

Quarterly Industry Update

As of March 31, 2015

Industry: Wearable Devices



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Wearable Devices industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since March 31, 2014, the median 52-week share price return of the Wearable Devices industry has increased by 21.3%. In the last quarter, the median price-to-earnings multiple increased from 32.6x to 36.5x.

Comparable Public Company Key Statistics

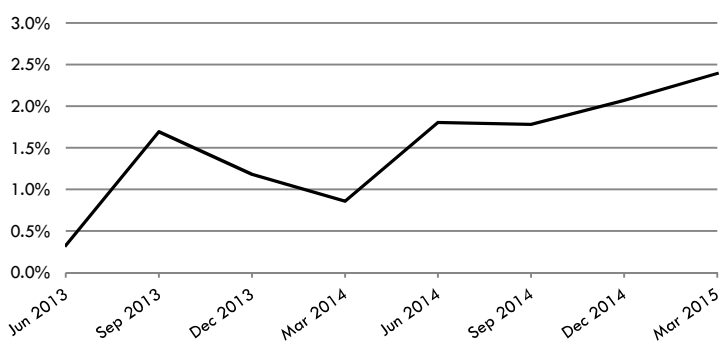
Median 52-Week Return	21.3%	Median EV/Revenue Multiple	3.9x	Median Price/Earnings Multiple	36.5x
Median 3-Year CAGR Return	19.2%	Median EV/EBITDA Multiple	12.9x	Median EV/Gross CF Multiple	27.7x

Comparable Public Company Market Price Returns (As of March 31, 2015)

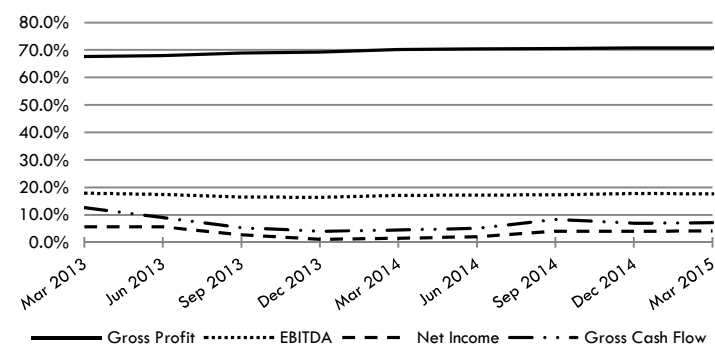
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
ZELTIQ Aesthetics, Inc.	10.5%	10.5%	57.2%	184.1%	71.0%	N/A	47.6%	308.4%	-59.2%	N/A	N/A
Tornier N.V.	2.8%	2.8%	23.6%	17.9%	0.7%	N/A	35.7%	11.9%	-6.7%	N/A	N/A
Wright Medical Group Inc.	-4.0%	-4.0%	-17.0%	4.1%	10.1%	7.7%	-12.5%	46.3%	27.2%	6.2%	-18.0%
Integra LifeSciences Holdings Corporation	13.7%	13.7%	34.1%	25.7%	21.1%	7.1%	13.7%	22.4%	26.4%	-34.8%	28.3%
CONMED Corporation	12.3%	12.3%	16.2%	21.8%	19.1%	16.2%	5.8%	52.1%	8.9%	-2.9%	15.9%
ResMed Inc.	28.0%	28.0%	60.6%	24.4%	32.4%	17.7%	19.1%	13.3%	63.7%	-26.7%	32.5%
CR Bard Inc.	0.4%	0.4%	13.1%	28.9%	19.2%	14.1%	24.4%	37.0%	14.3%	-6.8%	17.8%
Zimmer Holdings, Inc.	3.6%	3.6%	24.3%	25.0%	22.3%	14.7%	21.7%	39.8%	24.8%	-0.5%	-9.2%
Exactech Inc.	8.7%	8.7%	13.7%	11.3%	17.4%	4.1%	-0.8%	40.2%	2.9%	-12.5%	8.7%
Orthofix International N.V.	19.4%	19.4%	19.0%	0.0%	-1.5%	-0.3%	31.7%	-42.0%	11.6%	21.5%	-6.2%
Median of Industry Public Companies	9.6%	9.6%	21.3%	23.1%	19.2%	10.9%	20.4%	38.4%	13.0%	-4.9%	12.3%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Wearable Devices Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Wearable Devices Industry

