



SILVERWOOD PARTNERS
Investment Bankers

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Consumer TECHNOLOGY

Strategic Industry Analysis

January 2018

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SILVERWOOD PARTNERS

A specialized boutique investment bank focused on transaction advisory across three core industries

- Sell Side M&A
- Buy Side M&A
- Strategic Alternatives Analysis
- Financial Advisor to Corporate Venture Investors
- Strategic Investments
- Growth Equity Private Placements (Series A, B, C)
- Financial Advisor to Family Offices
- Financial Advisor to Ultra-High Net Worth Individuals



TECHNOLOGY

- Mobile & Wireless
- Internet of Things (IoT)
- Big Data & Analytics
- Augmented & Virtual Reality
- Artificial Intelligence
- Media & Consumer Technology



CONSUMER

- Food and Beverage Products
 - LOHAS
 - Natural
 - Organic
 - Functional
- Active Lifestyle Products
 - Performance Apparel
 - Sports Equipment

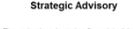
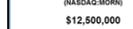
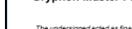


HEALTHCARE

- HC Information Technology
- HC Information Services
- Technology Enabled Services
- Outsourced Medical Device Technology
- OTC/Consumer/Pharma

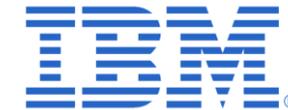
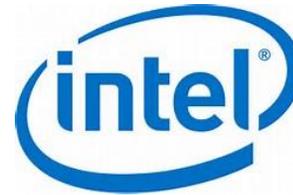


DEEP TECHNOLOGY EXPERTISE

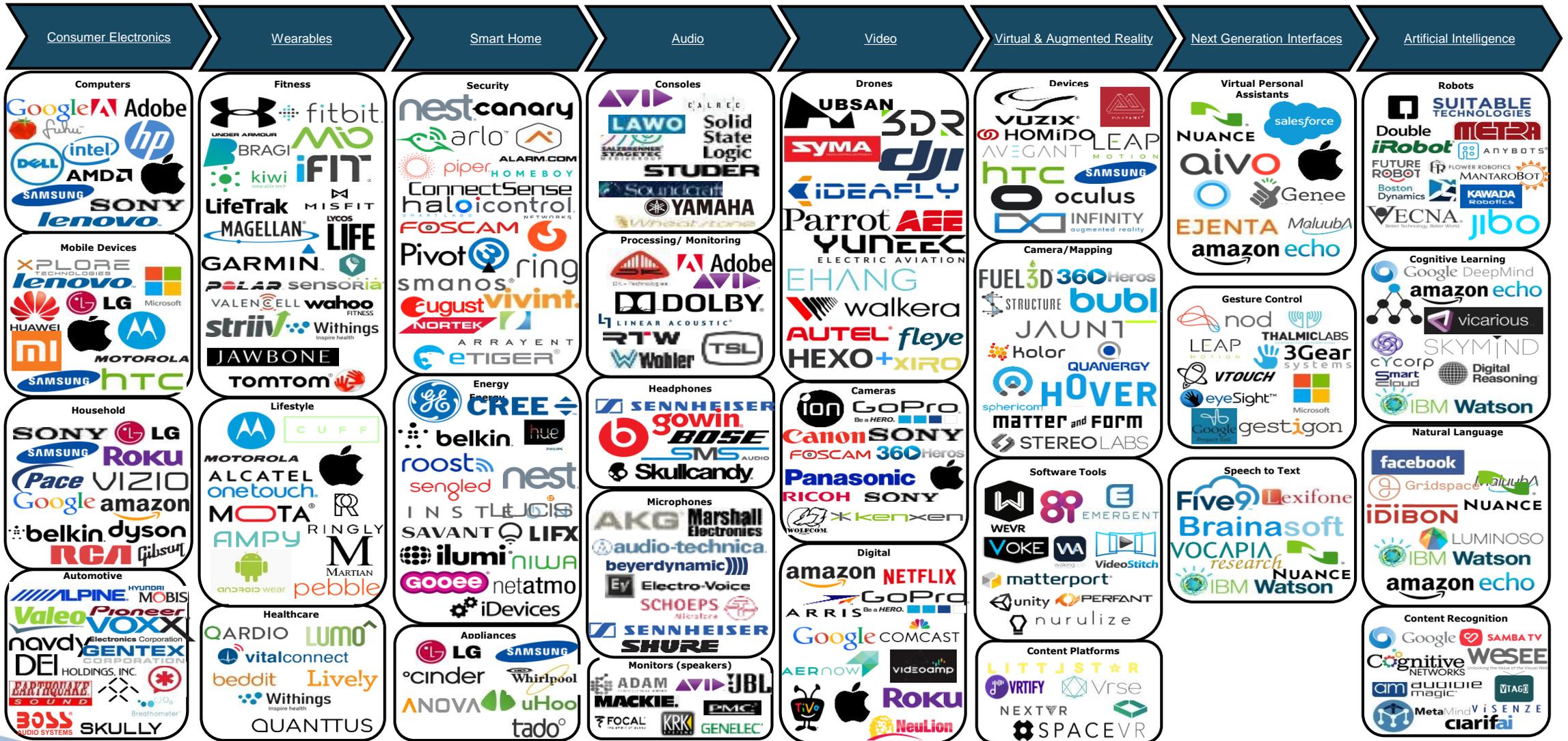
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|--|---|--|--|--|---|---|--|---|--|
|  <p>Has received</p> <p>Growth Capital Financing</p> <p>from a select group of investors</p>  |  <p>Has been acquired by</p>  <p>An industry focused subsidiary of</p>  <p>The undersigned acted as exclusive financial advisor to Tibersoft Corporation</p>  |  <p>An investment holding of</p>  <p>SoftBank Ventures Korea</p> <p>Has been acquired by</p>  <p>gracenote</p> <p>The undersigned acted as exclusive financial advisor to Enswers, Inc., KT Corporation and SoftBank Ventures Korea Corporation</p>  |  <p>Has acquired</p>  <p>The undersigned acted as financial advisor to Genstar Capital, LLC.</p>  |  <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Manzanita, Inc.</p>  |  <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Autocue Limited.</p>  |  <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to PlayBox Technology</p>  |  <p>A leading developer of high and digital composing visual effects and motion graphics software</p> <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as financial advisor to eyeon Software, Inc.</p>  |  <p>A provider of cloud-based, multivariate, data intensive reasoning services</p> <p>Has received</p> <p>Strategic Investment from</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to SmartCloud, Inc.</p>  |  <p>Strategic Financial Advisory</p> <p>The undersigned acted as exclusive strategic financial advisor to ViewCast Corporation.</p>  |
|  <p>Has sold a majority equity interest to</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to NITE Global, Inc.</p>  |  <p>Has been sold by Jupiter Systems</p>  <p>to</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Jupiter Systems</p>  |  <p>Has acquired the satellite operations of</p>  <p>The undersigned acted as exclusive financial advisor to NITE Global, Inc.</p>  |  <p>Has sold certain assets to</p>  <p>The undersigned acted as exclusive financial advisor to Cine-tal Systems Inc. in connection with this transaction.</p>  |  <p>Has sold certain assets to</p>  <p>The undersigned acted as exclusive financial advisor to Cine-tal Systems Inc. in connection with this transaction.</p>  |  <p>Has acquired the video business of</p>  <p>The undersigned initiated this transaction and acted as financial advisor to Vitec Multimedia.</p>  |  <p>Has sold certain assets and intellectual property to</p>  <p>The undersigned acted as exclusive financial advisor to Cine-tal Systems Inc. in connection with this transaction.</p>  |  <p>Has sold its</p>  <p>business to</p>  <p>The undersigned acted as exclusive financial advisor to Gab Networks Holdings, Inc. in connection with this transaction.</p>  |  <p>Has been acquired by</p>  <p>The undersigned acted as financial advisor to Euphonix, Inc.</p>  |  <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Da Vinci Systems, LLC.</p>  |
|  <p>(NYSE: BR)</p> <p>A leading provider of technology solutions to the global financial industry for investor communication, security processing and clearing and outsourcing solutions.</p> <p>Strategic Advisory</p> <p>The undersigned acted as financial advisor to Broadridge Financial Solutions, Inc.</p>  |  <p>Has been acquired by</p>  <p>The undersigned acted as financial advisor to Eyespot Corporation in connection with the sale of the Company</p>  |  <p>Has acquired</p>  <p>The undersigned acted as financial advisor to Omgeo LLC</p>  |  <p>Has acquired</p>  <p>Partners in Communication</p> <p>The undersigned acted as financial advisor to Omgeo LLC</p>  |  <p>Has been acquired by</p>  <p>(NASDAQ: MORN)</p> <p>\$12,500,000</p> <p>The undersigned acted as exclusive financial advisor to 10k Wizard Technology, LLC.</p>  |  <p>Has acquired</p>  <p>The undersigned initiated this transaction and acted as financial advisor to Vitec Multimedia.</p>  |  <p>Has sold certain of its assets to</p>  <p>The undersigned acted as exclusive financial advisor to Unger Software Corporation</p>  |  <p>Has been acquired by</p>  <p>The undersigned acted as exclusive financial advisor to Mediaware International Pty Ltd</p>  |  <p>Has been acquired by</p>  <p>\$19,500,000</p> <p>The undersigned acted as exclusive financial advisor to Gensym Corporation.</p>  |  <p>Has sold the company and its Broadcast Graphics business to</p>  <p>(Canada)</p> <p>\$11,500,000</p> <p>The undersigned acted as exclusive financial advisor to VertigoMedia, Inc.</p>  |
|  <p>A THOMSON BRAND</p> <p>Tender offer acquisition of</p>  <p>\$115,000,000</p> <p>The undersigned initiated this transaction and acted as financial advisor to Thomson Grass Valley.</p>  |  <p>Private Placement of Secured Convertible Term Note Issu</p>  <p>The undersigned acted as financial advisor to Path 1 Network Technologies Inc. for this transaction</p>  |  <p>Has divested certain linear video editing product line to</p>  <p>The undersigned acted as exclusive financial advisor to Optibase Ltd.</p>  |  <p>Has divested certain intellectual property associated with its Media 100 division to</p>  <p>The undersigned acted as exclusive financial advisor to Optibase Ltd.</p>  | <p>\$2,575,000</p>  <p>Private Placement of Series B Convertible Preferred Shares Led by</p>  <p>The undersigned acted as financial advisor to Path 1 Network Technologies Inc. for this transaction</p>  | <p>\$2,808,750</p>  <p>Private Placement of Series A Convertible Preferred Shares Led by</p>  <p>The undersigned initiated this transaction and acted as financial advisor to Media 100, Inc.</p>  |  <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Media 100, Inc.</p>  | <p>The Desktop Software business of</p>  <p>Has been acquired by</p>  <p>a subsidiary of Sony Corporation</p> <p>\$19,200,000</p> <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Sonic Foundry, Inc.</p>  | <p>The Media Services business of</p>  <p>Has been acquired by</p>  <p>a subsidiary of Rank Group plc</p> <p>\$5,600,000</p> <p>The undersigned initiated this transaction and acted as exclusive financial advisor to Sonic Foundry, Inc.</p>  |  <p>Has been acquired by</p>  <p>The undersigned initiated this transaction and acted as financial advisor to iKnowledge, Inc.</p>  |



DEEP TECHNOLOGY RELATIONSHIPS



SILVERWOOD CONSUMER TECHNOLOGY INDUSTRY MODEL



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TOP CONSUMER ELECTRONIC TECHNOLOGY TRENDS

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SOFTWARE & TECH CONSUMING THE ECONOMY

Software pumping \$1 Trillion and more into the economy each year – but what is next?

