



2017 MID-YEAR TECHNOLOGY AND LIFE SCIENCES IPO REPORT

Table of Contents

Introduction.....	Page 1
Headquarters	Page 2
Company Type.....	Page 2
Technology vs. Life Sciences.....	Page 3
Offer Price and First Day Close Comparison – Technology vs. Life Sciences.....	Page 4
Deal Size.....	Page 5
Board of Directors	Page 6
Key Metrics and Non-GAAP Financial Measures.....	Page 8
Defensive Measures	Page 9
Filing Information	Page 14
IPO Fees and Expenses	Page 16
About Wilson Sonsini Goodrich & Rosati	Page 17
Appendix A	Page 18

Introduction



Wilson Sonsini Goodrich & Rosati's 2017 Mid-Year Technology and Life Sciences IPO Report presents key data related to the pricing of 26 U.S.-based technology and life sciences issuers between January 1 and June 30, 2017. Just as the overall volume of IPO activity has increased during the first half of 2017, compared with the same period in 2016, the number of IPOs by issuers from the technology and life sciences sectors has been proportionally robust.

Technology

While the number of IPOs by technology issuers during the first half of 2017 was markedly less than the number from peak IPO years, like 2014, IPO activity through the end of June was relatively steady. However, IPOs by technology issuers were virtually non-existent during the first few months of 2017, perhaps due to the seemingly risk-averse view of the market following the 2016 presidential election. The first technology IPO was Snap Inc.'s offering on March 1. Since then, IPOs from technology issuers priced at a steady clip through the end of June.

Within the technology industry, the internet software and services sector was the most active with eight IPOs. The other issuers were in the application software, semiconductor, and systems software sectors.

There are several signs that suggest the second half of 2017 will be active for a healthy number of IPOs, as several closely watched companies are expected to go public. Please feel free to share your comments or questions about IPOs by contacting IPOResult@wsgr.com or any Wilson Sonsini Goodrich & Rosati corporate securities partner.

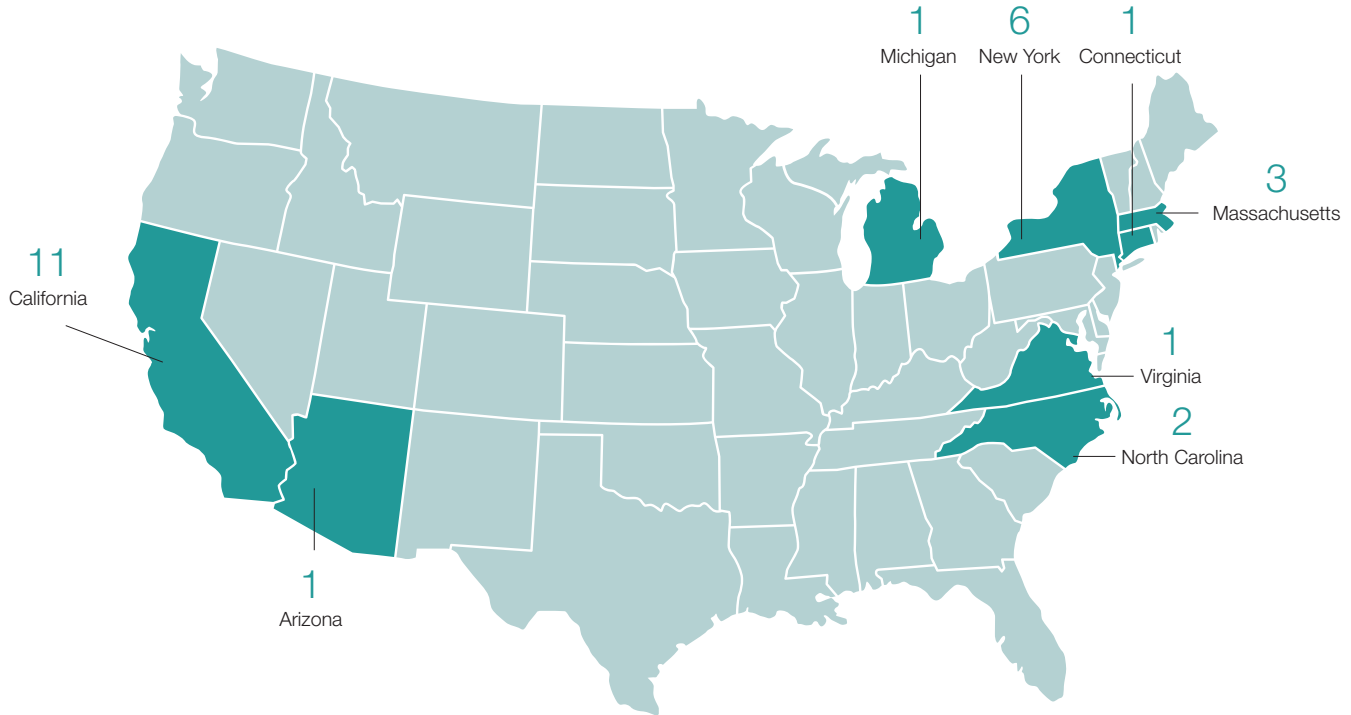
Life Sciences

Compared to IPOs by technology issuers, there were fewer IPOs by life sciences issuers during the first half of 2017, and the offerings were comparatively smaller as to deal size. Life sciences IPOs got off to a fast start in early 2017, with two IPOs in January, but the next significant IPO by a life sciences issuer wasn't until mid-April. Since then, there were four IPOs in May and five in June, which signaled that the life sciences sector was showing renewed confidence in the market.

Nine of the life sciences IPOs covered in this Report were in the biotechnology sector, while only two were pharmaceutical entities, and one was a healthcare equipment company.

