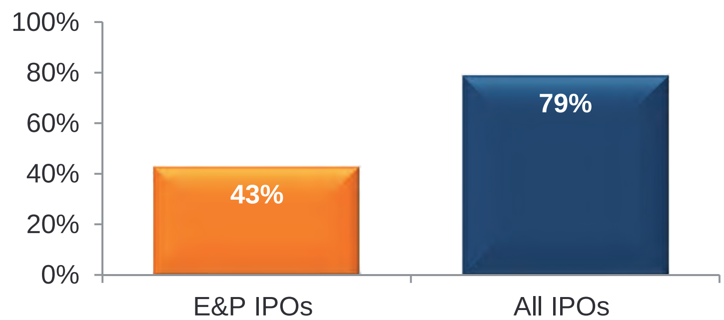
- 1 of 7 (14%) E&P IPOs priced above the range, compared to 30% in our overall study.



Deal Value & Over-Allotment*

- 3 of 7 (43%) E&P IPOs priced between $250 million and $500 million.

- The over-allotment option was partially or fully exercised in 3 of 7 (43%) E&P IPOs, compared to 79% in our overall study.

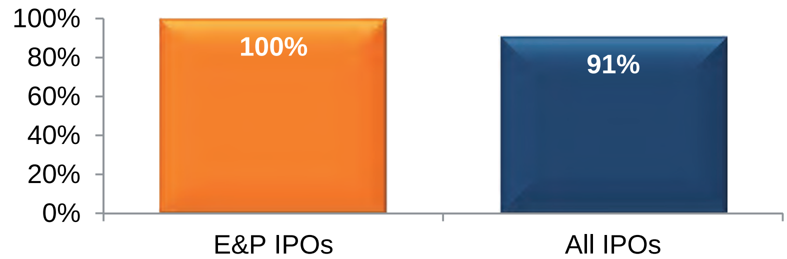


*Deal value includes exercise of the over-allotment option where applicable.

Confidential Submission, Testing-the-Waters & Financials

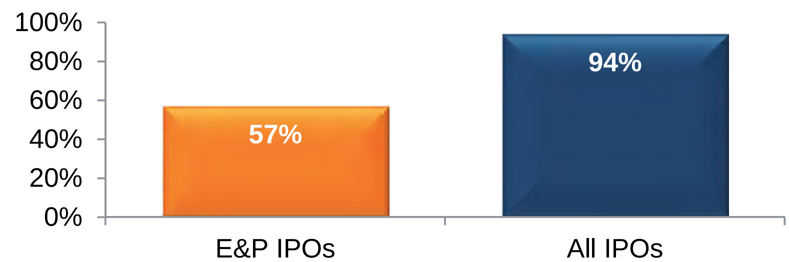
Overview

» All 7 E&P IPOs were EGCs, compared to 91% in our overall study.



Confidential Submission

» 4 of 7 (57%) E&P IPOs elected confidential submission, compared to 94% of EGCs in our overall study.



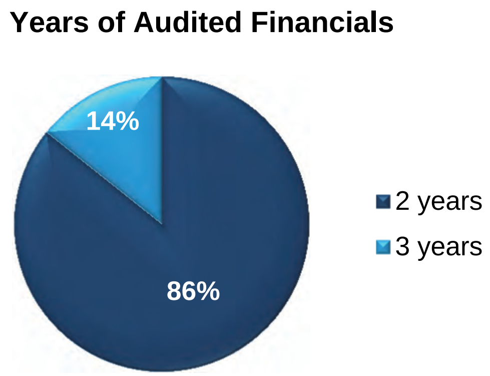
Testing-the-Waters

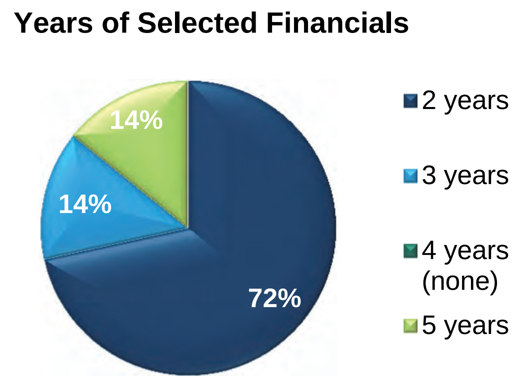
» We have testing-the-waters data on all 7 E&P IPOs.*

- 3 of these 7 (43%) E&P IPOs reported that they conducted testing-the-waters.

Years of Financials

» 86% of E&P IPOs included two years of audited financials (compared to 65% of EGCs in our overall study) and 72% included two years of selected financials (compared to 48% of EGCs in our overall study).



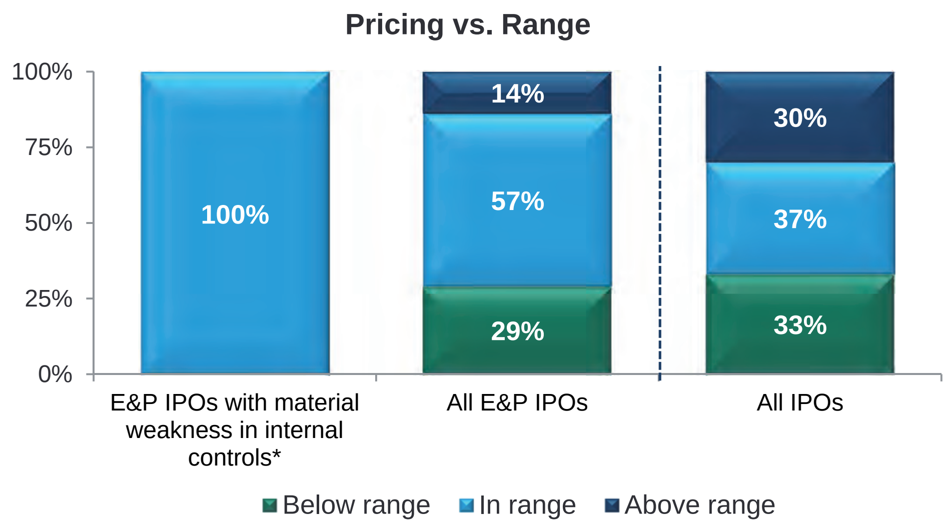


*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Accounting/Internal Controls & Flash Results

Accounting/Internal Controls

- Of the 7 E&P IPOs:
  - None had a going-concern qualification.
  - 1 (14%) disclosed a material weakness in internal control over financial reporting.
  - None had restated financials.



Flash Results

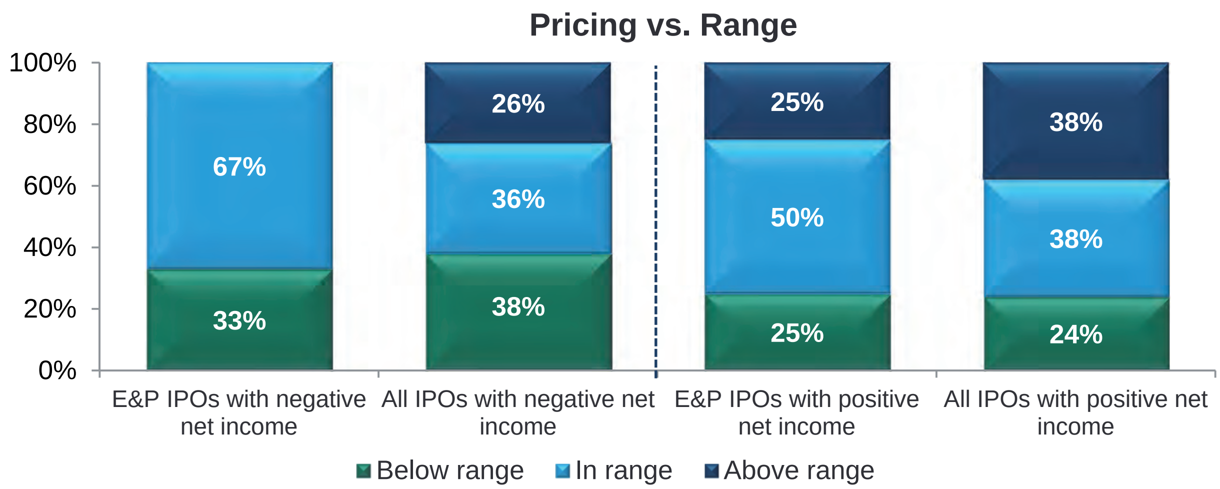
- 5 of 7 (71%) E&P IPOs priced within 45 days of the end of the first, second or third quarter.
  - 2 of these 5 (40%) showed flash results. One of these two issuers provided flash income statement items, and the other provided flash operating metrics.

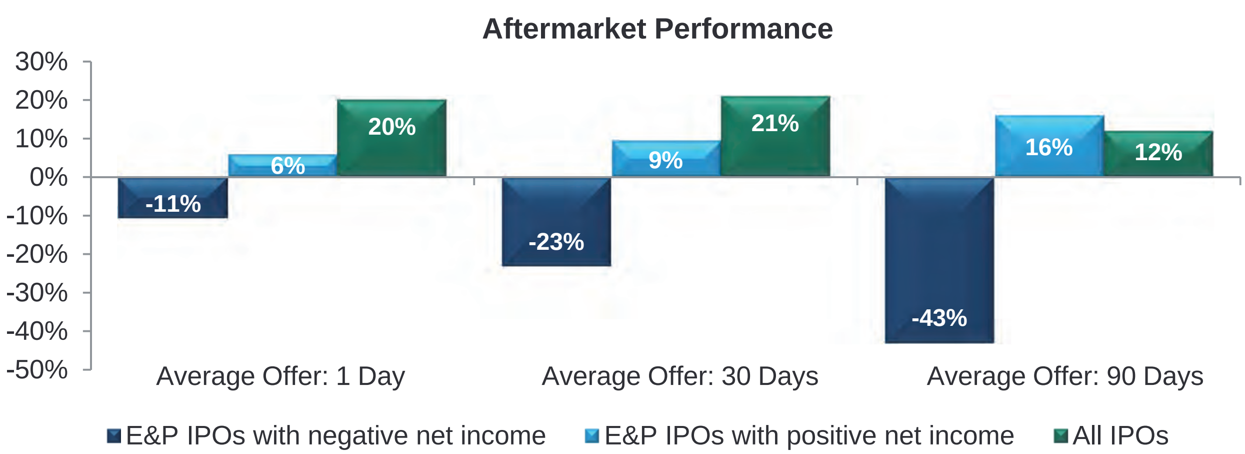
*Based on one IPO with material weakness in internal controls.

Net Income & EBITDA/Adjusted EBITDA

Net Income

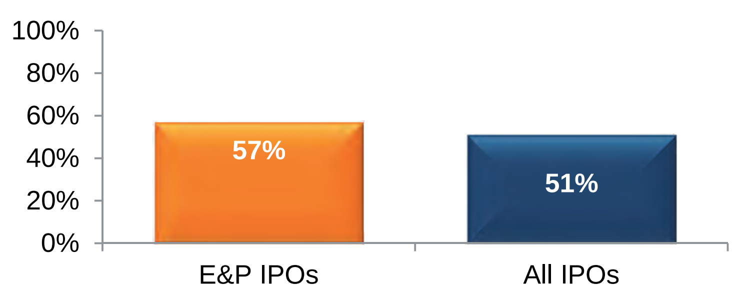
» 3 of 7 (43%) E&P IPOs had negative net income, compared to 64% in our overall study





EBITDA/Adjusted EBITDA

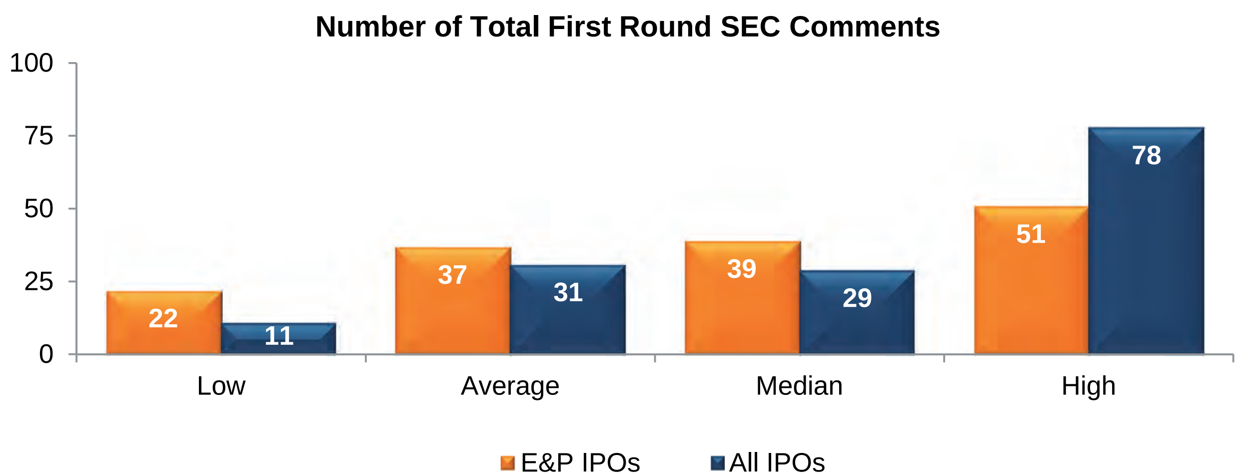
» 4 of 7 (57%) E&P IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.

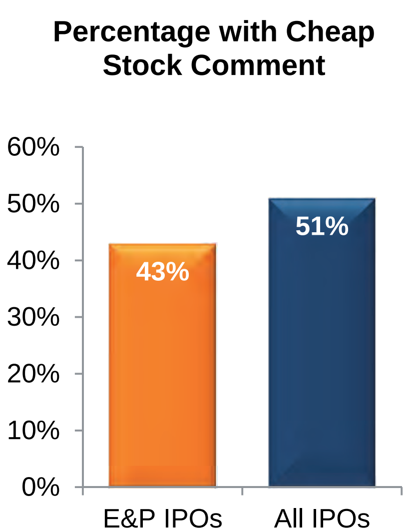


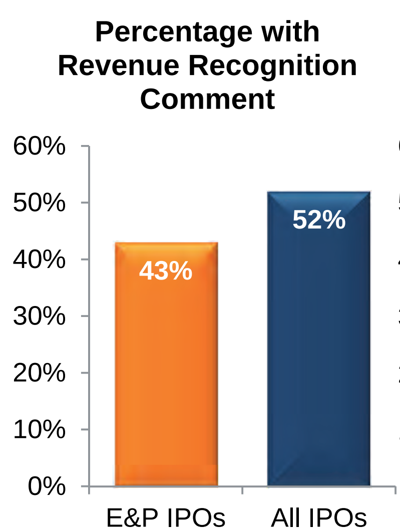
SEC Comments

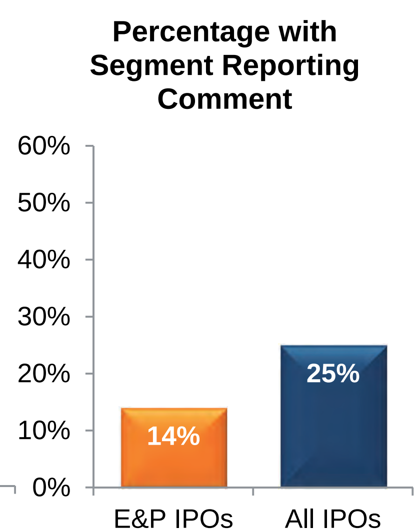
Total First Round SEC Comments*

» On average, the number of total first round SEC comments for E&P IPOs was higher than our overall study.









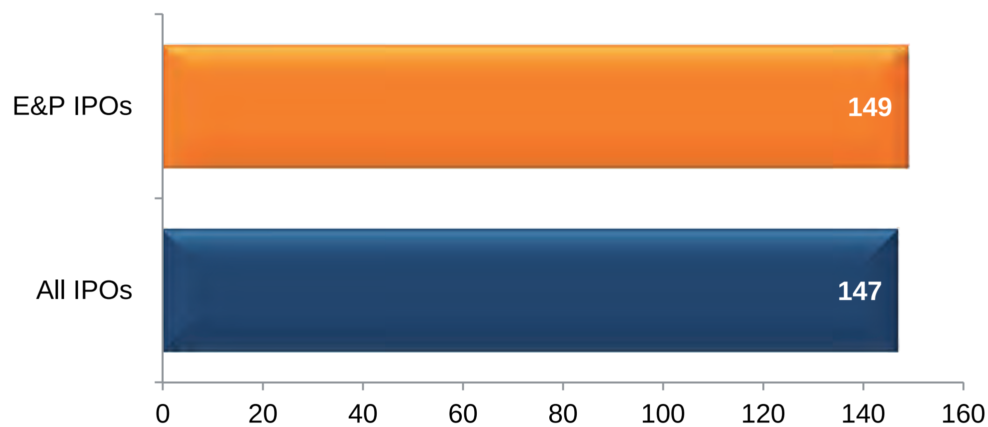
*Excludes prior SEC-reviewed issuers (none in E&P, five in overall) and two issuers for which SEC comment letters were not yet publicly available in overall.

Timing

Timing*

» The time period from first submission/filing to pricing for E&P IPOs was similar to the overall average.

Average Number of Days From First Submission/Filing to Pricing



» The 149 days in 2015 for E&P IPOs is longer than the 137 days in 2014.

*Excludes prior SEC-reviewed issuers (none in E&P, five in overall) and an additional IPO with confidential submission to pricing greater than 18 months in overall.

IPO Fees and Expenses

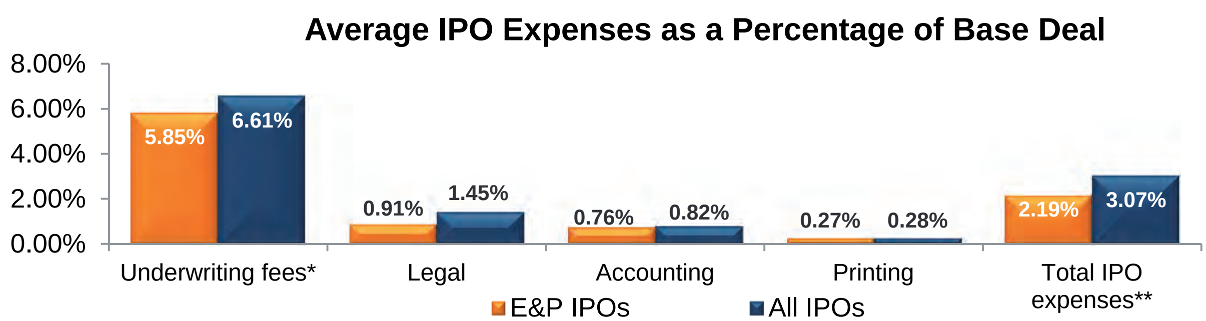
IPO Fees and Expenses

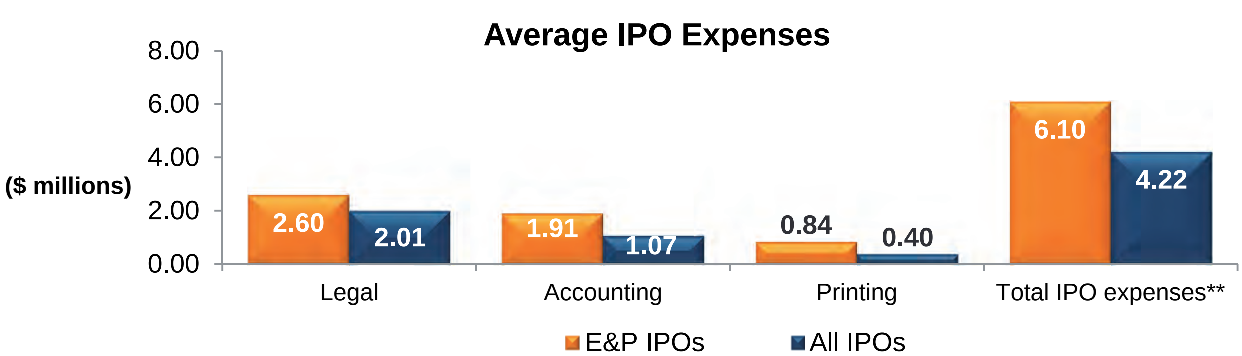
» Underwriting fees and total other IPO expenses (excluding underwriting fees) for E&P IPOs are summarized below:

Fee Category:	Low	Average	Median	High
Underwriting Fees*	$4,500,000	$24,583,964	$23,100,000	$57,166,250
Total IPO Expenses**	$2,800,000	$6,088,713	$7,000,000	$9,845,398

» Legal fees, accounting fees and printing costs for E&P IPOs are set forth below:

Fee Category:	Low	Average	Median	High
Legal	$1,300,000	$2,614,286	$2,000,000	$4,800,000
Accounting	$400,000	$1,911,000	$1,500,000	$4,100,000
Printing	$160,000	$837,143	$750,000	$2,000,000



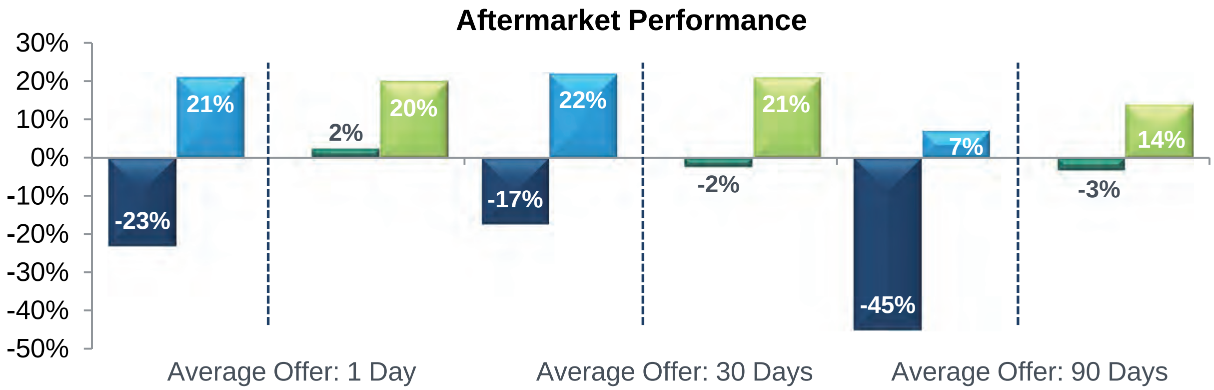


*Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
**Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component, DSPs & Insiders Purchasing

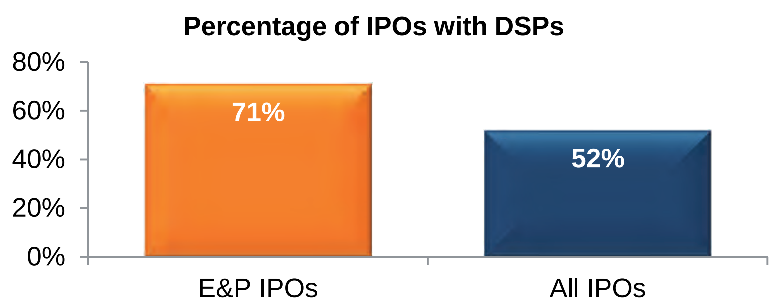
Secondary Component*

» 1 of 7 (14%) E&P IPOs had a secondary component, compared to 19% of IPOs in our overall study.