- Major software providers (especially the “Big 5”) are going on acquisition sprees and building their own “mega-platforms”, with each racing to become the first on-stop-shop for consumers’ software needs
- “Exponential” technologies including robotics, virtual and augmented reality (VR) (AR), 3-D printing, and artificial intelligence (AI) have been seeing heavy interest and funding
- Big Data is developing highly advanced capabilities through the embedding of various cognitive technologies such as machine learning, natural language processing, and speech and pattern recognition in software applications
- Blockchain, the foundation for the digital currency bitcoin, will severely impact the ways in which companies manage online transaction data
- Organizations’ struggle to extract value from the huge volumes of data they are now collective is expected to drive greater investment in software
- IoT, “Anything as a service” offerings (ones which allow usage-based consumption), and cybersecurity will likely continue to experience massive growth
- In the wake of appification and IoT, agriculture and food technology are quickly becoming areas of interest for innovators seeking the next billion-dollar opportunity as these historically stagnant markets are ripe for disruption



Uber's Highly Focused, Integrated Platform



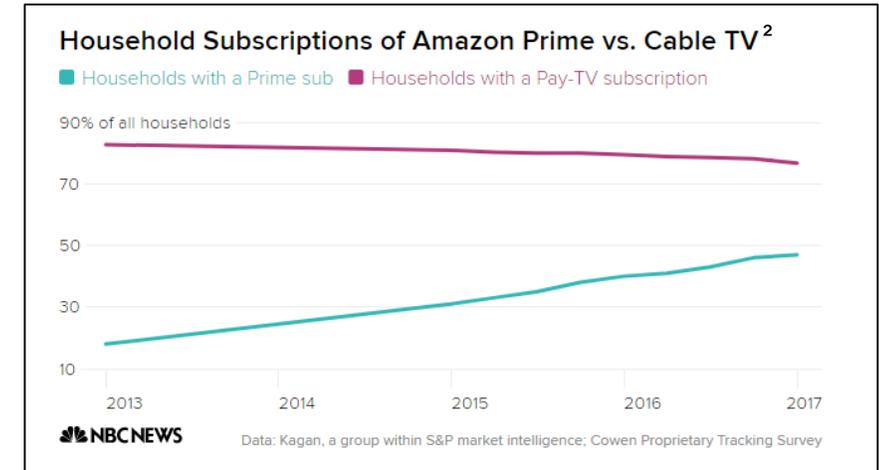
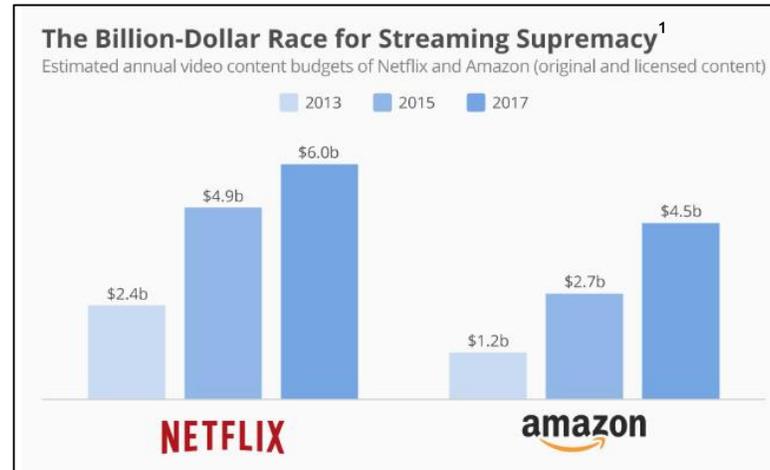
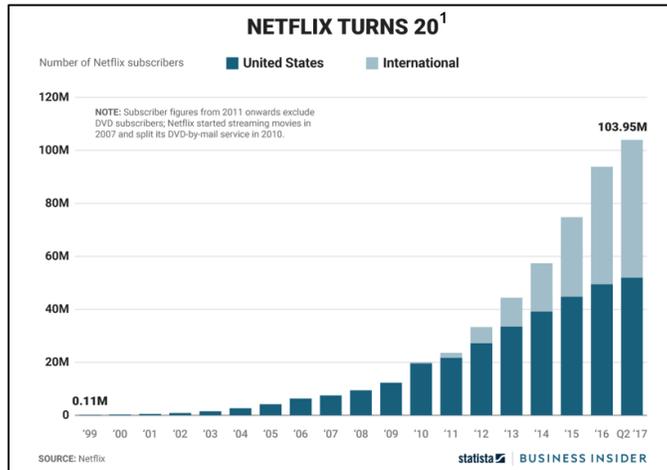
Sources: Forbes, Deloitte



MEDIA COMPANIES TRANSITIONING TO DIRECT-TO-CONSUMER

Content providers rapidly transitioning to direct-to-consumer distribution, bypassing traditional distribution channels

- Media landscape is increasingly defined by direct relationships between content creators and consumers
- Traditional TV networks are facing unprecedented competition from OTT video providers such as Netflix and Amazon
- Multiple walled ecosystems being developed with highly sophisticated, proprietary ad targeting based on deep, technology-based understanding of customers (Amazon, Apple, Facebook, Google, Netflix) – no interest in or need for industry standards or point solution technology providers
- New media ecosystem providers indifferent as to where, how media consumed – maintain customer relationship through constant customer presence and not just a transactional or event-based media consumption experience
- Consumer-direct allows for complete control by the producer/developer – audience relationship, plus control of prices, margins, release dates, marketing message, in addition to actual content



LEADING NEW MEDIA PLATFORMS – ORIGINAL CONTENT INITIATIVES

facebook

Facebook launched live video in 2016. Since the launch, people have created more than 670,000 live streams which have generated over 8.5 billion views, up from 246,000 live streams with over 5.7 billion views at the beginning of March¹. In 2017, Facebook announced Live 360 videos to allow 360 degree live video recording – Facebook is also releasing a standalone app for televisions that will let users watch videos from friends, "liked" pages, and top live videos. In Q3 2017, Facebook announced plans to invest \$1 billion in original content in 2018⁵.

amazon

Amazon Prime Video expands to 200 new countries and territories with the potential to reach 100M subscribers by 2018⁵. Amazon is looking to bring Twitch to the core of its business as Amazon Prime subscribers have access to Twitch. People watching games on Twitch can now purchase games directly. Amazon has also struck a \$50 Million deal with the NFL to stream 10 Thursday Night Football games³. Amazon Prime is on pace to spend \$4.5 billion on video content over the course of 2017⁵.

twitter

Periscope reports 110 years worth of video is watched every day on company's platform, up from 41 years in August 2015⁴ Twitter plans to launch a new feature called Project Lightning, which offers a feed of photos, videos and tweets tied to specific live events. Twitter has partnered with Brandlive, Livestream, and Telescope in 2017 to allow an open live video platform.

YouTube

In Q1 2017, Google announced YouTube TV, which allows subscribers to watch live feeds online from top television networks and is set to launch 2H 2017. YouTube is now enabling live video recording from its mobile app to users with at least 10,000 subscribers and hopes to expand its reach in the future. In Q1 2017, YouTube also announced Super Chat, a paid comment live stream viewers can purchase and send as a donation to creators in exchange for having comments highlighted or pinned.



Snapchat released Live Stories in 2014, which is an amalgamation of snaps, submitted by users and assembled by Snapchat. Live stories is a camera version of live-tweeting that holds storytelling potential. Live stories draw 10-20 million millennials each day. Snapchat and the NFL made a deal in 2015 - other sports partnerships include MLB, NCAA, NBA and PGA.



In Q3 2017, Apple confirmed a budget of \$1 billion to spend on creating its own programming in 2018⁵. Earlier in 2017, Apple debuted original content including Carpool Karaoke and Planet of the Apps on the Apple Music platform. Apple could add as many as 10 more TV shows to its offering in 2018.

verizon

In Q3 2017, Verizon completed its acquisition of Yahoo. Verizon combined Yahoo's assets with AOL to create Oath, a subsidiary with more than 50 media and technology brands – including Huffington Post, AOL.com and Yahoo Sports². Verizon is looking to build powerful brands through the integration of strong technology, differentiated content, and trusted data.

Baidu

In Q2 2017, Baidu began to aim more spending toward content for its video streaming and news aggregation services. In Q2, Baidu's iQiyi agreed to a deal with Netflix to gain licensed content – alongside existing partnerships with BBC, Discovery Channel, and Universal Music³. In Q1, iQiyi announced it doubled its paid subscribers to 10 million³. Baidu also has its own in-house production company called iQiyi Pictures and another subsidiary called Baifa Youxi, which lets small investors back movie productions.

腾讯
Tencent

In Q3 2017, Tencent announced plans to invest \$300 million into original content on its live streaming platform QQ⁶. Tencent is ramping up its efforts to connect social networking with live streaming to attract more users. Tencent plans to offer core resources through its WeChat and QQ Social networking platforms to encourage original content production.