Date:	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
EV/Revenues Multiple	2.4x	2.6x	3.0x	3.2x	3.4x	3.6x	3.5x	3.8x	3.9x
EV/EBITDA Multiple	9.4x	9.3x	10.2x	13.0x	12.5x	12.0x	11.6x	12.4x	12.9x
Price/Earnings Multiple	20.9x	20.9x	23.7x	20.8x	19.6x	21.5x	20.6x	32.6x	36.5x
EV/Gross Cash Flows Multiple	15.8x	17.1x	17.8x	15.4x	14.6x	16.6x	16.3x	27.2x	27.7x

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Quarterly Industry Update

As of March 31, 2015

Industry: Wearable Devices



Industry Initial Public Offerings (dollars in millions, except share prices)

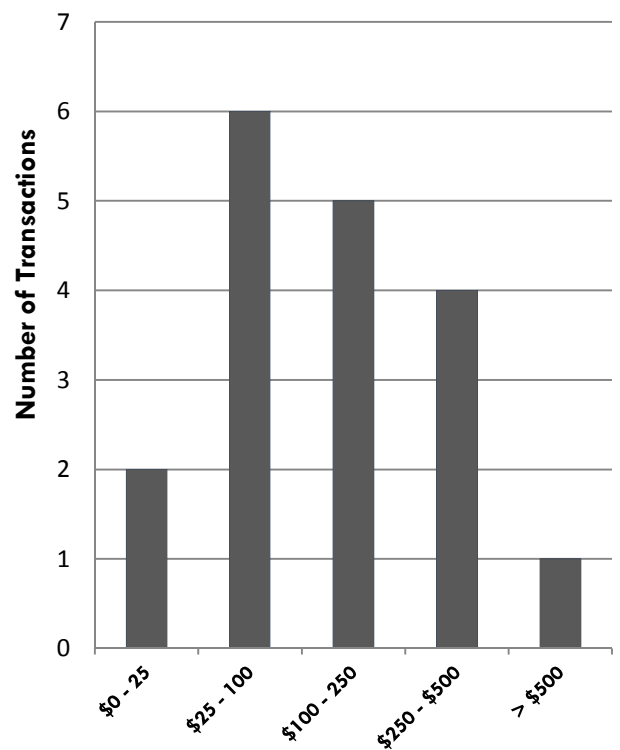
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
10/18/2011	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.1)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$12.4	(\$39.5)	\$28.0
7/13/2001	Wright Medical Group Inc.	\$12.50	7.5	\$93.8	\$201.6	\$116.4	\$164.1	\$36.7	(\$22.0)	\$46.8
5/4/2006	Northstar Neuroscience, Inc.	\$15.00	7.1	\$106.5	\$19.1	\$6.0	\$0.0	(\$15.2)	(\$15.0)	(\$15.0)
2/23/2004	Acelity L.P. Inc.	\$30.00	18.0	\$540.0	\$667.3	\$685.8	\$763.8	\$196.9	\$69.6	\$240.2
Median of All IPOs		nm	nm	\$106.5	\$201.6	\$116.4	\$164.1	\$12.4	(\$15.0)	\$28.0