Directed Share Programs (DSP)

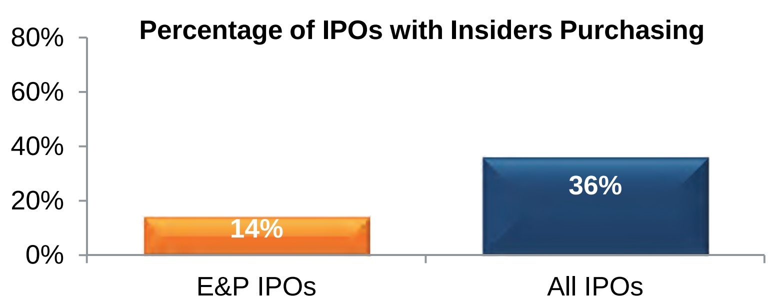
» 5 of 7 (71%) E&P IPOs included DSPs, compared to 52% in our overall study.



Insiders Purchasing***

» 1 of 7 (14%) E&P issuers disclosed insiders purchasing in the IPO, compared to 36% in our overall study.

» In this IPO, insiders comprised an average of 4% of the shares sold in the IPO, compared to 21% overall.

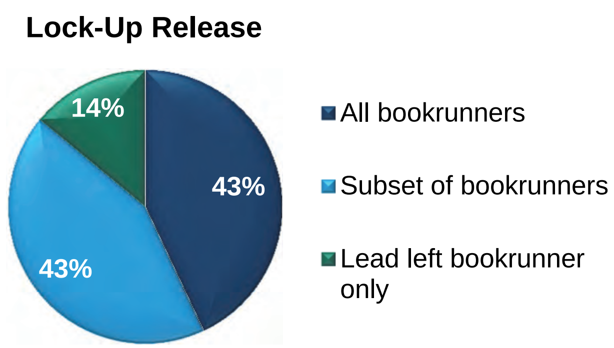


*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in E&P; three IPOs in overall study).
**Based on one IPO with secondary component.
***Does not include purchases through a DSP.

Lock-Ups & Carve-Outs

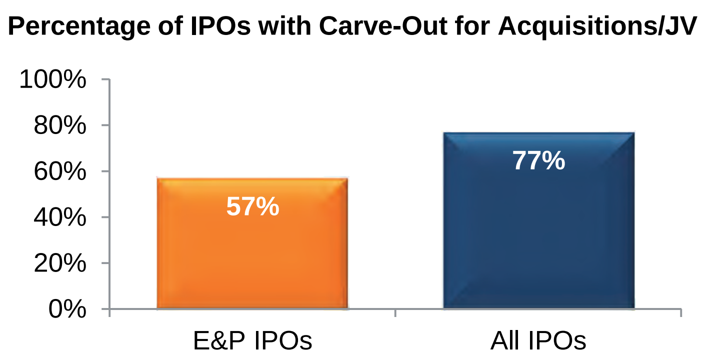
Lock-Ups

- For E&P IPOs, on average, 99.3% of pre-IPO shares were locked up*, compared to 97.6% in our overall study.
- 3 of 7 (43%) E&P IPOs required all bookrunners to release the lock-up, 3 of 7 (43%) required a subset of bookrunners and 1 of 7 (14%) required only the lead left bookrunner.

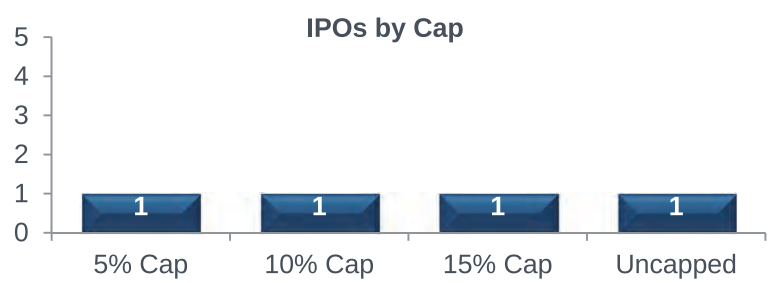


Carve-Outs

- 4 of 7 (57%) E&P IPOs included a carve-out in the issuer lock-up for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 77% in our overall study.



- All E&P IPOs with acquisitions/JV carve-outs included a cap on the number of shares that could be issued (reflected as a percentage of shares outstanding):



*Based on six E&P IPOs that disclosed percentage or number of shares locked up.

Financial Services

Financial Services Executive Summary

Proskauer IPO Database
2015: 8 IPOs (9% of 2015)
2014: 14 IPOs (12% of 2014)
2013: 11 IPOs (11% of 2013)
Total: 33 Financial Services IPOs

The financial services sector IPOs analyzed in this year's study included two insurance-related companies and two bank holding companies. Other companies included an investment bank, wealth management service provider and a company that owns and acquires infrastructure and transportation equipment.

Smaller Scale IPOs – Last year, five financial services IPOs priced for over $1 billion in proceeds, as compared to no financial services company pricing an IPO over $1 billion. In contrast, 50% of IPOs priced in 2015 were under $100 million, as compared to 27% in 2014.

Less (Financial Information) is More? – IPOs in the financial services sector are catching up to other sectors in acceptance of the reduced financial reporting accommodation, permitting two years of audited financials (rather than three). Half of the IPOs in this industry sector included just two years of audited financials, compared to 65% of EGCs in our overall study. Two years ago, only 13% of financial services IPOs took advantage of this JOBS Act accommodation. Interestingly, the one FinTech company we reviewed in this sector included the full three years of audited financial statements. Three fourths of the IPOs in this sector included pro forma financial statements.

Higher Legal Expenses – Financial services IPOs ranked close to the top in average legal fees as a percentage of the base deal among the industry sectors. Although deals were generally smaller, certain IPOs had relatively higher legal fees, potentially due to more complicated capitalization and offering structures. The financial services sector also had the IPO with the highest legal expenses in our 2015 study.

Highest Utilization of DSPs – No industry sector has utilized the directed share program (DSP) more than the financial services sector. In each of the past three years, more than 70% of financial services IPOs have included a DSP. This year, 88% of financial services IPOs included a DSP, the greatest percentage we've seen in an industry since we started our study.

SEC Focus Areas – Most of the surveyed financial services IPOs received SEC comments in the areas of acquisition and pro forma financial statements. Acquisition comments were often related to accounting treatment and financial presentation of a recent acquisition. Comments relating to pro forma financial statements often focused on the appropriateness of specific adjustments, or on the aggregation or disaggregation of adjustments. In addition, two IPOs surveyed received a comment asking for legal analysis as to why the company would not be required to register as an investment company under the Investment Company Act of 1940.

Disclosure of Sector-Specific Financial Measures – While issuers in the financial services sector disclose EBITDA-based measures less frequently than any other sector apart from health care, these issuers disclose a variety of other non-GAAP financial measures and other financial metrics. We found that, given both the more abstract and regulated aspects of financial services businesses, financial disclosures can be more detailed and specific to an issuer's subsector where operating measures like adjusted EBITDA would not be particularly helpful. Issuers in the financial services sector disclosed a variety of non-GAAP financial information including: adjusted net trading income, adjusted net income, efficiency ratios and tangible stockholders equity. In addition, bank holding companies typically included selected loan metrics and asset quality and capital ratios.

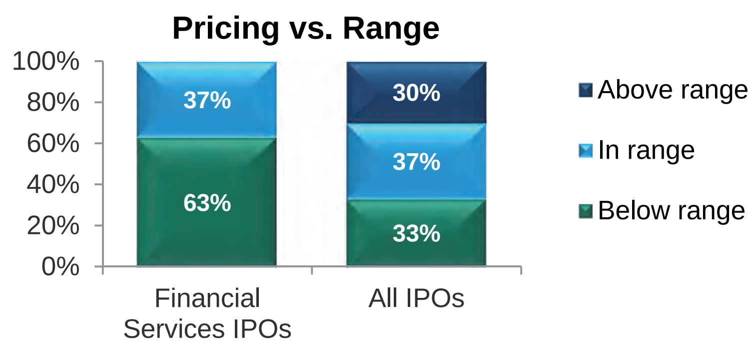
Financial Services Market Analysis

Overview

- We analyzed 8 financial services IPOs in 2015.
- 1 of 8 (13%) was an FPI, headquartered in China.
- The U.S. financial services issuers were headquartered in 6 states, with the most in New York (2 of 7 (29%)) while the rest were in California, Florida, Michigan, North Carolina and Texas.

Deal Execution

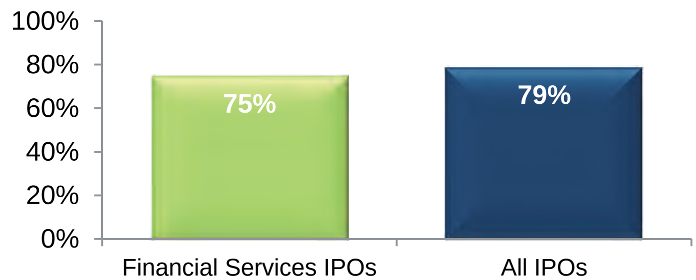
- 5 of 8 (63%) financial services IPOs priced below the range, compared to 33% in our overall study.



Deal Value & Over-Allotment*

- Half of the 2015 financial services IPOs in our study priced under $100mm.

- The over-allotment option was partially or fully exercised in 6 of 8 (75%) financial services IPOs, compared to 79% in our overall study.

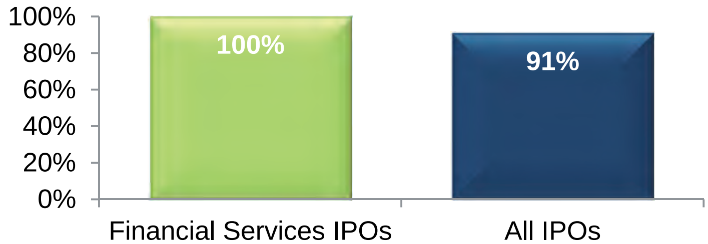


*Deal value includes exercise of the over-allotment option where applicable.

Confidential Submission, Testing-the-Waters & Financials

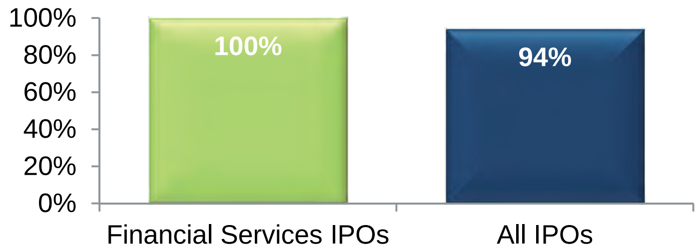
Overview

» All 8 financial services IPOs were EGCs, compared to 91% in our overall study.



Confidential Submission

» All 8 financial services IPOs elected confidential submission, compared to 94% of EGCs in our overall study.



Testing-the-Waters

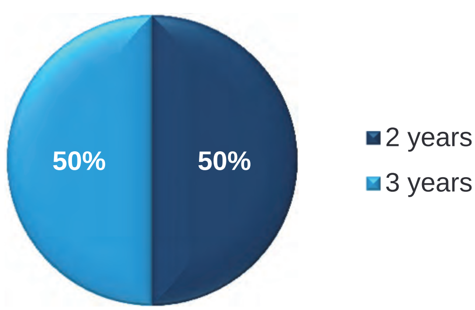
» We have testing-the-waters data on 7 of 8 (88%) financial services IPOs.*

- 1 of these 7 (14%) financial services IPOs reported that they conducted testing-the-waters.

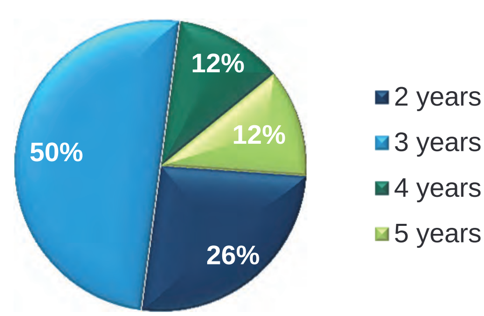
Years of Financials

» 50% of financial services IPOs included three years of audited financials (compared to 35% of EGCs in our overall study) and 50% included at least three years of selected financials (compared to 52% of EGCs in our overall study).

Years of Audited Financials



Years of Selected Financials



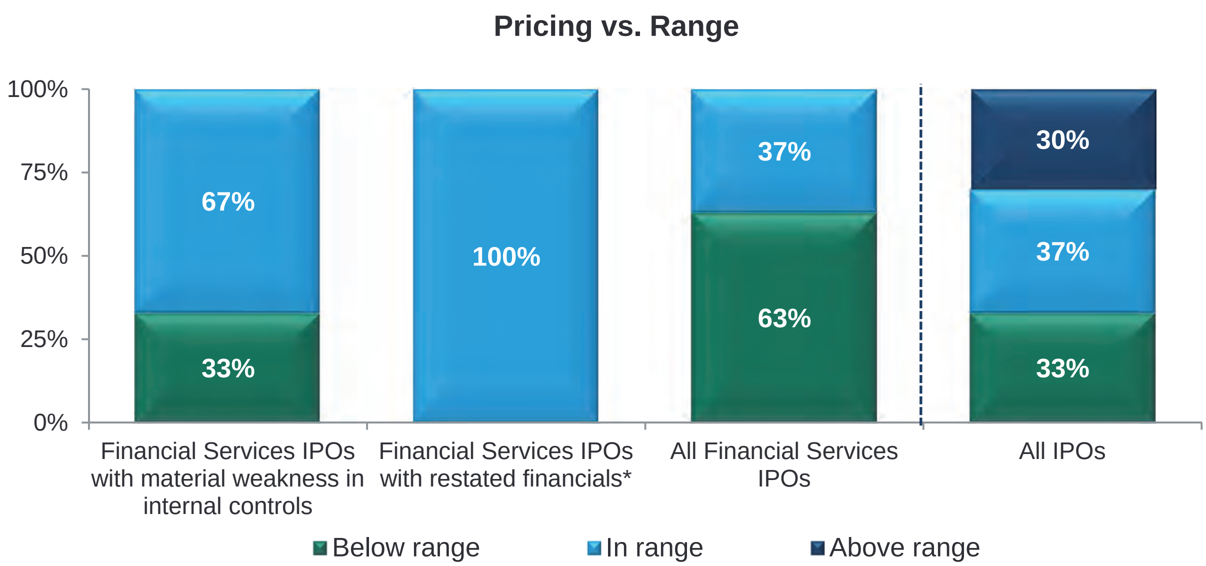
*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Accounting/Internal Controls & Flash Results

Accounting/Internal Controls

» Of the 8 financial services IPOs:

- None had a going-concern qualification.
- 3 (38%) disclosed a material weakness in internal control over financial reporting.
- 1 (13%) had restated financials.



Flash Results

» 7 of 8 (88%) financial services IPOs priced within 45 days of the end of the first, second or third quarter.

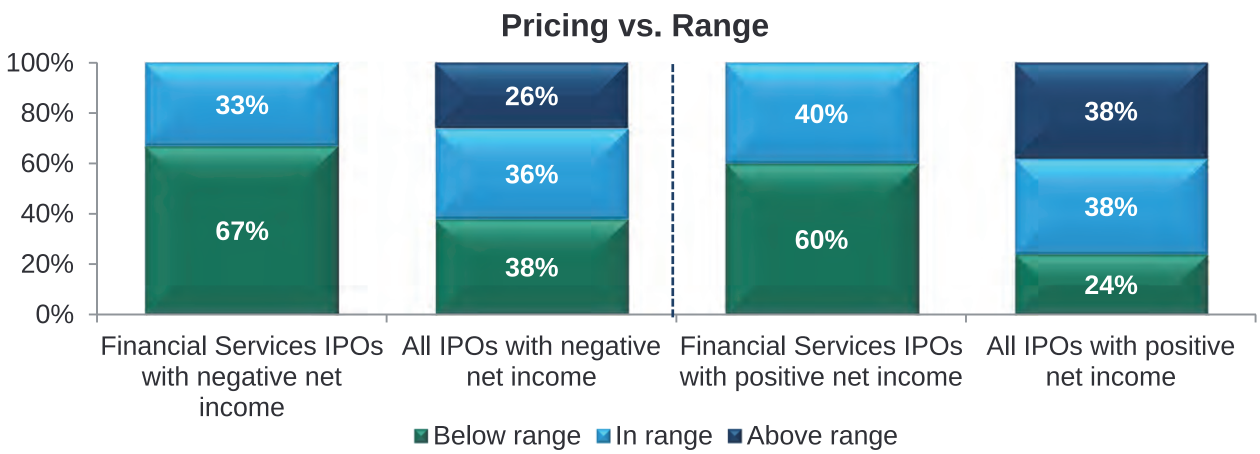
- 4 of these 7 (57%) showed flash results. Flash results for financial services IPOs included certain industry-specific metrics such as adjusted net trading income, reference premium written, total loans held for sale and held for investment, total deposits, and funds available for distribution.
- In addition, 1 of these 7 showed complete financial statements for the latest completed fiscal period, even though the prior period financial statements were not yet stale.

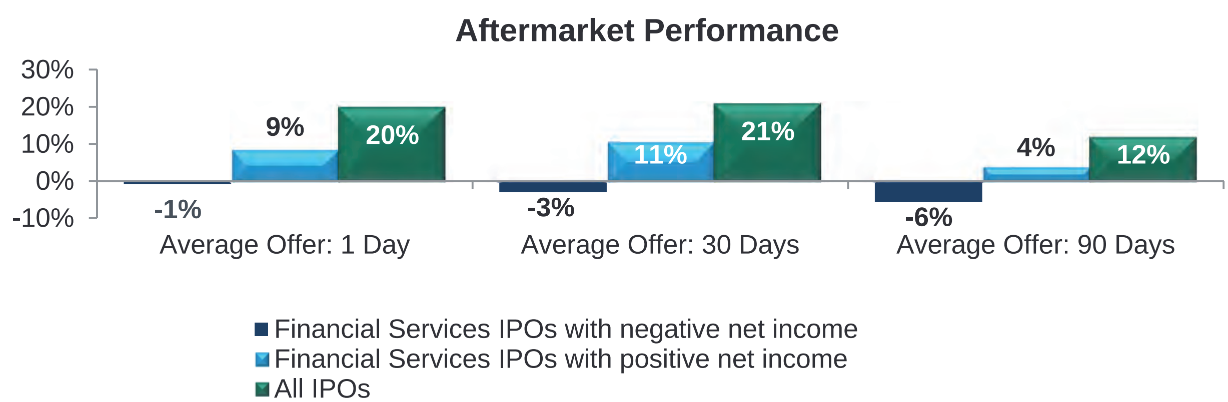
*Based on one IPO with restated financials.

Net Income & EBITDA/Adjusted EBITDA

Net Income

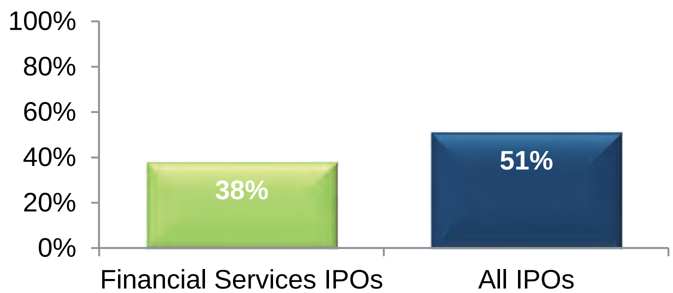
» 3 of 8 (38%) financial services IPOs had negative net income, compared to 64% in our overall study.





EBITDA/Adjusted EBITDA

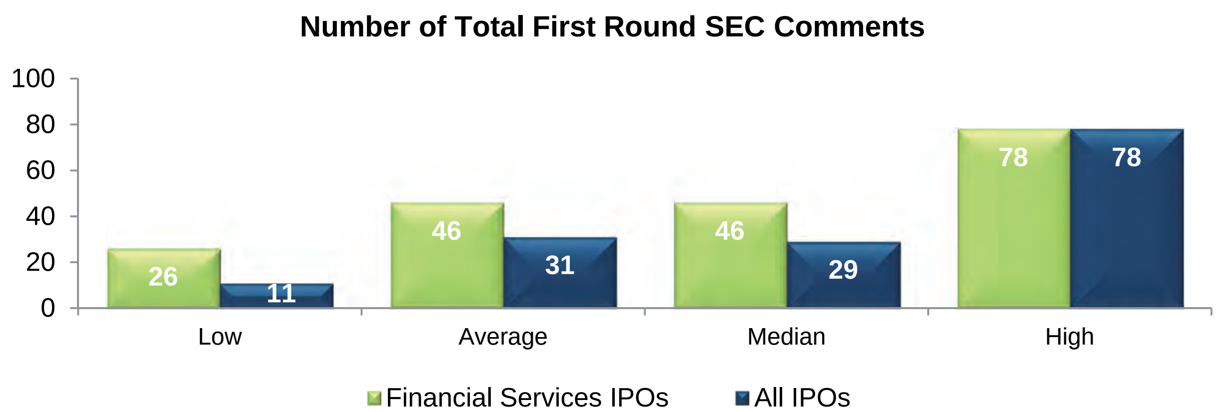
» 3 of 8 (38%) financial services IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.

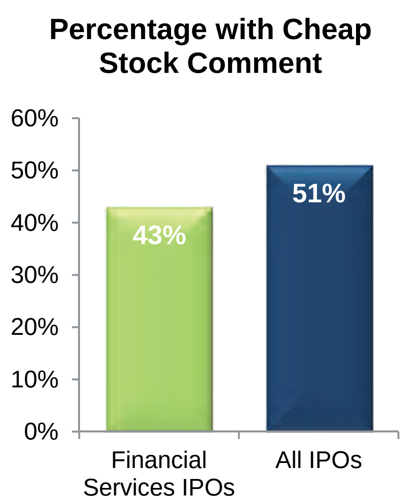


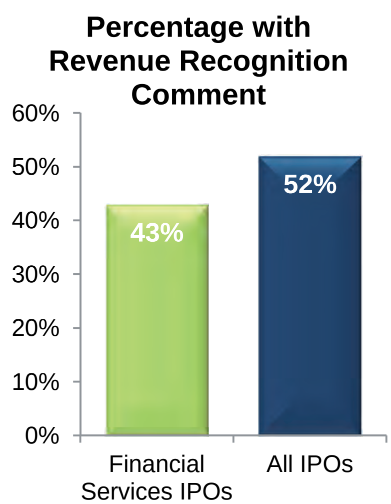
SEC Comments

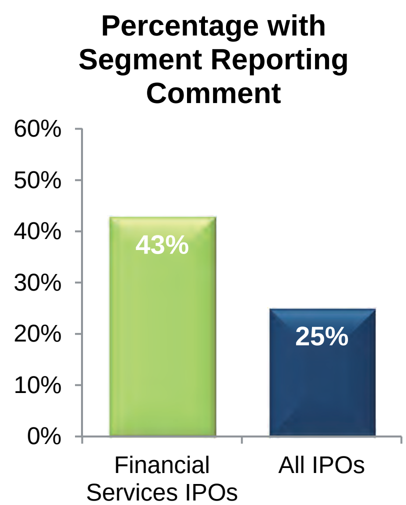
Total First Round SEC Comments*

» On average, the number of total first round SEC comments for financial services IPOs was higher than in our overall study.









