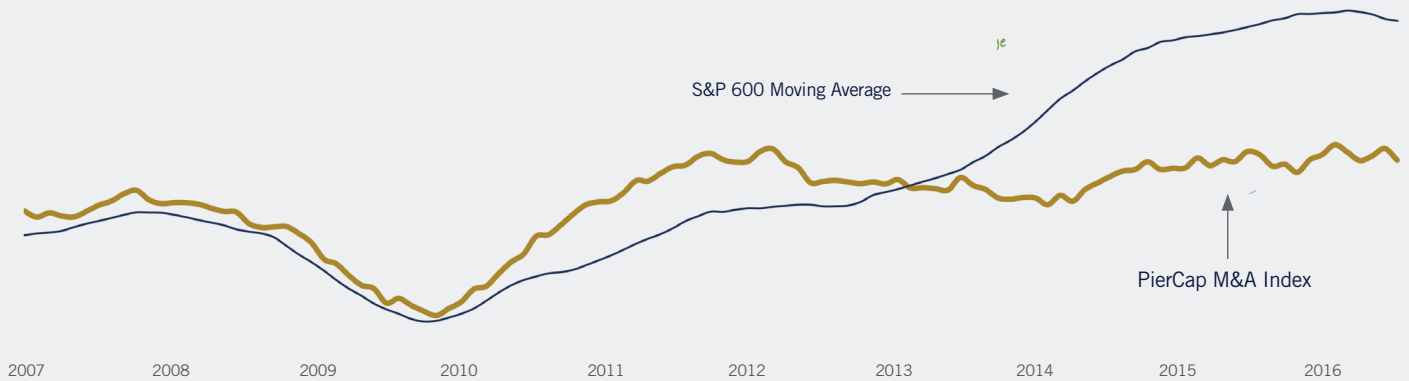


M&A MIDDLE MARKET INSIGHTS: MARCH 2016

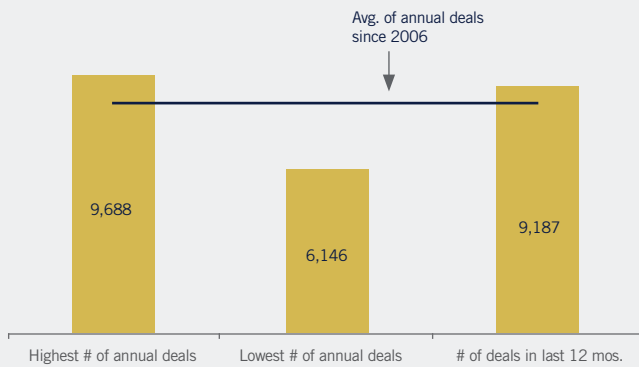
STILL STRONG, BUT...

➤ PierCap's Middle Market M&A Index

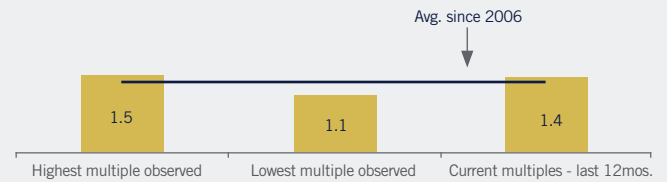


LOWER ACTIVITY IN MARCH IMPACTS MOMENTUM...