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/7/2015	PneumRx, Inc.	BTG International Inc.	\$475.0	100%
12/5/2014	Symmetry Medical, Inc.	Tecomet, Inc.	\$456.7	100%
10/15/2014	SARL ADVENCIS	bioMérieux SA	\$12.7	100%
8/26/2014	N.G.C. Medical S.p.A.	Medtronic, Inc.	\$238.0	70%
8/25/2014	Sapiens Steering Brain	Medtronic, Inc.	\$200.0	100%
8/8/2014	Avalon Laboratories, LLC	Nordson Medical	\$180.0	100%
7/29/2014	Ulthera, Inc.	Merz North America, Inc.	\$600.0	100%
7/2/2014	Apica Cardiovascular Ltd.	Thoratec Switzerland	\$75.0	100%
7/1/2014	ECP Entwicklungsgesellschaft	ABIOMED Europe GmbH	\$34.3	100%
7/1/2014	Fuji Medical Instruments	Japan Waste Corporation	\$77.0	81%
6/17/2014	AtheroMed, Inc.	Volcano Corporation	\$170.9	100%
5/30/2014	CardioMEMS, Inc.	St. Jude Medical Inc.	\$375.0	81%
5/15/2014	Bioster S.p.A.	Synergy Health plc	\$39.7	100%
5/7/2014	logyn, Inc.	Boston Scientific Corporation	\$65.0	72%
5/2/2014	Silhouette Lift SL	Sinclair Holdings Iberia S.L.	\$22.9	65%
1/23/2014	Solta Medical, Inc.	Valeant Pharmaceuticals	\$279.2	100%
7/16/2013	Pioneer Surgical Tech.	RTI Biologics, Inc.	\$130.0	100%
1/4/2013	Corin Group plc	Investimenti e Part.	\$57.6	100%
Median of All Transaction Targets			\$150.5	100%

Size of Merger and Acquisition Transactions (dollars in millions)



Quarterly Industry Update

As of March 31, 2015

Medical Device Industry Aggregates



Comparable Public Company Key Statistics

Median 52-Week Return	13.1%	Median EV/Revenue Multiple	3.9x	Median Price/Earnings Multiple	29.2x
Median Year-to-Date Return	6.2%	Median EV/EBITDA Multiple	13.6x	Median EV/Gross CF Multiple	25.9x