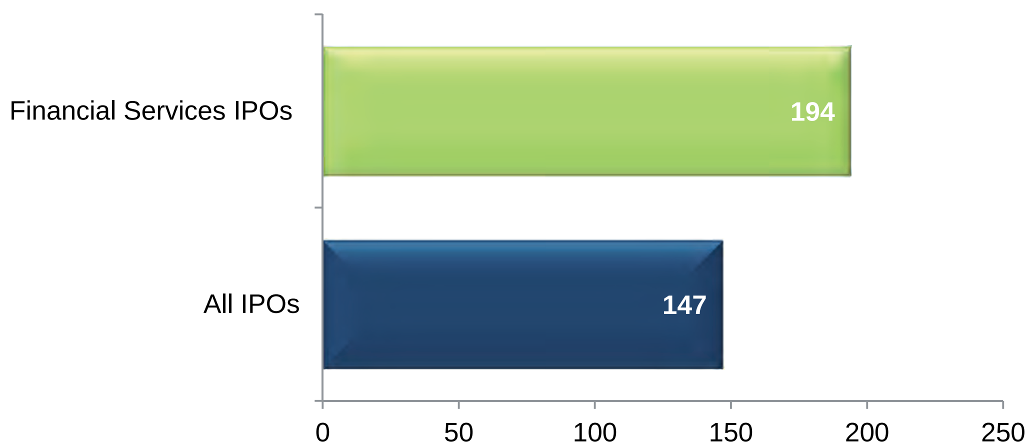
*Excludes prior SEC-reviewed issuers (none in financial services, five overall) and one issuer for which SEC comments were not yet publicly available in financial services and two in overall.

Timing

Timing*

- The time period from first submission/filing to pricing for financial services IPOs took longer to price than the overall average.

Average Number of Days From First Submission/Filing to Pricing



- The 194 days in 2015 for financial services IPOs is longer than the 125 days in 2014.

*Excludes prior SEC-reviewed issuers (none in financial services, five overall) and an additional IPO with confidential submission to pricing greater than 18 months in financial services and overall.

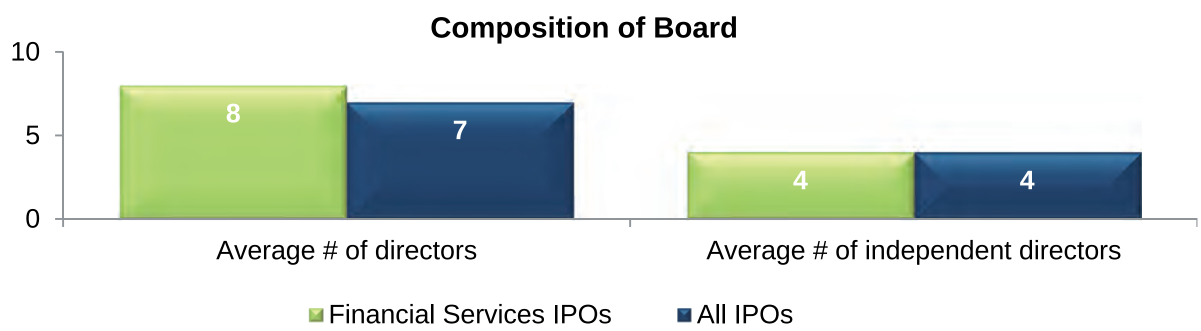
Corporate Governance: Key Items

Controlled Company Exemption*

- 4 of 7 (57%) financial services issuers were eligible for the controlled company exemption, compared to 42% in our overall study.
  - 2 of these 4 (50%) elected to take advantage of the exemption.

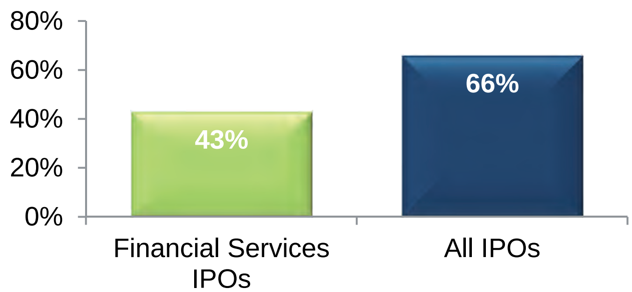
Director Independence*

- 5 of 7 (71%) financial services issuers had a majority of independent directors on their boards, compared to 68% in our overall study.
  - On average, these 5 had 62% independent boards.
  - On average, the remaining 2 had 33% independent boards.



Separation of Chairman & CEO Roles*

- 3 of 7 (43%) financial services issuers separated their Chairman and CEO roles, compared to 66% in our overall study.



Classes of Common Stock*

- 3 of 7 (43%) financial services issuers had multiple classes of common stock, compared to 24% in our overall study.

*Excludes a FPI (subject to home jurisdiction governance rules).

IPO Fees and Expenses

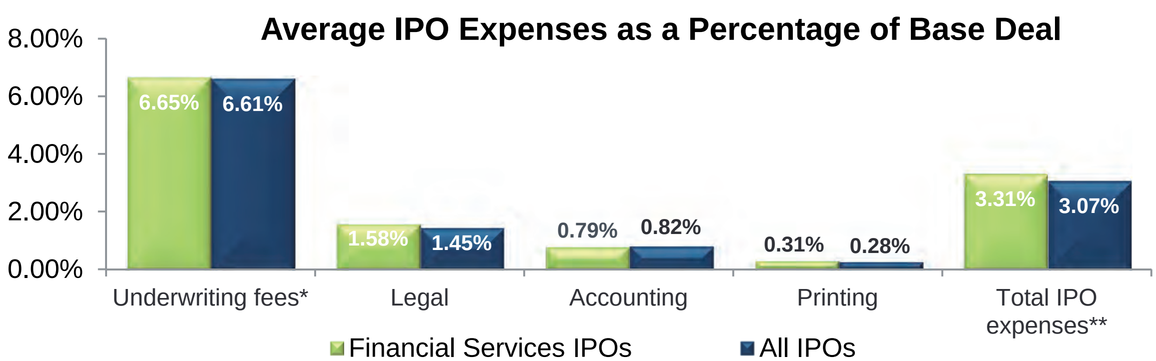
IPO Fees and Expenses

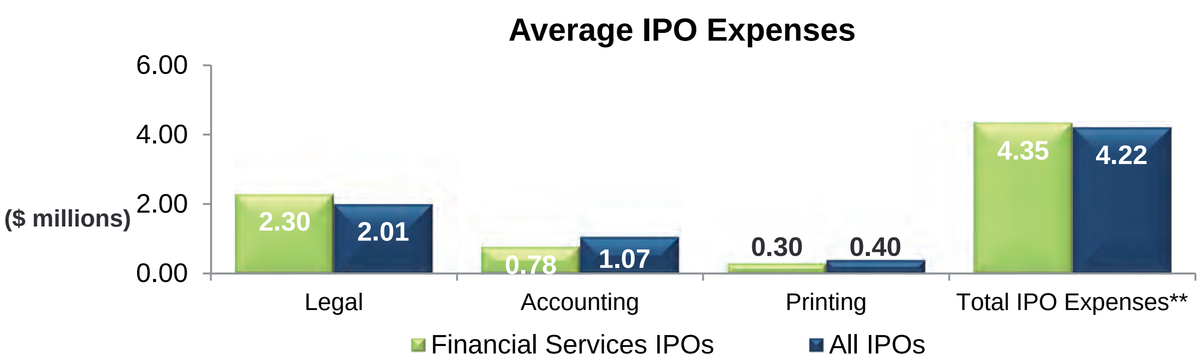
- Underwriting fees and total other IPO expenses (excluding underwriting fees) for financial services IPOs are summarized below:

Fee Category:	Low	Average	Median	High
Underwriting Fees*	$2,278,500	$10,037,195	$6,182,693	$21,987,922
Total IPO Expenses**	$1,230,300	$4,354,072	$3,122,954	$10,500,000

- Legal fees, accounting fees and printing costs for financial services IPOs are set forth below:

Fee Category:	Low	Average	Median	High
Legal	$500,000	$2,285,758	$1,450,000	$9,000,000
Accounting	$200,000	$780,238	$805,000	$1,315,000
Printing	$140,000	$296,875	$305,000	$475,000



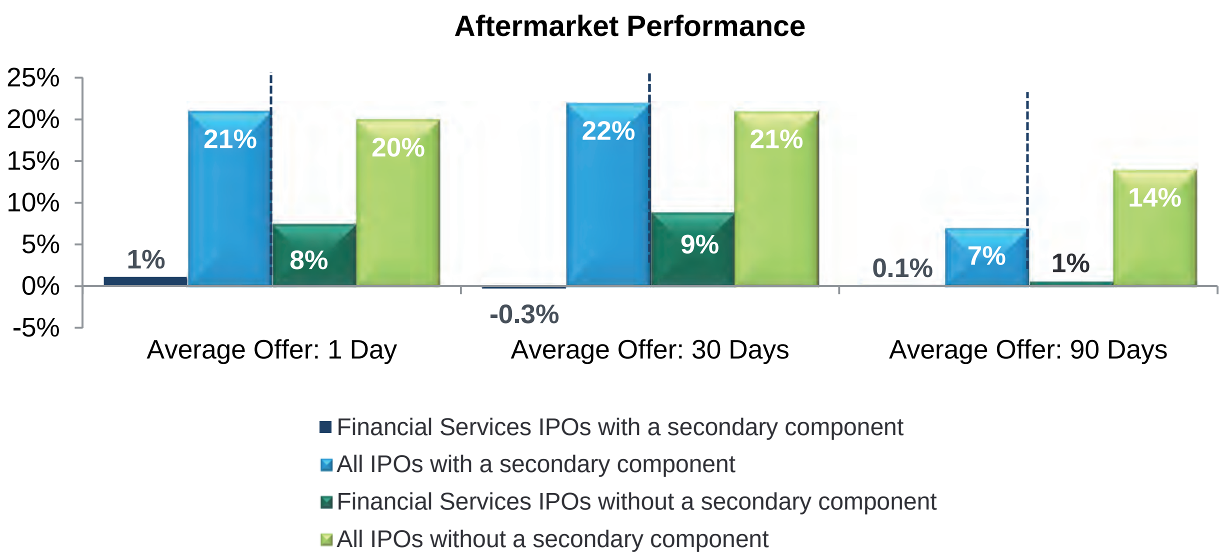


*Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
**Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component & Management Sales

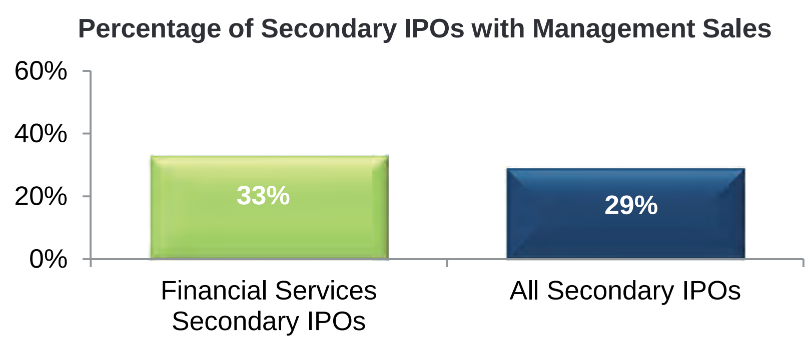
Secondary Component*

» 3 of 8 (38%) financial services IPOs had a secondary component, compared to 19% of IPOs in our overall study.



Management Sales

» Management sold shares in the base offering in 1 of 3 (33%) financial services IPOs with a secondary component, compared to 29% of secondary IPOs in our overall study.

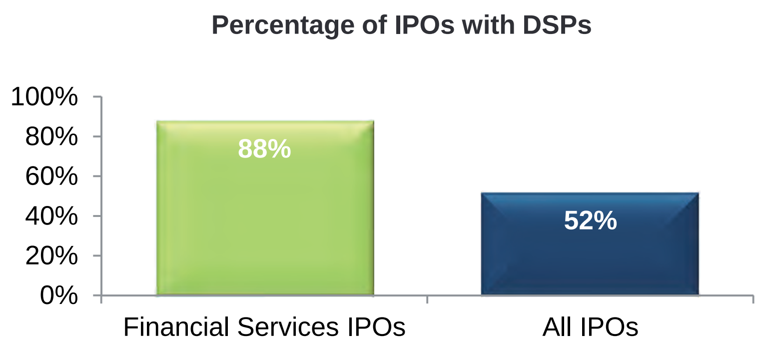


*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in financial services; three IPOs in overall study).

Deal Structure: DSPs & Insiders Purchasing

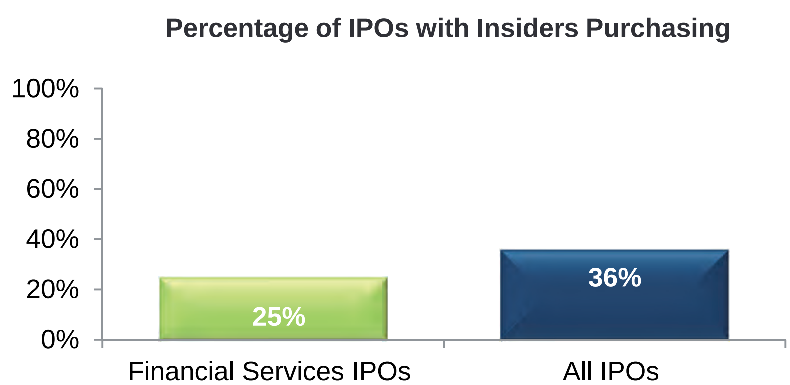
Directed Share Programs (DSPs)

- 7 of 8 (88%) financial services IPOs included DSPs, compared to 52% in our overall study.



Insiders Purchasing*

- 2 of 8 (25%) financial services issuers disclosed insiders purchasing in the IPO, compared to 36% in our overall study.
- In these 2 IPOs, insiders comprised an average of 2% of the shares sold in the IPO, compared to an average of 21% overall.

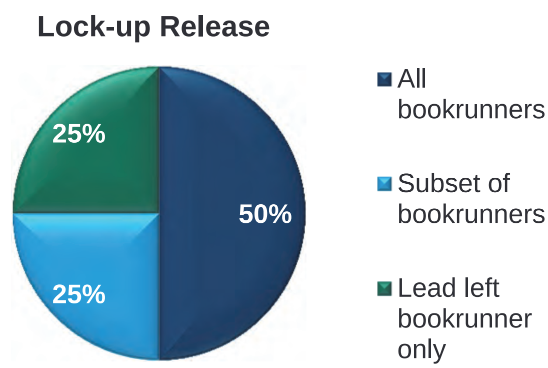


*Does not include purchases through a DSP.

Lock-Ups & Carve-Outs

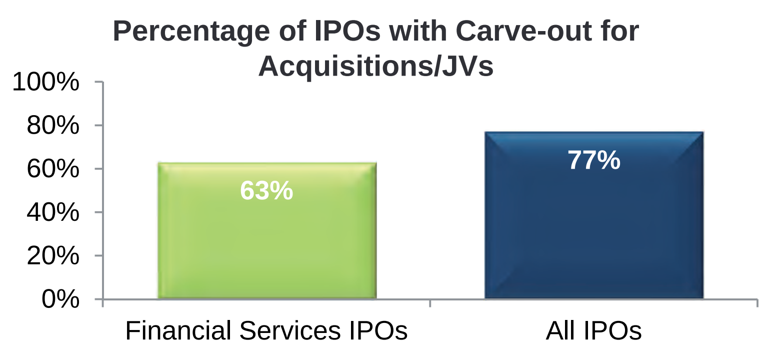
Lock-Ups

- For financial services IPOs, on average, 86.3% of pre-IPO shares were locked up*, compared to 97.6% in our overall study. The average percentage was affected by one issuer that had 57% locked up.
- 4 of 8 (50%) financial services IPOs required all bookrunners to release the lock-up, 2 of 8 (25%) required a subset of bookrunners and 2 of 8 (25%) required only the lead left bookrunner.

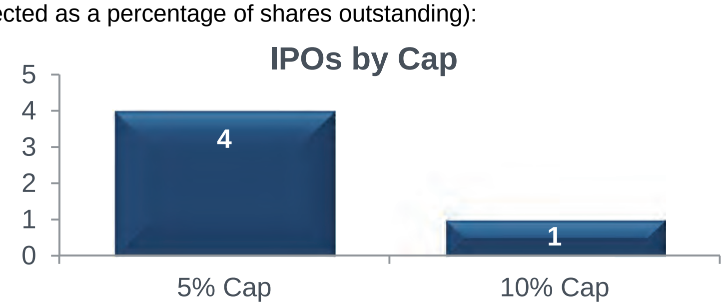


Carve-Outs

- 5 of 8 (63%) financial services IPOs included a carve-out in the issuer lock-up for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 77% in our overall study.



- Of the 5 financial services IPOs with acquisition/JV carve-outs, all included a cap on the number of shares that could be issued (reflected as a percentage of shares outstanding):



*Based on six financial services IPOs that disclosed percentage or number of shares locked up.

Sponsor-Backed IPOs

Sponsor-Backed and Management/Termination Fees*

- 4 of 8 (50%) financial services IPOs were sponsor-backed, compared to 43% in our overall study.
  - No financial services IPOs paid management or termination fees to the sponsor group in connection with the IPO, compared to 26% in our overall study.
- The length of sponsor investment was 3.9 years for the 1 IPO that disclosed.

Key Comparisons

	Sponsor-Backed	Non-Sponsor-Backed
Percentage of financial services IPOs	50%	50%
Average market capitalization at pricing	$1.1bn	$624.1mm
Average number of directors*	6	12
Average number of independent directors*	4	6
Average number of total first round SEC comments**	46	47
Average number of days from first submission/filing to pricing date	223	172
Average total IPO expenses (excluding underwriting fees)	$4.6mm	$4.1mm
Percentage of IPOs with a secondary component***	25%	50%

*Excludes FPIs (subject to home jurisdiction governance rules).
**Excludes one issuer for which SEC comments were not yet publicly available.
***IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in sponsor-backed; none in non-sponsor-backed).

Industrials

Industrials Executive Summary

Proskauer IPO Database
2015: 10 IPOs (11% of 2015)
2014: 14 IPOs (12% of 2014)
2013: 10 IPOs (10% of 2013)
Total: 34 Industrials IPOs

IPOs in this sector represented a diverse range of industries, including chemicals and building materials, automotive and boat manufacturing, packaging and shipping, and genetically modified food crops. The industrials sector was also geographically diverse, including companies based in seven states, as well as two FPIs.

Conservative Pricing – Continuing the trend from 2014, when only one deal priced above the range, no industrials IPO studied in 2015 priced above the range, with a 50-50 split between deals pricing at or below the range.

Increasing Over-Allotment Options Exercise – The over-allotment option was exercised in whole or in part in 100% of industrials IPOs in 2015, compared to 71% in 2014, when it was lower than the average across all sectors.

Higher Percentage of EGCs – In line with the overall market, an increasing percentage of industrials issuers were EGCs – 70% in 2015 from about half in 2014. Nevertheless, the percentage remains significantly lower than the overall market (91%). This perhaps reflects the relative difficulty in bringing new industrials issuers to the market in the current economic climate. Showing more years of historical financial information was likely more meaningful for these companies, with over 70% of EGCs choosing to include greater than two years of selected financials.

Strong Accounting and Financial Controls – Industrials issuers in 2015 had few issues relating to accounting and financial controls, with no issuers having restated financials, and one issuer having a going concern qualification and one issuer disclosing a material weakness.

Focus on Non-GAAP Financial Measures – Non-GAAP financial measures continued to be a significant metric for companies in this sector, with 90% of industrials issuers disclosing EBITDA and/or adjusted EBITDA, compared to only 51% of companies in the overall sample. This is also broadly in-line with 2014. For those issuers disclosing adjusted EBITDA, customary addbacks included compensation expenses, IPO-related expenses, non-cash items and one-time expenses, including management or termination fees.

Decrease in SEC Comments – The average number of comments received from the SEC dropped significantly to 31 in 2015 for industrials sector issuers, approximately 40% less than in each of the prior two years. However, the average time to clear comments has increased steadily, to 151 days in 2015 from 121 days in 2014 and about 50% greater than in 2013 – perhaps indicating market-driven uncertainty.

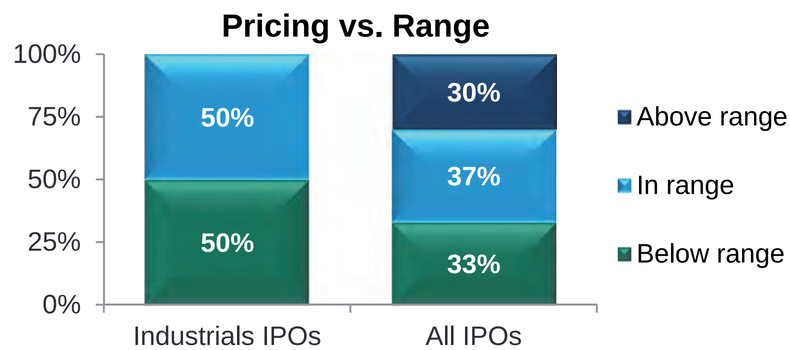
Industrials Market Analysis

Overview

- We analyzed 10 industrials IPOs in 2015.
- 2 of 10 (20%) were FPIs, with headquarters in Israel and Italy.
- The U.S. industrials issuers were headquartered in 7 states, with the most in New York with 2 out of 8 (25%).

