



VIRTUALINCISION

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Virtual Incision Announces \$18 Million Series B Funding for Miniaturized Surgical Robots

Two-pound Robot Designed to Expand Access to Minimally Invasive Surgical Procedures

LINCOLN, Neb. and PLEASANTON, Calif., December 11, 2017 – Virtual Incision Corporation today announced that the company has raised \$18 million in Series B funding. The round was co-led by new investor Sinopharm Capital, the private equity fund initiated by Sinopharm Group, China's largest healthcare company, and existing investor Bluestem Capital, with participation from PrairieGold Venture Partners and others.

This financing will support the company's 510(k) premarket notification submission to the U.S. Food and Drug Administration (FDA) for its next-generation miniaturized robotically assisted surgical device (RASD). The Virtual Incision RASD is designed to enable physicians to perform less-invasive general surgery abdominal procedures that today are usually performed via large, open incisions, including multi-quadrant surgeries such as colon resection.

"Closing this round of financing launches the development of our miniaturized surgical robot toward our next key milestones, including submission to the FDA for market clearance," said John Murphy, president and CEO of Virtual Incision. "We sincerely appreciate the support from all of our investors, who clearly understand the tremendous potential of our surgical robotics program and provide vital input to our team and company."

While similar to other RASDs with regard to intended use, Virtual Incision's technology takes a new and unique approach to robotically assisted surgery in comparison to currently available technologies or those in development. The existing large, mainframe-like robots can weigh as much as a ton and use multiple arms to manipulate long tools that reach inside the body via a complex array of ports, which can require as many as six incisions for colon resection. In contrast, Virtual Incision's RASD features a small, strong, dexterous and self-contained surgical robot that can be inserted through an umbilical incision in the patient's abdomen. Also, of great significance to clinical efficacy, Virtual Incision's technology is designed to utilize existing tools and techniques familiar to surgeons, and does not require a dedicated operating room or specialized infrastructure.

The Virtual Incision robotic platform leverages artificial intelligence and machine learning technologies to track and guide instrument usage, and incorporates state-of-the-art tools such as the world's first robotic flex tip laparoscope, which is controlled by the surgeon.

"The large footprint and dedicated operating suite required to house multi-port or single-port mainframe robots can limit access, especially in smaller hospitals that have only one robotic surgery system. In contrast, our robot is designed to be moved from suite to suite as needed, providing the surgical staff with much more flexibility when it comes to the tools being used during a procedure," said Shane Farritor, Virtual Incision's co-founder and chief technology officer. "Our objective is to significantly reduce operating room complexity, with a goal of better clinical outcomes for patients."

The Virtual Incision RASD was used successfully for the first time to perform colon resection surgery outside the U.S. in 2016 as part of the safety and feasibility trial for the technology.

“Virtual Incision is committed to developing a family of simpler and more cost-effective robotic options targeting multiple procedures including gallbladder removal, hernia repair, colectomy and similar abdominal surgeries,” said Dmitry Oleynikov, M.D., FACS, chief of minimally invasive surgery at the University of Nebraska Medical Center, and co-founder and chief medical officer of Virtual Incision. “Our elegant technologies will help eliminate the complex and costly surgical robot options currently available, which can weigh nearly 2,000 pounds. Virtual Incision will provide minimally invasive options in a cost-effective and streamlined two-pound package.”

With foundational intellectual property consisting of over 140 patents/applications, Virtual Incision’s advanced technology and miniaturized custom devices focus largely on the under-served 80 percent of the market where a smaller and simpler solution is needed. The company’s focus includes both academic and community hospitals in the U.S. and 3A hospitals in China.

Virtual Incision’s robotically assisted surgical devices are investigational devices and are not commercially available.

About Virtual Incision

Virtual Incision Corporation is a privately held medical device company based in Lincoln, Neb. and Pleasanton, Calif. A spinout of the University of Nebraska, the company’s first-of-its-kind miniaturized robotically assisted surgical device for General Surgery is designed to enable a minimally invasive approach to a variety of procedures that are typically performed “open” today. The company’s products, with advanced technology supported by foundational intellectual property, have the potential to improve clinical outcomes and reduce health care costs. Virtual Incision is working toward achieving key milestones over the next 18 months including FDA clearance, building the team in the U.S., establishing a surgeon training center at UNMC, and forming a China joint venture company.

Virtual Incision is backed by Bluestem Capital, Sinopharm Capital, PrairieGold Venture Partners and others. For more information, please visit www.virtualincision.com.

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