1. Tubular Labs 2. WSJ 3. Business Insider 4. Tubefilter 5. TechCrunch 6. China Daily



MEDIA COMPANIES ADDING NEW TECHNOLOGY CAPABILITIES

8/8/2017 Disney announced an acquisition of majority ownership of BAMTech



8/8/2017 Disney announced it would end distribution agreement with Netflix



7/11/2017 Disney Accelerator invested in Samba TV, an analytics platform for viewership data. Disney accelerator also invested in VR technology companies The Void and Epic Games



1/3/2017 Comcast acquires Watchwith, a video metadata platform



Comcast developed X1, a multi-screen cloud-based entertainment platform



9/27/2016 Comcast agreed to buy shares of Harmonic in warrant agreement



1/1/2016 Sinclair announced investment in Sorenson Media, a provider of an addressable TV advertising platform



2/27/2017 Discovery announced investment in Play Sports group, a digital sports media platform



5/15/2017 Discovery announced investment in WinView, a mobile gaming platform synchronized with TV Sports



7/7/2015 Bertelsmann announced \$100 M investment in Saavn, an online music streaming platform



12/20/2016 Viacom announced investment in Chili on-demand video services



11/15/2016 Viacom announced \$45.5 M investment in Roku streaming technology



10/22/2014 Fox announced \$25 M investment in Roku streaming technology



9/28/2012 Fox announced investment in Active8me, a mobile wallet for online TV channels



4/17/2017 Liberty announced Series A investment in Fresco News, a social media platform for uploading news events



Liberty invested in Realtime Immersion, a developer of 360-degree video camera



8/26/2015 BBC announced investment in hybrid streaming platform YouView TV



1/5/2016 Fox announced investment in AR glasses maker ODG



TECH COMPANIES ADDING MEDIA CAPABILITIES, \$20+ BILLION INVESTED



Apple plans to spend \$1 Billion on original shows in 2018¹



In Q1 2016, Apple acquired Flyby Media, an AR/VR startup

6/19/2014 Twitter acquired Snappy TV, a service for clipping, editing and sharing clips from live broadcasts



3/9/2015 Twitter acquired Periscope, a live streaming app, for \$86 million¹

Amazon is on pace to spend \$4.5 Billion on video in 2017²



In 2014, Amazon acquired live streaming video platform Twitch



8/11/2016 Microsoft acquired Beam, an interactive game streaming service. Microsoft changed the company's name to Mixer



\$4.5B



YouTube spends an estimated \$5 billion on content each year³

\$5.0B



7/7/2016 Google acquired Anvato, a media streaming and monetization platform



\$4.48B



9/5/2017 Facebook announced new Watch Video platform available to all U.S. users

\$1.0B



Facebook plans to spend \$1 Billion on original shows in 2018¹

\$6.0B



Netflix is on pace to spend \$6 Billion on video in 2017²



Time Warner and Snap announced a \$100M deal to bring increased ad spending and development of original content for Snapchat



6/13/2017 Verizon announced its \$4.48 B acquisition of Yahoo's operating business and formed "Oath"¹

1. TechCrunch 2. Business Insider 3. Motley Fool

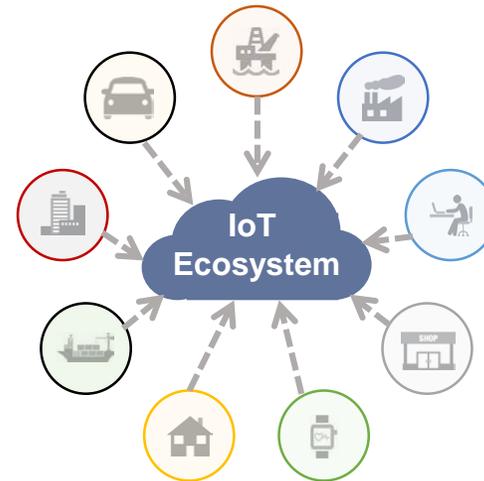
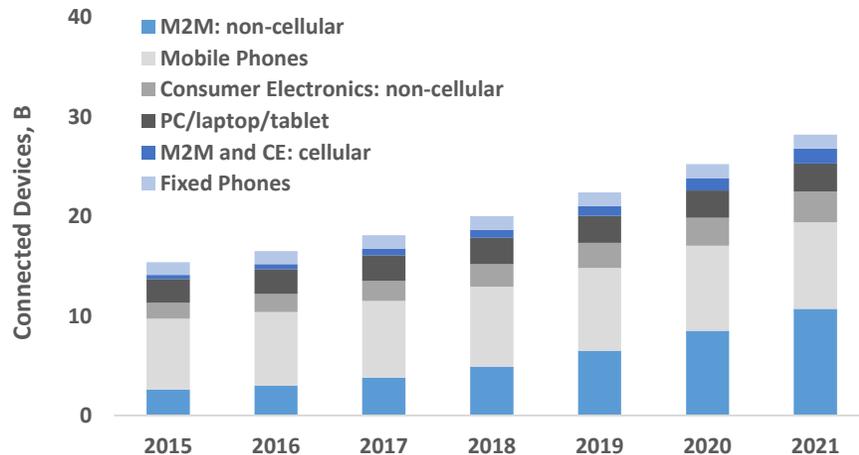


PHYSICAL AND DIGITAL WORLDS CONVERGE AT THE INTERNET OF THINGS

Building a Fully Integrated Internet of Things Ecosystem Using the Smartphone as a Foundation

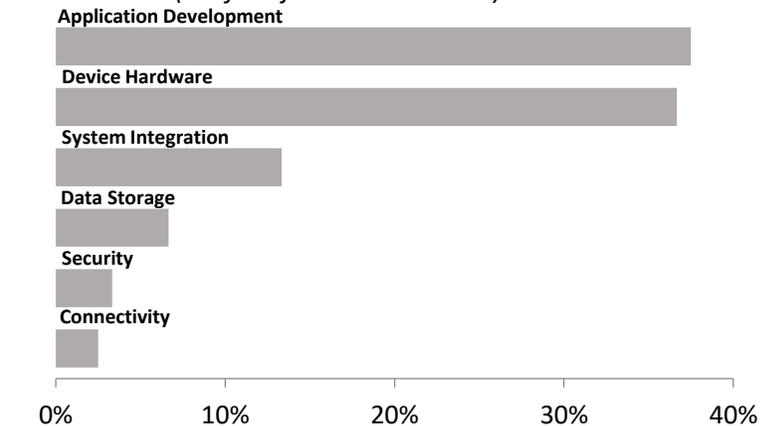
- Extraordinary success and scale of the smartphone – which connected billions of people to the Internet over the past ~10 years – has driven extreme reductions in the cost of hardware, sensors, processing power, wireless bandwidth and wireless connectivity
- Removal of such barriers has laid foundation for rapid growth of the Internet of Things (IoT) – a third wave of Internet development and proliferation that will result in tens of billions of additional “things” being connected during the next 5-10 years
- Developing value-added IoT use cases is imperative to increasing mainstream awareness and acceptance, as well as to fueling continued investment in IoT technology enablers, including platforms and platform-enabled solutions
- As of November 30th 2016, US venture investors had poured \$1.3B into IoT-related companies¹ - over 60% of projected IoT investment in IoT through 2020 is expected to relate to hardware and application development²

Ericsson’s Estimated Connected Devices, by Category



Projected Investment in IoT Solutions²

2015 - 2020 (% of Projected Investment)



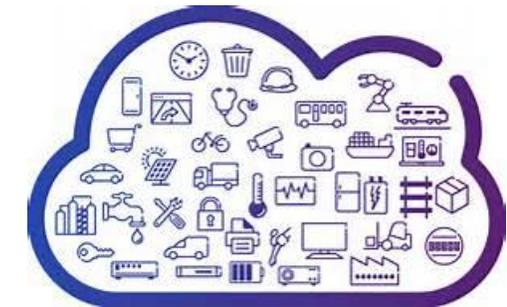
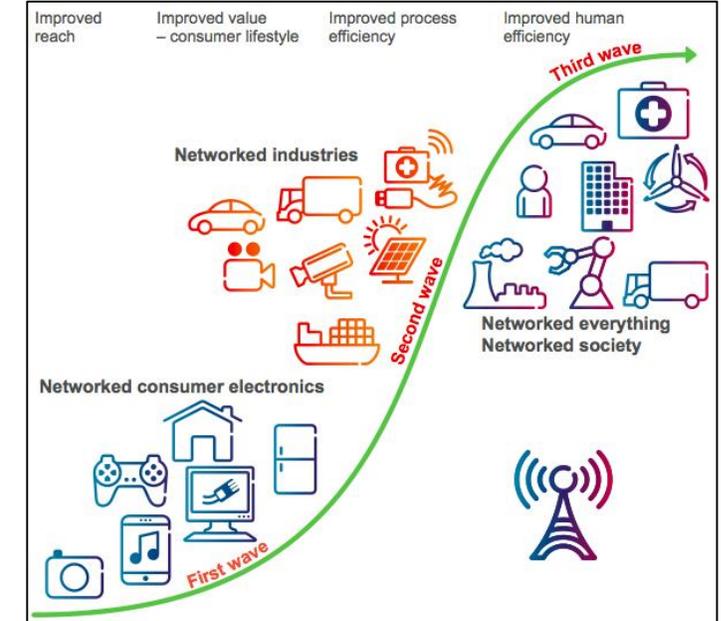
1. Pitchbook 2. BI Intelligence