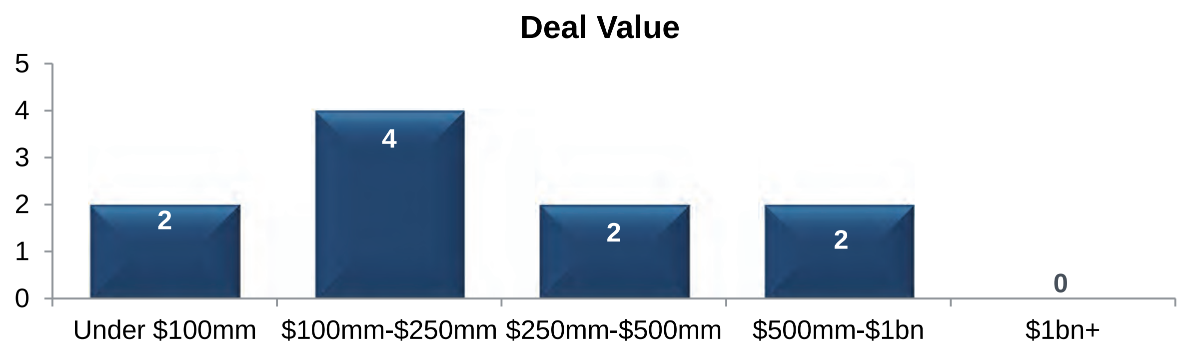
Deal Execution

- No industrials IPOs priced above the range, compared to 30% in our overall study.

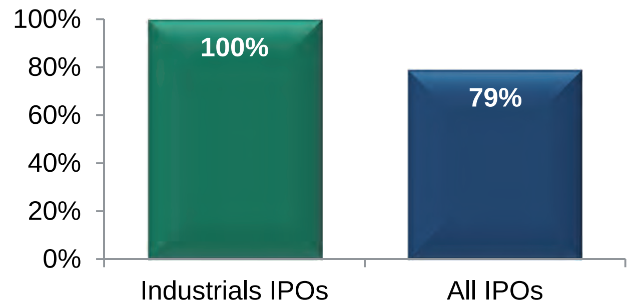


Deal Value & Over-Allotment*

- 60% of the industrials IPOs were below $250 million.



- The over-allotment option was partially or fully exercised in 10 of 10 (100%) industrials IPOs, compared to 79% in our overall study.

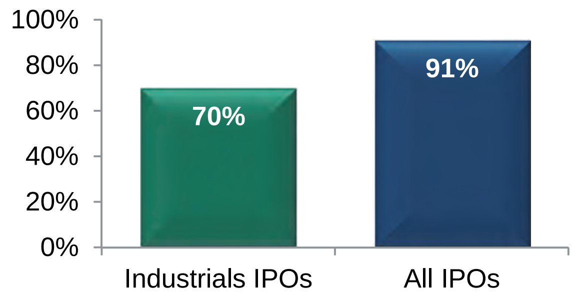


*Deal value includes exercise of the over-allotment option where applicable.

Confidential Submission, Testing-the-Waters & Financials

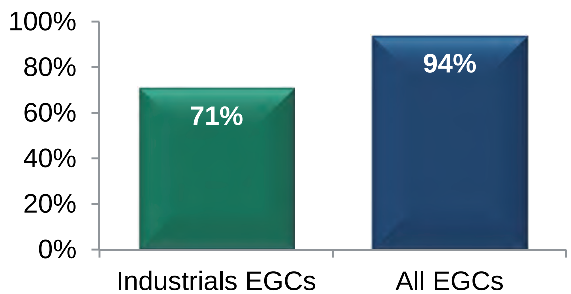
Overview

» 7 of 10 (70%) industrials IPOs were EGCs, compared to 91% in our overall study.



Confidential Submission

» 5 of 7 (71%) industrials EGCs elected confidential submission, compared to 94% of EGCs in our overall study.



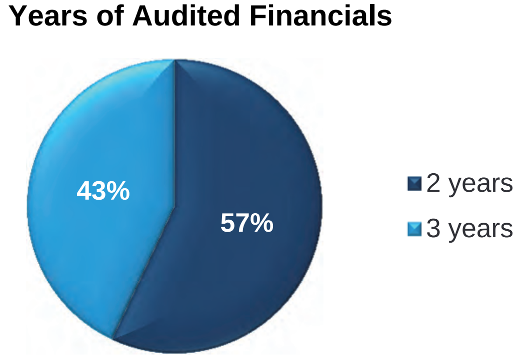
Testing-the-Waters

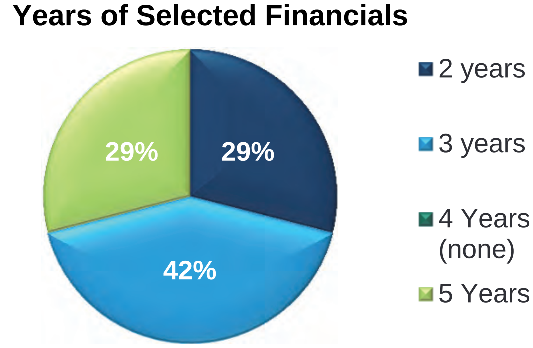
» We have testing-the-waters data on all 7 industrials EGCs.*

- 1 of these 7 (14%) reported that they conducted testing-the-waters.

Years of Financials

» 57% of industrials EGCs included two years of audited financials (compared to 65% of EGCs in our overall study) and 29% included two years of selected financials (compared to 48% of EGCs in our overall study).



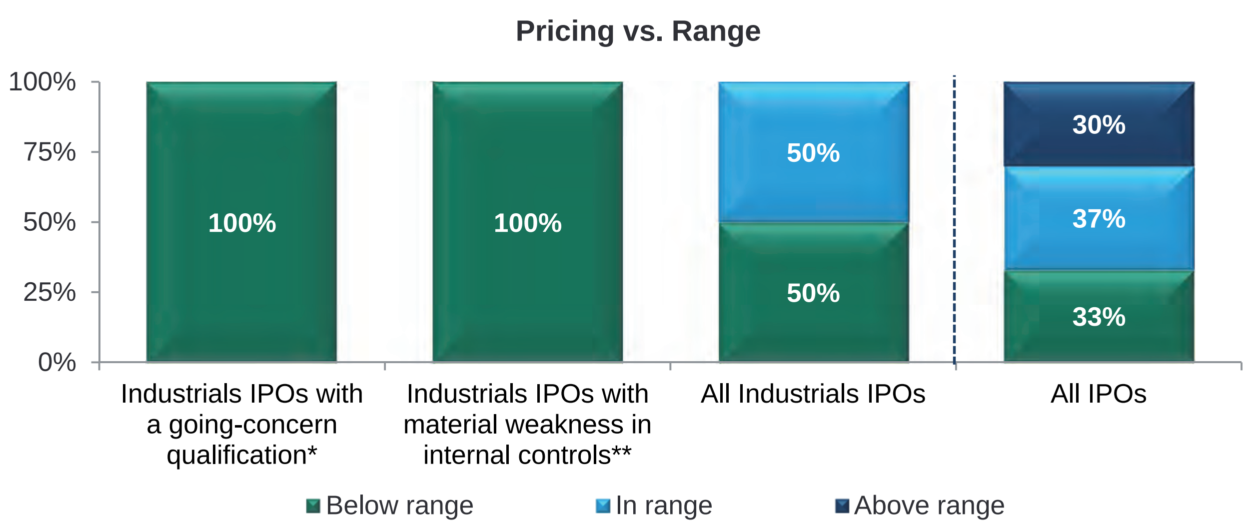


*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Accounting/Internal Controls & Flash Results

Accounting/Internal Controls

» Of the 10 industrials IPOs:
- 1 (10%) had a going-concern qualification.
- 1 (10%) disclosed a material weakness in internal control over financial reporting.
- None had restated financials.



Flash Results

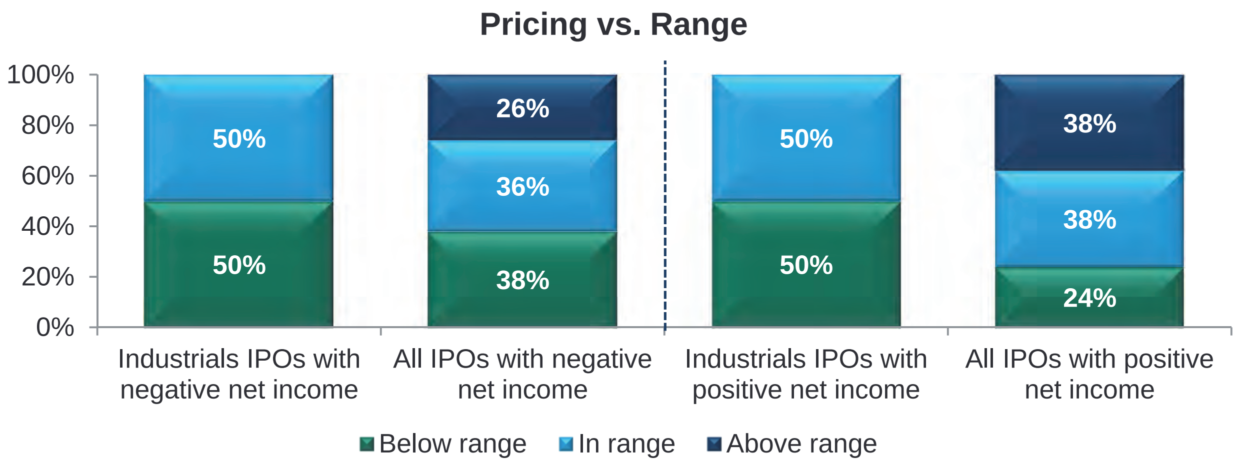
» 6 of 10 (60%) industrials IPOs priced within 45 days of the end of the first, second or third quarter.
- 3 of these 6 (50%) showed flash results. These IPOs included measures in their flash results such as revenues, net income and EBIT and adjusted EBITDA.

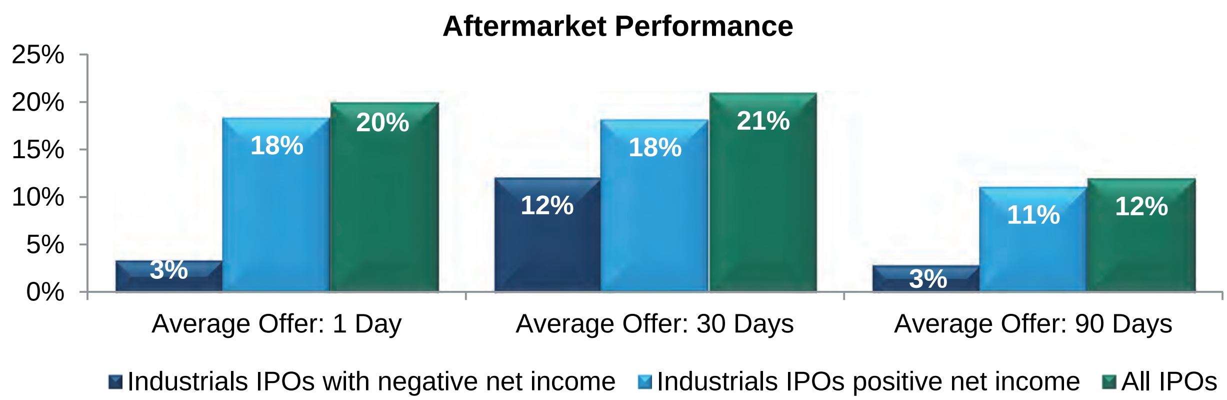
*Based on one IPO with a going-concern qualification.
**Based on one IPO with a material weakness in internal controls.

Net Income & EBITDA/Adjusted EBITDA

Net Income

» 6 of 10 (60%) industrials IPOs had negative net income, compared to 64% in our overall study.

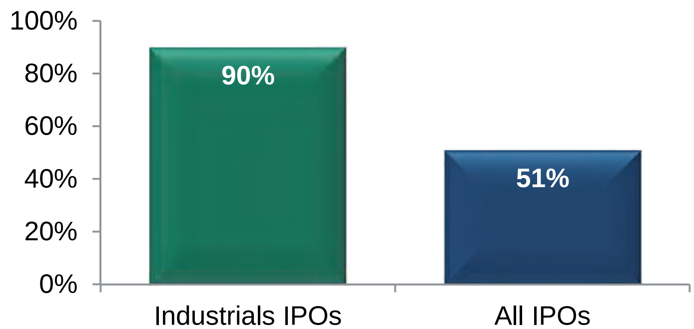




EBITDA/Adjusted EBITDA

» 9 of 10 (90%) industrials IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.

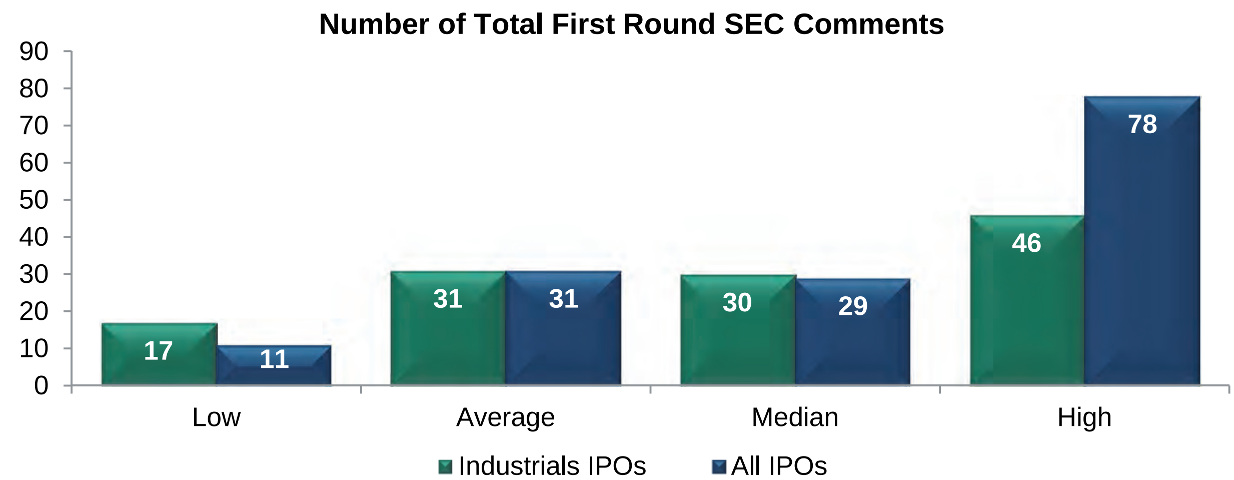
» Typical add backs include compensation expenses, IPO-related expenses, non-cash items and one-time expenses.

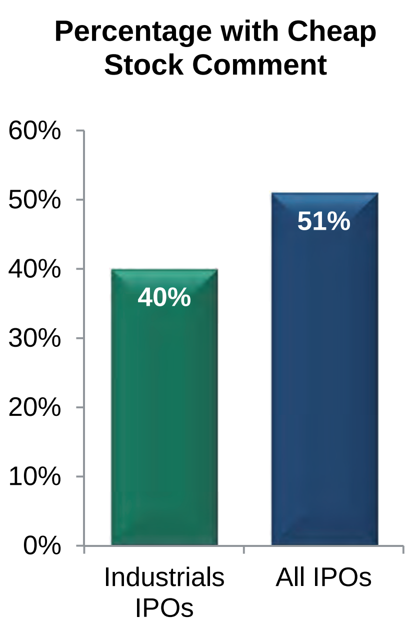


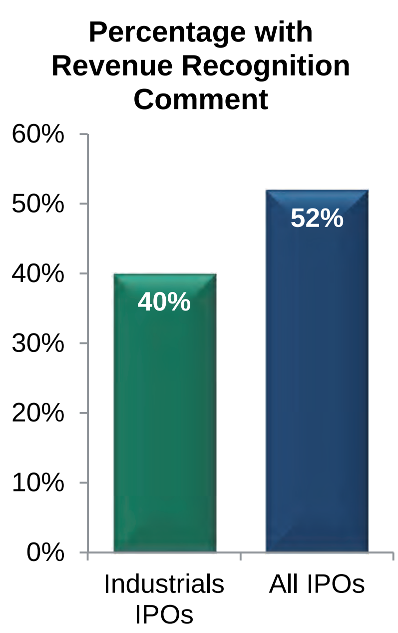
SEC Comments

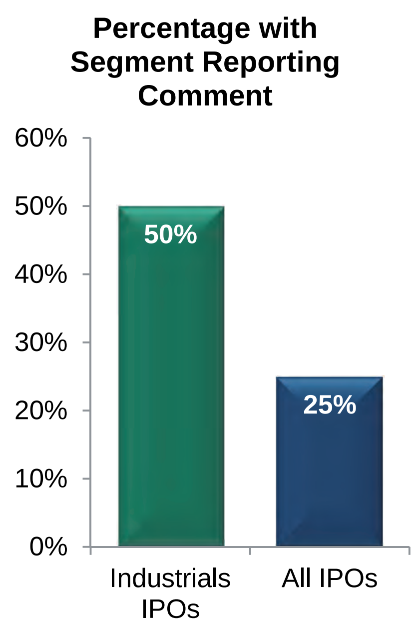
Total First Round SEC Comments*

» On average, the number of total first round SEC comments for industrials IPOs was generally consistent with our overall study.









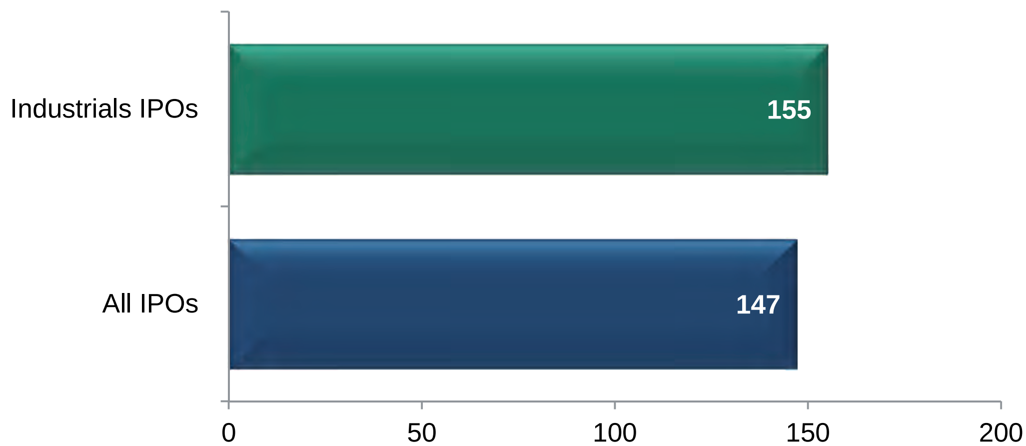
*Excludes prior SEC-reviewed issuers (none in industrials, five overall) and two issuers for which SEC comment letters were not yet publicly available in overall.

Timing

Timing*

» The time period from first submission/filing to pricing for industrials IPOs priced similar to the number of days as the overall average.

Average Number of Days From First Submission/Filing to Pricing



» The 155 days in 2015 for industrials IPOs is longer than the 121 days in 2014.

*Excludes prior SEC-reviewed issuers (none in industrials, five overall) and an additional IPO with confidential submission to pricing greater than 18 months in overall.

Corporate Governance: Key Items

Controlled Company Exemption*

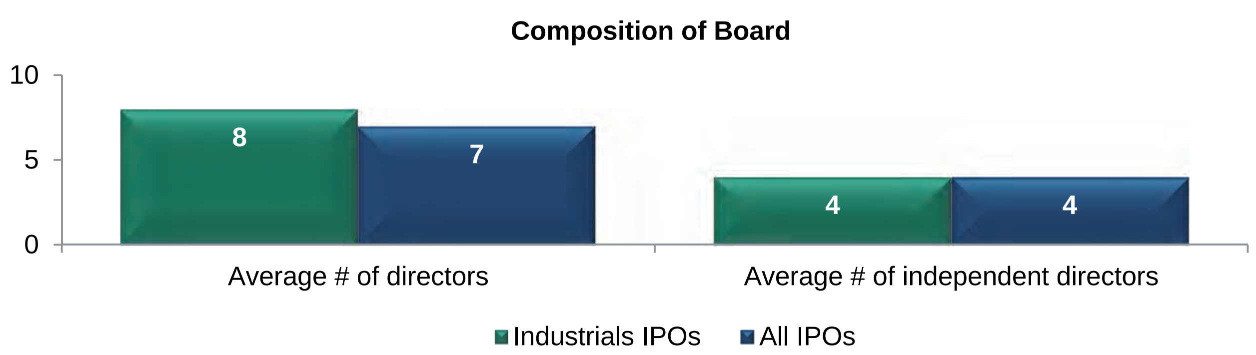
» 5 of 8 (63%) industrials issuers were eligible for the controlled company exemption, compared to 42% in our overall study.

- All five elected to take advantage of the exemption.

Director Independence*

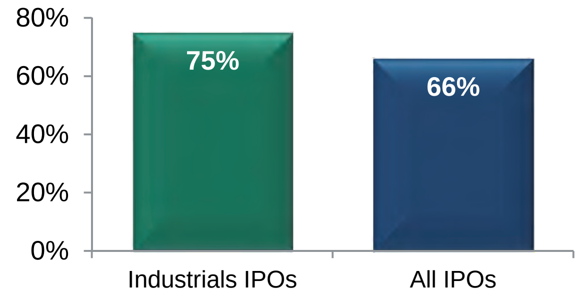
» 4 of 8 (50%) industrials issuers had a majority of independent directors on their boards, compared to 68% in our overall study.

- On average, these 4 had 69% independent boards.
- On average, the remaining 4 had 33% independent boards.



Separation of Chairman & CEO*

» 6 of 8 (75%) industrials issuers separated their Chairman and CEO roles, compared to 66% in our overall study.



Classes of Common Stock*

» 1 of 8 (13%) industrials issuers had multiple classes of common stock, compared to 24% in our overall study.

*Excludes FPIs (subject to home jurisdiction governance rules).

