Virtual Incision Corporation Completes $2 Million Series A Financing

Prairie Gold Venture Partners- press release

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LINCOLN, NE. Virtual Incision Corporation, a developer of in vivo robots for use in single incision laparoscopic surgery, today announced it has completed a $2 million Series A financing led by PrairieGold Venture Partners and Bluestem Capital. The Company also announced the establishment of its corporate headquarters in Lincoln, Nebraska, home to the University of Nebraska out of which the technology is exclusively licensed.

Proceeds from the financing will be used to develop advanced prototypes of the Company's robotic surgical platform. The Company has engaged two experienced contract manufacturers-Honeybee Robotics and Devicix-to assist in the continued development of the robot and user interface, as well as Peter Hinchliffe, a medical device senior executive with over 17 years of experience managing multiple business areas at USSC (now Covidien) andDatascope (now MAQUET) who holds over 70 issued US patents.

The development of Virtual Incision's technology is an important step in the evolution toward scarless surgical procedures performed on a robotic platform. Virtual Incision's robots will offer a number of advantages. Insertion can be done through a single incision in the navel and requires just a few minutes. The platform will not require a dedicated operating room or other specialized infrastructure. Virtual Incision robots will be able to perform multi-quadrant surgery with quick, simple in vivo repositioning during a procedure while maintaining stable fixation. The technology utilizes existing tools and techniques surgeons are already familiar with, and the platform will be significantly less expensive than existing robotic alternatives.

The initial application of the Company's technology will be for colon resection procedures. Currently, greater than eighty percent of these procedures are done "open," that is, with a large incision down the center of the peritoneum. Open procedures have higher rates of morbidity, require longer hospital stays and leave larger scars than laparoscopic procedures. However, colon resection has not been widely adopted laparoscopically due to the complexity of the procedure. Because Virtual Incision's robotic platform allows for multi-quadrant capability through a single port with stable fixation, the Company believes its technology will enable wider adoption of laparoscopic surgery for colon resection procedures, thus improving patient outcomes. Over time, the Company believes that its technology will have applicability across a number of surgical procedures.

The Company was founded by two University of Nebraska professors. Dr. Shane Farritor is a professor in the Department of Mechanical Engineering. Prior to coming to UNL he worked in the Field and Space Robotics Laboratory at the Massachusetts Institute of Technology and the Unmanned Vehicle Lab at the C.S. Draper Laboratories. He received his Ph.D and Masters in Mechanical Engineering from the Massachusetts Institute of Technology. Dr. Dmitry Oleynikov is an Associate Professor of Surgery, Joseph and Richard Still Faculty Fellow in Medicine, and Director of the Center for Advanced Surgical Technology at the University of Nebraska Medical Center. Dr. Oleynikov received his medical education at the Albert Einstein College of Medicine, Yeshiva University in 1994. He completed his residency at the University of Utah Medical Center and served as an instructor and senior fellow at the Center for Videodendoscopic Surgery at the University of Washington School of Medicine in Seattle. His current collaborative, multidisciplinary research interests include robotic surgical technology, educational simulation and clinical outcomes research.
"We are pleased to receive institutional funding at this critical time in the development of our robotic surgical platform," said Dr. Farritor. "The University has been an excellent place to prototype and test multiple designs and concepts for our robotic technology, and we are excited to take this technology to the next level with our development partners and investors."

"Virtual Incision is in a unique position to both change the way certain surgical procedures are performed through technological advances, as well as reduce healthcare costs by converting expensive open procedures to laparoscopic techniques," said Mike Jerstad, partner of PrairieGold Venture Partners and Chairman of the Board of Virtual Incision. "Because the Company's technology is simple to use and employs existing tools and techniques, we believe adoption of this innovative technology will be brisk."

About Virtual Incision Corporation

Virtual Incision Corporation is a developer of in vivo robotic surgical devices that can be inserted through a single incision in the navel. Virtual Incision robots will be able to perform multi-quadrant surgery with quick, simple in vivo repositioning during a procedure while maintaining stable fixation. The technology utilizes existing tools and techniques surgeons are already familiar with, and the platform will be much less expensive than existing robotic alternatives. Headquartered in Lincoln, NE, Virtual Incision is backed by PrairieGold Venture Partners and Bluestem Capital. For more information, please visit www.virtualincision.com