IoT NETWORKING EFFECT – GREATER VALUE THAN THE SUM OF ITS PARTS

The World Is Currently Only Scratching the Surface of IoT's Potential

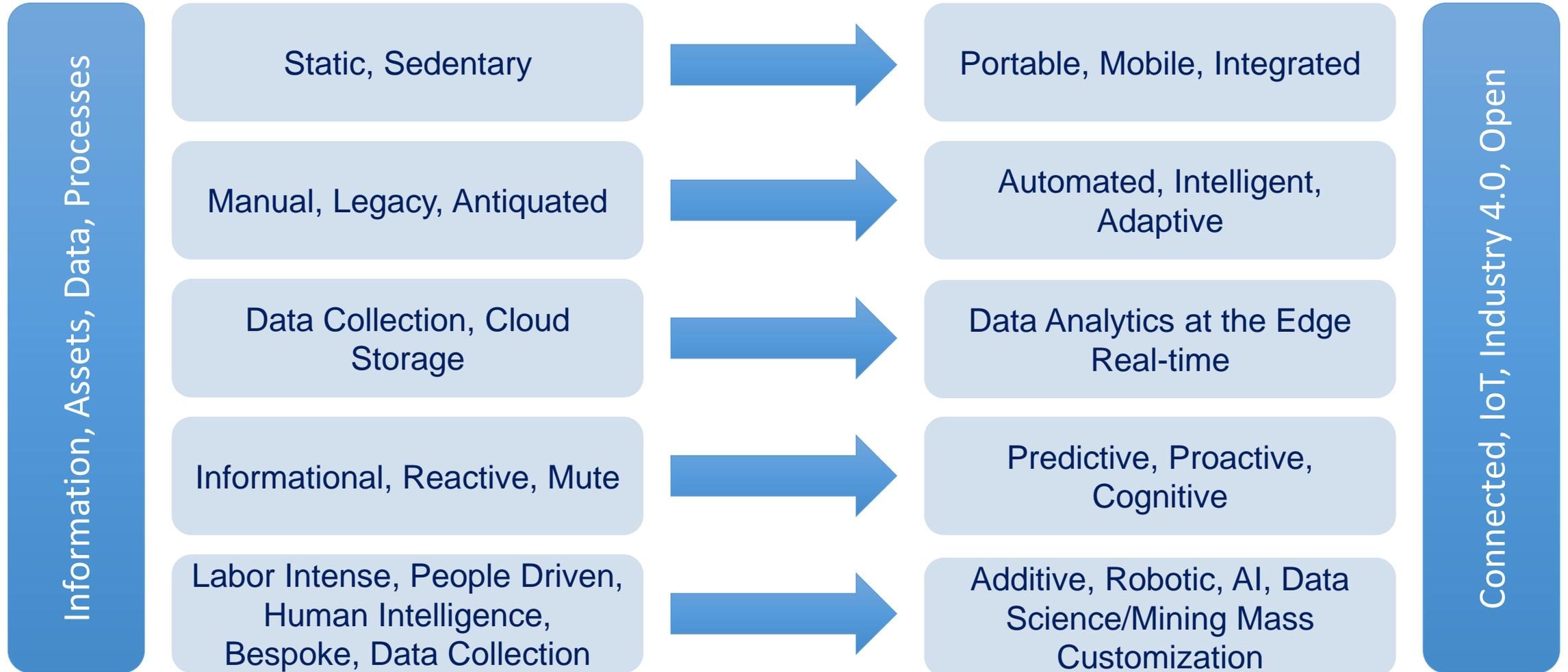
- An increasing diversity of companies are leveraging the smartphone supply chain and creating new connected devices and experiences that combine the physical and digital worlds and capture new data sets
- The transformational potential of IoT lies in the ability to capture, transmit, manage, analyze and act upon diverse and disparate data sets in real-time from anywhere
- However, it is estimated that less than one percent of the IoT data currently being created by connected devices is actually being used¹
- This opportunity continues to attract widespread interest and investment across the IoT value chain – including more than \$7 billion in financing since 2010² – even though the overall landscape remains highly fragmented
- Continued development of IoT's central infrastructure, D2X communication and data analytics capabilities will meaningfully improve the utility of IoT data
- Improvements in IoT interoperability and security are critical to manage increasing network complexities and unlock the full network effect of billions of connected devices
- Compelling long-term economic and societal rationale exists to drive IoT penetration – from new consumer experiences and insights to new markets and economic models
- Further development of IoT's central infrastructure and device to device communication ability will improve meaningful use of IoT data
- Ultimately, a mature, fully integrated and networked global IoT ecosystem will mesh and manage billions of physical, digital and virtual things and impact all aspects of our lives



1. CB Insights 2. McKinsey & Company 3. Cisco 4. Ericsson



IoT AND EMERGING TECH: WHAT IS HAPPENING?



Source: Compass Intelligence



CONSUMER INDUSTRIES ADVANCING IN IOT AND AUTOMATION



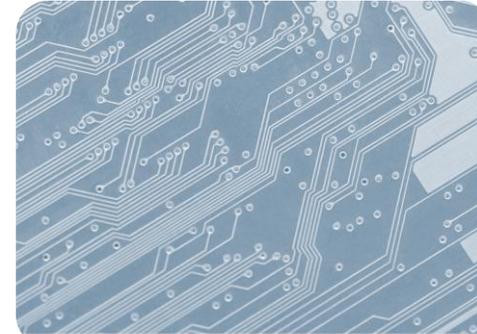
Smart Home

Lighting
Home
Entertainment
Appliances
HVAC
Security
Surveillance
Energy
Management



Vehicles

Safety
Repair
In Car Entertainment
Broadband
Traffic & Routing
Gaming
Fuel Management



Electronics

Embedded Computing
Smart Consumer
Electronics
Wearables
Entertainment &
Content
Media
Information Sharing



Customer X

Customer Service
Billing
Installation & Repair
Self-Services
Alerting & Notification
Client Portal Services

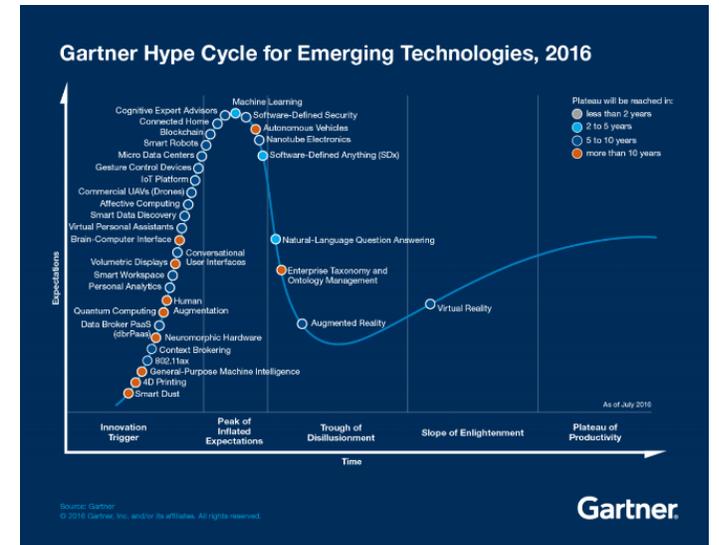


AUGMENTED AND VIRTUAL REALITY – EMERGING DISTRIBUTION PLATFORMS

AR and VR Are Evolving from Vertical Use Cases to Broad-Based Computing, Consumption and Distribution Platforms

- Immersive, real-time multi-platform technologies and experience enablers continue to generate substantial investment interest from leading media and technology companies
- Augmented Reality is an increasingly common theme at industry events – its straightforward, productivity value proposition is driving interest and adoption across enterprise, healthcare, industrial and security markets, while multiple consumer offerings are poised to reach the market in 2018¹
- Virtual reality should see improved traction in 2018 as today's leading platforms and commercial solutions address shortcomings (cost, hardware, etc.), new mobile ecosystem players enter the space and the supply of differentiated, consumer-facing content and experiences begins to increase (e.g. spatial audio)¹
- Expect entertainment and media systems to increasingly transition to AR/VR platforms as higher quality headsets and capture systems reach the market

Notable Recent Augmented & Virtual Reality Transactions³



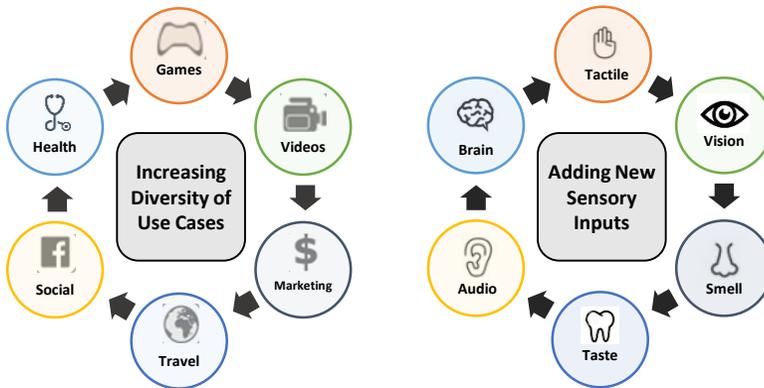
1. RFM Research 2. Gartner 3. Ptechbook

VIRTUAL REALITY – BUILDING IMMERSIVE, MULTIMEDIA EXPERIENCES

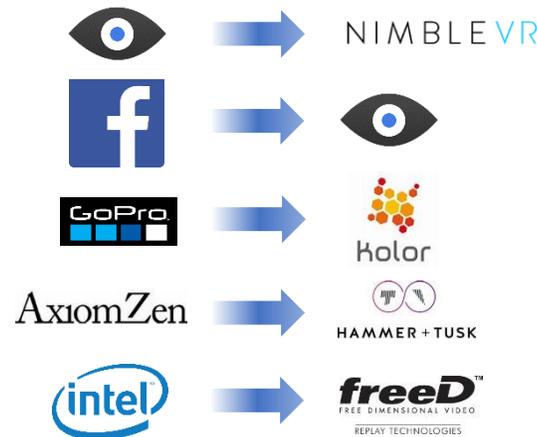
Virtual Reality Market Still Approaching Mass Market Inflection Point

- Total Augmented and Virtual Reality VC investments reached 76 deals totaling \$1.3 billion during the first half of 2016, versus \$700 million total invested during 2015. Investments are moving beyond hardware and peripherals into advertising, apps, distribution, games, marketing, video and solutions/services¹
- Virtual reality could see improved traction in 2017 as today's leading platforms and commercial solutions – such as Oculus (Facebook), HTC, Sony and Samsung – address 2016 shortcomings (cost, hardware, etc.), new mobile ecosystem players enter the space and the limited supply of consumer-facing content increases²
- Immersive, realistic multi-platform technologies and experience enablers (e.g. 360°video) continue to generate strong investment interest from leading media and technology companies given their ability to quickly integrate, innovate and scale

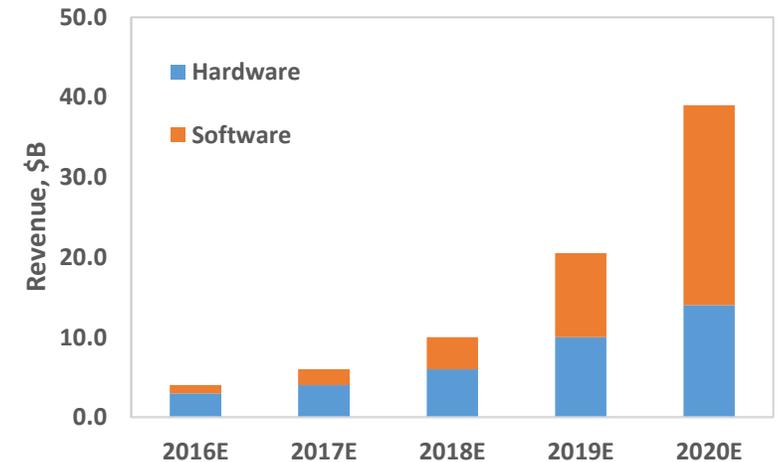
VR: Diverse Anticipated Use Cases; Many Inputs³