IPO Fees and Expenses

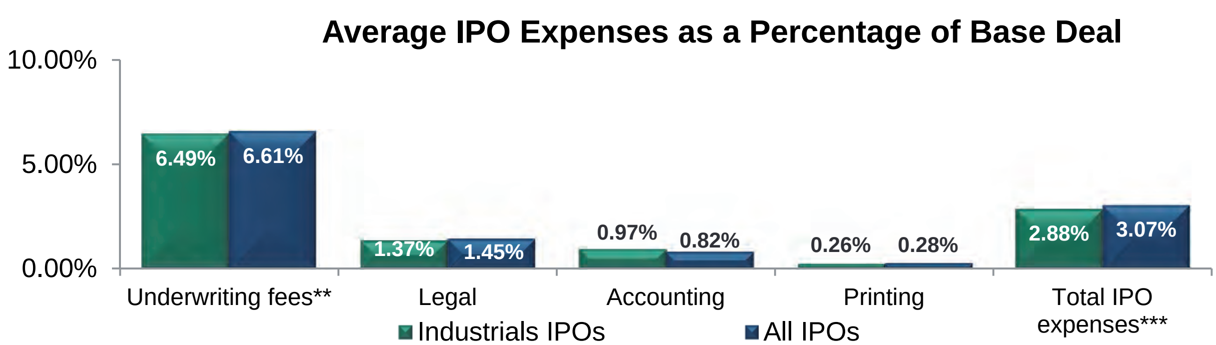
IPO Fees and Expenses*

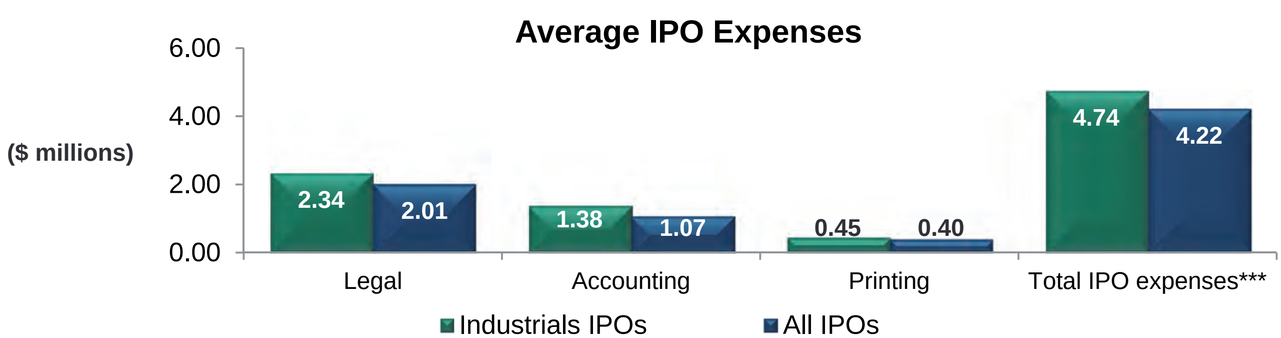
» Underwriting fees and total other IPO expenses (excluding underwriting fees) for industrials IPOs are summarized below:

Fee Category	Low	Average	Median	High
Underwriting Fees**	$4,592,000	$15,133,099	$12,333,750	$46,200,000
Total IPO Expenses***	$1,061,000	$4,740,593	$5,036,000	$7,529,209

» Legal fees, accounting fees and printing costs for industrials IPOs are set forth below:

Fee Category	Low	Average	Median	High
Legal	$250,000	$2,344,222	$3,000,000	$3,500,000
Accounting	$300,000	$1,380,828	$1,050,000	$3,489,453
Printing	$90,000	$447,778	$500,000	$740,000



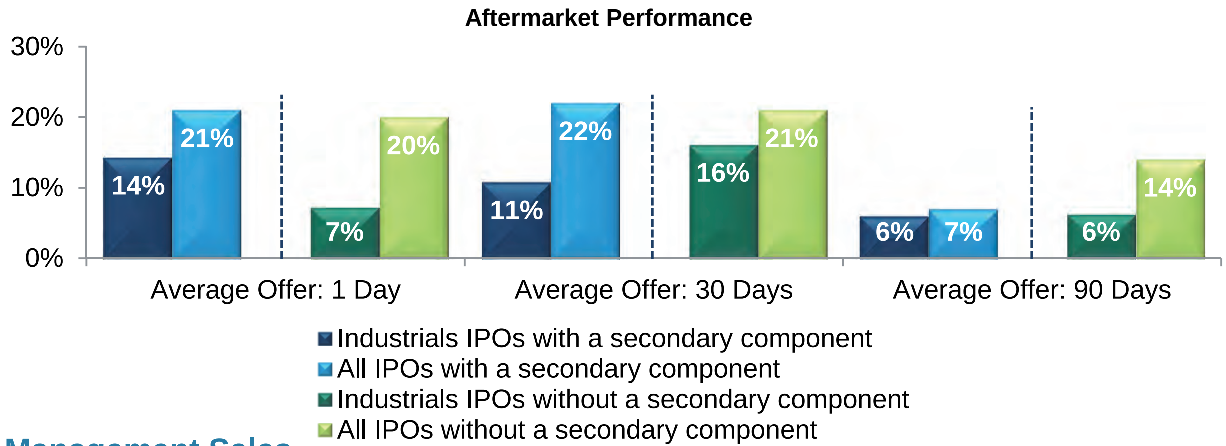


*Excludes 1 IPO that disclosed $10 million in total offering expenses but did not provide a breakdown of legal, accounting and printing costs.
**Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
***Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component, Management Sales, DSPs & Insiders Purchasing

Secondary Component*

» 3 of 10 (30%) industrials IPOs had a secondary component, compared to 19% of IPOs in our overall study.

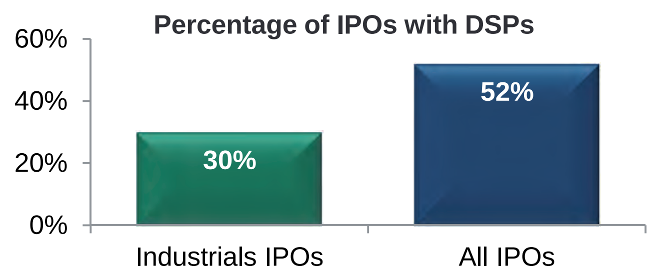


Management Sales

» Management sold shares in 1 of the 3 (33%) industrials IPOs with a secondary component, compared to 29% of secondary IPOs in our overall study.

Directed Share Programs (DSPs)

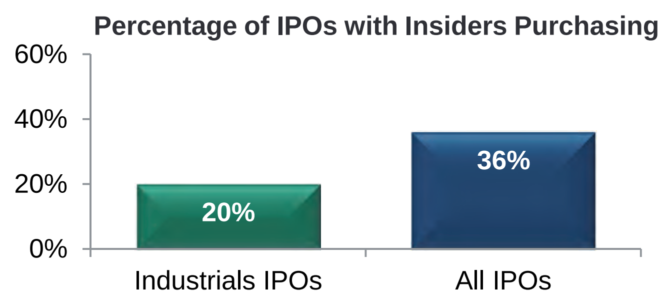
» 3 of 10 (30%) industrials IPOs included DSPs, compared to 52% in our overall study.



Insiders Purchasing**

» 2 of 10 (20%) industrials issuers disclosed insiders purchasing in the IPO, compared to 36% in our overall study.

» In these 2 IPOs, insiders comprised an average of 8% of the shares sold in the IPO, compared to an average of 21% overall.

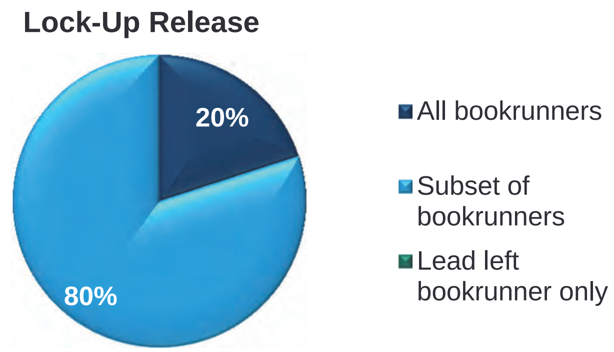


*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (one in industrials; three IPOs in overall study).
**Does not include purchases through a DSP.

Lock-Ups & Carve-Outs

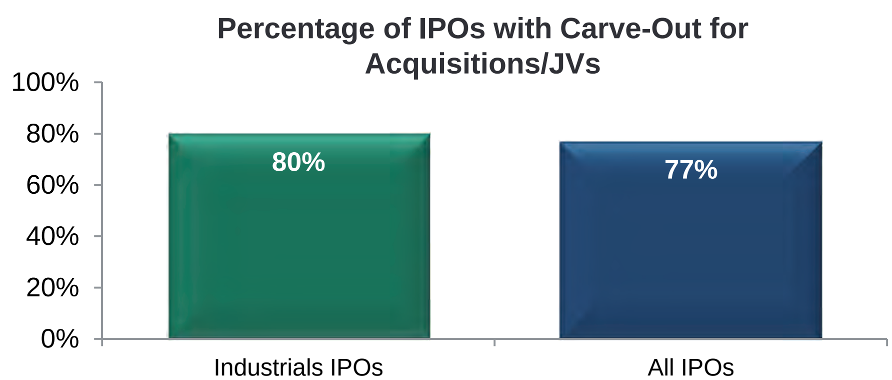
Lock-Ups

- For industrials IPOs, on average, 98.7% of pre-IPO shares were locked up*, compared to 97.6% in our overall study.
- 2 of 10 (20%) required all bookrunners to release the lock-up, 8 of 10 (80%) required a subset of bookrunners and none required only the lead left bookrunner.



Carve-Outs

- 8 of 10 (80%) industrials IPOs included a carve-out in the issuer lock-up for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 77% in our overall study.



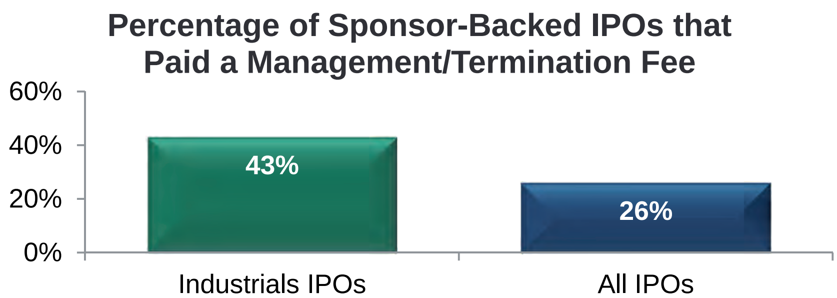
- Of the 8 industrials IPOs with acquisition/JV carve-outs, all included a cap on the number of shares that could be issued (reflected as a percentage of shares outstanding):

*Based on three industrials IPOs that disclosed percentage or number of shares locked up.

Sponsor-Backed IPOs

Sponsor-Backed and Management/Termination Fees

- 7 of 10 (70%) industrials IPOs were sponsor-backed, compared to 43% in our overall study.
  - 3 of these 7 (43%) paid management or termination fees to the sponsor group in connection with the IPO, compared to 26% in our overall study.
  - The smallest management/termination fee was $750.0 thousand, the average was $13.5 million and the largest was $26.0 million.



- The average length of sponsor investment was 4.6 years, the lowest 2.2 years and the highest 7.7 years.

Key Comparisons

	Sponsor-Backed	Non-Sponsor-Backed
Percentage of industrials IPOs	70%	30%
Average market capitalization at pricing	$1.2bn	$3.4bn
Average number of directors*	8	7
Average number of independent directors*	4	5
Average number of total first round SEC comments	34	24
Average number of days from first submission/filing to pricing date	160	144
Average total IPO expenses (excluding underwriting fees)**	$5.3mm	$2.7mm
Percentage of IPOs with a secondary component***	29%	33%

*Excludes FPIs (subject to home jurisdiction governance rules).
**Excludes one IPO that disclosed $10 million in total offering expenses but did not provide a breakdown of legal, accounting and printing costs.
***IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in sponsor-backed; one in non-sponsor-backed).

Consumer/Retail

Consumer/Retail Executive Summary

Proskauer IPO Database
2015: 12 IPOs (13% of 2015)
2014: 13 IPOs (11% of 2014)
2013: 14 IPOs (14% of 2013)
Total: 39 Consumer IPOs

The 2015 issuers in the consumer/retail sector were geographically diverse, headquartered in 9 states and one foreign country, and represented a cross section of industries, including food and beverage, consumer goods, credit services and fitness.

Strong Pricing – In our study, consumer/retail IPOs priced and performed significantly better in the aftermarket than IPOs in other industries. 58% priced above the range, as compared with 30% in our overall study, and this was the only sector in which average offer was positive at days 1, 30, 90 and 180.

Despite Accounting Issues – 50% of consumer/retail IPOs in 2015 disclosed a material weakness, the highest of any industry, and significantly above the study average of 33%. The disclosure did not appear to impact pricing, however, with 66% of consumer/retail IPOs with a material weakness pricing above the range, as compared to 37% of all IPOs disclosing a material weakness in our study.

Sponsors Pave the Way, But Keep Control – 83% of our 2015 consumer/retail IPOs were sponsor-backed, down from 92% in 2014, and compared with 43% in our overall study. Sponsor-backed deals were generally much larger, with an average market cap at pricing of $1.76 billion, compared with $408 million for non-sponsor backed deals in this sector. 60% of sponsor-backed consumer/retail IPOs in 2015 had a secondary component, compared to 26% in our overall study. Notably, 100% of U.S.-based consumer/retail issuers were eligible for the controlled company exemption at pricing, which was unmatched by any other industry, suggesting that while sponsors sold, they maintained a greater-than-50% stake.

No Testing Necessary – Approximately three-quarters of consumer/retail issuers in our study were EGCs, slightly down from 80% in 2014, and compared with 91% across all sectors. None of these companies reported to the SEC that they engaged in testing-the-waters communications, suggesting that consumer/retail companies felt less of a need to solicit market feedback before undertaking the IPO process.

Separation of Powers – 82% of consumer/retail issuers separated the Chairman and CEO roles – the most of any sector in our study, and compared with 66% in our study overall. This may be explained by the sector's high concentration of sponsor-backed deals, where a sponsor may place one of its representatives as Chairman separate from the management-team CEO.

Fewer Years of Audited Financials – 78% of consumer/retail EGCs included only two years of audited financial statements, the highest of any sector, suggesting pervasive acceptance of the EGC accommodation that requires only two years of audited financial statements. This practice is rapidly being adopted – in 2014, only 13% of consumer/retail EGCs took advantage of the accommodation, up from zero in 2013.

Non-GAAP is a Go –100% of consumer/retail issuers in our study disclosed EBITDA and/or Adjusted EBITDA, the highest percentage of any sector, and compared with 51% in our overall study. For those disclosing Adjusted EBITDA, typical addbacks included IPO costs, equity-based compensation expenses, pre-opening expenses, deferred rent and management fees. The frequent use of specific non-GAAP measures may be related to the high percentage of sponsor-backed IPOs in the sector.

Fewer Comments, Longer Time to Pricing – Consistent with the overall trend in this year's study, we found a significant downward progression in average number of first round SEC comments in the consumer/retail sector. This sector's 2015 IPOs received an average of 29 first round comments. From 2013 to 2015, consumer/retail had a 41% decrease in the average number of first round comments, compared to a 29% decrease across all sectors in our study. Unsurprisingly, 70% of consumer/retail companies received comments related to the use of non-GAAP measures, compared with 28% of companies study-wide. Time through the SEC was longer for IPOs in this sector, with an average of 165 days from first submission/filing to pricing, compared with an average of 147 days across the board. This was longer than the 125-day average for consumer/retail companies in 2014, consistent with the overall trend of longer times to pricing for IPOs covered in our multi-year study.

Pre-IPO Income Generators – Only 1 (8%) of the 2015 consumer/retail IPOs we analyzed had negative net income, as compared with 64% in our overall study. Unlike companies in the health care and TMT sectors which often are valued on future earning potential, consumer/retail issuers typically have track records of generating income.

Note: small sample size of non-sponsor backed companies (2 out of 12).

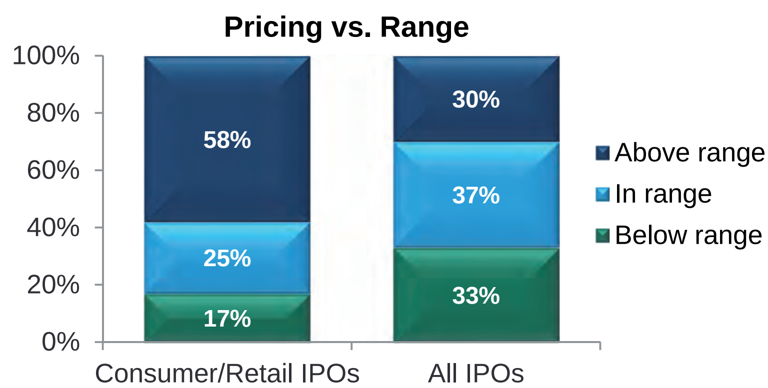
Consumer/Retail Market Analysis

Overview

- We analyzed 12 consumer/retail IPOs in 2015.*
- 1 of 12 (8%) was an FPI headquartered in Canada.
- The U.S. consumer/retail issuers were headquartered in 9 states, with the most in New York and Texas with 2 each (out of 11, or 18% each).

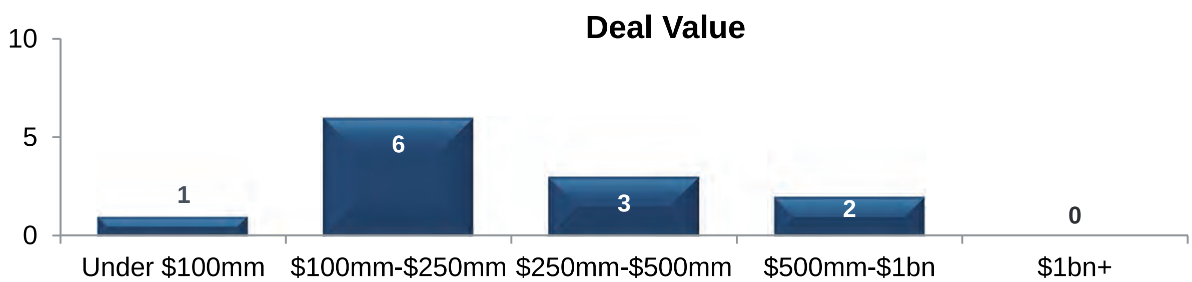
Deal Execution

- 7 of 12 (58%) consumer/retail IPOs priced above the range, compared to 30% in our overall study.

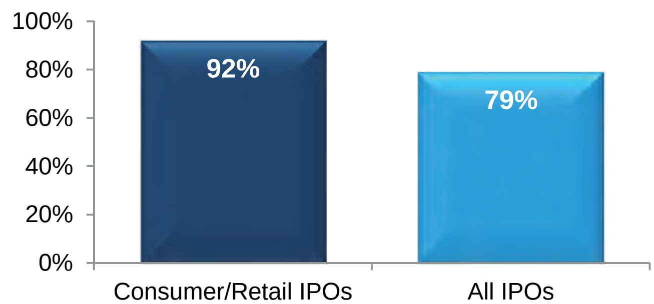


Deal Value & Over-Allotment**

- Most consumer/retail IPOs were between $100 million and $250 million.



- The over-allotment option was partially or fully exercised in 11 of 12 (92%) consumer/retail IPOs, compared to 79% in our overall study.

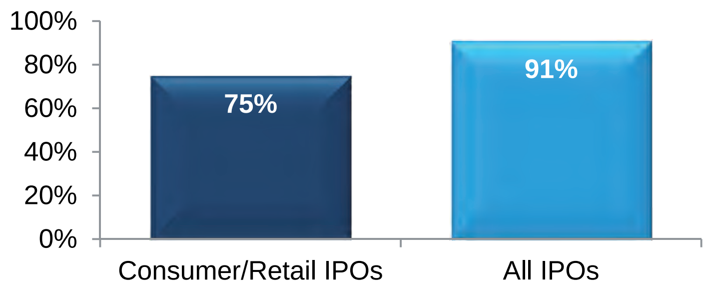


*Our consumer/retail sector includes professional services and hospitality/lodging.
**Deal value includes exercise of the over-allotment option where applicable.

Confidential Submission, Testing-the-Waters & Financials

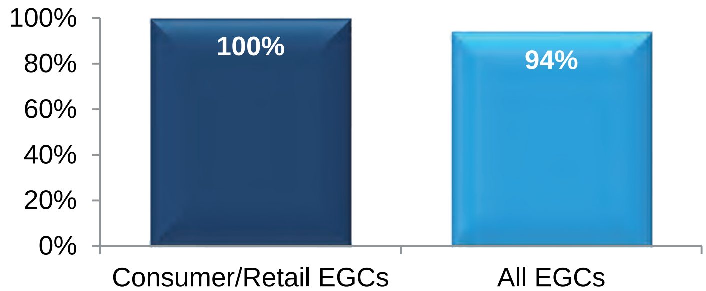
Overview

- 9 of 12 (75%) consumer/retail IPOs were EGCs, compared to 91% in our overall study.



Confidential Submission

- All 9 consumer/retail EGCs elected confidential submission, compared to 94% of EGCs in our overall study.



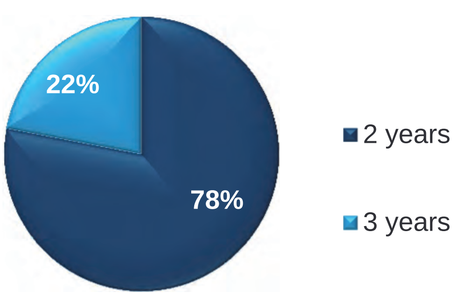
Testing-the-Waters

- We have testing-the-waters data on all 9 consumer/retail EGCs.*
  - None reported that they conducted testing-the-waters.

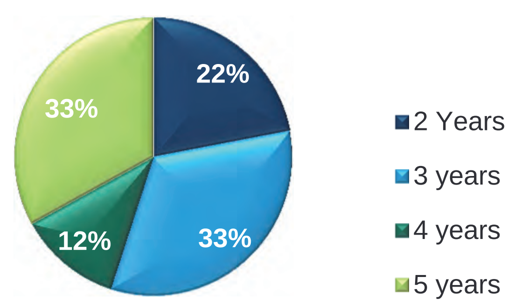
Years of Financials

- 78% of consumer/retail EGCs included two years of audited financials (compared to 65% of EGCs in our overall study) and 22% included two years of selected financials (compared to 48% of EGCs in our overall study).

Years of Audited Financials



Years of Selected Financials



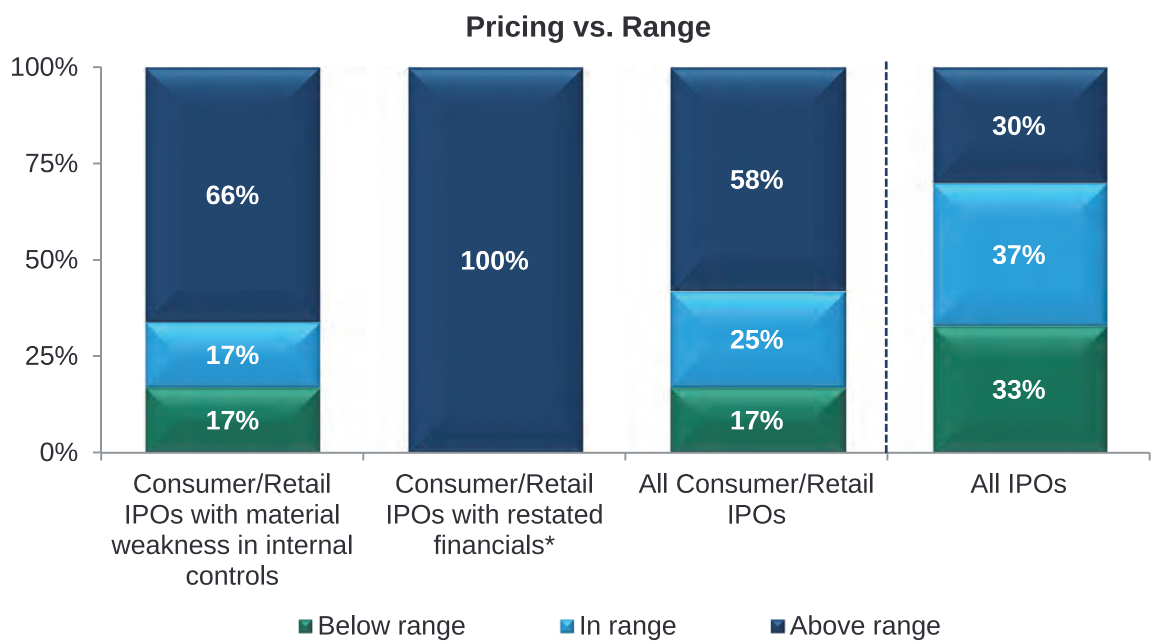
*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Accounting/Internal Controls & Flash Results

Accounting/Internal Controls

» Of the 12 consumer/retail IPOs:

- None had a going-concern qualification.
- 6 (50%) disclosed a material weakness in internal controls over financial reporting.
- 1 (8%) had restated financials.