Comparable Public Company Market Price Returns (As of March 31, 2015)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
ABIOMED, Inc.	88.1%	88.1%	174.9%	95.8%	47.8%	47.3%	42.3%	99.0%	-27.2%	92.2%	10.1%
AtriCure, Inc.	2.7%	2.7%	8.9%	60.8%	27.2%	28.3%	6.9%	170.7%	-37.8%	8.1%	70.0%
BIOLASE, Inc.	-23.2%	-23.2%	-16.2%	-28.0%	-8.1%	2.4%	-6.6%	56.1%	-26.6%	52.8%	-8.4%
Cardiovascular Systems Inc.	29.8%	29.8%	22.8%	38.1%	61.6%	49.0%	-12.3%	173.2%	27.4%	-15.5%	154.0%
CAS Medical Systems Inc.	-19.1%	-19.1%	-38.5%	-16.2%	-15.2%	-5.8%	-2.9%	-20.9%	23.0%	-45.4%	50.9%
CONMED Corporation	12.3%	12.3%	16.2%	21.8%	19.1%	16.2%	5.8%	52.1%	8.9%	-2.9%	15.9%
CR Bard Inc.	0.4%	0.4%	13.1%	28.9%	19.2%	14.1%	24.4%	37.0%	14.3%	-6.8%	17.8%
CryoLife Inc.	-8.5%	-8.5%	4.1%	31.4%	25.3%	9.9%	2.2%	78.0%	29.8%	-11.4%	-15.6%
Cutera, Inc.	21.0%	21.0%	15.5%	-0.3%	14.8%	4.5%	4.9%	13.1%	20.8%	-10.1%	-2.6%
Cyberonics Inc.	16.6%	16.6%	-0.5%	17.8%	19.4%	27.6%	-14.9%	24.5%	56.8%	8.0%	51.8%
Daxor Corp.	-18.5%	-18.5%	-31.1%	-11.4%	-14.3%	-12.8%	2.2%	-10.1%	-16.5%	-1.6%	-23.2%
DexCom, Inc.	13.2%	13.2%	50.7%	93.1%	81.5%	45.0%	55.5%	160.6%	46.0%	-31.8%	69.1%
Endologix Inc.	11.6%	11.6%	32.6%	2.8%	5.2%	33.4%	-12.3%	22.5%	24.0%	60.6%	35.4%
EnteroMedics Inc.	-35.6%	-35.6%	-49.7%	-4.3%	-26.0%	-21.5%	-30.4%	-27.1%	64.7%	-44.8%	-8.3%
Escalon Medical Corp.	-16.1%	-16.1%	-11.8%	12.3%	10.2%	-2.4%	-18.3%	107.3%	-5.0%	-33.3%	-4.5%
Exactech Inc.	8.7%	8.7%	13.7%	11.3%	17.4%	4.1%	-0.8%	40.2%	2.9%	-12.5%	8.7%
Globus Medical, Inc.	6.2%	6.2%	-5.1%	31.1%	N/A	N/A	17.8%	92.4%	N/A	N/A	N/A
Greatbatch, Inc.	17.3%	17.3%	26.0%	39.2%	33.1%	22.2%	11.4%	90.4%	5.2%	-8.5%	25.6%
Heartware International Inc.	19.5%	19.5%	-6.4%	-0.4%	10.1%	14.6%	-21.8%	11.9%	21.7%	-21.2%	146.9%
InspireMD, Inc.	-58.8%	-58.8%	-89.5%	-64.4%	-64.6%	N/A	-68.4%	-36.9%	-55.3%	N/A	N/A