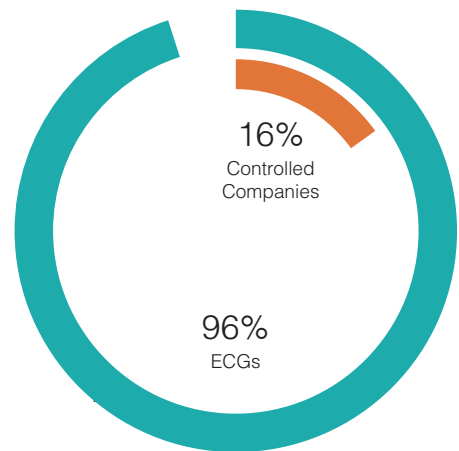
Headquarters

The maps below show the headquarters location for the 26 companies reviewed in this Report.

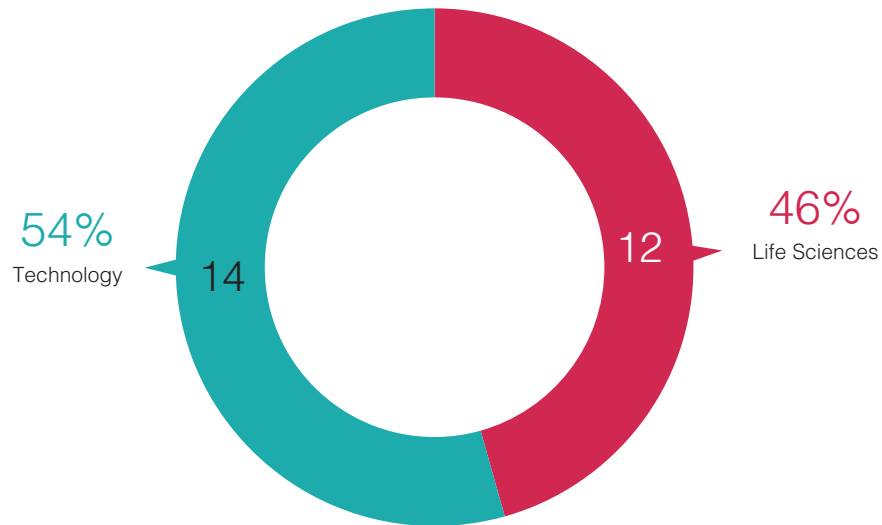


Company Type

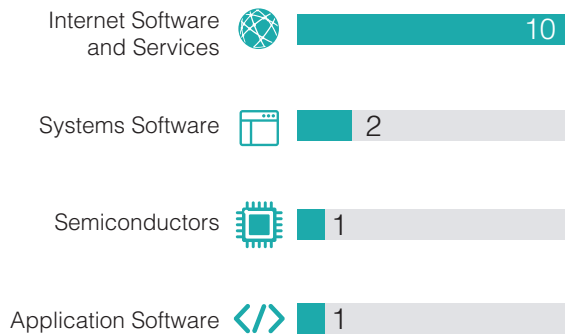
Out of the 26 companies surveyed, all but one (96%) were emerging growth companies (EGCs) and four (16%) EGCs were also controlled companies.



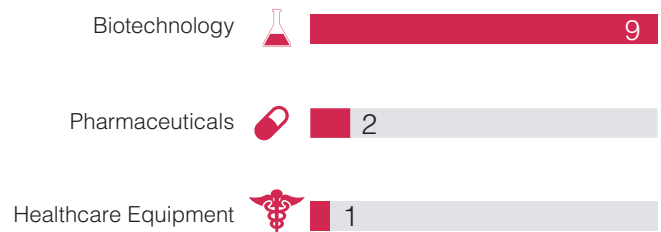
Technology vs. Life Sciences



Technology Sector Breakdown

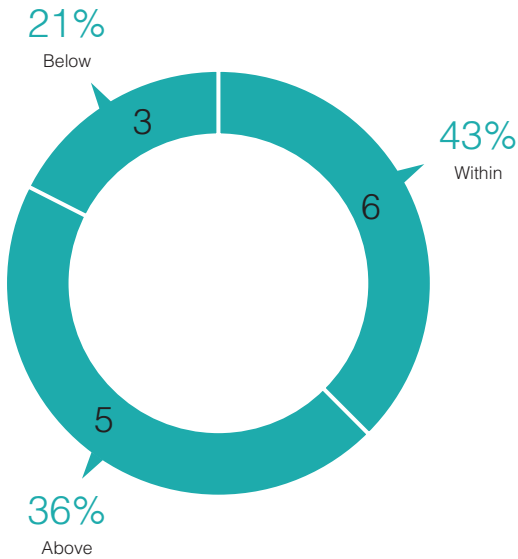


Life Sciences Sector Breakdown

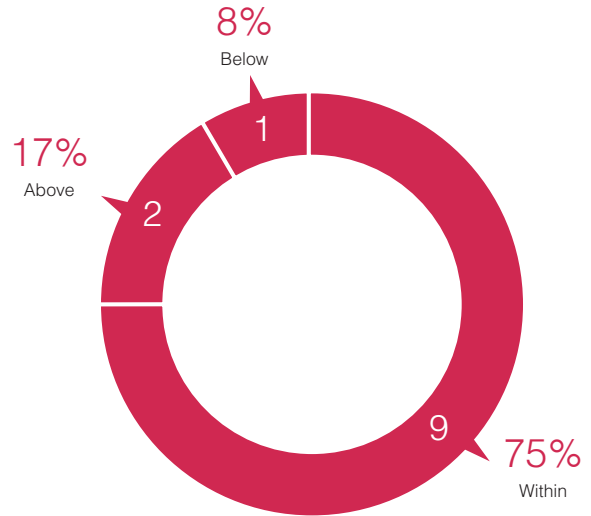


Offer Price and First Day Close Comparison – Technology vs. Life Sciences

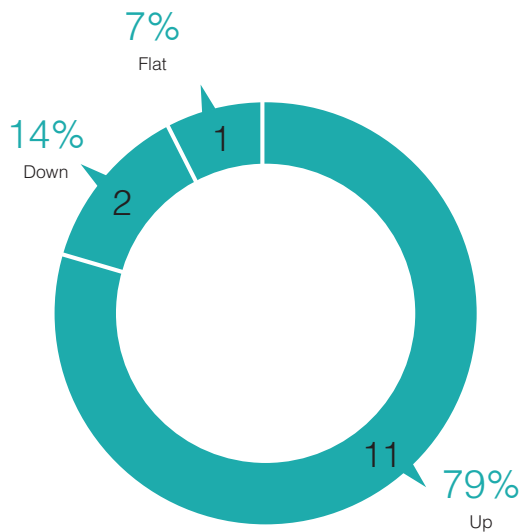
Technology Offer Price vs. Initial Price Range