Select Virtual Reality M&A Transactions



Worldwide VR Revenue by Type, 2016-2020E



1. CB Insights 2. RadioFreeMobile 3. CCS Insight

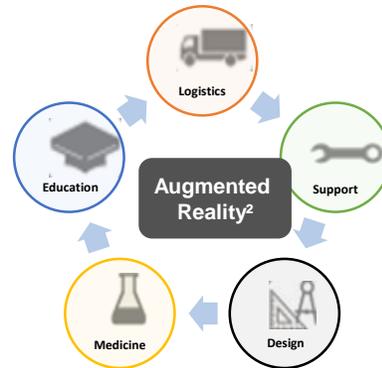


AUGMENTED REALITY – NEW INTERFACES AND NEW REALITIES

Increasing Diversity of Market-Making Platforms Pushing AR Content into New Markets

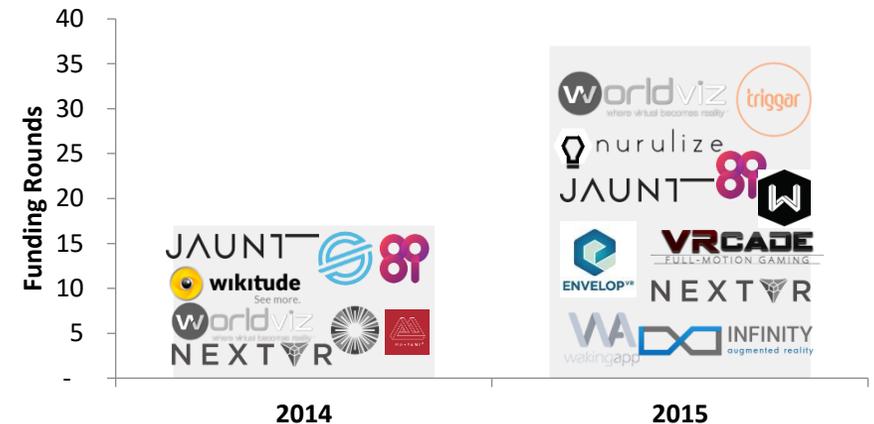
- Technological advancements still appear necessary to maximize consumer usage – wearables, prosthetics, visualization technology
- Longer-term augmented reality has the potential to generate revenue across a very broad base of industries and applications
- Augmented reality poised to accelerate in 2017 after major acquisitions and platform investments from technology giants – total market for augmented reality projected to reach \$150 billion by 2020¹
- Mobile use will play a huge role in furthering the augmented reality market, as smartphones and applications increasingly are becoming the technological control hub for consumers worldwide. The mobile application market alone for augmented and virtual reality is expected to grow at a CAGR exceeding 74% between 2016-2020²

Select Augmented Reality M&A Transactions



Backend AR & VR Funding Activity³

Date: YTD Through 11/27/14 & 11/27/15

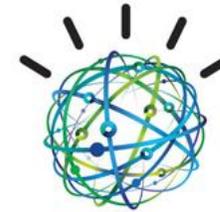


ARTIFICIAL INTELLIGENCE – FROM MEDIA COMPANY TO DATA COMPANY

More Data → More Information → More Intelligence → More Money

- Artificial Intelligence (AI) has moved beyond brute force compute power and is now at a key inflection point in 2017 – AI is likely to be among the most significant investment and M&A themes across the broader technology sector with the broadcast and media industries well represented
- AI is the fastest growing workload in the data center according to Intel, growing at ~2X the overall computing market – by 2020 Intel expects more servers running data analytics than any other workload
- Distributors are integrating AI voice and gesture control features to improve content search, discovery and the overall user experience - programmers are actively working with personal digital assistants as content owners embrace AI to better connect, measure and analyze user patterns in order to maximize consumer content engagement¹
- In the broadcast and media technology sectors AI is likely to become a significant long-term differentiator by enabling hyper-tailoring of contextual content – and advertising – to every consumer
- A 2016 GE report suggests ~75% of companies struggle to optimize the use of big data due to its variety, velocity and volume – successful broadcast and media companies will reposition as data-first companies
- Big IT and other large technology vendors – and particularly the established search engines generating the most data – currently best positioned to collect, analyze and act upon the massive amounts of information increasingly generated in the data center
- AI investment is increasingly global in scope – the Chinese government has recently pledged to invest ~\$15 billion in domestic AI initiatives by 2018²
- There are still many limitations to AI systems, perhaps the most significant of which is AI's reinforcement of stereotypes and biases. Because intelligent systems must “learn” from historical data, much work remains to be done in teaching AI to correct stereotypes before AI can be safe for mainstream adoption

Selected AI Media + Data Initiatives



IBM Watson's computer vision algorithms were employed at this year's Masters tournament to identify and extract contextual content from the tournament's live video streams.

IBM says its Cognitive Highlights application is the first time a system is using cognitive computing methods to rank sports highlights



A Google demonstration website allows video annotation - the API identifies key objects within the video, detects scene changes and provides shot labels of video events over time.

Google also announced plans to use machine learning to better identify objectionable content in videos and help advertisers manage where their ads appear



AI is driving the growth of a variety of emerging Amazon service initiatives, including Prime Air's delivery via autonomous drones, Go – a grocery experience where consumers can just walk in and walk out, and Alexa, the already well-known personal digital assistant.

1. CableFax 2. MIT Technology Review



ARTIFICIAL INTELLIGENCE – INVESTING FOR ECOSYSTEM DIFFERENTIATION

Consumer Electronics Will Become Adaptive, Living Systems and Social Machines

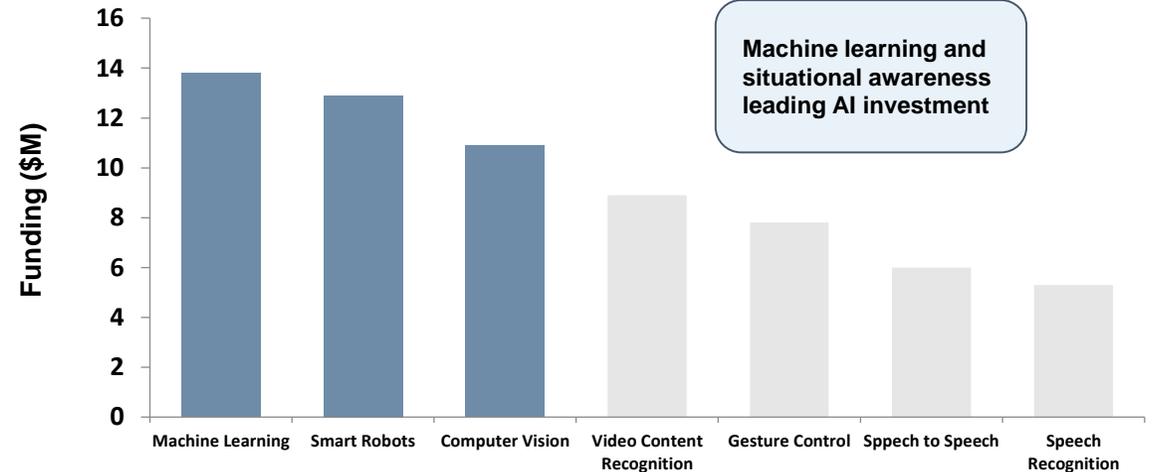
- AI has reached a key inflection point – having moving beyond brute force compute power and heuristics to reinforced learning – and eventually could be integrated into all a variety of consumer devices and industrial machines
- Consumers are becoming familiar with AI via the proliferation of Personal Digital Assistants – on mobile devices and in smart homes
- Global AI market revenue is forecast to increase from \$8.0 billion in 2016 to more than \$47 billion in 2020. Almost 50% of AI market revenue will come from software – including applications and platforms²
- There are several major AI opportunities for companies to solve: 1) to improve AI training while using less data, 2) to create an AI which can take learnings from one task and apply them to others and 3) to creation an AI capable of building models independent of human inputs³

Personal Digital Assistants Are Proliferating



1. Venture Scanner 2. IDC 3. Radio Free Mobile

Average Funding Per AI Category¹



VIRTUAL DIGITAL ASSISTANTS (VDA)

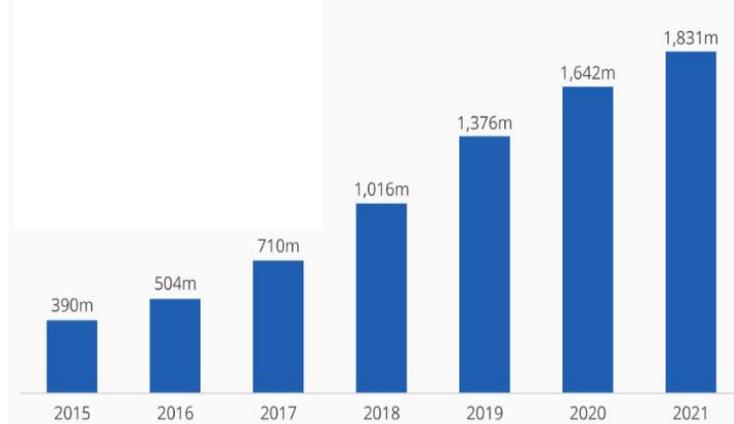
Advancements in AI capabilities (NLP, search) and an increasing number of integrations will drive consumer uptake of digital assistants

- The global market for virtual digital assistants is expected to grow to \$15 billion and 1.8 billion active users by 2021, with consumer-specific VDA revenues growing at a CAGR of 195.7%². Virtual digital assistants reached 4 billion devices in 2017¹
- Digital assistants are poised to bring value to consumer and enterprises through many applications; by interpreting voice commands, fulfilling user requests, and executing tasks, VDAs can, for example, book transportation, set appointments, or text or call individuals for consumers, and VDAs can automate processes like customer support for enterprises, among other applications
- As natural language processing (NLP) and search algorithms improve, digital assistants will be able to provide users services and more relevant results faster
- Like what the App Store did for the iPhone, opening digital assistant platforms to third-party developers will catalyze product integrations and novel use cases
 - Among its competitors, Amazon's Alexa currently has the highest number of integrations (>10,000)
- Privacy remains a large concern for many users, as digital assistants have access to increasing amounts of data in order to realize efficiencies for users

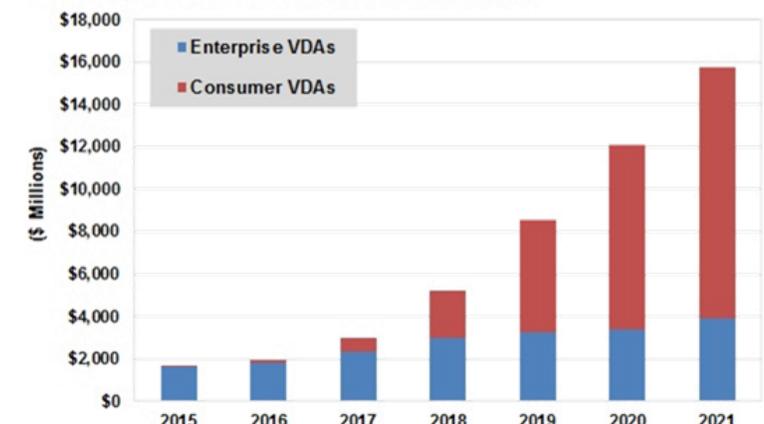
Key Players

| | |
|---|------------------|
|  | Alexa |
|  | Google Assistant |
|  | Siri |
|  | Cortana |
|  | Duer |
|  | M |