Integra LifeSciences Holdings Corporation	13.7%	13.7%	34.1%	25.7%	21.1%	7.1%	13.7%	22.4%	26.4%	-34.8%	28.3%
LDR Holding Corporation	11.8%	11.8%	6.7%	N/A	N/A	N/A	38.9%	N/A	N/A	N/A	N/A
Merit Medical Systems, Inc.	11.1%	11.1%	34.6%	25.3%	15.7%	9.6%	10.1%	13.2%	3.9%	5.7%	-17.7%
NeuroMetrix Inc.	-13.8%	-13.8%	-28.2%	-17.5%	-27.7%	-52.4%	-33.2%	12.5%	-65.4%	-69.4%	-72.5%
NuVasive, Inc.	-2.5%	-2.5%	19.7%	46.9%	39.8%	0.3%	45.9%	109.1%	22.8%	-50.9%	-19.8%
Nxstage Medical, Inc.	-3.5%	-3.5%	35.8%	23.8%	-3.5%	8.6%	79.3%	-11.1%	-36.7%	-28.5%	198.0%
Orthofix International N.V.	19.4%	19.4%	19.0%	0.0%	-1.5%	-0.3%	31.7%	-42.0%	11.6%	21.5%	-6.2%
ResMed Inc.	28.0%	28.0%	60.6%	24.4%	32.4%	17.7%	19.1%	13.3%	63.7%	-26.7%	32.5%
St. Jude Medical Inc.	0.6%	0.6%	0.0%	27.2%	13.9%	9.8%	5.0%	71.4%	5.4%	-19.8%	16.2%
Sunshine Heart Inc.	0.0%	0.0%	-27.4%	-16.7%	-21.8%	N/A	-56.3%	59.4%	N/A	N/A	N/A
Tandem Diabetes Care, Inc.	-0.6%	-0.6%	-42.9%	N/A	N/A	N/A	-50.7%	N/A	N/A	N/A	N/A
The Cooper Companies Inc.	15.6%	15.6%	36.4%	31.8%	31.9%	37.0%	30.9%	33.9%	31.1%	25.2%	47.8%
Thoratec Corp.	29.1%	29.1%	17.0%	5.7%	7.5%	4.6%	-11.3%	-2.5%	11.8%	18.5%	5.2%
Tornier N.V.	2.8%	2.8%	23.6%	17.9%	0.7%	N/A	35.7%	11.9%	-6.7%	N/A	N/A
TransEnterix, Inc.	0.7%	0.7%	-68.7%	N/A	N/A	N/A	-64.7%	N/A	N/A	N/A	N/A
Utah Medical Products Inc.	-0.3%	-0.3%	3.5%	10.8%	24.4%	16.3%	5.1%	58.6%	33.5%	0.4%	-8.3%
Varian Medical Systems, Inc.	8.8%	8.8%	12.0%	14.3%	10.9%	11.2%	11.4%	10.6%	4.6%	-3.1%	47.9%
Vascular Solutions Inc.	11.6%	11.6%	15.8%	36.7%	41.1%	27.5%	17.3%	46.5%	42.0%	-5.0%	39.7%
Wright Medical Group Inc.	-4.0%	-4.0%	-17.0%	4.1%	10.1%	7.7%	-12.5%	46.3%	27.2%	6.2%	-18.0%
ZELTIQ Aesthetics, Inc.	10.5%	10.5%	57.2%	184.1%	71.0%	N/A	47.6%	308.4%	-59.2%	N/A	N/A
Zimmer Holdings, Inc.	3.6%	3.6%	24.3%	25.0%	22.3%	14.7%	21.7%	39.8%	24.8%	-0.5%	-9.2%
Median of Industry Public Companies	6.2%	6.2%	13.1%	19.8%	15.7%	9.9%	5.1%	38.4%	13.1%	-6.8%	15.9%