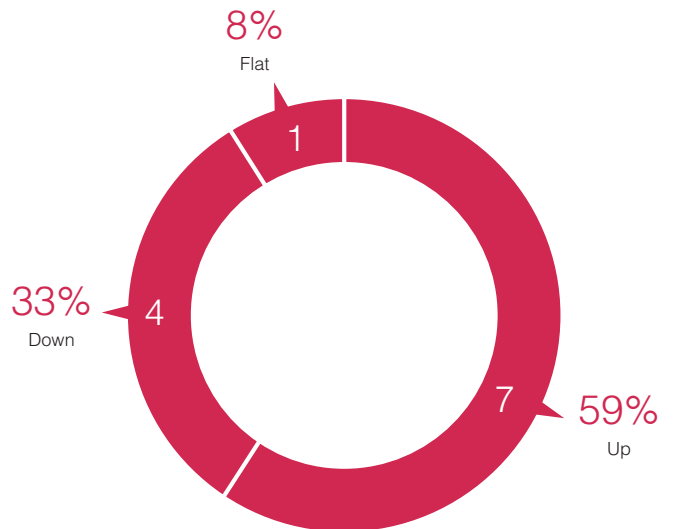
Life Sciences Offer Price vs. Initial Price Range



Technology First Day Close vs. Offer Price

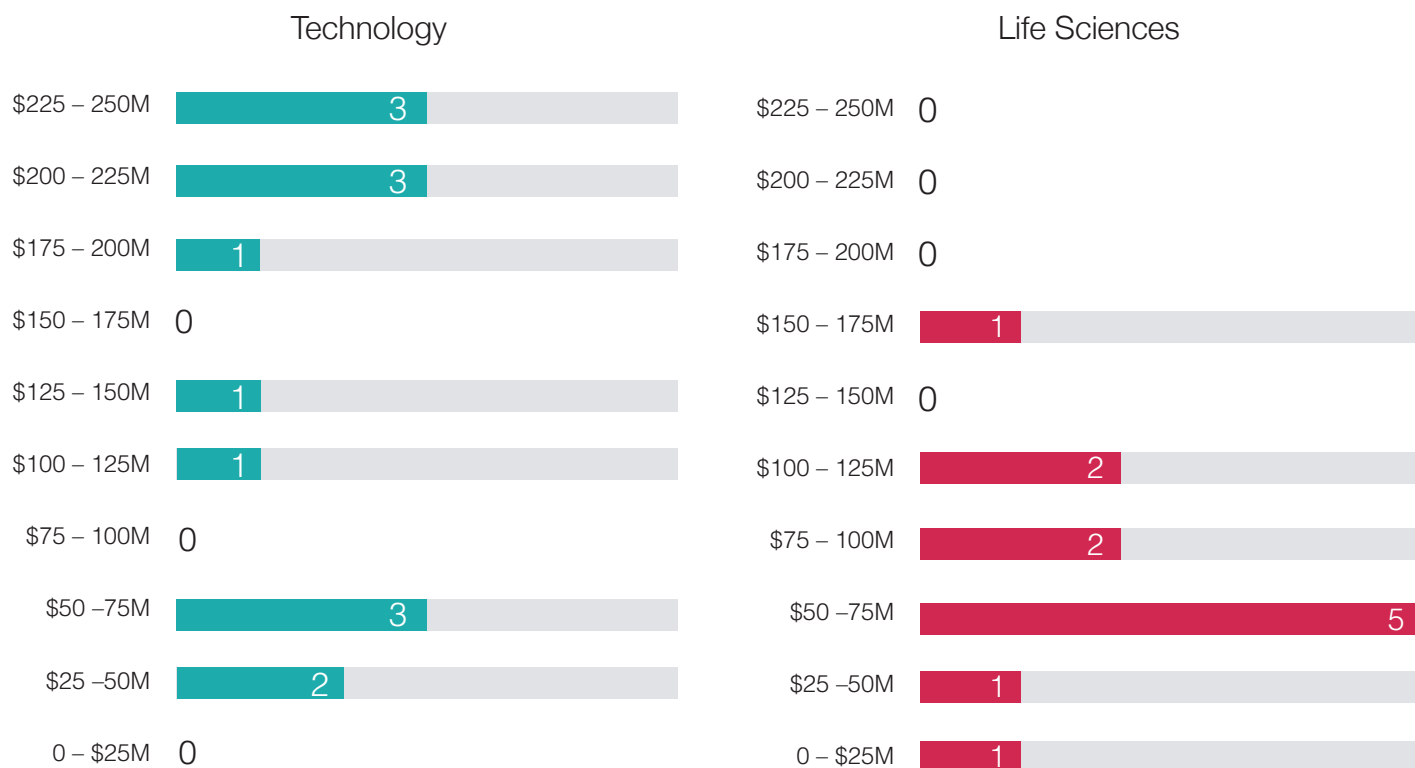


Life Sciences First Day Close vs. Offer Price



Deal Size

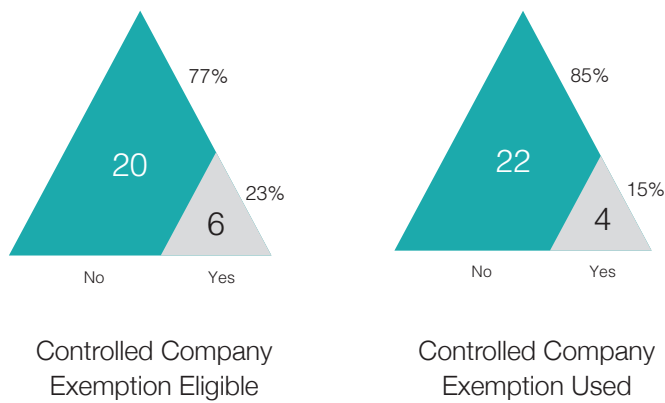
Deal Size Distribution



Board of Directors

Directors and Independence

Using data obtained from final IPO prospectuses, we examined information regarding the size of the board of directors, director independence, whether the CEO and board chair roles were combined, the existence of lead independent directors in companies where the CEO and board chair roles were combined, and the number of companies relying on exemptions from compliance with corporate governance requirements.