Number of Users of Virtual Digital Assistants Worldwide (2015 – 2021)²



Total Virtual Digital Assistants (VDA) Revenue by Segment, Worldwide (2015 – 2021)²



VIRTUAL DIGITAL ASSISTANTS— INVESTING IN AI



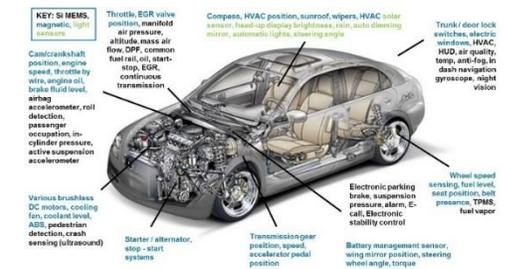
CONNECTED CARS & AUTONOMOUS VEHICLES

Connected Cars Today, Autonomous Transportation Tomorrow

- A growing number and diversity of technology companies are entering the market for connected and autonomous vehicles – from mobile ecosystems to smart homes to dedicated start-ups
- The market for autonomous vehicles is expected to accelerate over the next couple of decades - by 2035, BCG expects more than 12 million fully autonomous vehicles to be sold globally
- On December 13, 2016, Google announced it would be spinning off its autonomous car project into a separate standalone business called “Waymo,” which stands for “a new way forward in mobility”
- Several trends are driving the market – 1) an increasingly software-defined experience in maximizing efficient transport from point A to point B, 2) vehicles can increasingly be equipped with a variety of sensors and connectivity for data capture, V2X exchange and analytics, 3) annual global production of cars and light trucks is peaking in the high 80MM/year range¹
- Research forecasts a global installed base of 220 million connected cars in operation by 2020² – however, regulatory (government, insurance, etc.) and infrastructure hurdles will likely limit truly autonomous vehicles from widespread use before the 2020-2025 time frame
- Several critical technological enablers are likely to require significant additional investment to sufficiently advance most autonomous vehicle platforms for widespread adoption³:
 - 1) Improved high-definition maps/mapping for greater accuracy and V2X services integration
 - 2) Next-generation V2X positioning and sensing systems that can “read” those maps
 - 3) An artificial intelligence “engine” to operate the mature platform
- The potential savings to be realized is vast – a recent Texas Transportation Institute report suggests the typical U.S. urban commuter spends 42 hours/year stuck in traffic jams, while national highway congestion costs \$160 billion per year in lost productivity and inefficient use of resources



Dozens of Sensors Producing More Valuable “Traffic”



1. IHS Automotive 2. Business Insider 3. RFM Research

CONNECTED VEHICLES – A RACE TO BUILD THE PLATFORM

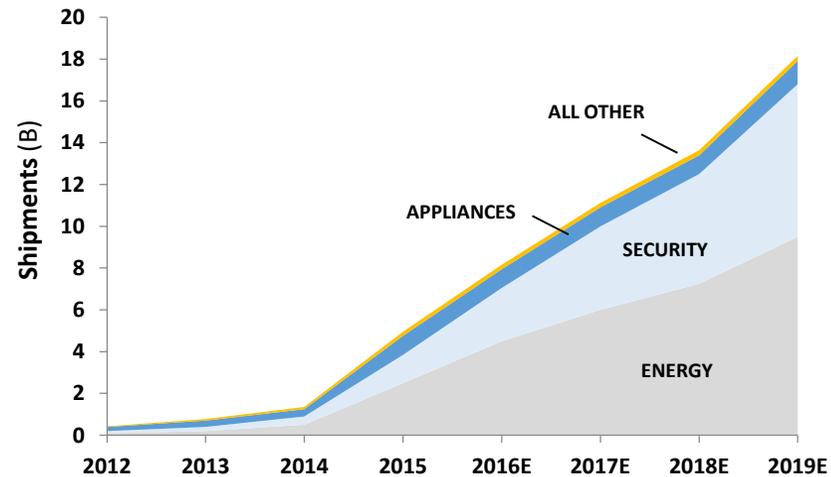


SMART HOME – EXPECT SERVICES INNOVATION TO DRIVE ADOPTION

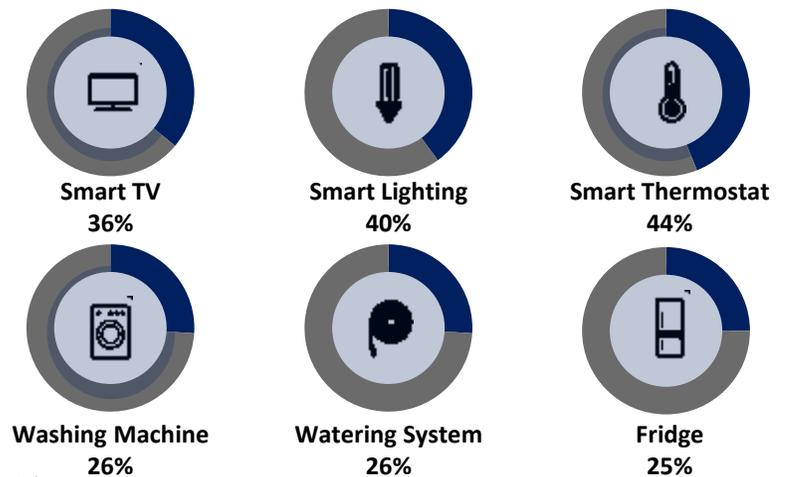
Consumer Acceptance of Innovative, New Smart Home Services Key To Long-Term Growth

- Smart homes will deliver a diverse range of innovative services across networks of smart, connected everyday things – this is prompting some companies to shift their sector focus from devices to solutions – the smart home as a service (SHaaS)¹
- Smart home service providers are expected to increasingly partner or collaborate across vertical sectors to deliver the most compelling services and solutions as value creation is increasingly determined by the ecosystem/services provided – rather than the connected devices
- Surveys suggest more than 2/3rds of consumers believe smart home technology will be as prevalent as smartphones by 2025³
- Growth in home entertainment centers, home security, appliance control, and healthcare services expected to be key growth sub-sectors
- Shipments of smart home devices expected to grow by a compound annual rate of 67% over the next five years¹ - growth expected to be driven by increased comfort with everyday device connectivity, ease of use and demonstrable consumer ROI

Connected-Home Device Shipments¹



Surveyed Smart Home Device Demand²



1. Embedded Computing 2. BI Intelligence 3. MarketingWeek 4. Intel



SMART HOME – A DIVERSITY OF PLATFORMS AND ECOSYSTEMS



Product Suite:

- Alarms/Sensors
- Heating & Cooling
- Video Monitoring
- Lights & Switches



Product Suite:

- Alarms/Sensors
- **Heating & Cooling**
- **Video Monitoring**
- Lights & Switches
- **Wireless**



Product Suite:

- Alarms/Sensors
- Energy Management
- Video Monitoring
- Lights & Switches
- Locks



Product Suite:

- Alarms/Sensors
- Energy Management
- Video Monitoring
- Lights & Switches
- Locks
- Control Consoles
- Entertainment



Product Suite:

- Alarms/Sensors
- Energy Management
- Video Monitoring
- Lights & Switches
- Locks
- Control Consoles



NEXT STEP: SMART CITIES

Fostering of Innovation, Startups, and Tech Incubators

Use of Sensors, Smart Meters, High-Tech, IoT for Infrastructure

Advancement of Sustainable Practices, Green Tech & Ecofriendly Initiatives

Leveraging Mobile/Digital/Online for Citizen Facing Services

Best-in-class Technology Infrastructure for Residents

Open Government Data Sharing and Interactiveness with Citizens

Superior High-tech Transit and Transportation Systems

Real-time Analytics focus on safety, management, and routing

Cross collaboration & integration with Departments, Citizens, & Community



A smart city is open, high-tech, eco-friendly, responsive, and innovative, supporting its citizens with optimized public services and enhanced connectivity, both socially and technologically.

MARKET DRIVERS

- Foster New Business Growth
- Improve Quality of Life
- Increased Production
- Improve Citizen Safety
- Reduce Congestion and Pollution
- Economic Efficiency
- Automate Infrastructure

