

INVESTMENT TEAM

SCOTT ALBERT

Managing General Partner

JEFF CLARK

Managing General Partner

RICH BROWN

General Partner

GRANT JACKSON

Senior Associate

CHRIS KROEGER

Senior Associate

JAN BOUTEN

Associate

The Aurora Funds is a venture capital firm that provides capital, connections and strategic guidance to entrepreneurs with early-stage healthcare and information technology companies. Aurora has the capacity to invest a total of between \$4 million and \$8 million across multiple rounds of financing as the company matures.

The team at The Aurora Funds would like to thank our partners, advisors and portfolio companies for a rewarding 2004. Aurora celebrated its 10th anniversary and announced plans to raise a fifth fund, Aurora Ventures V.

The partners of The Aurora Funds, Scott Albert, Rich Brown and Jeff Clark, would like to take this opportunity to summarize some of the significant investments and events of the past year.

A BUSY YEAR: 2004 at THE AURORA FUNDS

The year 2004 began with the closing of three successful IPOs. In addition, The Aurora Funds executed a record setting year with six new investments in the following information technology, biomedical devices and medical services companies.



Blackboard (Nasdaq:BBBB), develops enterprise software and services for the education market. Blackboard currently powers learning environments at more than 3,300 institutions nationwide and in more than 70 countries worldwide. Blackboard had its IPO in June 2004.



Emageon (Nasdaq:EMAG), provides enterprise visual medical systems. The company's products enable healthcare providers to archive diagnostic images and simultaneously to make the images available to healthcare professionals. Emageon had its IPO in February 2004.



InPhonic (Nasdaq:INPC), provides end-to-end solutions for the development and management of Virtual Private Wireless Networks. InPhonic had its IPO in November 2004.

NEW INVESTMENTS

The Aurora Funds made several new investments in 2004 in the information technology, medical services and medical devices industries:

CENTICE Aurora co-led a \$3 million Series A round of financing along with Novak Biddle Venture Partners in **Centice** in early July 2004. Centice is a pioneer in next generation sensor technology, designing and manufacturing highly sensitive optical sensor modules for a wide range of applications in the analytical, life sciences, medical and pharmaceutical industries. Scott Albert joined the Board of Directors.



Aurora joined Quaker BioVentures and VIMAC Milestone Medica in a \$10 million Series A financing in **Neotropix** in May 2004. Neotropix is a cutting edge virotherapy company dedicated to the development and commercialization of novel cancer therapeutics, based on technology developed by the founder of Novartis/GTI and licensed to Neotropix. Chris Kroeger joined the Board of Directors.



Aurora made its initial investment in **Nextreme**, part of an \$8 million Series A Preferred Stock round of financing, in December 2004. Co-investors in the financing round include SpaceVest, Research Triangle Institute and Harris & Harris. Nextreme Thermal Solutions is a manufacturer of high-performance thin-film superlattice thermoelectric devices. Rich Brown joined the Board of Directors.



Along with investors Novak Biddle Venture Partners and Inflection Point Partners, Aurora made a \$2.6 million Series A financing in **Synchris** in May 2004. Synchris provides an integrated software suite, the G-force product, which improves the efficiency with which companies research, bid and win federal and state government contracts and grants. Rich Brown serves on the Board of Directors.



Aurora made an initial Series B financing in **Unitrends Software** in December 2004, joining fellow investors Ecentury Capital Partners, Harbert Management Company and The Trelys Funds. Unitrends specializes in Disk-to-Disk (D2D) backup and disaster recovery packaged in an accessible appliance based solution. Rich Brown serves on the Board of Directors.



Aurora joined Axiom Venture Partners, Draper Richards, Draper Associates, Grace Ventures, Band of Angels, Camp Venture, Village Venture and other notable investors in a \$6.8 million Series A financing in **WiDeFi** in March 2004. WiDeFi is a fabless semiconductor chip vendor developing wireless repeater solutions for wireless networks. Rich Brown joined the Board of Directors.

FOLLOW-ON INVESTMENTS

The Aurora Funds had a busy year in 2004 making approximately \$9 million in follow-on investments in the information technology and early stage biomedical sciences companies.

PROMOTIONS & ADDITIONS TO STAFF

The Aurora Funds announced the promotion of Jan Bouten to the role of Associate, and the addition of Mike Gorman as CFO and Grant Jackson as Senior Associate to the Aurora group.

Jan Bouten joined Aurora in 2003 to be part of the team that focuses on early stage information technology companies. Jan has a strong background in technology management and operations in small and large global high technology companies. He received his MBA from Duke University's Fuqua School of Business.



Mike Gorman

Seasoned financial executive, Mike Gorman, assumed the role of CFO in August 2004. Mike brings more than 20 years of financial and operating experience in financial services and world class high technology companies. Most recently, he served as Vice President and Corporate Controller for Global Knowledge, a venture backed information technology training company with global operations in more than 22 countries throughout Europe and the Far East. Mike spent almost 7 years with Ernst & Young. He holds a BS in Accounting from Canisius College, and is a CPA and a Certified Management Accountant.

Grant Jackson joined Aurora in May 2004 as a Senior Associate, focusing on Life Sciences. Grant leads the investing effort in healthcare services and healthcare information technology. Grant earned an MBA from Northwestern University's Kellogg School of Management.

THE AURORA FUNDS NEWS & EVENTS

Jeff Clark assumed the role of Chairman of the Board of Directors of the Council for Entrepreneurial Development (CED) for the term 2004-2005.

Aurora's partners and investment professionals served as panelists and lecturers in 2004 at university sponsored conferences focusing on the business of investing in the life sciences and information technology industries. The university sponsored conferences took place at Duke University, Johns Hopkins University, North Carolina State University and the University of North Carolina.

The Aurora team participated in various industry conferences as panelists and speakers in 2004, including the Atlanta Investors Roundtable, the Georgia Biomedical Partnership Conference, the Kennedy Covington Private Equity Conference and the PWC Shaking the Money Tree Conference.

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