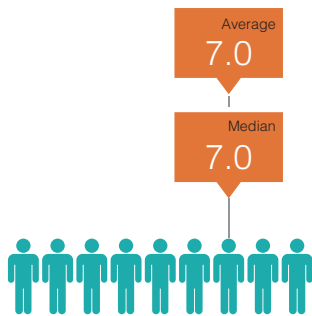


Controlled Company Exemption

The listing standards of both the NYSE and Nasdaq exempt a Controlled Company from certain corporate governance requirements, including those relating to the independence of the board of directors. Both the NYSE and Nasdaq define a Controlled Company as “a company of which more than 50% of the voting power for the election of directors is held by an individual, a group, or another company.”

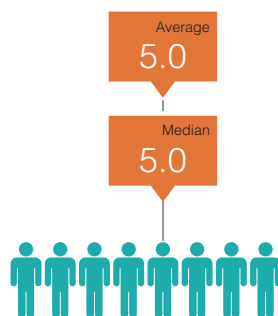
Board Size and Director Independence

Of the 26 companies considered, the average number of directors on the board at pricing was 7, as was the median.



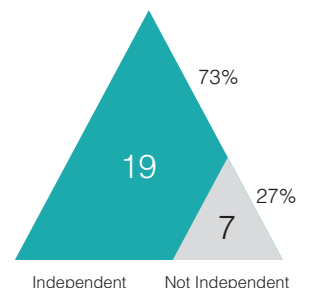
Total Number of Board Members

Of the 26 companies considered, the average number of independent directors was 5, as was the median.



Number of Independent Board Members

Of the 26 companies considered, 19 (73 percent) issuers had a majority of independent directors on the board at pricing.



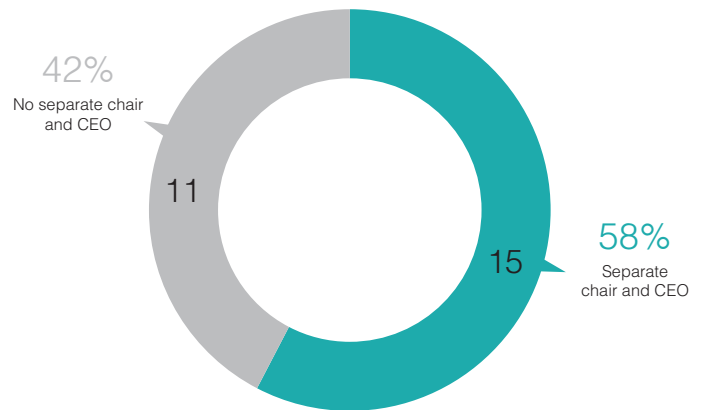
Majority of Board of Directors/Independence

Board Chairs and Lead Directors

SEC rules do not require companies to have separate board chair and CEO positions. As such, companies are not required to disclose in their IPO prospectus whether or not the board chair and CEO positions are separated, although many choose to do so. As an alternative to separating the board chair and CEO positions, some companies with a board chair who is also CEO appoint a lead independent director to, among other things, act as the principal liaison between independent directors and the CEO.

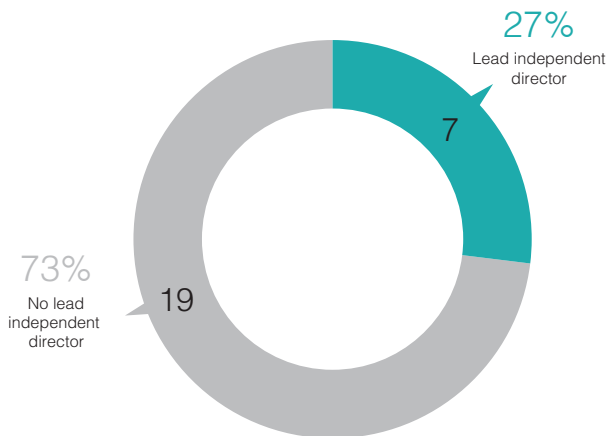
Separation of Chair and CEO

Of the 26 companies considered, 15 companies (58%) had a separate chair and CEO.



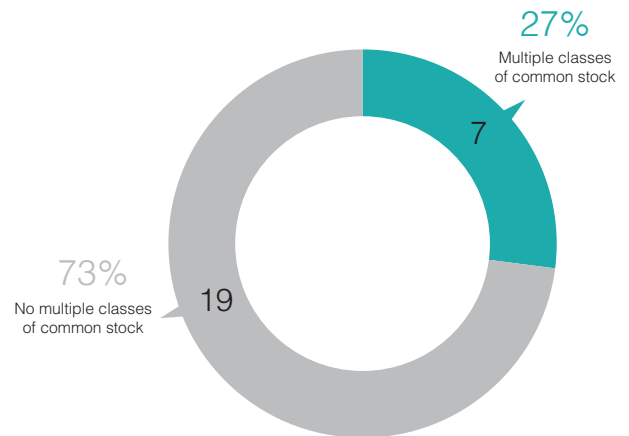
Lead Independent Director

Of the 26 companies considered, 7 companies (27 percent) had a lead independent director.



