



NASHVILLE
CAPITAL
NETWORK

2015 ANNUAL REPORT

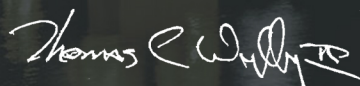
ANNUAL REPORT

NCN enjoyed another fantastic year of growth both in our organization and in the companies we support. In 2015, we were involved in several notable financings including the first ever outside investment for Emma, a leading email marketing company. Groups360 also raised money through NCN, launching their technology solution for hotel group meetings during the last year. Also, several of our companies including NextGxDx, Aspire Health, and CloudBeds raised meaningful rounds of follow-on capital during the year.

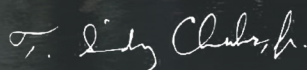
NCN recently analyzed a dataset provided by LaunchTN about funding activity in the state of Tennessee. While statewide venture capital investments have increased over the last five years, so has the gap between seed funding and institutional funding. NCN plays an important role in addressing this capital gap. In Nashville, 12 different companies raised more than \$3 million last year. 42% of those financings involved NCN. Over the last 5 years, nearly all of the NCN companies that have gone on to raise \$3 million or more had previously raised \$1-3 million from NCN. This data illustrates just how important it is to have a consistent source of professional capital that can bridge companies from the seed stage to the institutional stage of funding.

The continued success and progress of our organization would not be possible without the commitment of our Sponsors, Underwriters, Patrons, and investor partners. Your unwavering support enables NCN to create significant momentum for local entrepreneurs. Thank you for your partnership.

Thank you,



THOMAS C. WYLLY II
CHAIRMAN



T. SIDNEY CHAMBLESS, JR
EXECUTIVE DIRECTOR

TOM WYLLY
CHAIRMAN



SID CHAMBLESS
EXECUTIVE DIRECTOR



CHASE PERRY
DIRECTOR



MORGAN PISANO
EXECUTIVE
COORDINATOR



ABOUT THE NETWORK

NCN is a network of 130 professional investors, most of whom have been founders and executives of Nashville's most successful companies. NCN leverages the experience and expertise of the individuals within the group to identify, develop, and support promising high growth companies. NCN manages several investment funds including NCN Angel Fund I, NCN Angel Fund II, and Tennessee Angel Fund.

NCN INVESTORS

are founders and executives of some of Nashville's most successful companies:

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
Eli Lilly
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.
KraftCPAs
MedInc
Medtronic
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

PROFESSIONAL INVESTORS

• STRATEGIC

2015 STATS

2

New Companies Supported

6

*Companies Attracted Follow
On Financing*

\$6.2 MILLION

Total Capital Invested by NCN Angels

\$61 MILLION

Total Capital Invested in NCN Supported Companies

CAPITAL • EXTRAORDINARY COMPANIES

SINCE 2003

39 *Companies Have Received
Financing through NCN*

\$56 MILLION

Total Capital Invested by NCN Angels

\$426 MILLION

Total Capital Invested in NCN Supported Companies

IN THE LAST YEAR...

