Sunstone Capital attracts US-based company to Denmark

Copenhagen, Denmark, December 21, 2012. Sunstone Life Science Ventures announced today that it has made a new investment from its Early Engagement Program (EEP). Sunstone has invested EUR 500,000 in ARO Medical, a private medical device company developing a novel implant for use in herniated disc surgery. ARO Medical, originally a US-based company, has moved all its activities to Aarhus, Denmark, and will apply the funding to conduct a clinical trial in Denmark.

Spinal herniation is the cause of most spinal surgery procedures, and 75% of patients continue to experience post-surgery back pain. The ARO® Cinch™, developed by ARO Medical, is inserted during the surgical procedure and addresses a known cause of back pain, excessive twisting, while allowing normal movements in other directions to work like an implantable brace. By reducing excessive twisting, the Cinch reduces post-surgical back pain and enables more natural healing. ARO Medical’s concept is endorsed by prominent spine surgeons, and a clinical study has been initiated in Aarhus, Denmark.

Bruce Robie, CEO and founder of ARO Medical, commented: “Our goal is to help the patient heal better and thereby have a better result from surgery. The Cinch is unique in that it is the only spinal implant that targets a movement that is both excessive in patients with back pain and increases their pain. By reducing the twisting movements to normal, patients should gain the benefit of both better healing and reduced back pain. Having developed the technology in the US, we were ready to have it used clinically. So we decided to move the company to Denmark, where it will be used. Moving to Denmark made great sense – its surgeons have tremendous clinical and research reputations and the life science community here provides the necessary support to gather world class data.

Sunstone identified the investment opportunity earlier this year and once impressed with the product concept and commercial potential, started examining the possibility of moving assets and activities to Denmark. This is Sunstone’s second investment in the area of spinal implants. Magnus Corfitzen, Investment Director in Sunstone, commented: “We became excited about the concept and how it potentially can improve surgical outcomes in the substantial amount of people who undergo surgery due to spinal herniation. Furthermore, the ARO future products will be of strategic interest to the large orthopaedic corporations as it will complement their product offerings, which currently lack an implant that improves spinal herniation surgeries. By making this investment, we hope to demonstrate in patients that the ARO products do indeed improve surgical outcomes.”

The first use of the device is a study of twenty patients with a herniation, ages 18-55 who are scheduled for surgery. Patients undergo the surgery, where the herniation is removed
and the Cinch is placed. Patients are followed for one year following surgery to assess the clinical and radiographic results. The study is conducted at Aarhus University Hospital, a leading Danish teaching hospital.

###

**About ARO Medical**
ARO Medical, based in Aarhus Denmark, is a medical device company focused on improving the results of patients undergoing their first back surgery. The company’s first product, the Cinch™, works as an internal brace for patients undergoing surgery for herniated lumbar discs.

**About Sunstone Capital**
Sunstone Capital is an independent venture capital investor founded in 2007 by an international team with combined entrepreneurial, operational, and financial experience. Sunstone Capital focuses on developing and expanding early-stage Life Science and Technology companies with strong potential to achieve global success in their markets. Managing total funds of EUR 700 million, Sunstone Capital is one of the largest and most active European venture capital investors. Sunstone Life Science Ventures has earmarked 5% of the fund most recently raised, LSV Fund III, for validation of projects that are not quite ready for major venture investments. This initiative is called Early Engagement Program.

**For further information, please contact:**

Magnus O. Corfitzen, Investment Director, Sunstone Capital  
Mobile: +45 40 80 48 63  
E-mail: corfitzen@sunstonecapital.com

Bruce Robie, CEO, ARO Medical  
Mobile: +45 36 96 55 20  
E-mail: brobie@aromedical.com

Media contact

Lisa Almén, Associate, Sunstone Capital  
Mobile: +45 2323 1651  
E-mail: almen@sunstonecapital.com