Flash Results

» 7 of 12 (58%) consumer/retail IPOs priced within 45 days of the end of the first, second or third quarter.

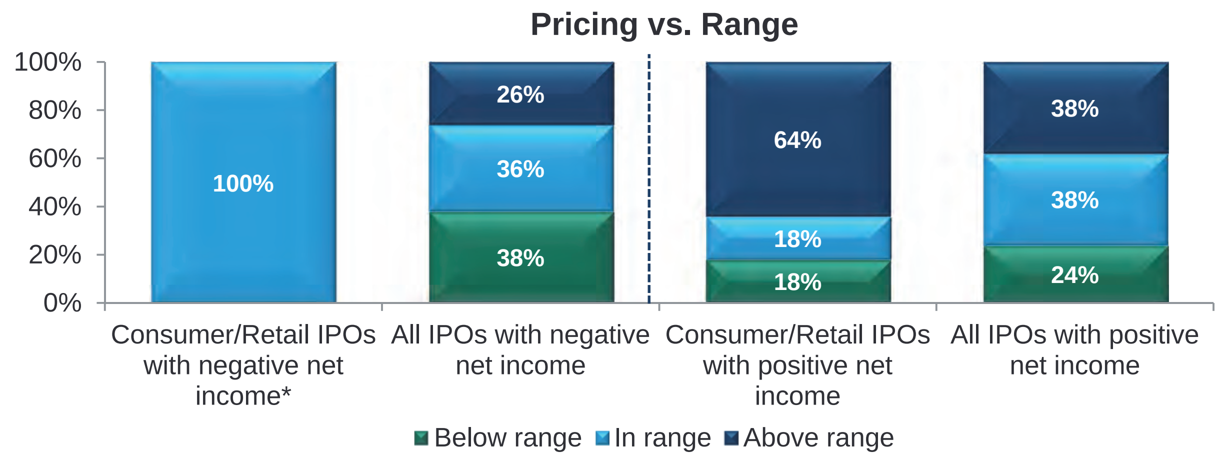
- 4 of these 7 (57%) showed flash results. Three of these four provided a range of expected total revenues. Other metrics included non-GAAP measures such as adjusted net income and adjusted EBITDA, and industry-specific operating metrics such as system-wide restaurant count and system wide same store sales.
- In addition, 1 of these 7 showed complete financial statements for the latest completed fiscal period, even though the prior period financial statements were not yet stale.

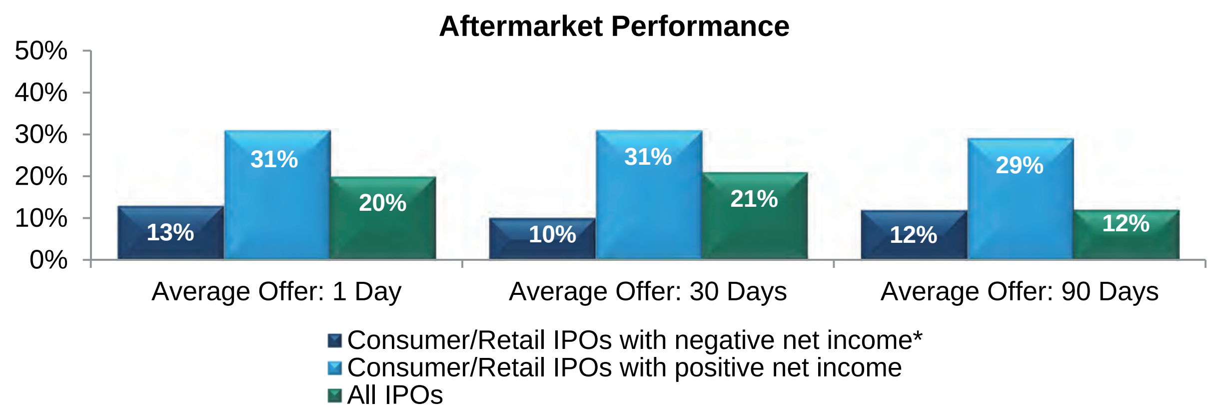
*Based on one IPO with restated financials.

Net Income & EBITDA/Adjusted EBITDA

Net Income

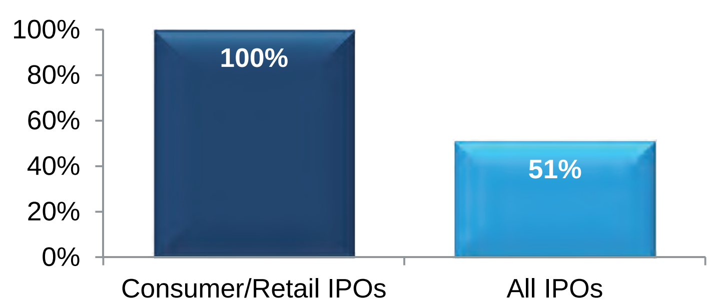
- 1 of 12 (8%) consumer/retail IPOs had negative net income, compared to 64% in our overall study.





EBITDA/Adjusted EBITDA

- 12 of 12 (100%) consumer/retail IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.
- Typical add backs in this sector include IPO costs, equity-based compensation expenses, pre-opening expenses, deferred rent and management fees.



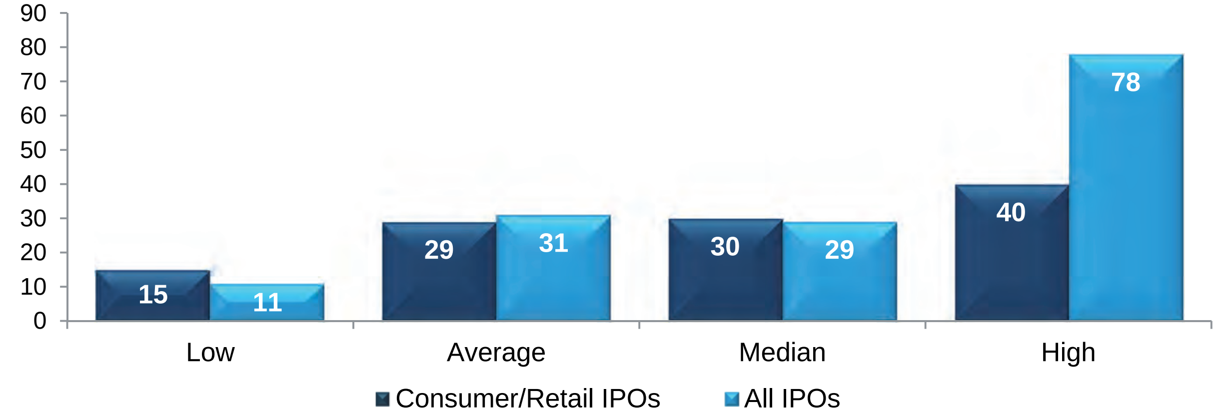
*Based on one IPO with negative net income.

SEC Comments

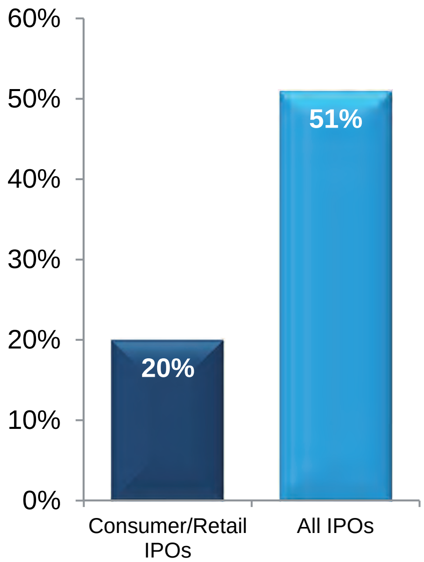
Total First Round SEC Comments*

» On average, the number of total first round SEC comments for consumer/retail IPOs was generally consistent with our overall study.

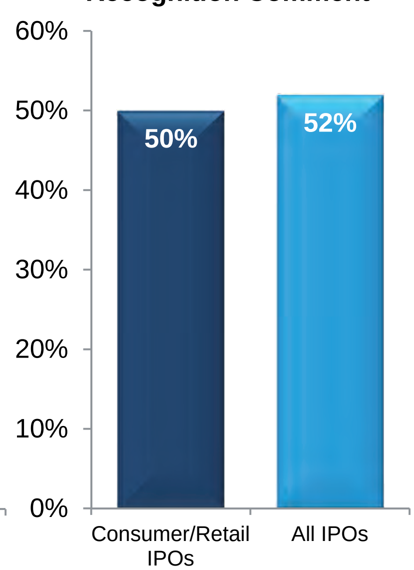
Number of Total First Round SEC Comments



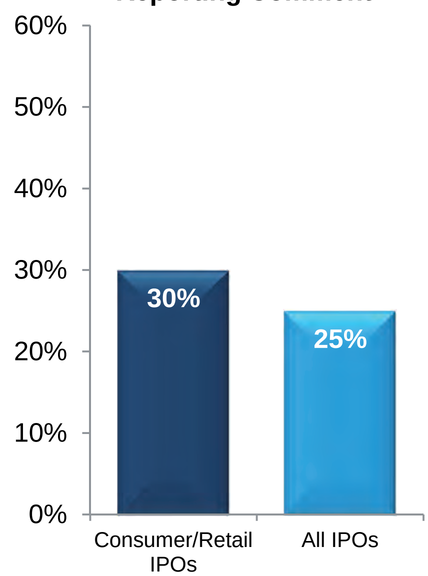
Percentage with Cheap Stock Comment



Percentage with Revenue Recognition Comment



Percentage with Segment Reporting Comment



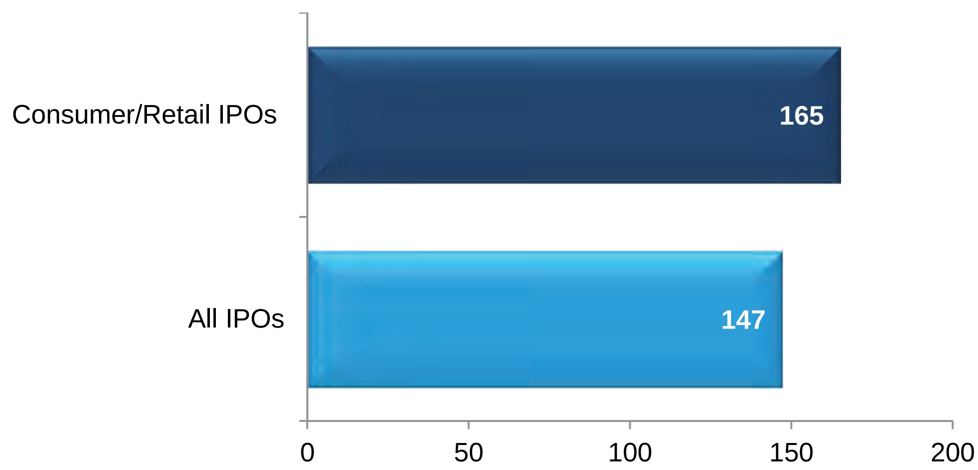
*Excludes prior SEC-reviewed issuers (two in consumer/retail, five overall) and two issuers for which SEC comment letters were not yet publicly available in overall.

Timing

Timing*

- The time period from first submission/filing to pricing for consumer/retail IPOs was slightly longer than the overall average.

Average Number of Days From First Submission/Filing to Pricing



- The 165 days in 2015 for consumer/retail IPOs is longer than the 125 days in 2014.

*Excludes prior SEC-reviewed issuers (two in consumer/retail, five overall) and an additional IPO with confidential submission to pricing greater than 18 months in overall.

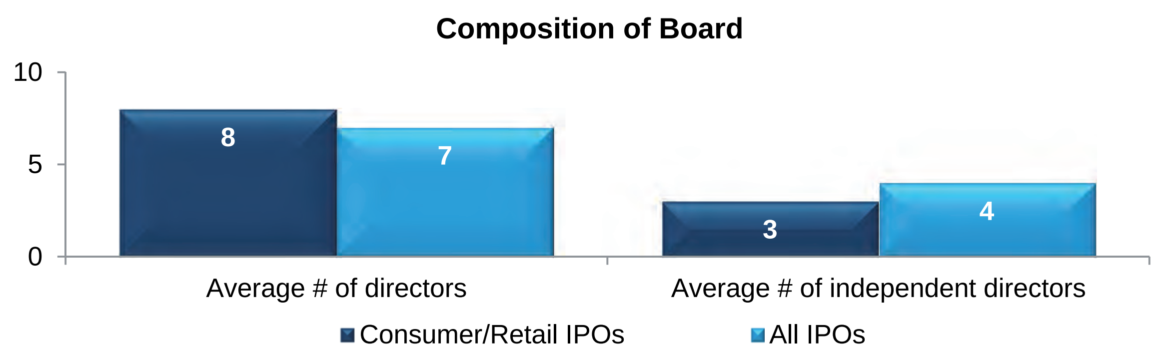
Corporate Governance: Key Items

Controlled Company Exemption*

- All 11 consumer/retail issuers were eligible for the controlled company exemption, compared to 42% in our overall study.
  - 10 of these 11 (91%) elected to take advantage of the exemption.

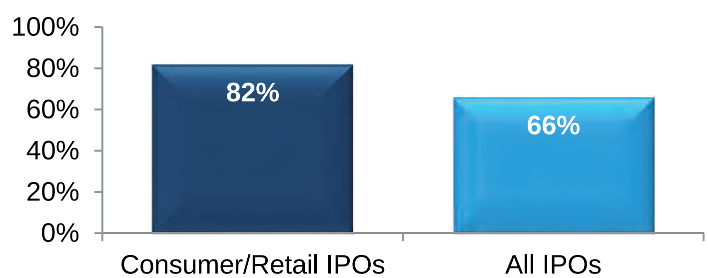
Director Independence*

- 4 of 11 (36%) consumer/retail issuers had a majority of independent directors on their boards, compared to 68% in our overall study.
  - On average, these 4 had 63% independent boards.
  - On average, the remaining 7 had 29% independent boards.



Separation of Chairman & CEO Roles*

- 9 of 11 (82%) consumer/retail issuers separated their Chairman and CEO roles, compared to 66% in our overall study.



Classes of Common Stock*

- 3 of 11 (27%) consumer/retail issuers had multiple classes of common stock, compared to 24% in our overall study.

*Excludes a FPI (subject to home jurisdiction governance rules).

IPO Fees and Expenses

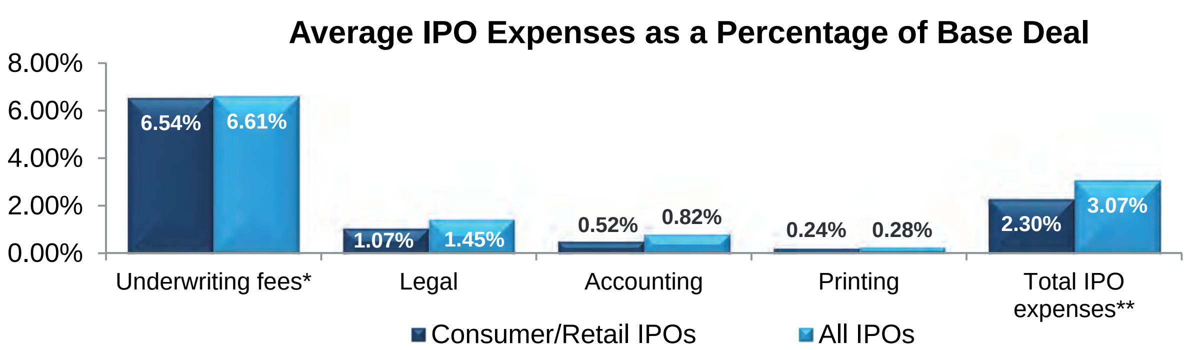
IPO Fees and Expenses

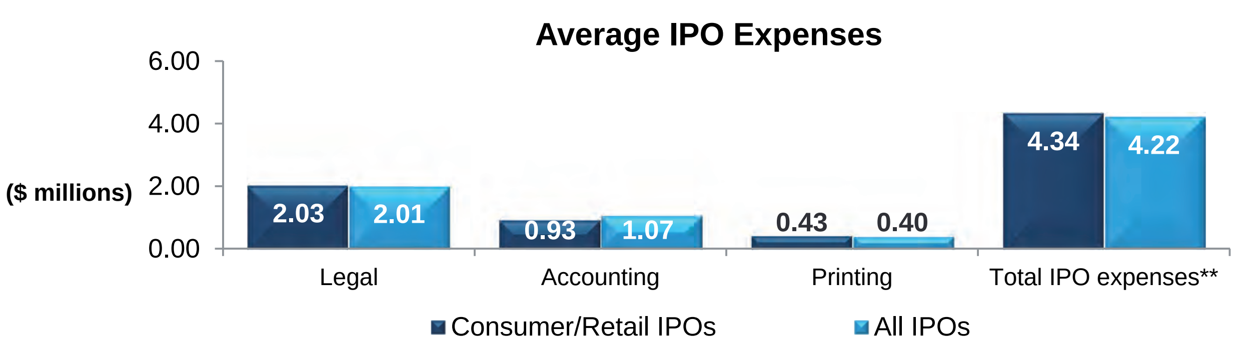
» Underwriting fees and total other IPO expenses (excluding underwriting fees) for consumer/retail IPOs are summarized below:

Fee Category:	Low	Average	Median	High
Underwriting Fees*	$5,600,000	$16,039,646	$12,173,750	$38,224,432
Total IPO Expenses**	$1,855,103	$4,340,060	$4,426,000	$6,880,000

» Legal fees, accounting fees, and printing costs for consumer/retail IPOs are set forth below:

Fee Category:	Low	Average	Median	High
Legal	$1,000,000	$2,026,250	$1,775,000	$4,100,000
Accounting	$185,000	$926,250	$828,500	$2,000,000
Printing	$100,000	$434,667	$425,000	$800,000



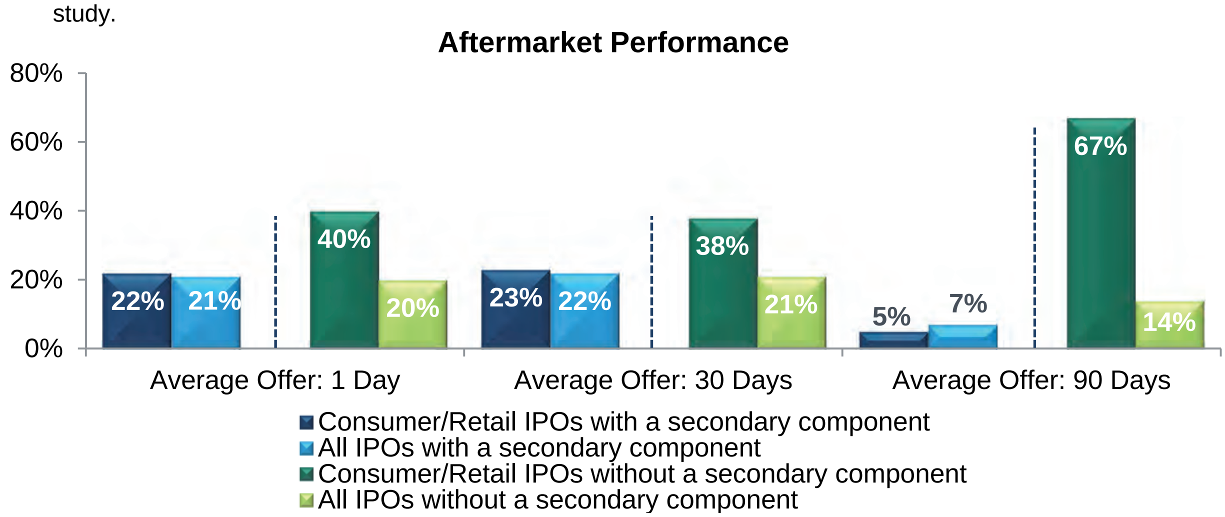


*Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
**Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component, Management Sales, DSPs & Insiders Purchasing

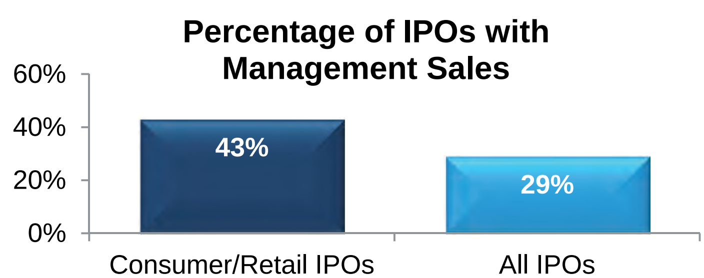
Secondary Component*

» 7 of 12 (58%) consumer/retail IPOs had a secondary component, compared to 19% of IPOs in our overall study.



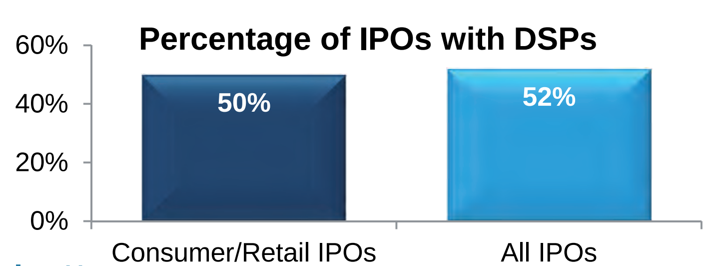
Management Sales

» Management sold shares in 3 of the 7 (43%) consumer/retail IPOs with a secondary component, compared to 29% of secondary IPOs in our overall study.



Directed Share Programs (DSPs)

» 6 of 12 (50%) consumer/retail IPOs included DSPs, compared to 52% in our overall study.