Classes of Common Stock

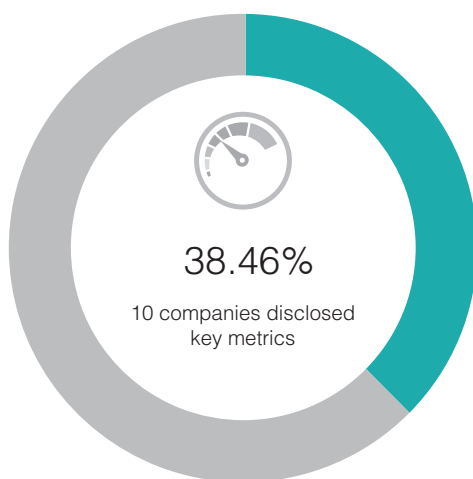
Of the 26 companies considered, 7 companies (27 percent) had multiple classes of common stock.



Key Metrics/Non-GAAP Financial Measures





In addition to presenting financial results in accordance with generally accepted accounting principles (GAAP), many companies track and disclose certain key metrics and non-GAAP financial measures, such as EBITDA and adjusted EBITDA.

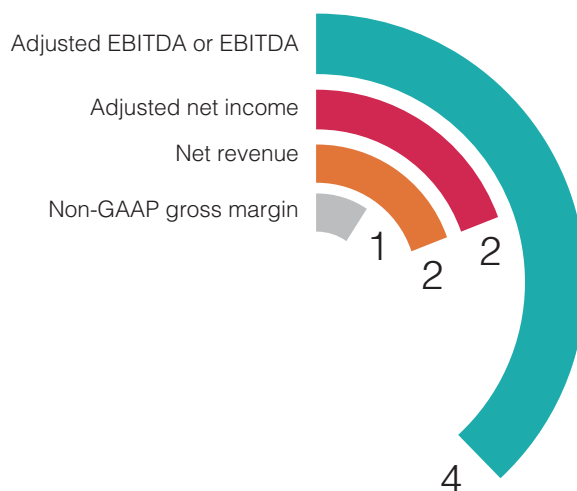
Key Metrics



Non-GAAP Financial Measures

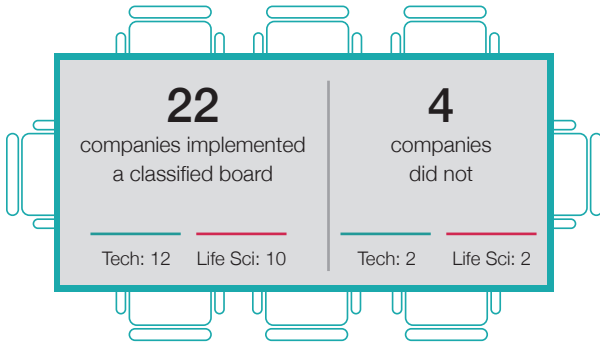
Of the 26 companies considered:

-  4 (15.38%) issuers disclosed EBITDA and/or adjusted EBITDA
-  2 (7.69%) issuers disclosed adjusted net income
-  2 (7.69%) issuers disclosed net revenue
-  1 (3.85%) issuer disclosed non-GAAP gross margin



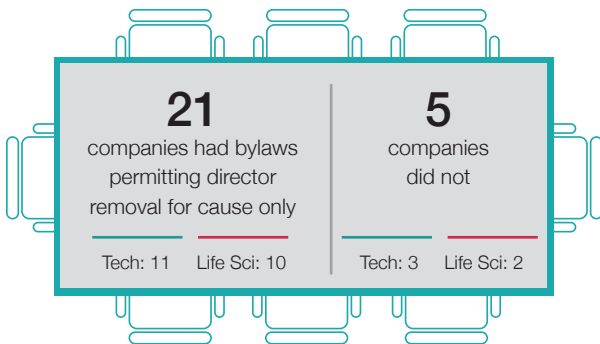
Defensive Measures

Based on data obtained from final IPO prospectuses, bylaws, certificates of incorporation, and other documents filed with the SEC at the time of the IPO, we reviewed defensive measures adopted by newly listed companies to prevent hostile takeovers. Controlled companies are not excluded from this section. Of the 26 companies considered:



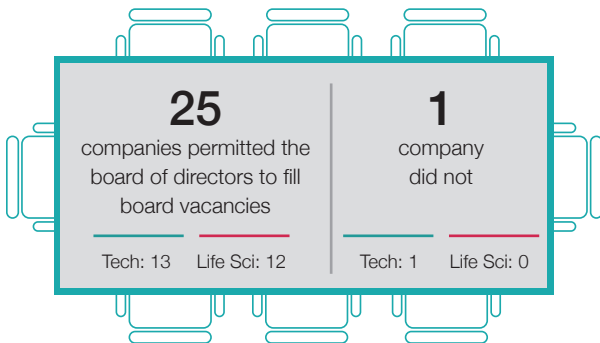
Classified Boards

For companies implementing a classified board in connection with the IPO, director elections will be staggered over a three-year period after the IPO, with approximately one-third of the directors subject to re-election each year.



Director Removal for Cause Only

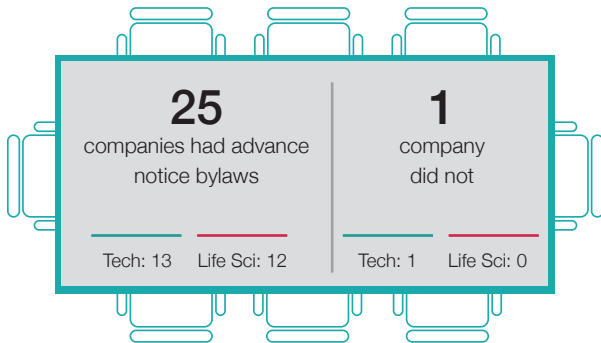
According to Delaware law, examples that constitute cause for removal of directors include: malfeasance in office, gross misconduct or neglect, false or fraudulent misrepresentation inducing the director’s appointment, willful conversion of corporate funds, breach of the obligation of full disclosure, incompetency, gross inefficiency, or moral turpitude.



