JAWBONE

INVESTMENT ANALYSIS

PARTICIPATION SCENARIO OVERVIEW

- Creation of a new Series 8 Preferred
  - 1.5x liquidation preference
  - Senior to all other Series except the Convertible Notes
  - Series 8 purchase price same as Convertible Notes conversion price
- For every dollar invested in Series 8, investors that invest at least their Minimum Amount can move a portion of their liquidation preference up in the stack, beginning with the oldest Preferred Series first
  - An investor's Minimum Amount is 12.39% of its existing liquidation preference
  - Amount of liquidation preference available to be moved up is based on a fixed ratio for all investors
  - Participating investors will surrender prior preferred with a liquidation preference equal to 6.0x their dollars invested in Series 8 and receive Series 8 with a liquidation preference equal to 9.0x their dollars invested
    - 1.5x in exchange for cash and 7.5x in exchange for prior preferred
    - If an investor's prior liquidation preference is less than 6.0x its investment in Series 8, it surrenders all of its existing preferred and still receives the full amount of Series 8
  - Investor can defer decision whether to exchange prior preferred for Series 8 until liquidity event (up to 10 years)
- Series 8 will be sold in a two-stage financing
  - Initial $40M sale was completed on 7/24/15
  - As required by IRA, other Major Investors are now being given 20 days to participate in the deal

JAWBONE INVESTMENT OVERVIEW

Investment Required for Full Exchange to Series 8

Investor	Amount Invested in Series 8	Exchange Ratio	Current Liquidation Preference	Amount Moved to Series 8 (1)	Additional Liq Pref / $ Invested	Liquidation Preference Increase	Resulting Liquidation Preference	Change in Sharecount
Mort	$833,333	6.0x	$5,000,000	$5,000,000	3.0x	$2,500,000	$7,500,000	219,729

Investment Required for Full Coverage of Paid in Capital

Investor	Amount Invested in Series 8	Exchange Ratio	Current Liquidation Preference	Amount Moved to Series 8 (1)	Additional Liq Pref / $ Invested	Liquidation Preference Increase	Resulting Liquidation Preference	Change in Sharecount
Mort	$1,250,000	6.0x	$5,000,000	$7,500,000	5.0x	$6,250,000	$11,250,000	677,244

Note: Liquidation preference is exchanged on 1:1 basis, however, shares are exchanged based on the Series 8 price per share of $5.46 / share (or $8.20 / share to reflect 1.5x liquidation preference).

Therefore, a participating investor with a liquidation preference(s) per share below $8.20 choosing to exchange their prior Preferred for Series 8 will have their outstanding share ownership decrease. Such an investor could wait to decide whether to exchange their shares until a liquidity event (up to 10 years).

A participating investor with a liquidation preference(s) per share above $8.20 will increase their share ownership upon exchanging their prior Preferred for Series 8, and could choose to make that exchange immediately.

Current Shares Outstanding: 368.8M (including Convertible Notes & $40M investment, on an as-converted bases)

Note: Sharecounts shown on a non-converted basis unless otherwise noted
(1) If an investor's prior liquidation preference is less than 6.0x its investment in Series 8, it surrenders all of its existing preferred and still receives the full amount of Series 8