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CID4 Funding Model Yields Successful Results with Sophono \$7 Million Financing

CID4 announced successful results of its funding model with the close of a \$7 million financing for portfolio company Sophono, paired with new job creation for the Colorado life science ecosystem and a return of capital.

Aurora, CO September 10, 2012 – The Colorado Institute for Drug, Device and Diagnostic Development (CID4), a 501(c)(3) not-for-profit entity focused on advancing the Colorado life science ecosystem through company creation and job growth, announced successful results of its funding model with the close of a \$7 million financing for portfolio company Sophono. Additional new job creation for the Colorado life science ecosystem, paired with a return of capital to CID4, are core success metrics achieved with the completion of the Sophono Series B financing.

The CID4 funding model provides capital to early-stage Colorado-based life science companies. The CID4 funds provide the resources to enable these entrepreneurial businesses to bridge the gap between proof-of-concept and significant funding.

Beyond simply offering capital infusions, CID4 also provides active management and access to high quality investors and industry contacts to its portfolio companies. These additional value-add elements worked to catalyze the \$7 million Series B financing at Sophono, led by Greenwich, CT-based private equity manager, Wexford Capital.

The goal of CID4 is to have its portfolio companies achieve follow-on financing. Like Sophono, remaining portfolio companies Flashback Technologies, Vet DC, KromaTid and PeptiVir are all actively engaged with CID4 management to achieve their follow-on financing goals.

“Since our initial investment, the Sophono team has worked diligently to meet their business development objectives. That success has led to the repayment of a portion of our investment, which we can now redeploy to other promising Colorado companies” said Kevin M. Smith, President and CEO of CID4, “We are encouraged by this early success and remain committed to our goal of Economic Development through Innovation Advancement.”

About Sophono, Inc.

Sophono, Inc., is a medical device manufacturer specializing in implantable, bone conduction hearing devices. The Company’s products are designed for individuals suffering from severe to

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profound hearing loss or impairment. The Alpha 1 is the only abutment-free, implantable, bone-anchored hearing device. Treating those with conductive hearing loss, mixed hearing loss, and single-ear deafness, the FDA-cleared product Alpha 1 eliminates the problematic abutment of devices by using magnets to affix external sound processors. Sophono corporate headquarters and manufacturing operations reside in Boulder, CO. The company maintains an office in Germany, and sells through distributors in more than 20 countries. For more information visit <http://www.sophono.com>.

About the Colorado Institute for Drug, Device and Diagnostic Development

Founded in 2009, the Colorado Institute for Drug, Device and Diagnostic Development (CID4) is a 501(c)(3) not-for-profit charitable organization whose mission is to advance the Colorado bioscience ecosystem through company creation and job growth. Active business management and capital work in tandem to help bridge the gap between discovery and product development. CID4 works to identify, fund and actively manage emerging life science technologies. This aim is achieved via an ongoing technology solicitation process augmented by additional deal flow sourcing through networked relationships. Active due diligence is provided by CID4 management in consultation with members of the CID4 Technical and Business Advisory Committee. For more information visit <http://CID4.com>.

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