Insiders Purchasing**

» No consumer/retail issuers disclosed insiders purchasing in the IPO, compared to 36% in our overall study.

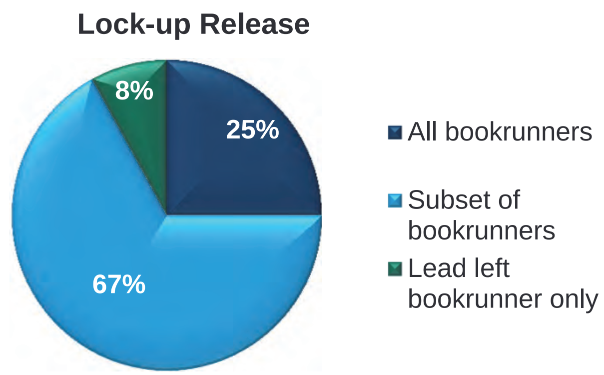
*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in consumer/retail; three IPOs in overall study).

**Does not include purchases through a DSP.

Lock-Ups & Carve-Outs

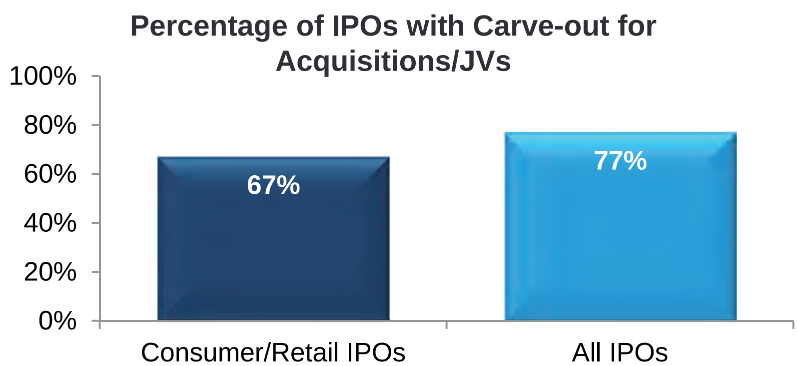
Lock-Ups

- For consumer/retail IPOs, on average, 99.8% of pre-IPO shares were locked up*, compared to 97.6% in our overall study.
- 3 of 12 (25%) consumer/retail IPOs required all bookrunners to release the lock-up, 8 of 12 (67%) required a subset of bookrunners and 1 of 12 (8%) required only the lead left bookrunner.

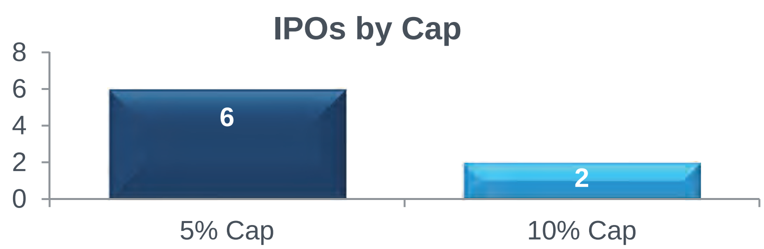


Carve-Outs

- 8 of 12 (67%) consumer/retail IPOs included a carve-out in the issuer lock-up for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 77% in our overall study.



- Of the 8 consumer/retail IPOs with acquisition/JV carve-outs all included a cap on the number of shares that could be issued (reflected as a percentage of shares outstanding):



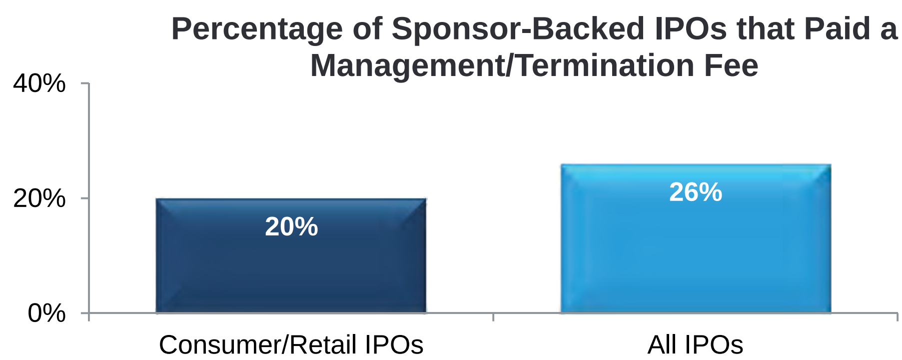
*Based on five consumer/retail IPOs that disclosed percentage or number of shares locked up.

Sponsor-Backed IPOs

Sponsor-Backed and Management/Termination Fees

» 10 of 12 (83%) consumer/retail IPOs were sponsor-backed, compared to 43% in our overall study.

- 2 of these 10 (20%) IPOs paid management or termination fees to the sponsor group in connection with the IPO, compared to 26% in our overall study.
- The management/termination fee for one was $3.3 million and $30.7 million for the other.



» The length of sponsor investment for one was 2.1 years and 5.2 years for the other.

Key Comparisons

	Sponsor-Backed	Non-Sponsor-Backed*
Percentage of consumer/retail IPOs	83%	17%
Average market capitalization at pricing	$1.76bn	$408mm
Average number of directors**	8	9
Average number of independent directors**	3	7
Average number of total first round SEC comments***	32	16
Average number of days from first submission/filing to pricing date***	172	136
Average total IPO expenses (excluding underwriting fees)	$4.59mm	$3.1mm
Percentage of IPOs with a secondary component****	60%	50%

*Based on two non-sponsor-backed IPOs in the consumer/retail sector (one of which was an FPI).
**Excludes a FPI (subject to home jurisdiction governance rules).
***Excludes two prior SEC-reviewed issuers.
****IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (none in sponsor-backed; none in non-sponsor-backed).

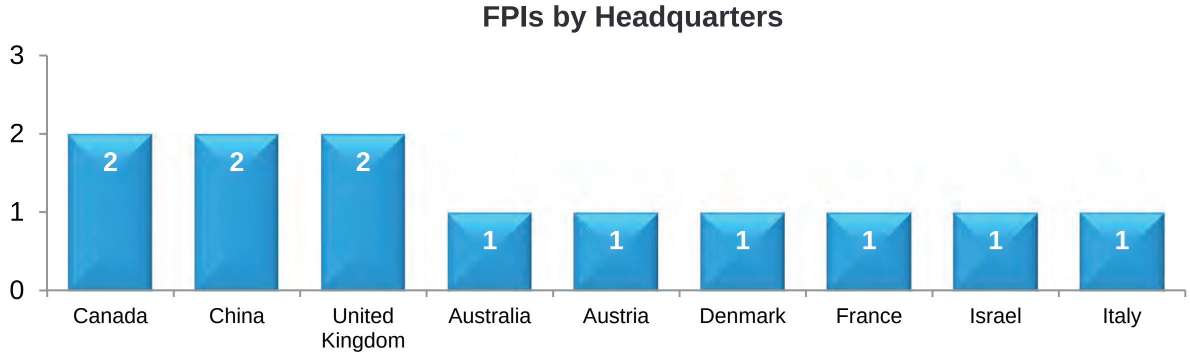
Appendix 1

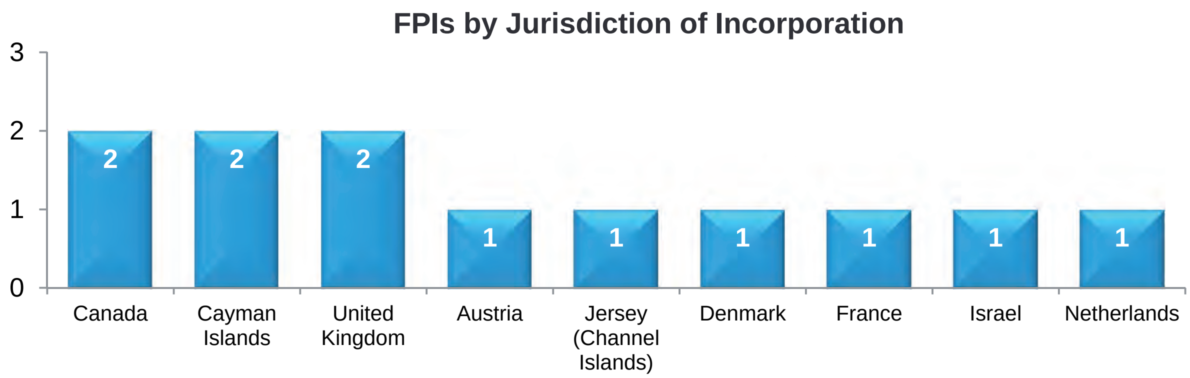
Foreign Private Issuers

FPI Market Analysis

Overview

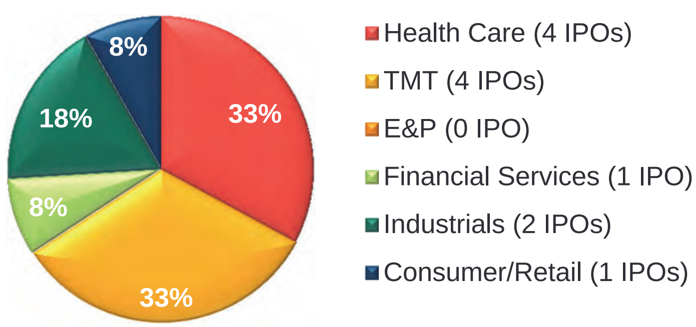
- We analyzed 12 FPI IPOs in 2015, representing 13% of our overall study.
- The 12 FPIs were headquartered in nine jurisdictions and incorporated in nine jurisdictions.
- The most common headquarters were Canada (2), China (2) and the United Kingdom (2), and the most common jurisdictions of incorporation were Canada (2) and Cayman Islands (2).





Sectors Represented

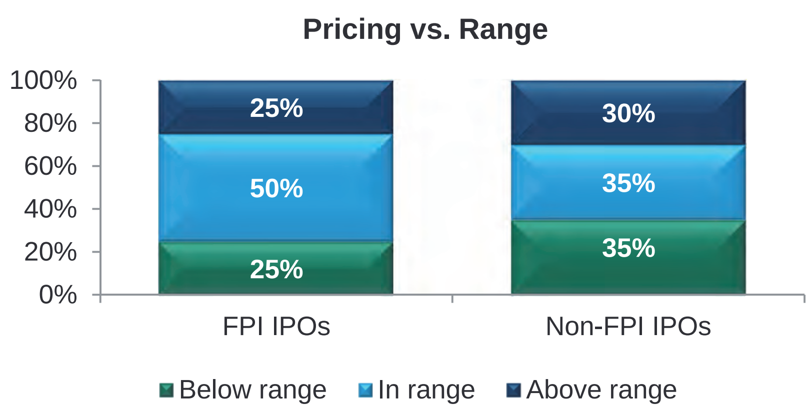
- TMT and health care accounted for a majority of the FPIs in our study.

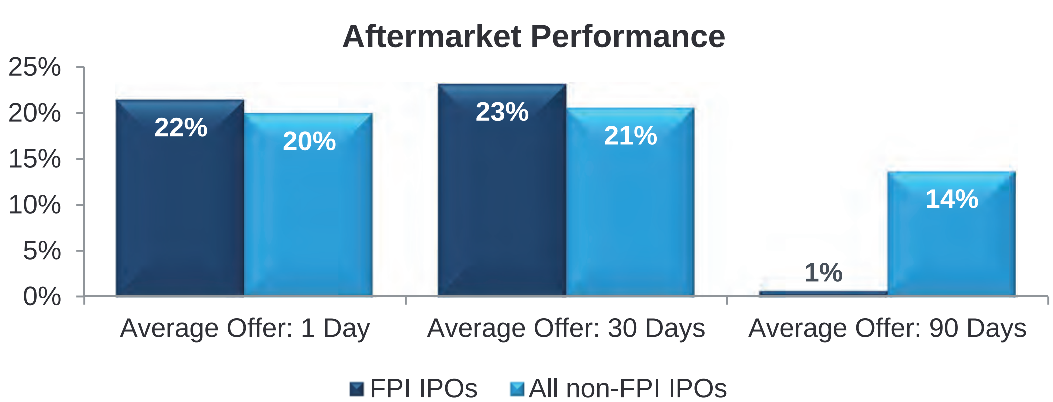


FPI Market Analysis

Deal Value & Over-Allotment*

- The average deal value for FPI IPOs was $211.6 million in 2015, as compared to $451.1 million in 2014 (excluding Alibaba).
- The over-allotment option was partially or fully exercised in 7 of 12 (58%) FPI IPOs, compared to 79% in our overall study.





*Deal value includes exercise of the over-allotment option where applicable.

FPI Market Analysis

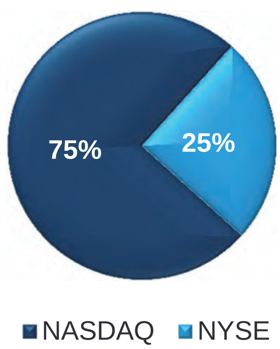
Types of Securities Offered

- 6 of 12 (50%) FPIs offered American depositary receipts (ADRs); 6 (50%) offered ordinary shares or common stock.
- Issuers offering ADRs included those incorporated in Austria, Cayman Islands (2), Denmark, France and the United Kingdom.
- Issuers offering ordinary shares included those incorporated in Canada (2), Israel, Jersey (Channel Islands), Netherlands and the United Kingdom.

Exchange

- Only 1 of 12 (8%) FPIs in our study in 2015 dual listed its shares (Shopify: NYSE and TSX), as compared to none in 2014.
- 9 of 12 (75%) FPIs listed on NASDAQ, compared to 63% in our overall study.

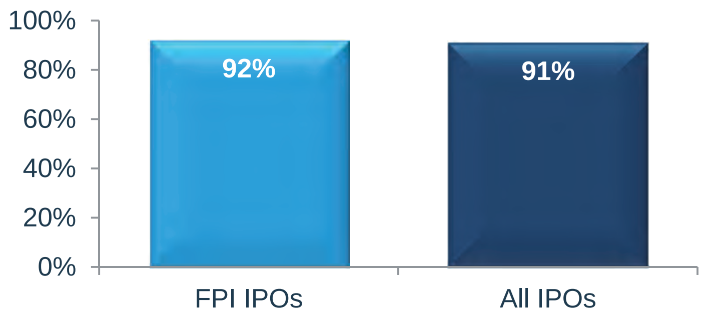
Exchange Listing



Confidential Submission, Testing-the-Waters & Financials

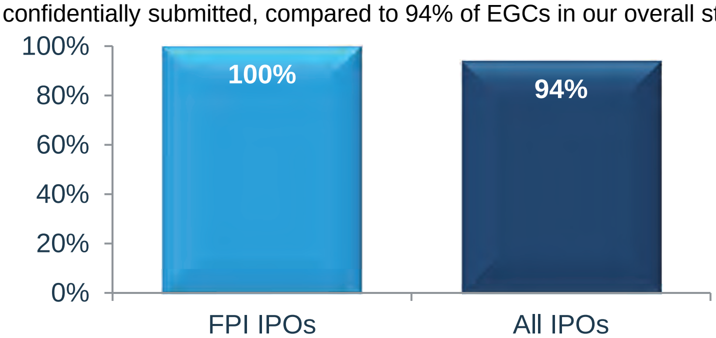
Overview

» 11 of 12 (92%) FPIs were EGCs, compared to 91% in our overall study.



Confidential Submission

» All 11 FPI EGCs confidentially submitted, compared to 94% of EGCs in our overall study.



Testing-the-Waters

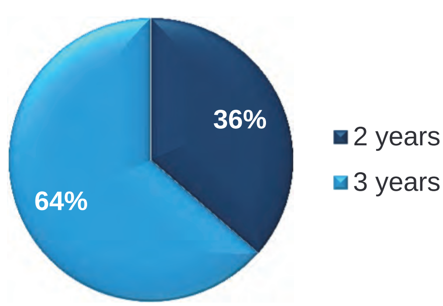
» We have testing-the-waters data on 9 of 11 (82%) FPI EGCs.*

- 2 of these 9 (22%) FPI EGCs reported that they conducted testing-the-waters.

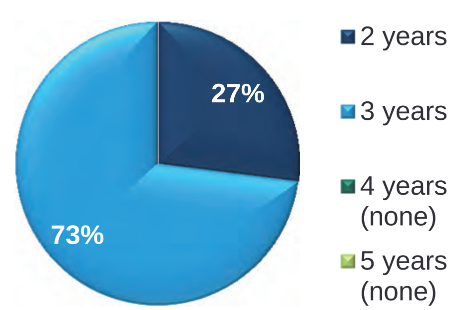
Years of Financials

» 64% of FPI EGCs included three years of audited financials (compared to 35% of EGCs in our overall study) and 73% included three years of selected financials (compared to 35% of EGCs in our overall study).

Years of Audited Financials



Years of Selected Financials

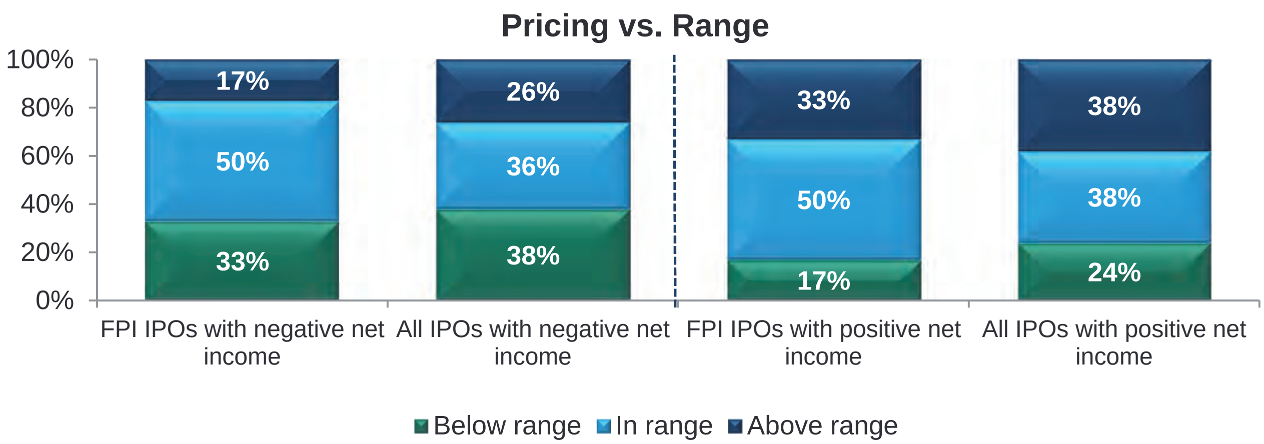


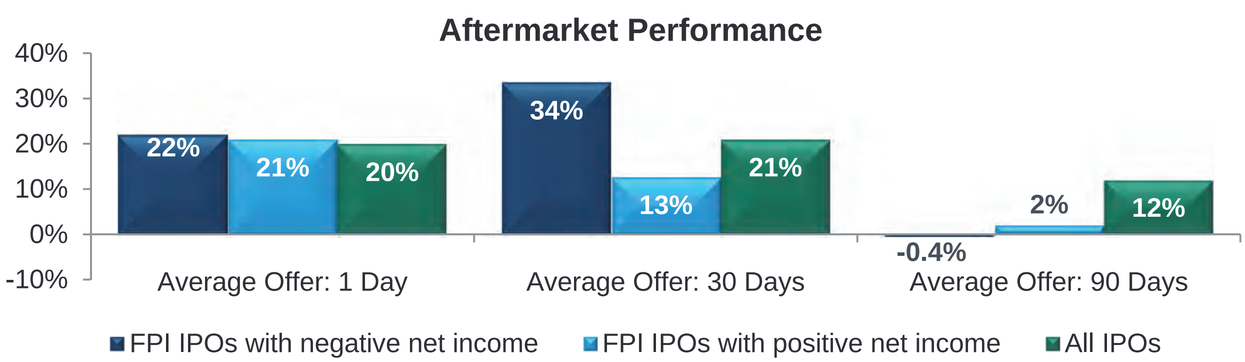
*Based on publicly available SEC comment and initial response letters; does not reflect any testing-the-waters following the initial response and may therefore underreport actual percentage of EGCs engaged in testing-the-waters.

Revenue, Net Income & EBITDA/Adjusted EBITDA

Revenue and Net Income

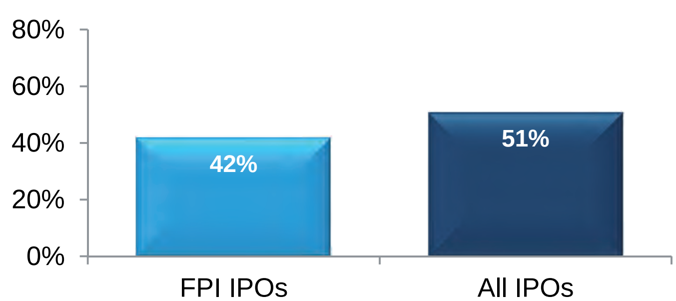
- 3 of 12 (25%) FPI IPOs were by pre-revenue issuers, compared to 16% in our overall study.
- 6 of 12 (50%) FPI IPOs had negative net income, compared to 64% in our overall study.





EBITDA/Adjusted EBITDA

- 5 of 12 (42%) FPI IPOs disclosed EBITDA and/or adjusted EBITDA, compared to 51% in our overall study.