NCN SUPPORTED 2 NEW COMPANIES

JUNE 2015



\$5 Million Debt and
Equity Financing

SEPTEMBER 2015



\$5 Million Equity Financing

AND 2 NCN COMPANIES WERE ACQUIRED

NOVEMBER 2015



Acquired by



JANUARY 2016

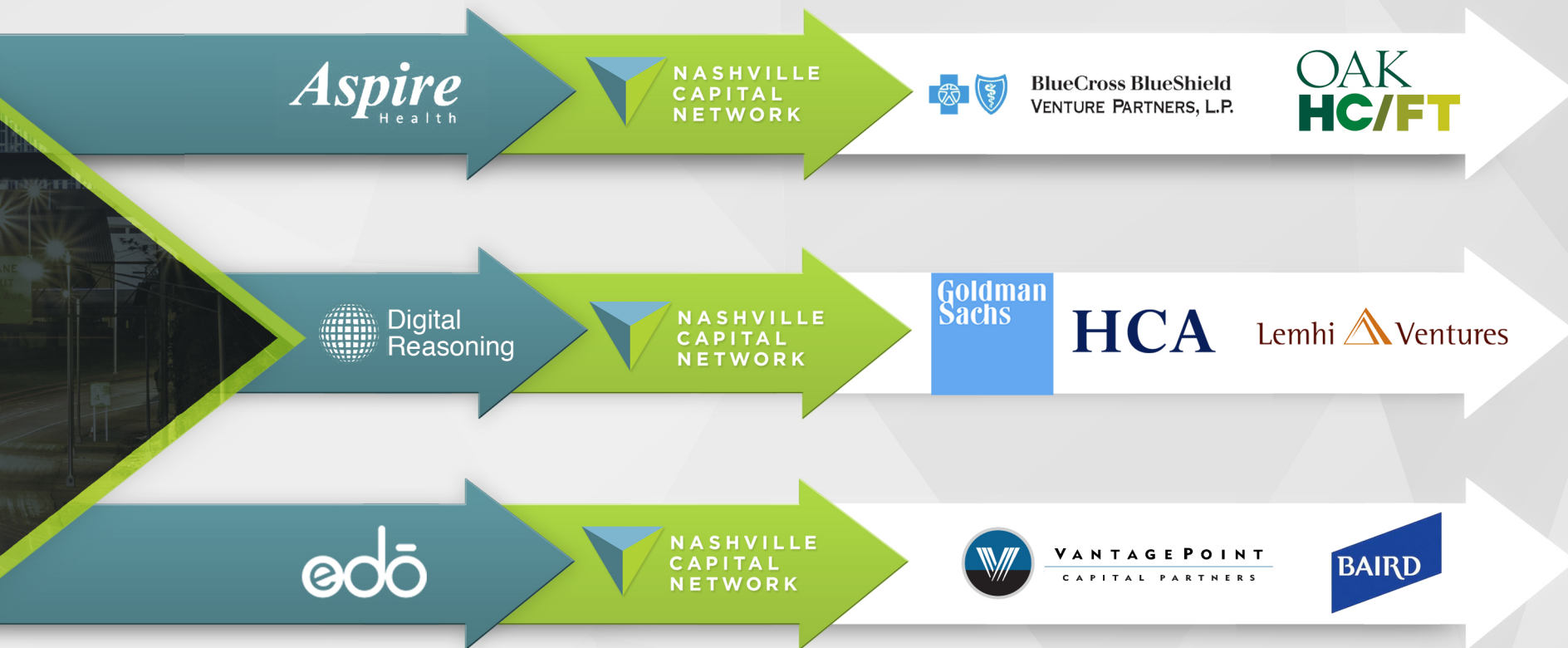


Acquired by



BRIDGING THE CAPITAL GAP

between startups and later stage capital



Since 2012, NCN was involved in **25% of all Nashville area financings** in excess of \$3 million.

In nearly every case, **NCN led an earlier financing** that set up the growth round.

FUNDED COMPANIES

Active Holdings

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)

Emma (Angels, AFII)

Enliven (Angels)

Groups360 (Angels, AFII)

Inova Payroll (Angels, AFI, TAF)

LiveSchool (Angels, TAF)

NextGxDx (Angels, TAF, AFII)

NuScriptRX (Angels, TAF)

PharmMD (Angels)

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)

Medical Direct Club (Acquired by Comfort Medical)

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)

Shareable (Acquired by Digital Reasoning)

Silvercare Solutions (Acquired by White Glove Health)

Key: Angels - NCN Angel Group **AFI** - NCN Angel Fund I **TAF** - Tennessee Angel Fund **AFII** - NCN Angel Fund II

