



POWERHOUSE OF THE ENTREPRENEURS

Xenia Announces Sale of its holdings in OrthoSpace

In addition, OrthoSpace Completes Significant Financing

Tel Aviv, 20 May 2015 – Xenia Venture Capital Ltd. (TASE: XENA), an Israeli investment firm specializing in investment and development of early stage technology and medical startups, has announced the sale of its holdings in OrthoSpace, in the framework of the completion of a financing transaction led by HealthpointCapital, LLC (“HPC”), and including Smith & Nephew and TriVentures.

In the framework of the purchase agreement, HPC will acquire Xenia’s holdings in OrthoSpace. In consideration for the sale, Xenia will receive \$2,152 thousand US dollars. The transaction is expected to yield to the Company an aggregated profit of approximately NIS 6.4 million.

According to Xenia CEO, Anat Segal: “We are happy to announce the materialization of our holdings in OrthoSpace with a significant profit. We have created the company with the founders as a spin off from BioProtect, (a Xenia portfolio company) and are proud that in a few years the company has obtained the development of a product in which thousands of procedures were executed, generating sales in Israel, Europe and other global markets and attracting high profile investors, including a leading global orthopedic company. We continue to advance our portfolio companies aiming at creating value for our shareholders”.

The proceeds from the transaction will facilitate the Company’s continued market adoption, clinical study programs and entry into the emerging markets. The Company’s flagship product, InSpace, is a disruptive technology for the treatment of severe rotator cuff tears.

According to OrthoSpace’s CEO, Itay Barnea: “This round of financing and new partnership with HealthpointCapital will position OrthoSpace for worldwide growth. InSpace offers a treatment for patients who currently have few options in the continuum-of-care for rotator cuff injury. The technology addresses a large and growing market segment with limited treatment options.”

Assaf Dekel MD, OrthoSpace’s Co-Founder and Medical Director: “With five years of clinical experience and over 5,000 procedures completed we have developed a loyal following among surgeons in Europe and Israel. We look forward to expanding our footprint into new markets”.

About Xenia Venture Capital

Xenia Venture Capital is an investment firm publicly traded in the Tel Aviv Stock Exchange (TASE: XENA). Xenia is engaged in investing in early stage companies in the areas of high tech and med tech in Israel. In addition to financing, Xenia provides its companies with top-notch mentoring, business and strategic counseling, fund raising assistance and exit planning, as well as basic infrastructure and peripheral services. Xenia management, board and advisory board are comprised of highly experienced entrepreneurs and business professionals with proven track records in various industries. Since its inception in 2004, Xenia has invested in over 26 companies, which have attained significant technology and business achievements, resulting in substantial valuation increases. Over the years, Xenia has



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obtained a significant position in the Israeli high tech eco system, and has established significant cooperation and strategic relations with leading partners in Israel, US, Europe and the Far East.

Among Xenia portfolio companies are: **Superfish** -- a visual image to image search engine for mobile and web. **Polypid** -- a platform for local, slow controlled release of a range of drugs for a wide variety of applications, including orthopedics, dental implants and SSI. **Playcast** -- a cloud gaming streaming service platform for A rated games. **Saguna** -- a mobile caching platform to relieve loads in mobile networks for operators and content providers **OrthoSpace** -- a biodegradable balloon for treatment of Rotator Cuff Syndrome.

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