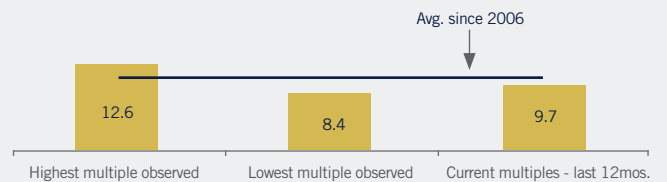
➤ All M&A transaction volumes



➤ Middle Market M&A Revenue multiples

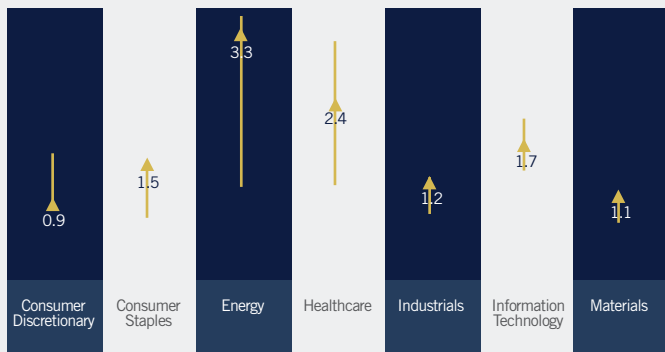


➤ Middle Market M&A EBITDA multiples

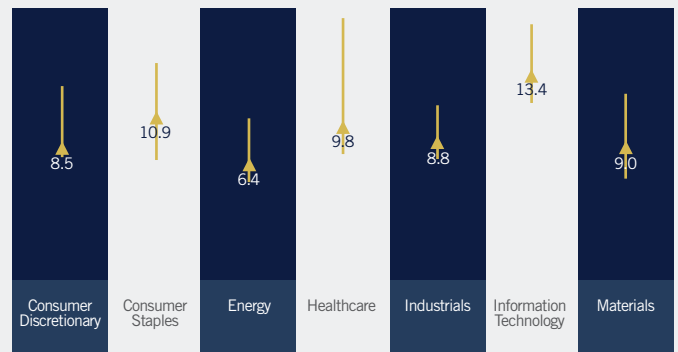


SLIGHT DECLINE IN PRICING...

➤ Middle Market M&A Revenue multiples by sector



➤ Middle Market M&A EBITDA multiples by sector



NOTEWORTHY TRANSACTIONS...

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/17/16	Newell Rubbermaid Inc., Window Coverings Business	Hunter Douglas N.V. (ENXTAM:HDG)	Home Furnishings	\$270	0.89x	-

The transaction includes Levolor and Kirsch window coverings brands. The Gross proceeds of transaction include the retention of accounts receivable. The purchase price is subject to customary working capital and transaction adjustments. The transaction is subject to certain customary conditions, including regulatory approvals and is expected to close in 2016. As of June 6, 2016, Federal Trade Commission made no objection to the acquisition.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/31/16	Cincinnati Sub-Zero Products, Inc.	Gentherm Incorporated (NasdaqGS:THRM)	Healthcare Equipment	\$65	1.03x	-

Buyer entered into a membership interest purchase agreement to acquire Target for \$65 million on April 1, 2016. Of the total consideration, \$5 million will be held in escrow for up to 12 months. The consideration is subject to post-closing adjustment for net working capital and cash on hand. Target will be operated as a subsidiary of Buyer and will continue to be led by its current management team with its headquarters in Cincinnati, Ohio and operations in Ohio and Michigan.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/15/16	North American Telecommunications Corporation dba Broadsmart	magicJack VocalTec Ltd. (NasdaqGM:CALL)	Telecom Services	\$43	3.29x	10.21x

Under the terms, the purchase price for the acquisition is \$40 million, consisting of \$38 million in cash and \$2 million in ordinary shares of Buyer. The agreement also provides for an additional contingent payment of up to \$0.2 million to the seller shareholders in the event that certain two individuals currently employed by the seller either fail to accept the Buyer's employment offer within thirty days after the completion of the acquisition or fail to remain employed by Buyer through December 15, 2016. There is also a \$2 million earn out tied to the achievement of 2016 revenues. At the time of the closing, Target founders also will each receive 0.5 million stock options, 50% of which will vest in even annual increments over the next three-year period if the founders remain employed with the company as of each respective vesting date, and 50% of which will vest over the next three-year period if the company achieves designated revenue and EBITDA targets. The options will be issued to the Target founders outside of the Company's 2013 Stock Incentive Plan as an inducement award in accordance with NASDAQ Stock Market Rule.

CONTINUED

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/24/16	Renegade 83, Inc.	Entertainment One Ltd. (LSE:ETO)	Movies and Entertainment	\$23	1.01x	-
The consideration is subject to an adjusting payment based upon the adjusted EBITDA performance of Target to December 31, 2016. Additionally, put and call options have been agreed, which will enable Buyer to acquire the remaining 35% stake after five years. Key management will continue to lead Target and, as part of the transaction have entered into new, long term employment contracts.						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/29/16	U.S. Compounding, Inc.	Adamis Pharmaceuticals Corporation (NasdaqCM:ADMP)	Drug Retail	\$18	0.92x	-
Buyer entered into a definitive merger agreement to acquire Target for approximately \$14.8 million in stock. Under the terms of the transaction, approximately 1.62 million shares of Buyer will be issued for 105 outstanding shares of Target. Buyer will assume debt of \$5.72 million. Upon completion, Target will become wholly-owned subsidiary of Adamis and all of the current employees will continue and remain employed by Target. The transaction is subject to obtaining shareholder approval, antitrust or competition law approval, execution of employee agreement, third party approval, and certain ancillary agreements.						

Notes: Middle Market defined as all M&A activity between \$10 million - \$1billion in transaction value. EBITDA and Revenue multiples are based on median observations and calculated for disclosed transactions only. Our data includes majority sales and excludes Financials, Telecommunication Services and Utilities sectors. Data Source: PlerCap Partners, S&P, CapitalIQ.

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