ADVISORY BOARD & DIRECTORS

Tom Wylly (NCN Chairman)
Brentwood Capital Advisors

Hal Andrews
Digital Reasoning

Tim Bewley
SunTrust Bank

Tyson Bickley
Waller Lansden Dortch & Davis

Germain Boer
Owen Graduate School of
Management, Vanderbilt University

Barbara Cannon
NuSirt Sciences

Ray Capp
ConduIT Corporation

Sid Chambless
Nashville Capital Network

Tom Cigarran
Nashville Predators

Joe Cook III
Mountain Group Capital

Fred Decosimo*
Elliott Davis Decosimo

Townes Duncan
Solidus

Josh Ehrenfeld*
Burr & Forman

Nancy Everitt
HEOPS

Brian Fox
Capital Confirmation

Katie Gambill
Council Capital

Frank Gordon
Crofton Capital

John Harrison
Harbert Management Corporation

Bob Hensley
Private Investor

Michael Holley
Bass, Berry & Sims

Hayley Hovious*
Nashville Health Care Council

Eric Johnson
Owen Graduate School of
Management, Vanderbilt University

Kris Kemp
h3gm

Jim Kever
Voyent Partners

Jim Lackey
Complete Holdings Group

Kevin McNamara
McNamara Family Ventures

Jim Meade
LBMC

Beth Moore
Sherrard & Roe

Christopher Rand
TriStar Technology Ventures

John Titus
Bradley Arant Boult Cummings

Bradford Vieira*
ServisFirst Bank

Paul Wallace
Heritage Group

Brian Waller
VACO

Steve Wood
Baker, Donelson, Bearman,
Caldwell & Berkowitz

** 2015 Additions*

EVENTS



1

In August, Nashville Capital Network partnered with the Nashville Health Care Council to present their annual "Developing Health Care Ventures: Investor and Entrepreneur Collaborations." 300 local executives attended a panel discussion led by Nancy Everitt, President and CEO, HEOPS and included Curt Thorne, Former President and CEO, MedSolutions, Walker Poole, Partner, Ridgemont Equity Partners, Bill Southwick, CEO, QualDerm, and Former CEO, The Rehab Documentation Company and Gene Fleming, Chairman, QualDerm, and Former Executive Chairman, The Rehab Documentation Company.



2

In June, NCN invited 50 regional and national Venture Capital firms to join our partnership at the Green Brier Distillery for a networking event. Firms from all over the country met with local angel investors and CEOs of our funded companies at "NCN's Investor Assembly at 36/86".



3

In February, NCN held its "Annual Meeting and Reception" at the Bridgestone Arena Patron Platinum Club. More than 160 of our partners attended to help NCN celebrate its success in 2014.

SPONSORS

BAKER DONELSON
BEARMAN, CALDWELL & BERKOWITZ, PC

**BASS
BERRY+
SIMS**

**BRADLEY ARANT
BOULT CUMMINGS**
LLP

h3gm

EntrepreneurCenter

LBMCM

**elliott davis
decosimo**

**NASHVILLE
HEALTH CARE
COUNCIL**

BURR FORMAN *
LLP
results matter

SHERRARD & ROE, PLC
attorneys at law

SUNTRUST

VACO
Free Yourself.

VANDERBILT
Owen Graduate School of Management

Insperity

waller.

Servis *
1st Bank

UNDERWRITERS

Acadia Healthcare

AmSurg

Butler Snow

The Crichton Group

Harbert Management Corporation

HealthSpring

HEOPS

LifePoint Health

Pinnacle Financial Partners

Voyent Partners

W Squared

PATRONS

Avenue Bank

Bone McAllester Norton

Cadence Bank

Capstar Bank

Century II

CET Life Sciences Center

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FirstBank

FPI Furniture*

Jones Lang LaSalle

KraftCPAs

Martin Ventures

Martin & Zeffoss

McKenzie Laird

Petra Capital Partners

Pharos Capital Group

Renasant Bank

River Cities Capital Funds

Sandbox Industries

Santé Ventures

SnapShot Interactive

Solidus

Square 1 Bank*

The Bank of Nashville

WC Dillon Company

Yarbrough Capital

* 2015 New Partners



NASHVILLE
CAPITAL
NETWORK

3810 BEDFORD AVENUE, SUITE 110
NASHVILLE, TN 37215
615-454-3950

NASHVILLECAPITAL.COM
[@NashCapNetwork](#)