IPO Fees and Expenses

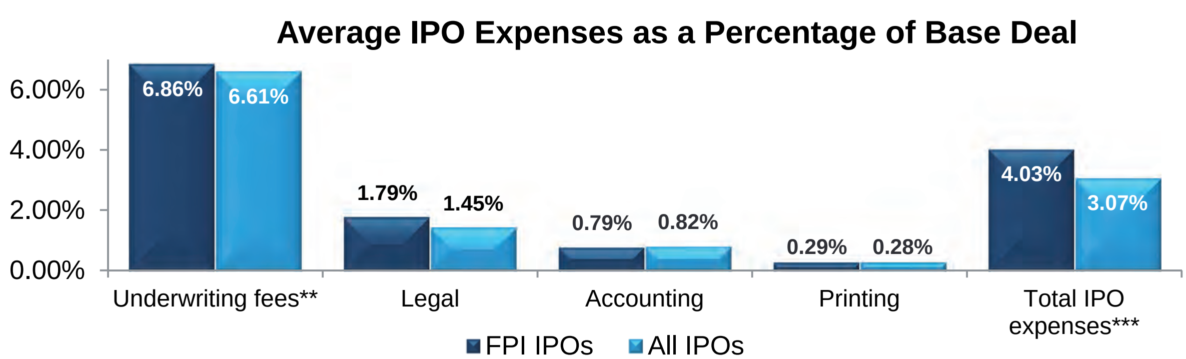
IPO Fees and Expenses*

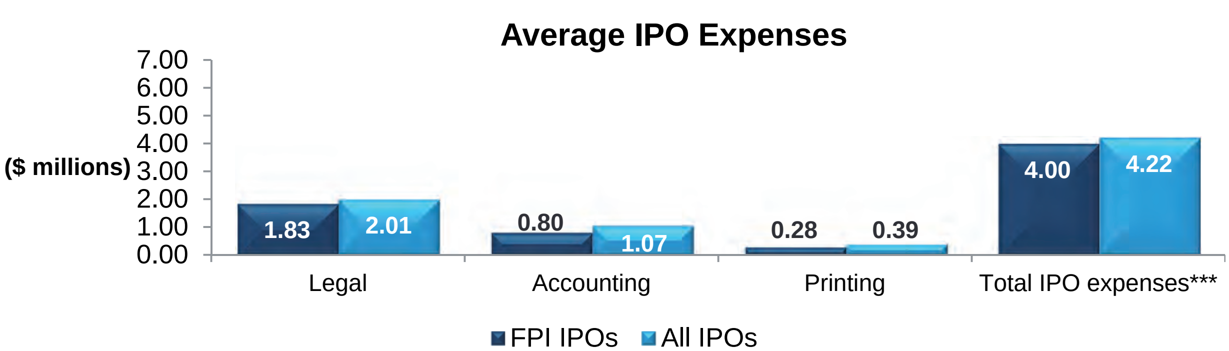
» Underwriting fees and total other IPO expenses (excluding underwriting fees) for FPI IPOs are summarized below:

Fee Category:	Low	Average	Median	High
Underwriting Fees*	$3,710,000	$8,710,596	$6,783,000	$25,410,000
Total IPO Expenses**	$2,200,000	$3,957,263	$4,000,000	$6,300,000

» Legal fees, accounting fees and printing costs for FPI IPOs are summarized below:

Fee Category:	Low	Average	Median	High
Legal	$525,000	$1,827,909	$2,000,000	$2,760,000
Accounting	$217,500	$795,193	$690,000	$1,500,000
Printing	$90,000	$283,636	$300,000	$550,000



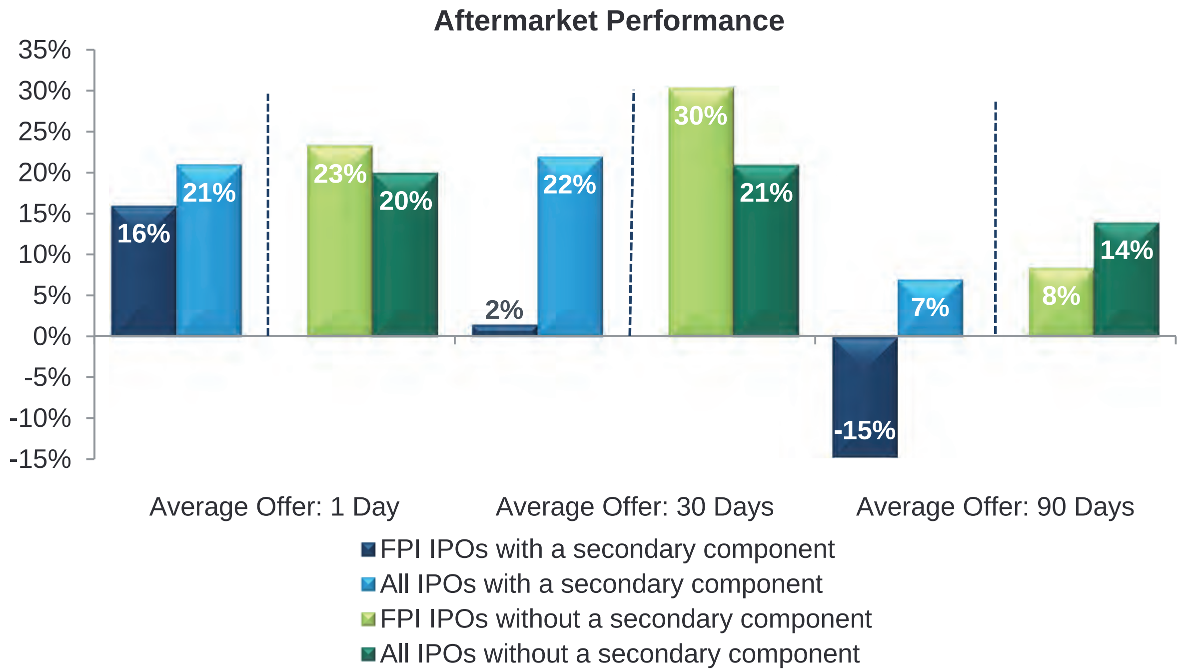


*Excludes 1 IPO that disclosed $10 million in total offering expenses but did not provide a breakdown of legal, accounting and printing costs.
**Underwriting fees are the portion of IPO base deal that is paid as compensation to the underwriters in the form of a discount or commission.
***Total IPO expenses excludes underwriting fees.

Deal Structure: Secondary Component & Management Sales

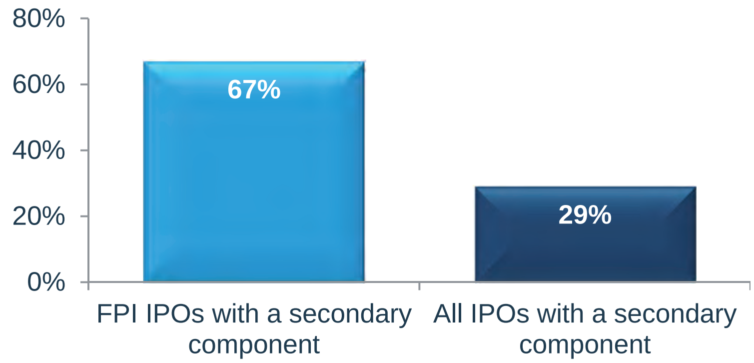
Secondary Component*

» 3 of 12 (25%) FPI IPOs had a secondary component, compared to 19% in our overall study.



Management Sales

» Management sold shares in the base offering in 2 of 3 (67%) FPI IPOs with a secondary component, compared to 29% of secondary IPOs in our overall study.



*IPOs with a secondary component only in the over-allotment option are counted as without a secondary component (1 FPI; 3 IPOs in overall study).

FPI Accommodations

Confidential Submission

- Certain FPIs that file Form F-1 can submit confidentially, even if not EGCs.
  - 11 of 12 (92%) submitted confidentially, all of which were also EGCs.
  - The non-EGC FPI was not eligible to submit confidentially. Currently, the SEC grants confidential treatment to FPIs that are not EGCs only if the FPI has its security listed on a non-U.S. exchange or is applying to list on a non-U.S. exchange as part of its IPO.

IFRS vs. U.S. GAAP

- FPIs are permitted to prepare financial statements in IFRS.
  - 7 of 12 (58%) used IFRS.
  - 5 of 12 (42%) used U.S. GAAP.

Quarterly Financial Statements

- FPIs are not required to include quarterly financial statements.
  - 1 of 12 (8%) FPIs priced their IPOs close enough to the year-end that a quarterly financial presentation would not have been relevant.
  - 7 of the remaining 11 (64%) included quarterly financial statements even though not required under FPI rules.

Appendix 2

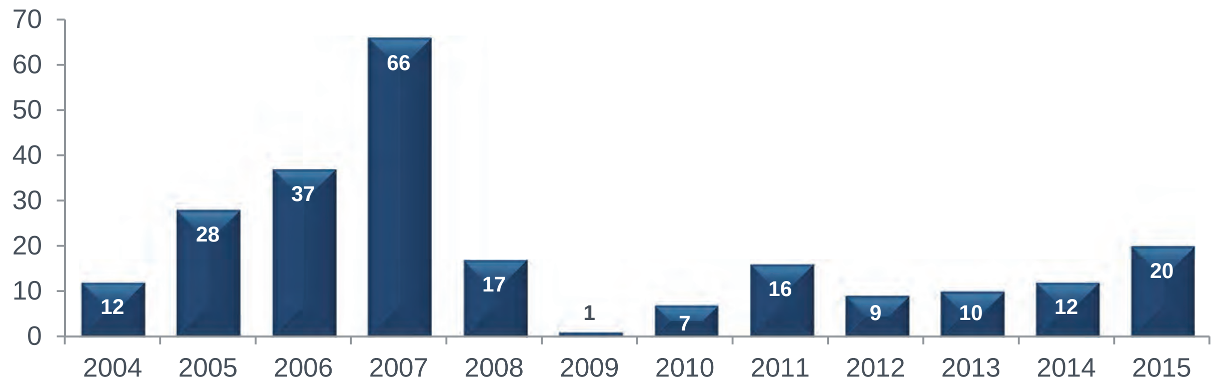
Special Purpose Acquisition Companies

SPAC Appendix

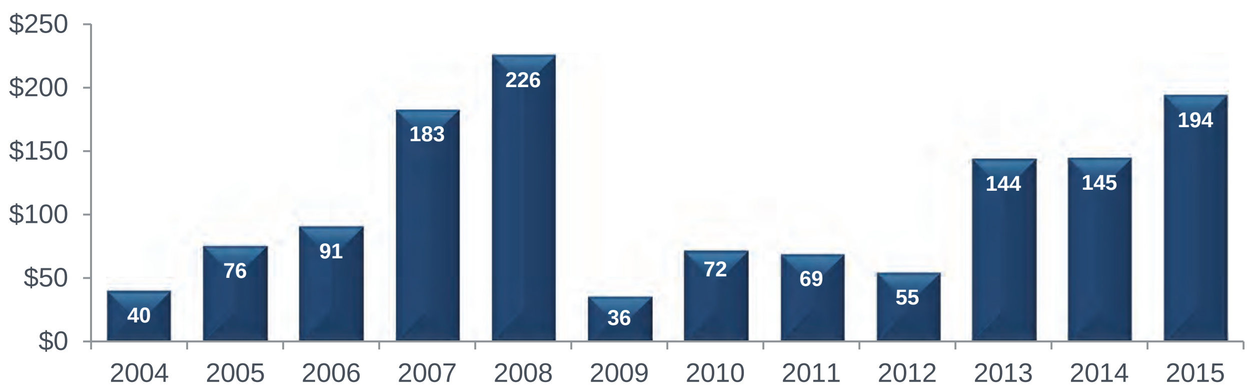
Overview

- **Special Purpose Acquisition Companies (SPACs)** are publicly traded acquisition vehicles sponsored by an investment firm that assembles a management team and then raises proceeds in an IPO to complete a business combination (merger or acquisition) with the IPO proceeds, which are held in trust pending such transaction. If the SPAC fails to complete a business combination within a set period of time (usually within 24 months of the IPO), then the SPAC is disbanded and the IPO proceeds are released from the trust and returned to investors.
- **SPACs Are Back…** Many SPACs were launched in 2006 and 2007 (37 in 2006 and 66 in 2007), but the SPAC market slowed down significantly in the post-2008 recession (only 1 completed in 2009 and 7 in 2010). However, there were 20 SPACs completed in 2015, the most in a single year since 2007, and the average deal size ($194.4 million) was greater than in any year since 2008.*
- **…And Are Bucking the Downward IPO Trend** – Despite weakness in the overall IPO market in late 2015/ early 2016, there has been one very large SPAC IPO ($450 million) that has priced, and public filings for another large SPAC ($300 million) in early 2016. Several other SPACs remain in the pipeline from Q4 2015.**

Number of Deals



Average Deal Size (in $millions)



*Source: Dealogic
**Source: SEC EDGAR

SPAC Appendix

» **…But They Look Different Than the 2006/2007 SPACs** – SPACs in 2015/2016 have tended to be more protective of the sponsor, with greater restrictions on vetoes by large blocks of stockholders, although there are some changes in favor of stockholders. Specifically:

- ***Fewer warrants issued to public stockholders, with higher exercise prices*** – In 2006/2007, public stockholders were issued units consisting of 1 common and 1 warrant, exercisable the later of (a) completion of a business combination and (b) one year (or 15 months) after the IPO, with an exercise price of $7.50/share. Today, units consist of 1 common and 1/2 or 1/3 of a warrant, with an exercise price of $11.50/share. On one hand, these changes have given public stockholders less potential upside in a business combination, but on the other, they give stockholders more of an incentive to make sure a proposed business combination is executed smoothly so as to realize at least some degree of a premium over the strike price.
- ***Not seeking a stockholder vote unless required by law*** – Most SPACs in 2015/2016 are expressly indicating they will not seek stockholder approval for a business combination, unless they are required to under applicable law or stock exchange requirements, whereas in the 2006/2007 round, SPACs would seek stockholder approval, whether or not required.
- ***Redemption rights re-structured to thwart vetoes by large public stockholders*** – SPACs include a feature to permit stockholders to redeem their shares in an amount equal to their pro rata share of the IPO proceeds (held in trust post-IPO) upon a proposed business combination. These mechanics have been re-tooled to make it more difficult for large stockholders to block a business combination. In 2006/2007, a business combination could not be completed if a certain percentage (usually 20 or 30%) of public shares elected to be redeemed, effectively giving a large public stockholder the ability to veto a business combination they didn't like. Today, if the SPAC elects to hold a stockholder vote, large blocks of stockholders (usually 15% or 20%) are expressly prohibited from exercising their redemption rights (but can still vote against the business combination).
- ***More flexibility to change SPAC mechanics*** – In the past, most SPACs had very high thresholds (95-100%) for stockholder approval of charter amendments that change the mechanics of business combinations and redemption rights. To allow for greater flexibility, most of today's SPACs have permitted amendments to these mechanics with only a 65% majority—however, anything affecting redemption rights proposed by the sponsor or management automatically trigger a redemption right for all stockholders.
- ***Underwriting fees down, and more closely tied to success*** – In the past, underwriters of SPAC IPOs would receive a 7% spread on the deal size, and received most (~55-70%) of this amount at the time of the IPO, with the rest in trust pending a successful business combination. Today, underwriters are getting a 5.5% or 6% spread, and now deferring a majority of their fees, receiving only ~35-40% at the time of IPO.
- ***100% of IPO proceeds placed into trust*** – As noted above, more of the underwriting fees in the 2006/2007 round of SPACs were payable at the time of the IPO; correspondingly, often 96-99% of IPO proceeds went into trust, leaving a small shortfall in the amount that could later be paid to investors if the SPAC fails to complete a business combination. Today, SPAC trust accounts are funded at the time of the IPO with an amount equal to 100% of the IPO proceeds (expenses, working capital and the current portion of underwriting fees supplied by a concurrent private placement of warrants to insiders), perhaps giving a bit more comfort to investors that they will be repaid in full if the SPAC fails.
- ***Offering expenses are down*** – In the 2006/2007 round of SPACs, offering expenses hovered in the $800 to $1.1 million range, whereas in 2015/2016, most SPACs have offering expenses in the range of $750K to $900K.

Based on review of 2 SPAC IPO S-1 filings in 2016; 6 completed SPACs in 2015; and 6 completed SPACs completed in 2006-2007, all available on SEC EDGAR. SPACs reviewed had a minimum deal size of $175 million.

SPAC Appendix

Recent SPACs vs. 2006/2007 SPACs

SPAC Feature	2006/2007	2015/2016
Number of Deals	103	21 (completed) Est. 5 to 10 in active registration
Average Deal Size	$150.0 million	$206.5 million (completed)
Price Per Unit	$10	$10
Unit Composition	1 common share 1 warrant	1 common share 1/2 or 1/3 warrant
Warrant Exercise Period	Later of (a) completion of a business combination and (b) 12 or 15 months after the IPO.	Later of (a) 30 days after completing a business combination and (b) 12 months after the IPO.
Warrant Exercise Price	$7.50/share	$11.50/share
Warrant Redemption Period	Can be redeemed once exercisable (as noted above), AND stock price is ~40% greater than IPO price for 20 days in a 30-day period	Can be redeemed once exercisable (as noted above), AND stock price is 80% or 140% greater than IPO price for 20 days in a 30-day period
Warrant Redemption Price	$0.01/warrant	$0.01/warrant
Insider Private Placements	Warrant private placements to sponsor(s) and/or directors/officers in an amount equal to 7.5-25% of IPO size, at a price of $1/warrant. Terms are the same as public warrants, except they are not redeemable, they are subject to transfer restrictions and they may be exercised on a cashless basis. Proceeds used in part to finance upfront underwriting fees and offering expenses, with the remainder placed into trust account with IPO proceeds.	Warrant private placements to sponsor(s) and/or directors/officers in an amount equal to 15-30% of IPO size, at a price of $1/warrant. Terms are the same as public warrants, except they are not redeemable, they are subject to transfer restrictions and they may be exercised on a cashless basis. Proceeds used in part to finance upfront underwriting fees, offering expenses and working capital ($1-2 million), with the remainder placed into trust account with IPO proceeds.
Percentage of IPO Proceeds Placed into Trust for Business Combinations	96-99%	100%
Working Capital	$3 to $6 million permitted to be released from trust account prior to a business combination to pay working capital expenses.	$1-2 million of private placement proceeds set aside to pay working capital expenses (as noted above). No amounts permitted to be released from trust account prior to a business combination (other than to pay taxes).

Based on review of 2 SPAC IPO S-1 filings in 2016; 6 completed SPACs in 2015; and 6 completed SPACs completed in 2006-2007, all available on SEC EDGAR. SPACs reviewed had a minimum deal size of $175 million.

SPAC Appendix

Recent SPACs vs. 2006/2007 SPACs

SPAC Feature	2006/2007	2015/2016
Time Period to Complete a Business Combination	Usually 24 months. In some cases, 18 months (with an extension to 24 months if letter of intent is signed within 18 months).	24 months
Required Minimum Business Combination Size	Fair market value of business combination must be at least 80% of trust account.	Same – note, this is now a NASDAQ requirement
Business Combination Approval Terms	Will always seek stockholder approval. Majority approval is required AND 20% (or 30%) of public stockholders must not exercise their redemption/conversion rights (see below).	Structured such that stockholder approval is not necessary, but if stockholder approval is sought, would require majority approval.
Redemption/Conversion Prior to a Business Combination	Public stockholders can redeem their shares upon completion of the initial business combination in an amount equal to their pro rata share of the trust account.	Same
Limitation on Business Combination Redemptions	None	If there is a stockholder vote, no group of 15% (or 20%) or more of public shares sold in the IPO can redeem their shares.
Charter Amendments re: Business Combination Terms	Usually requires 95-100% stockholder approval.	Requires 65% stockholder approval. If proposed by the sponsor or officers/directors, triggers automatic redemption right among stockholders.
Lock-Up Terms for Founder Shares	Often, just 1 year (or 180 days) after completing a business combination.	Earliest to occur of (a) 1 year after completing business combination and (b) after initial business combination, either (x) when the stock price exceeds $12/share for 20 trading days in a 30-day period (commencing at least 150 days after initial business combination) or (y) upon sale of the SPAC resulting in stockholders having the right to exchange their shares for cash or other property.
Underwriting Spread	7%	5.5% or 6%
Percentage of Underwriting Fees Received at the Time of IPO	55-70%	35-40%
Total Offering Expenses	$800K-$1.1 million	$750-900K

Based on review of 2 SPAC IPO S-1 filings in 2016; 6 completed SPACs in 2015; and 6 completed SPACs completed in 2006-2007, all available on SEC EDGAR. SPACs reviewed had a minimum deal size of $175 million.

Global Equity Capital Markets Team

Chicago

Michael J. Choate
Partner, Global Capital Markets

Hong Kong

Joshua A. Zimmerman
Partner, Global Capital Markets

London

Peter Castellon
Partner, Global Capital Markets

Maximilian P. Kirchner
Partner, Global Capital Markets

Los Angeles

Philippa M. Bond
Partner, Global Capital Markets

Monica J. Shilling
Co-head, Global Private Equity Group

Michael A. Woronoff
Co-head, Global Mergers & Acquisitions
Co-head, Global Private Equity Group

New York

Julie M. Allen
Co-head, Global Capital Markets

Stuart Bressman
Partner, Global Capital Markets

Peter M. Fass
Partner, Global Capital Markets

Robin M. Feiner
Partner, Global Capital Markets

Frank J. Lopez
Co-head, Global Capital Markets

Carlos E. Martinez
Co-head, Latin America

São Paulo

David Fenwick
Partner, Latin America

Antonio N. Piccirillo
Co-head, Latin America

Fabio A. Yamada
Partner, Latin America

Washington, D.C.

Frank Zarb
Partner, Global Capital Markets

Thank You

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Anthony McIntyre and James Duong

We would also like to thank the following capital markets associates and staff for their contributions to the study:

Christopher Bornhorst, Bruce Davies, Lily Desmond, Daniel Forman, Lawrence Kuhnast, Greg Lasaracino, William Majeski, Stefanie Marrone, Casey McDonald, Malini Mukhopadhyay, and Norman Rivera

Beijing
Suite 5102, 51/F
Beijing Yintai Centre Tower C
2 Jianguomenwai Avenue
Chaoyang District
Beijing 100022, China
t: +86.10.8572.1800
f: +86.10.8572.1850

Boca Raton
2255 Glades Road
Suite 421 Atrium
Boca Raton, FL 33431-7360, USA
t: +1.561.241.7400
f: +1.561.241.7145

Boston
One International Place
Boston, MA 02110-2600, USA
t: +1.617.526.9600
f: +1.617.526.9899

Chicago
Three First National Plaza
70 West Madison, Suite 3800
Chicago, IL 60602-4342, USA
t: +1.312.962.3550
f: +1.312.962.3551

Hong Kong
Suites 1701-1705, 17/F
Two Exchange Square
8 Connaught Place
Central, Hong Kong
t: +852.3410.8000
f: +852.3410.8001

London
110 Bishopsgate
London EC2N 4AY, United Kingdom
t: +44.20.7280.2000
f: +44.20.7280.2001

Los Angeles
2049 Century Park East, 32nd Floor
Los Angeles, CA 90067-3206, USA
t: +1.310.557.2900
f: +1.310.557.2193

New Orleans
Poydras Center
650 Poydras Street
Suite 1800
New Orleans, LA 70130-6146, USA
t: +1.504.310.4088
f: +1.504.310.2022

New York
Eleven Times Square
New York, NY 10036-8299, USA
t: +1.212.969.3000
f: +1.212.969.2900

Newark
One Newark Center
Newark, NJ 07102-5211, USA
t: +1.973.274.3200
f: +1.973.274.3299

Paris
374 rue Saint-Honoré
75001 Paris, France
t: +33.(0)1.53.05.60.00
f: +33.(0)1.53.05.60.05

São Paulo
Rua Funchal, 418
26º andar
04551-060 São Paulo, SP, Brasil
t: +55.11.3045.1250
f: +55.11.3049.1259

Washington, D.C.
1001 Pennsylvania Avenue, NW
Suite 600 South
Washington, DC 20004-2533, USA
t: +1.202.416.6800
f: +1.202.416.6899

Proskauer

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