Board Authority to Fill Vacancies on the Board

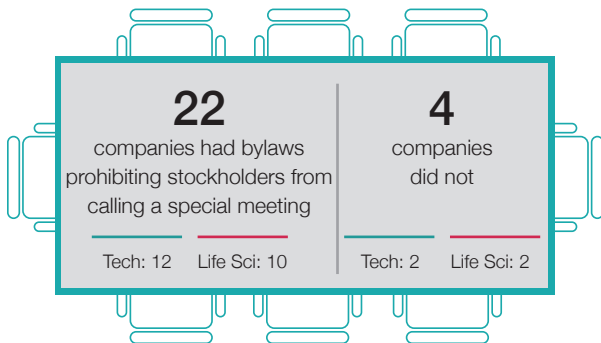
The typical provision in a company’s certificate of incorporation will provide the board of directors, even if less than a quorum, with the exclusive ability to fill vacancies on the board, including new director positions created through an increase in the authorized number of directors.

Defensive Measures



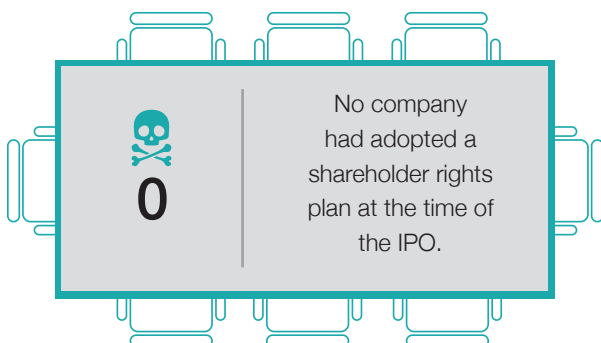
Advance Notice Bylaws

Advance notice bylaws set forth certain requirements that a stockholder must meet in order to bring a matter of business before a stockholder meeting or nominate a director for election.



Stockholder Ability to Call Special Meeting

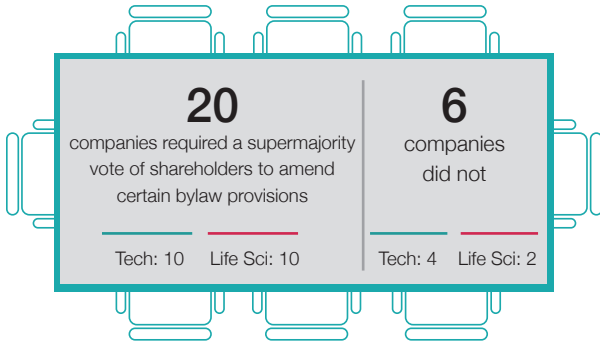
The typical provision in a company’s bylaws provides that a special meeting may only be called by the chairperson of the board, the chief executive officer, or the president (in the absence of a chief executive officer).



Shareholder Rights (Poison Pills)

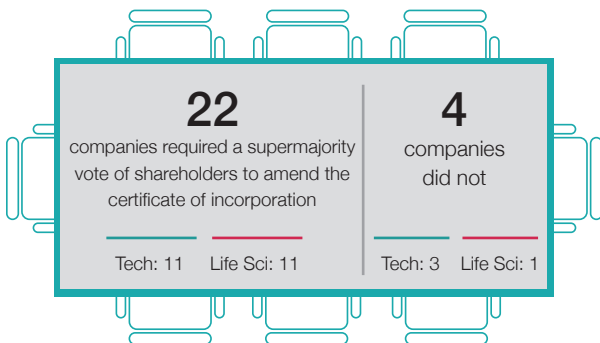
A shareholder rights plan, also known as a “poison pill,” acts as a defensive measure against hostile takeovers by making a company’s stock less attractive to an acquirer.

Defensive Measures



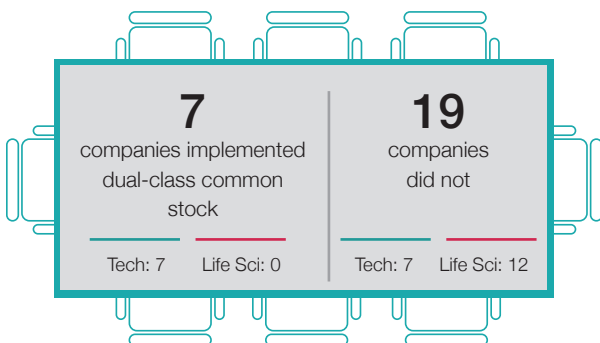
Supermajority Stockholder Vote Required to Amend Bylaws

More than a simple majority of the issuer's outstanding stock is required to amend this governing document.



Supermajority Stockholder Vote Required to Amend Certificate of Incorporation

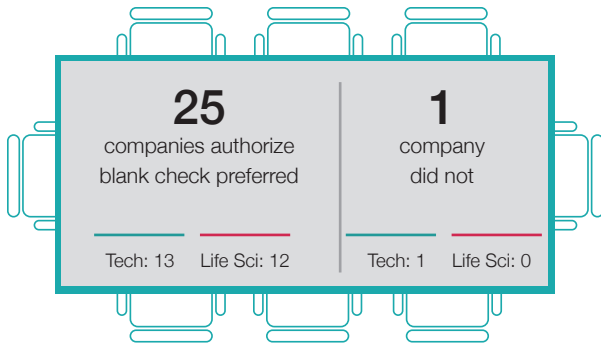
More than a simple majority of the issuer's outstanding stock is required to amend this governing document.



Dual-Class Common Stock

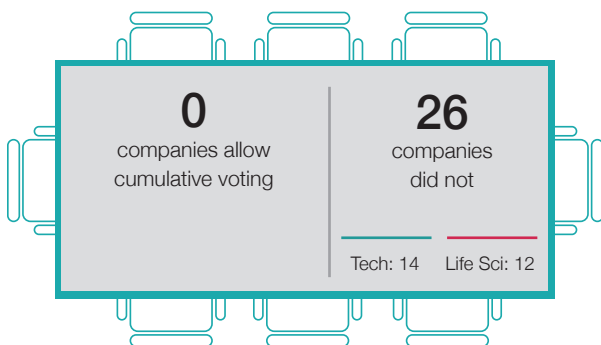
NYSE and Nasdaq listing standards allow an issuer, before or at the time of the IPO, to implement a dual-class stock structure that consists of different classes of shares that carry different voting rights and dividend payments. Generally, in most cases, there are two classes of shares issued: one class offered to the general public, with shares that provide limited voting rights, and one class offered to company founders, executives, and family that provides more voting power and, often, a majority control of the company. Dual-class stock is intended to give specific shareholders voting control.