(Multiple year periods are calculated as the average annual return.)

Quarterly Industry Update

As of March 31, 2015

Medical Device Industry Aggregates



Median Public Company Multiples of the Medical Device Industry Aggregates

Date:	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
EV/Revenues Multiple	2.5x	2.5x	2.8x	3.5x	3.4x	3.6x	3.5x	3.8x	3.9x
EV/EBITDA Multiple	10.8x	11.0x	11.4x	13.1x	12.5x	13.0x	11.8x	13.0x	13.6x
Price/Earnings Multiple	21.2x	21.8x	22.5x	26.4x	28.5x	27.0x	23.5x	26.5x	29.2x
EV/Gross Cash Flows Multiple	17.4x	21.4x	20.4x	23.7x	24.8x	23.0x	21.5x	20.8x	25.9x

Industry Initial Public Offerings - Medical Device Industry Aggregates (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
1/30/2015	Avinger, Inc.	\$13.00	5.0	\$65.0	\$24.8	\$29.1	\$11.2	(\$23.6)	(\$32.0)	(\$22.1)
12/19/2014	Medovex Corp.	\$5.75	1.4	\$8.0	\$2.6	\$0.0	\$0.0	(\$0.7)	(\$0.7)	(\$0.7)
11/5/2014	Nevro Corp.	\$18.00	7.0	\$126.0	\$56.1	\$0.0	\$29.1	(\$27.7)	(\$29.1)	(\$27.6)
5/7/2014	K2M Group Holdings, Inc.	\$15.00	8.8	\$132.4	\$301.9	\$57.9	\$162.2	(\$9.3)	(\$41.8)	(\$1.9)
4/15/2014	TriVascular Technologies, Inc.	\$12.00	6.5	\$78.0	\$58.6	\$47.7	\$23.6	(\$46.0)	(\$53.4)	(\$45.3)
11/13/2013	Tandem Diabetes Care, Inc.	\$15.00	8.0	\$120.0	\$48.6	\$29.3	\$21.0	(\$38.2)	(\$48.1)	(\$35.0)
10/8/2013	LDR Holding Corporation	\$15.00	5.0	\$75.0	\$77.7	\$53.2	\$104.6	\$2.6	(\$15.3)	\$6.2
8/2/2012	Globus Medical, Inc.	\$12.00	8.3	\$100.0	\$367.3	\$0.0	\$363.0	\$127.1	\$67.0	\$145.0
6/27/2012	Tesaro, Inc.	\$13.50	6.0	\$81.0	\$93.0	\$0.0	\$0.0	(\$23.2)	(\$23.2)	(\$23.2)
4/30/2012	Supernus Pharmaceuticals, Inc.	\$5.00	3.4	\$50.0	\$43.2	\$29.1	\$1.0	(\$35.5)	\$55.6	(\$34.9)
11/17/2011	Sphere Medical Holding PLC	\$1.46	15.1	\$22.1	\$19.4	\$0.0	\$0.0	(\$7.0)	(\$8.1)	(\$6.7)
10/18/2011	ZELTIQ Aesthetics, Inc.	\$13.00	7.0	\$91.0	\$21.2	\$0.6	\$61.7	(\$4.8)	(\$6.2)	(\$4.1)
4/18/2011	InspireMD, Inc.	\$1.50	7.0	\$10.4	\$12.7	\$1.5	\$4.5	(\$3.3)	(\$4.6)	(\$3.2)
2/10/2011	Kips Bay Medical, Inc.	\$8.00	2.1	\$16.5	\$6.2	\$0.0	\$0.2	(\$8.6)	(\$10.9)	(\$8.6)
2/2/2011	Tornier N.V.	\$19.00	8.8	\$166.3	\$491.2	\$138.1	\$227.4	\$12.4	(\$39.5)	\$28.0
11/23/2010	Anacor Pharmaceuticals, Inc.	\$5.00	12.0	\$60.0	\$20.4	\$9.1	\$31.1	(\$4.3)	(\$6.5)	(\$3.6)
11/22/2010	Zogenix, Inc.	\$4.00	7.1	\$56.0	\$55.0	\$35.9	\$14.6	(\$55.4)	(\$77.6)	(\$54.1)
10/22/2010	STENTYS Société anonyme	\$16.70	1.9	\$31.6	\$34.7	\$1.7	\$0.3	(\$9.4)	(\$9.8)	(\$9.1)
8/13/2010	Electromed, Inc.	\$4.00	1.7	\$6.8	\$14.1	\$4.2	\$14.3	\$2.1	\$0.9	\$2.4
8/2/2010	Trius Therapeutics, Inc.	\$5.00	10.0	\$50.0	\$15.6	\$20.2	\$6.3	(\$16.1)	(\$17.4)	(\$15.6)
7/7/2010	Carmat Société Anonyme	\$23.67	0.8	\$19.6	\$8.7	\$0.0	\$4.4	\$0.0	(\$4.3)	\$0.3
3/24/2010	CorMedix, Inc.	\$6.50	1.9	\$12.5	\$2.2	\$13.8	\$0.0	(\$6.0)	(\$8.1)	(\$6.0)
3/11/2010	AVEO Pharmaceuticals, Inc.	\$9.00	9.0	\$81.0	\$59.8	\$19.7	\$20.7	(\$39.9)	(\$44.1)	(\$38.6)
3/1/2010	Anthera Pharmaceuticals, Inc.	\$7.00	6.0	\$42.0	\$5.9	\$13.1	\$0.0	(\$11.8)	(\$12.2)	(\$11.8)
2/2/2010	Ironwood Pharmaceuticals, Inc.	\$11.25	10.1	\$187.5	\$162.5	\$2.0	\$34.3	(\$56.1)	(\$71.2)	(\$51.3)
5/4/2006	Northstar Neuroscience, Inc.	\$15.00	7.1	\$106.5	\$19.1	\$6.0	\$0.0	(\$15.2)	(\$15.0)	(\$15.0)
2/23/2004	Acelity L.P. Inc.	\$30.00	18.0	\$540.0	\$667.3	\$685.8	\$763.8	\$196.9	\$69.6	\$240.2
7/13/2001	Wright Medical Group Inc.	\$12.50	7.5	\$93.8	\$201.6	\$116.4	\$164.1	\$36.7	(\$22.0)	\$46.8
Median of All IPOs		nm	nm	\$70.0	\$38.9	\$11.1	\$14.5	(\$9.0)	(\$13.6)	(\$7.6)

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