ANNUAL REPORT

Last year we announced the growth of our angel group to more than 130 members. In 2014, that group launched into action and supported 10 companies, including 3 new investments: Digital Reasoning, NextGxDx and Ampersand Health. Additionally OnFocus Healthcare was acquired by MedeAnalytics in November.

In each of the last couple years, NCN has increased its support for local entrepreneurs. With our activity in 2014, we surpassed $50 million in angel investments. Our 37 funded companies have gone on to raise more than $365 million in total capital, confirming that an active and engaged network of investors has a powerful impact. We remain enthusiastic about our role in shaping Nashville’s national emergence as a premier city for entrepreneurship.

The continued success and progress of our organization would not be possible without the commitment of our Sponsors, Underwriters, Patrons and member Angels. Your unwavering support enables NCN to create significant momentum for local entrepreneurs. The capital and guidance provided by our group energizes the growth and development of Nashville’s most promising early stage companies.

Thank you,

TOM WYLLY
CHAIRMAN

SID CHAMBLES
EXECUTIVE DIRECTOR

CHASE PERRY
DIRECTOR

MORGAN THOMAS
EXECUTIVE COORDINATOR
ABOUT THE NETWORK

NCN consists of a network of 130 professional angel investors, most of whom have been founders and executives in Nashville's most successful companies. NCN leverages the experience and expertise of the individuals within the group to identify, develop, and support promising early stage companies. Additionally NCN manages several complementary sidecar investment funds including NCN Angel Fund I, NCN Angel Fund II, and Tennessee Angel Fund. NCN Angel Fund I is a $5.2 million fund consisting of 72 angel partners. NCN Angel Fund II is $11.7 million pool with nearly 100 angel partners. Tennessee Angel Fund is a statewide angel co-investment fund launched as part of the TNInvestco program.

NCN ANGEL INVESTORS

are founders and executives of some of Nashville’s most successful businesses:

Acadia Healthcare
AIM Healthcare Services
Aladdin Industries
American Endoscopy
Amylin Pharmaceuticals
AmSurg
Asurion
C.B. Ragland
CaseLogistix
Century II
Choice Food Group
Cisco
Cogent/HMG
Complete Holdings Group
Counsel On Call
Coventry Corporation
Digital Reasoning
Enterprise Electric
Equitable Securities
HCA
Health Horizons
HealthAmerica
HealthSpring
Healthways
HealthWise America
HEOPS
Heritage Health Systems
Hospital Affiliates
Hospital Management Professionals
Ingram and Associates
JC Bradford & Co.
Kraft CPAs
MedInc
Medtronic
Eli Lilly
National Imaging Affiliates
NeighborMD
O’Charley’s
Outpatient Imaging
Paradigm Health
Passport Health
Physicians Alliances
Province Healthcare
Psychiatric Solutions
PureSafety
Shop at Home
SMS Holdings
Spectrum Pain Clinics
Standard Candy Company
Sterling Card Solutions
Surgical Care Affiliates
Surgical Health Corp
Symbion Healthcare
Synergistics Industries
TeamHealth
Tennessee Bun Company
Triton Boats
Urologix
VACO
Windsor Health Group
2014 STATS

3 New Companies Supported

9 Companies Attracting Follow On Financing

$7.5 MILLION Total Capital Invested by NCN Angels

$51 MILLION Total Capital Invested in NCN Supported Companies
37 Companies Receiving Financing through NCN

$50 MILLION
Total Capital Invested by NCN Angels

$365 MILLION
Total Capital Invested in NCN Supported Companies
2014 HIGHLIGHTS

- NCN supported investments for **3 NEW COMPANIES**
  - ampersand health
  - Digital Reasoning
  - NextGxDx

- Aspire Health receives funding from BCBS Venture Fund

- NextGxDx scores Series B funds and expands Board

- NCN recognized in Halo Report as one of most active angel groups in US

- Unity expands partnership with Centerstone

- Shareable Ink partners with AllScripts

- Digital Reasoning raises $24 Million

- MedeAnalytics acquires onFocus Healthcare
BRIDGING THE CAPITAL GAP between startups and later stage capital

- Aspire Health
- Nashville Capital Network
- BlueCross BlueShield Venture Partners, L.P.
- Digital Reasoning
- Nashville Capital Network
- Credit Suisse
- Goldman Sachs
- Shareable Ink
- Nashville Capital Network
- Lemhi Ventures
Funded Companies

American Hometown Media (Angels, TAF)
Ampersand Health (Angels, TAF, AFII)
Armor Concepts (Angels)
Aspire Health (Angels, AFII)
BreatheAmerica (Angels, AFI)
Capital Confirmation (Angels)
CloudBeds (Angels, AFII)
Complete Holdings Group (Angels, AFI, TAF)
Consensus Point (Angels)
Continuum (Angels, AFI)
Digital Reasoning (Angels, TAF, AFII)
edo (Angels, AFI, TAF)
Enliven (Angels)

Inova Payroll (Angels, AFI, TAF)
LiveSchool (Angels, TAF)
Medical Direct Club (Angels, AFI)
NextGxRx (Angels, TAF, AFII)
NuScriptRX (Angels, TAF)
PharmMD (Angels)
Shareable Ink (Angels, AFI, TAF)
Smartvue (Angels)
Snapshot Interactive (Angels, TAF)
Spirit Broadband (Angels)
Trackpoint (Angels)
Tricycle (Angels)
Unity Physician Partners (Angels, TAF)

Former Holdings of Angel Group Members

Care Team Connect (Acquired by The Advisory Board Company)
Documentary Channel (Acquired by Participant Media)
Horizon Resource Group (Acquired by Provista)
MyOutdoorTV.com (Acquired by The Outdoor Channel)
NeighborMD (Acquired by TriStar Health Systems and CareSpot)
onFocus Healthcare (Acquired by MedeAnalytics)
Pathfinder (Acquired by Analogic Corporation)
Protein Discovery (Acquired by Expedeon)
Silvercare Solutions (Acquired by White Glove Health)

Investor and Entrepreneur Collaborations

In August, Nashville Capital Network partnered with the Nashville Health Care Council to present “Developing Health Care Ventures: Investor and Entrepreneur Collaborations.” More than 300 Council and NCN Partners, Investors, and Entrepreneurs attended the discussion held at the new Music City Center.

The panel featured founders and investors in early stage health care companies, who shed light on what makes successful partnerships in rapidly changing, high growth ventures.

Panelists included Michael Bailey, president and CEO, Unity Physician Partners; Alan Dahl, co-founder and managing director, EDG Partners; Anna Haghgoole, managing director, Sandbox Industries; and Brad Smith, co-founder and CEO, Aspire Health. Claire Tucker, president and CEO, CapStar Bank, served as moderator for the discussion.
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MedSolutions
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Voyent Partners
W Squared

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Bone McAllester Norton
Cadence Bank
Capstar Bank
Century II
CET Life Sciences Center
Cherry & Associates*
Chrysalis Ventures
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Emma
Equitable Trust Company*
FirstBank
Insperity*
Jones Lang LaSalle
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Santé Ventures
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The Martin Companies
Video Gaming Technologies
WC Dillon Company

* 2014 New Partners