Defensive Measures



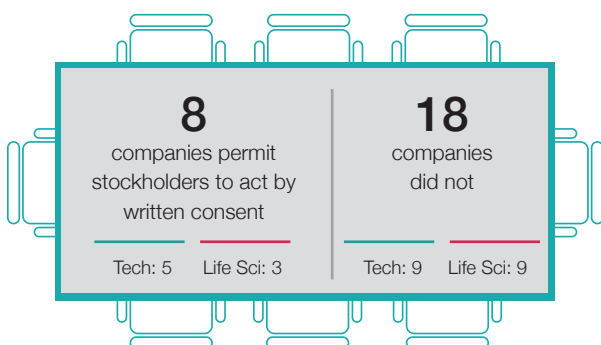
Blank Check Preferred

A certificate of incorporation authorizing blank check preferred allows the board of directors, without further stockholder approval, to issue preferred stock in one or more series and determine the rights, preferences, and privileges of the preferred stock issued (e.g., rights to voting, dividends, redemption, etc.).



Cumulative Voting

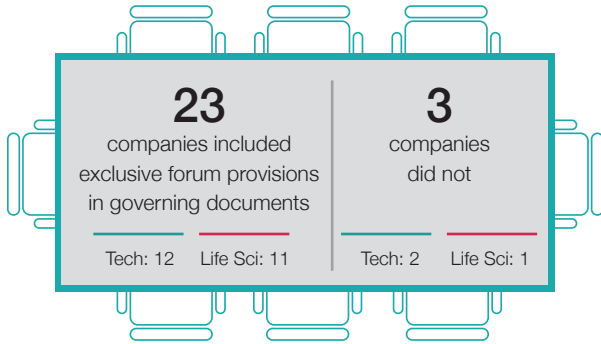
Cumulative voting is a method of voting for a company's directors. Each shareholder holds a number of votes equal to the number of shares owned by the shareholder, multiplied by the number of directors to be elected.



Stockholder Ability to Act by Written Consent

If companies do not permit stockholders to act by written consent, any action requiring stockholder approval must occur at a stockholder meeting.

Defensive Measures



Exclusive Forum Provisions

Companies may include exclusive forum provisions in their governing documents requiring that certain types of litigation (such as derivative suits brought on behalf of the company, claims of breach of fiduciary duty, claims arising pursuant to any provision of the Delaware General Corporation Law, or claims governed by the internal affairs doctrine) be brought solely and exclusively in the Court of Chancery of the State of Delaware (or another specified forum).

Filing Information

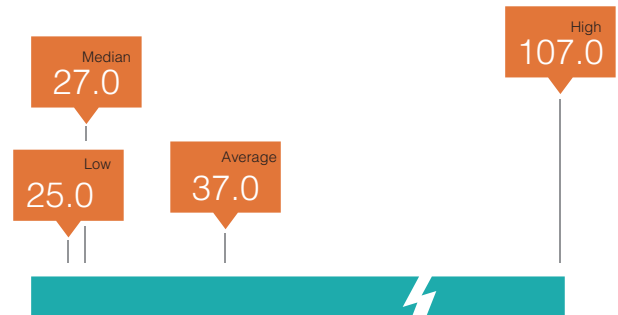
Filing Information – Technology Issuers

Number of Years from Inception to IPO



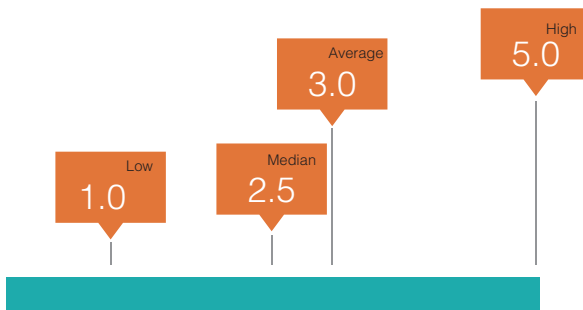
Days in Registration

Represents the number of days between the initial submission of the draft registration statement (for EGCs) or the initial filing of the registration statement (for non-EGCs) and the filing of the final prospectus with the SEC.



Number of Confidential Submissions (EGCs only)

Represents the number of confidential draft registration statements submitted to the SEC before the public filing of the registration statement.



Days Between Public Filing and Roadshow (EGCs only)

Represents the number of days between the public filing of the registration statement and the filing of the preliminary prospectus with the SEC containing a price range, which typically coincides with the start of the roadshow, where the company's executive management will meet with potential investors to gauge interest in the offering. SEC rules formerly required a minimum of 21 days between these two events; however, in 2015, the FAST Act revised the rule to reduce the time period from 21 days to 15 days.



Filing Information

Filing Information – Life Sciences Issuers

Number of Years from Inception to IPO



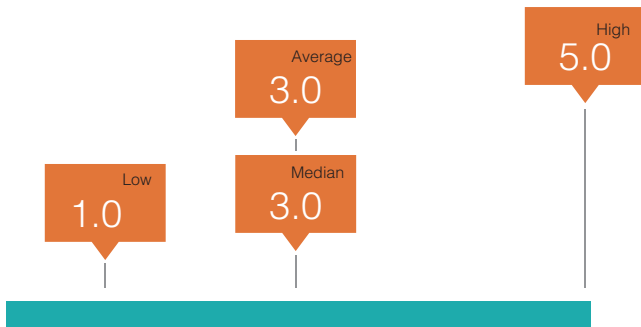
Days in Registration

Represents the number of days between the initial submission of the draft registration statement (for EGCs) or the initial filing of the registration statement (for non-EGCs) and the filing of the final prospectus with the SEC.



