



KTEC Invests \$676,000 in Kansas Companies

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Background info: www.ktec.com

TOPEKA (August 1, 2006) — The Kansas Technology Enterprise Corporation (KTEC) has announced its equity investments for fiscal year 2006. During this fiscal year, KTEC has invested approximately \$676,000 in the following companies: Proteon Therapeutics L.L.C, Kansas City; Heartland Technologies, Wichita; Urigen Inc., Kansas City; Innovia Medical L.L.C, Lenexa; kozoru, Overland Park and SoftVu, L.L.C., Overland Park.

KTEC invests in early-stage Kansas companies that are commercializing technologies, have potential to create high paying jobs and engaging opportunities to create wealth within the company, as well as a return on investment for Kansas.

"As we assess risk and return we look at a number of things, including the marketplace, the quality of the technology, leadership and the ability of the company to attract subsequent capital necessary to get the product to the marketplace," said Tracy Taylor, President and CEO of KTEC. "As we assess these companies, we believe that the risk return tradeoff is positive for the state of Kansas. We are dedicated to investing in companies that have the potential for those specific returns.

The KTEC fiscal year investments breakdown as follows:

Proteon Therapeutics L.L.C., Kansas City, a biopharmaceutical company developing **PRT-201**, which KTEC invested \$100,000 in 2003, raised \$19 million in a Series A venture capital round. In 2006, KTEC invested an additional \$50,000. Proteon Therapeutics conducts all of its research operations at the University of Kansas Medical Center, while its operations are located in Kansas City. PRT-201, a novel human recombinant protein that permanently dilates segments of blood vessels, blocks vasospasm, and reduces the formation of vascular scarring

For 2006, KTEC invested \$150,040 in **Heartland Technologies Inc.**, Wichita. The **Purifan** system was launched in 1998 and shipped its first product in 2000. Equally effective in commercial and residential environments, the Purifan System uses a four-stage filtration system to help remove airborne particles. It recirculates fresh air at a rate of 2,000 cubic feet per minute. The Purifan uses no more energy than an ordinary ceiling fan, takes up no floor space and is a much quieter alternative to other air purifiers.

Urigen Inc., Kansas City, is a privately held specialty pharmaceutical company, received \$125,000 from KTEC. Urigen is focused on the clinical development of innovative products in the field of urology and women's health. Urigen's leading product, **U101**, is a proprietary intravesical (bladder instillation) therapy for pelvic pain.

KTEC invested \$150,000 in **Innovia Medical L.L.C.**, Lenexa, which develops and markets medical products under the **EarCheck**® brand that accurately detect middle ear fluid, a key sign of ear infection in children. The EarCheck® Monitor sends soft, pleasant sound waves into a child's ear canal. Some of the sound reflects off the eardrum and travels back to the built-in microphone. Advanced electronics analyze the sound to determine if middle ear fluid is present.

kozoru, Inc., recently launched byoms, which stands for "build your own mobile search". The byoms search technology is built on an instant messaging platform and gives users the ability to ask questions or keywords of a search feed the user has preconfigured with their own authoritative web URLs. The company, located in Overland Park, Kan., is privately held and received \$166,666 in funding from KTEC.

Additionally, KTEC invested \$35,000 in **SoftVu L.L.C.**, a Kansas City-based sales and marketing firm, which specializes in integrated solutions for on-line communications, through the incorporation of rich media (audio, video and animation on the Web).

“In my first year with KTEC, I am continually impressed with the investment opportunities across the state,” said Michele Weigand, Vice President, Investments & Portfolio Management for KTEC. “ We are excited about working with each of these companies as they develop and grow creating Kansas jobs and wealth.”

To qualify for funding from KTEC, a company must match the investment with 150% of the amount of KTEC funding (60/40 split) with cash. The match requirement has no size requirement and may include outside investors. The company must demonstrate through market research, that a considerable market exists and that the project has potential to produce substantial results for the Kansas economy. Companies must also complete the application and submit a business plan.

ABOUT KTEC:

The Kansas Technology Enterprise Corporation (KTEC) is a private/public partnership established by the state of Kansas to promote technology based economic development. Through support of strategic research and development at our Centers of Excellence, through intense hands-on business assistance at our incubators, and through our equity investments in early-stage companies, KTEC serves as an invaluable partner to companies that bring economic growth to Kansas. Learn more at: www.ktec.com

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