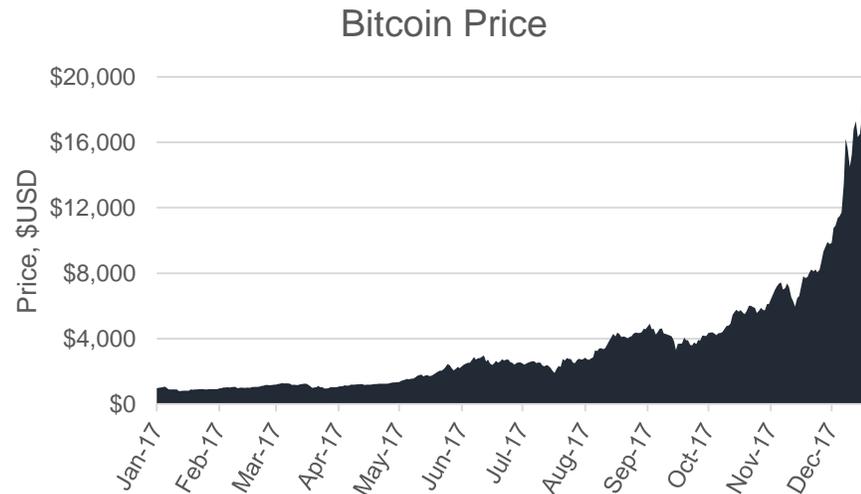


THE REAL VALUE OF BITCOIN

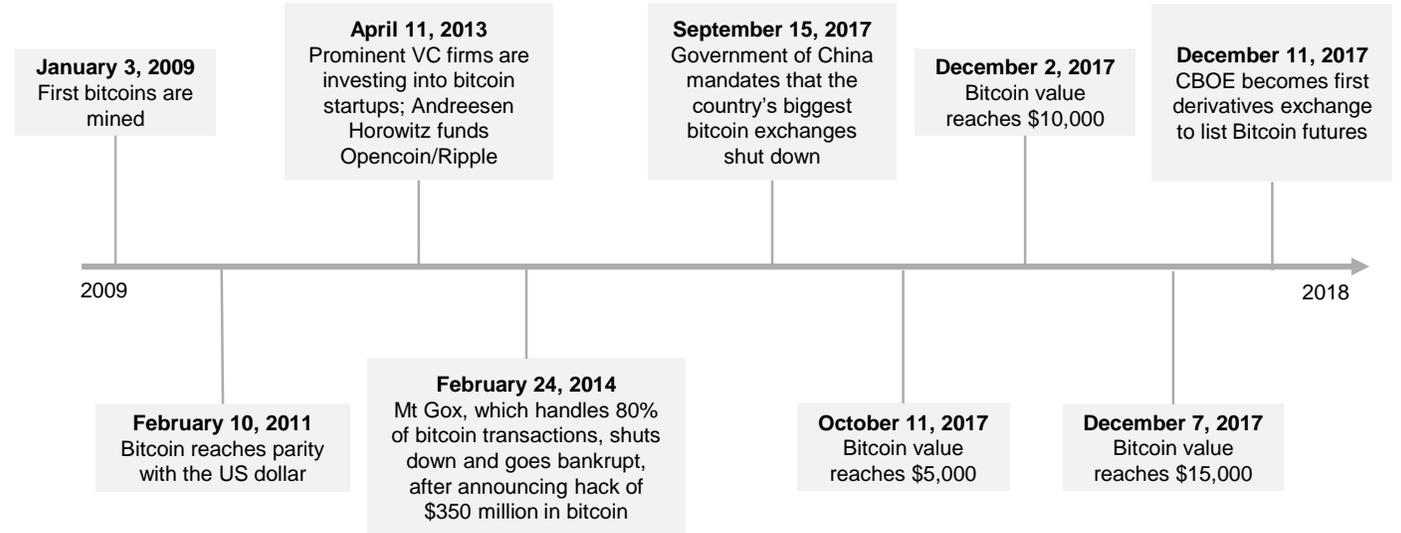
Bitcoin Approaching Mass Market Inflection Point

- On December 17th, Bitcoin surged past \$19,000 for the first time, just days after eclipsing the \$15,000 mark. Although Bitcoin has seen extreme price volatility, the question going forward is if cryptocurrency is the next bubble or ready for mainstream adoption.
- The heavily debated trend of 2018 for bitcoin and other cryptocurrencies is whether they will prove to be legitimate financial assets. Bitcoin increased in popularity because of its decentralized structure; however, that may also be the reason behind its potential downfall. A recent Bloomberg article stated, “the value of ordinary currencies is underwritten by governments and stabilized by central banks acting as trusted monopoly producers, roles which Bitcoin and its rivals leave vacant.”¹
- Investors that think cryptocurrencies will attain mainstream adoption feel that Bitcoin can reach price levels of \$40,000 in 2018 alone²; however those that feel these cryptocurrencies are not built on fundamental and technical analysis view the current market as a speculative bubble.

Bitcoin: From \$1,000 to \$19,000 in 2017⁴



1. Bloomberg 2. CNBC 3. Forbes 4. Bitcoin.com 5. CB Insights



BLOCKCHAIN UNDERLYING VALUE FOR BITCOIN

The Real Value of Bitcoin

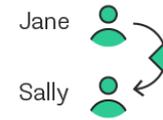
- Underlying bitcoin is blockchain – the world’s leading software platform for digital assets. Blockchain is, in essence, a distributed public ledger that that stores blocks of cryptographically validated data that users cannot corrupt.³
- The global blockchain technology market is expected to reach \$7.8B by 2024 (GrandView)
- Even though blockchain technology began being used by cryptocurrencies, other industries are now uncovering different ways to put the technology to use.
- Most financial institutions are speculative of the value of bitcoin, and instead are actively looking for ways to utilize this underlying blockchain technology
- Key ways that blockchain technology can help financial institutions include reductions in counterparty risk, increased liquidity, faster transaction processing times and reduced costs.¹



How Blockchain Works for Bitcoin

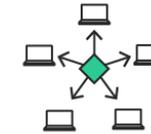
When payment is made with a physical coin, the person who handed it over can't spend it again. Preventing "double spending" in a digital currency is more complicated.

Transaction



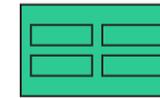
Jane uses bitcoin to buy a cup of coffee at Sally's internet café, using her private key to transfer ownership of the currency.

Mining network



Word of the transaction is sent through the bitcoin network to "miners" with powerful computers.

Block



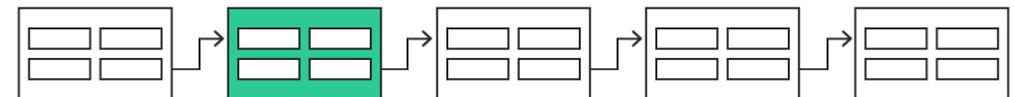
Miners use trial-and-error computations to solve a puzzle created by combining data about recent transactions. The first to find the unique number that unlocks the puzzle earns the right to bundle the transactions into a confirmed batch known as a block.

Verification



The winning miner is rewarded with newly minted bitcoin – but only after other miners confirm that the block's transactions don't contain any attempts to spend the same funds twice.

The Chain



Blockchain acts as a public ledger showing all transactions, though the identities of participants are obscured. Each block has a cryptographic link to the previous one. Every addition of a new, linked block to the chain makes it harder for a rogue miner to steal Sally's bitcoin by rewriting the sequence of transactions.

Source: Bloomberg

BloombergQuickTake

1. Bloomberg 2. Coin Telegraph 3. Forbes 4. Bitcoin.com 5. CB Insights



CORPORATE BLOCKCHAIN INVESTORS

SBI GROUP



orb



wirex



Google



STORJ.IO



Buttercoin



overstockTM

PEERNOVA

bitt



FACTOM

ripio

symbiont

citi



Digital Asset



AXONI



Chain



Cobalt

Goldman Sachs



Digital Asset



AXONI



CIRCLE



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Consumer Technology Overview

3

Learn More About Silverwood



SILVERWOOD – PRINCIPAL DIFFERENTIATORS

EXPERTISE EXCELLENCE EXECUTION

Industry Expertise

- Leading technology-focused boutique investment bank
- Understand industry dynamics– no learning curve; immediately effective

Industry Relationships

- Active dialogue with industry professionals
- Constantly refresh contacts
- Call from Silverwood implies competitive strategic deal

Industry Commitment

- Active in focus sectors for almost two decades
- Senior level commitment to each deal
- Presence at all major industry tradeshows

Results Oriented

- Focused on M&A and private placements – committed to achieving best available result
- Process expertise; negotiation expertise

Worldwide Reach

- Experience in multinational deals
- Active contact with international companies and investors



RELATIONSHIPS, REPUTATION, RESULTS

Silverwood Partners – Premier Reputation within the Technology Industry

- Maintains an active dialogue with large technology buyers and private equity firms with an interest in the technology industry
 - Proprietary industry knowledge base – constantly updated by active presence at all major industry tradeshows and a growing network of industry advisors
 - Industry analyses are widely disseminated to over 10,000 contacts throughout the institutional community
- Organizes and hosts networking events at major industry tradeshows – attendees typically include key technology company executives and investors focused on the technology sector
 - Presents unique opportunity for industry professionals to interact and network in a collegial setting

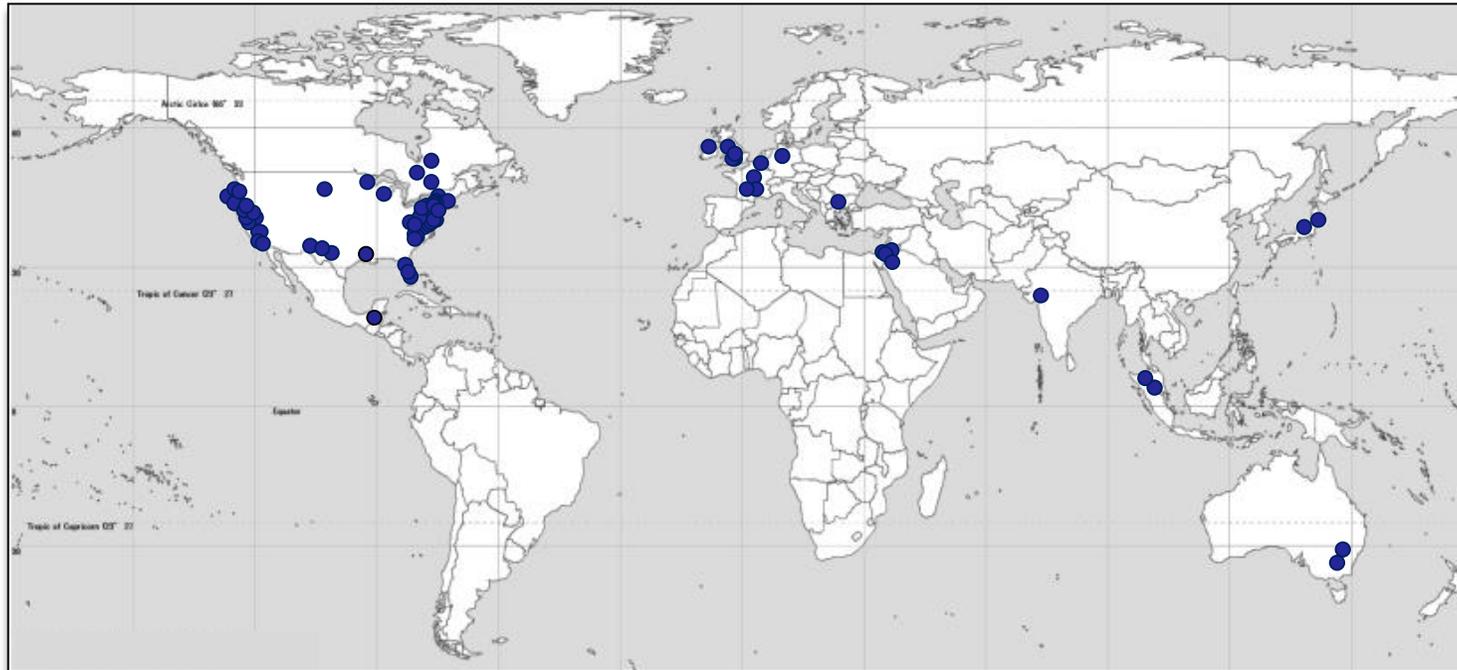


SPECIALIZED INVESTMENT BANK – GLOBAL FOCUS

Silverwood combines Tier I transaction advisory capabilities with a global focus:

- Clients and active contacts in the Americas, Europe and Asia Pacific
- Deep expertise in cross border transactions – understand the complexities and intricacies involved in executing complex, cross border deals

Representative Silverwood Engagements and Clients



INDUSTRY ADVISOR PROGRAM – INTERESTED?