Number of Confidential Submissions (EGCs only)

Represents the number of confidential draft registration statements submitted to the SEC before the public filing of the registration statement.



Days Between Public Filing and Roadshow (EGCs only)

Represents the number of days between the public filing of the registration statement and the filing of the preliminary prospectus with the SEC containing a price range, which typically coincides with the start of the roadshow, where the company's executive management will meet with potential investors to gauge interest in the offering. SEC rules formerly required a minimum of 21 days between these two events; however, in 2015, the FAST Act revised the rule to reduce the time period from 21 days to 15 days.



IPO Fees and Expenses

Total Legal Fees

	Low	High	Median	Average
	\$275,000	\$2,700,000	\$1,400,000	\$1,435,913
Technology	\$615,000	\$2,350,000	\$1,662,500	\$1,595,714
Life Sciences	\$275,000	\$2,700,000	\$1,412,500	\$1,420,488

Total Underwriter Compensation

	Low	High	Median	Average
	\$244,000	\$85,000,000	\$5,950,000	\$11,017,691
Technology	\$2,464,000	\$85,000,000	\$9,652,500	\$14,690,241
Life Sciences	\$244,000	\$11,781,000	\$5,250,000	\$5,328,228

Total Accounting Fees

	Low	High	Median	Average
	\$19,940	\$6,882,000	\$875,000	\$1,244,904
Technology	\$180,000	\$6,882,000	\$1,359,350	\$1,675,093
Life Sciences	\$19,940	\$1,500,000	\$690,000	\$708,809

Printing Fees

	Low	High	Median	Average
	\$10,000	\$1,500,000	\$320,000	\$441,196
Technology	\$150,000	\$1,500,000	\$375,000	\$532,273
Life Sciences	\$10,000	\$675,000	\$300,000	\$314,188

For More Information

For more information on the preceding findings or any related matters, please contact IPOReport@wsgr.com, your regular Wilson Sonsini Goodrich & Rosati attorney, or any member of the firm's corporate securities practice.

About Wilson Sonsini Goodrich & Rosati

Wilson Sonsini Goodrich & Rosati offers a broad range of services and legal disciplines focused on serving the principal challenges faced by the management and boards of directors of business enterprises. Consistently ranked among the top corporate law firms nationwide by *Corporate Board Member* and other trusted sources, WSGR currently represents more than 300 public and 3,000 private companies across a diverse range of industries in the U.S. and abroad. The firm is consistently ranked No. 1 by Dow Jones VentureSource for the number of issuer-side venture financing deals handled each year. The firm also is consistently ranked by Bloomberg and Thomson Reuters as a leading adviser for both issuer-side and underwriter-side U.S. IPOs. According to *IPO Vital Signs*, WSGR has represented more U.S. companies in connection with their IPOs than any other law firm since 1998. Since January 1, 2010, WSGR has also been the leading legal advisor to issuers in IPOs valued at \$50 million or higher that involve U.S. technology companies trading on major U.S. stock exchanges, according to CapitalIQ.

Disclaimer

This communication is provided as a service to our clients and friends and is for informational purposes only. It is not intended to create an attorney-client relationship or constitute an advertisement, a solicitation, or professional advice as to any particular situation.

Appendix A

IT/Technology

- Snap Inc. (NYSE:SNAP) 03/01/2017
- Presidio, Inc. (NasdaqGS:PSDO) 03/09/2017
- MuleSoft, Inc. (NYSE:MULE) 03/16/2017
- Alteryx, Inc. (NYSE:AYX) 03/23/2017
- Okta, Inc. (NasdaqGS:OKTA) 04/06/2017
- Yext, Inc. (NYSE:YEXT) 04/12/2017
- Carvana Co. (NYSE:CVNA) 04/27/2017
- Cloudera, Inc. (NYSE:CLDR) 04/27/2017
- Veritone, Inc. (NasdaqGM:VERI) 05/11/2017
- SMART Global Holdings, Inc. (NasdaqGS:SGH) 05/23/2017
- Appian Corporation (NasdaqGM:APPN) 05/24/2017
- ShotSpotter, Inc. (NasdaqCM:SSTI) 06/07/2017
- Blue Apron Holdings, Inc. (NYSE:APRN) 06/28/2017
- Tintri, Inc. (NasdaqGM:TNTR) 06/29/2017

Life Sciences

- AnaptysBio, Inc. (NasdaqGS:ANAB) 01/25/2017
- Jounce Therapeutics, Inc. (NasdaqGS:JNCE) 01/26/2017
- Tocagen Inc. (NasdaqGS:TOCA) 04/12/2017
- Biohaven Pharmaceutical Holding Company Ltd. (NYSE:BHVN) 05/03/2017
- Ovid Therapeutics Inc. (NasdaqGS:OVID) 05/04/2017
- ENDRA Life Sciences Inc. (NasdaqCM:NDRA) 05/08/2017
- G1 Therapeutics, Inc. (NasdaqGS:GTHX) 05/16/2017
- Athenex, Inc. (NasdaqGS:ATNX) 06/14/2017
- Avenue Therapeutics, Inc. (NasdaqCM:ATXI) 06/26/2017
- Mersana Therapeutics, Inc. (NasdaqGS:MRSN) 06/27/2017
- Aileron Therapeutics, Inc. (NasdaqGM:ALRN) 06/28/2017
- Dova Pharmaceuticals, Inc. (NasdaqGM:DOVA) 06/28/2017



Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

650 Page Mill Road, Palo Alto, California 94304-1050 | Phone 650-493-9300 | Fax 650-493-6811 | www.wsgr.com

Austin Beijing Boston Brussels Hong Kong Los Angeles New York Palo Alto San Diego San Francisco Seattle Shanghai Washington, DC Wilmington, DE

© 2017 Wilson Sonsini Goodrich & Rosati, Professional Corporation. All rights reserved.