ArthroCAD, Inc., Gets Series A Funding

The Associated Press

AYER, Mass.--(BUSINESS WIRE)--Jan 14, 2013--ArthroCAD, Inc. announced that it has closed the first tranche of its Series A financing with secured commitments for additional funding. The proceeds of the Series A round will be used to develop ArthroCAD's lead product for the Total Hip Arthroplasty ("THA") market.

Surgical morbidity is a focal point for patients, physicians, regulators, and device companies. In recent years, patient awareness of morbidity following THA has dramatically increased due to popular press reports, medical litigation, and device recalls. The number of THAs performed in the US was estimated to be more than 350,000 in 2007. The magnitude of the problem is projected to increase dramatically since this number is expected to double by 2030.

Mr. Edgar D. Jannotta, Jr. commented, "I am delighted to lead the Series A investment and join the board of ArthroCAD. I believe ArthroCAD will address a real unmet need in the orthopedic industry. I am excited by the fact that the ArthroCAD's products will impacts both clinical and economic outcomes." PJ Anand, Chairman and Co-Founder commented, "We are delighted to have the opportunity to partner with Mr. Jannotta. ArthroCAD will provide orthopedic surgeons a simple and elegant product that ensures proper placement of implants. Our products are physician-friendly and require minimal training. They are also compatible with existing surgical workflow, and add minimal time to surgical procedures. The ArthroCAD proprietary technology platform is compatible with all approaches including the Anterior Approach and is easily adaptable to any implant manufacturer and implant design. These attributes of ArthroCAD's technology compare favorably to existing solutions which are either inaccurate, or expensive and time consuming." Mehran Aghazadeh, Co-Founder and inventor of the technology commented, "THA was performed in 1960 for the first time. Although there have been numerous improvements in different aspects of this operation, from exposure and techniques to design and technology, most recent studies have shown that even highly experienced physicians still have difficulty positioning implants in proper angles. Using anatomical landmarks for this purpose is not sufficient, as they vary from patient to patient. There is a real need for a cost effective product and method for more accurate positioning of the implants in THA. We want to help surgeons be absolutely confident that they got the implant positioning right real-time." Foley Hoag LLP, led by Life Sciences Practice chair Jeffrey Quillen, represented ArthroCAD in the financing. Mr. Quillen has represented ArthroCAD since its founding in 2011.

About ArthroCAD, Inc. ArthroCAD is a medical device company focused on developing solutions to improve surgical outcomes for patients undergoing joint replacement procedures.

About Edgar D. Jannotta, Jr. Mr. Jannotta served until 2011 as a Principal at GTCR.

During his career at GTCR, he was the Managing Principal of the Firm and Co-Manager of the Healthcare Group. Since 1980, GTCR has invested more than $9 billion in private equity capital in over 200 companies.

One of seven founding Principals of GTCR, which was one of the successor private equity organizations to Golder, Thoma and Cressey, Mr. Jannotta was part of the team responsible for investing Funds VI, VII, VIII and IX, which collectively totaled over $7.5 billion in equity capital.

Mr. Jannotta retired from GTCR in March 2011 and is currently actively investing personal funds in private companies and real estate. He serves on the Board of four private companies including Alcyone Lifesciences and several non-profits.

Mr. Jannotta graduated from Princeton University with an A.B., cum laude, and received an MBA from Harvard Business School.

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