Formal Consulting Affiliation with Silverwood Partners

- Personal Business Development Opportunity
- Revenue Opportunity
- Board Member Opportunities
- Investment Opportunities
- Networking Opportunities
- No Costs, Conditions, or Commitments

[Click Link to Learn More About Program](#)

Contact Silverwood Partners to Discuss Interest and Approach

Jonathan Hodson-Walker

Managing Partner

508-651-2194

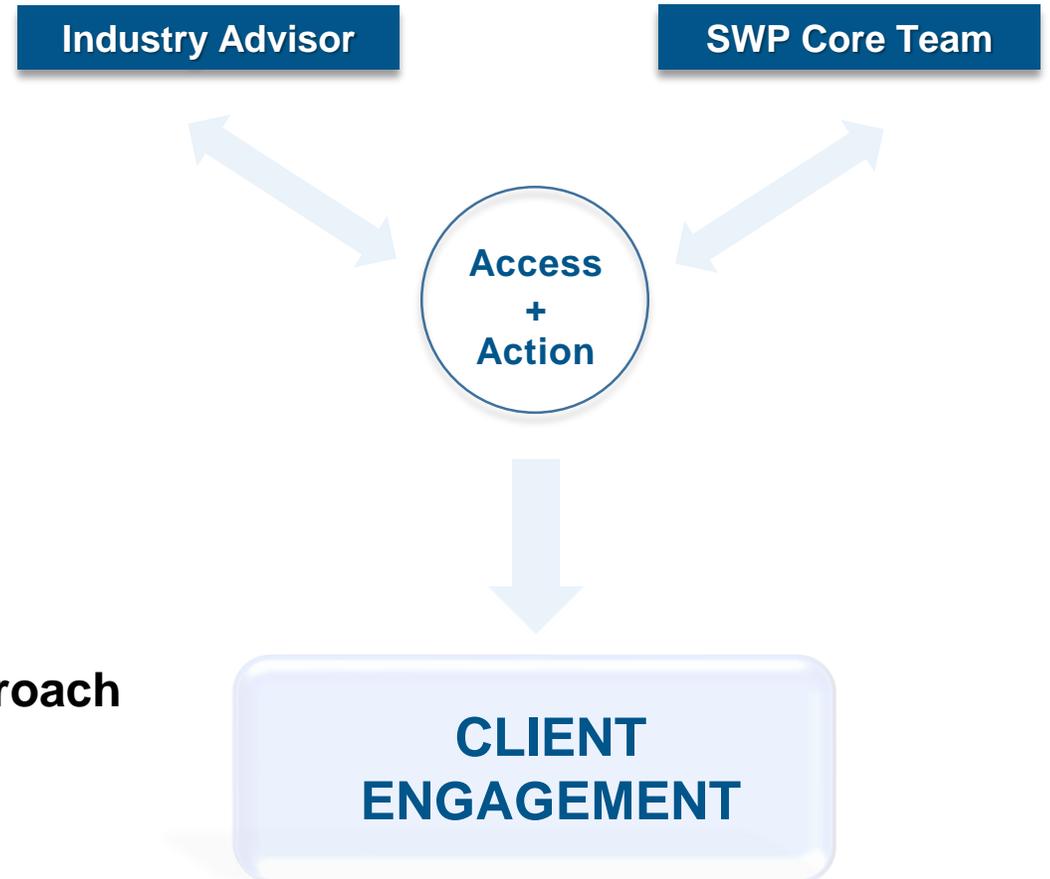
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Industry Advisor Liaison

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THE SILVERWOOD INVESTMENT BANKING TEAM

Jonathan Hodson-Walker

Founder, Managing Partner



- 25+ years of investment banking experience in the US and Europe
- MD and Group Head at Gleacher & Co. (First Albany)
- Co-founded, co-managed IBD at H.C. Wainwright
- Corporate Finance VP at CS First Boston in New York and London (UK country desk)
- Fulbright Scholar with MBA from the Kelley School of Business at Indiana University

Bryan J. Prohm

Managing Director



- 12+ years of international technology industry experience in business intelligence, consulting, market research and strategy roles at Ericsson, Gartner and Motorola
- 8+ years of TMT equity research experience at Cowen & Company
- B.A. in International Studies from UNC Chapel-Hill and MA, Russian & East European Studies from University of Michigan

Ned Montenecourt

Managing Director Advisor



- Founder and Managing Director of LaunchSail, a consulting group focused on strategic introductions and intellectual capital
- Previous roles as Director and Chief Compliance Officer of Risk-Distribution & Execution at BlackRock and Pierpont Securities
- BS and BA, Finance and Architecture from Lehigh University

Lawrence E. Hem

Managing Director



- Head of Silverwood's consumer practice
- Previous investment banking experience at J.P. Morgan, Valuefinder Group and Stonebridge Associates
- Founder and former Co-CEO of CATZ Sports Performance
- MBA in Finance and Strategy from The Kellogg School at Northwestern University

Gwendalyn S. Moore

Senior Analyst



- Consumer, Technology, and Healthcare coverage
- Previous experience in strategic business operations at VMTurbo and technology investment banking at AGC Partners
- BA, summa cum laude, and MS in Economics from Tufts University

Joshua Stinehour, CFA

Managing Director Advisor



- Principal Analyst at Devoncroft Partners
- Media technology sector coverage; 10 years of experience
- Former lead software analyst at EMC – integration of VMware, Documentum, Legato
- MBA from Babson; M.S. in Computer Science from Rochester Institute of Technology; B.S. Computer Science from Union College



INDUSTRY ADVISOR TEAM - TECHNOLOGY



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CEO at Compass Intelligence



Wendy Chou
Industry Advisor
Founder and President
at CHOUMedia



John Ellis
Industry Advisor
Founder and Managing Director
at Ellis and Associates



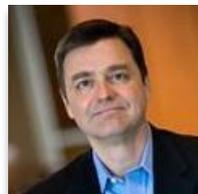
Eric Baron
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CEO and Founder EBA Performance
Ltd, Head of EMEIA at Ericsson



Matt Danilowicz
Industry Advisor
CEO International City Mortgage



George Elsaesser
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President at GEA & Associates



Rimas Buinevicius
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Bob Egan
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Chief Research Officer and Founder
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Michael Frank
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Consultant and Advisor for IoT, e-
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technologies



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CEO at T2 Computing



Eben Jenkins
Senior Industry Advisor
VP Video Sales at Tektronix,
Global team leader



Dan Ledger
Industry Advisor
Principal and Founder of Path
Collaborative, Principal and
Founder At Endeavour Partners



David Gilby
Industry Advisor
Senior VP of Sales and
Business Development
at SweetLabs, Inc



Tom Lamar
Industry Advisor
Founder LaunchSail LLC, SVP at Apto
Solutions



Phil Marshall
Industry Advisor
Chief Research Officer at Tolaga
Research;
Former Executive at Yankee Group



Joop Janssen
Industry Advisor
MD at YOAP Holdings
Former CEO of EVS
Former CEO of Vitec Videocom



JP Laqueur
Senior Industry Advisor
Principal and Chief Connector
at BrandFoundations



Steve Matthews
Industry Advisor
CEO of the Roberts Group
Former COO of Omgeo



William Jefferson Black
Industry Advisor
Managing Director at Finance
Information Group



Alexe Law
Industry Advisor
Founder of Art Science Group,
Executive Coach and Mentor



Jeff Moore
Industry Advisor
Principal at Wave7 Research



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Executive-Level Technology &
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President Consumer Media,
RealNetworks, Leadership Roles at
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Sarah Priestnall
Senior Industry Advisor
President at Purple Pixel Consulting,
VP, Market Development at Codex



David Sowerbutts
Industry Advisor
CEO, Oxygen Associates
Former Global Channel and
Partner Manager at Microsoft



Yojak Vasa
Industry Advisor
Executive with Cisco, and Sony
Ericsson



Katie Wasserman
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Founder Wasserman Consulting,
Marketing in IoT and Technology
Sectors



Kathy Weidman
Industry Advisor
Senior VP and GM of Metadata at TiVo,
Leadership Roles at Red Bee Media,
Technicolor, Avid



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Chief Technology Officer at SkyCam
President of Kinematic Holdings



Joe Zaller
Senior Industry Advisor
Owner and President of
Devoncroft Partners



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Rotobrush and Unger
Software Corporation



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Industry Advisor
Co-Founder of Madcelerator



Oswaldo da Costa e Silva
Industry Advisor
Founder of InnoCrest
Consultancy



Fred Coutts
Industry Advisor
President and Founder of
Waypoint Marketing Group
Organic, Natural Living Markets



Greg Doherty
Industry Advisor
EVP and Managing Director
Dietary Supplements
Bolton & Company



Leslie Freytag
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Senior Executive, Harry &
David, Neiman Marcus



Robert Genco
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Founder Della Terra LLC
Supplements



David Gilby
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Senior VP of Sales and
Business Development
at SweetLabs, Inc.



Brad Haggan
Industry Advisor
Board Member and Private
Investor



Mark Haas
Industry Advisor
Sr. Partner at Helmsman
Group, worked with Annie's,
Kashi, Hain Celestial



Saul Katz
Industry Advisor
Founder & CEO of New Era
Nutrition



Josh Kohnstamm
Industry Advisor
Founder & CEO of Kohnstamm
Communications



Jim Lamie
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Allexe Law
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Group, Consultant and
Mentor



Carol Nicholson
Industry Advisor
Owner and CEO of
International Marketing
Company



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Industry Advisor
Managing Partner MGSS
Holdings, Founder, CEO
Sedulous Foods



Michael Theodor
Industry Advisor
President of MTC Organic and
Natural Products Consulting



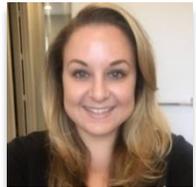
Marc Philouze
Industry Advisor
Advisor, AdvBio
Former CEO,
DianaPlantSciences



Andy Stallone
Industry Advisor
CEO of SAS Sales and
Marketing, Executive
Consultant



Eugene Wang
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Managing Partner at Sophie's
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Jessica Pratt
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Julia Stamberger
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CEO, GP Concept Labs
CEO & CSO, GoPicnic Brands



Michele Sawyer
Industry Advisor
CEO and Founder Sawyer
Design, Consumer and
Healthy Living Industry



Philip Teverow
Industry Advisor
Founder Solid Brands Natural
Products Consulting



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