

Xenia Venture Capital Ltd.  
("The Company")

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22 February 2015

**Class-action suit against Superfish Inc. ("Superfish")**

The Company hereby announces that, over the weekend, a class-action suit was filed in California (hereinafter: the "Lawsuit") against computer manufacturer Lenovo and Superfish (a Xenia portfolio company in which Xenia owns approximately 12.22% of its share capital) for alleged damage caused to users as a result of the installation of Superfish software in some of Lenovo computers.

The background to the suit is apparently a potential security breach found in part of Lenovo computers, in which Superfish Visual Discovery software was preinstalled. Suspicion is being examined that the source of the security breach lies in the installation software for the Superfish software, which was developed by a third party and integrated only in Lenovo computers. Superfish and Lenovo have worked together to provide a response to the matter. The scale of the business activity with Lenovo is immaterial for Superfish. At this early stage, Superfish, through its legal advisers, is examining the repercussions of the suit and how to address it.

Superfish has developed visual search and discovery technology that allows the finding of pictures with similar content and identical and similar objects in pictures. Superfish's technology carries out a visual search similarly to text searches conducted by other search engines, and it presents the search results on visual queries in a completely anonymous manner.

For further details about Superfish, please see Article 10.2 of Chapter 1, Company Business Description, in the quarterly report of the Company for 31 December 2013, which was published on 11 March 2014 (reference no. 011634-01-2014).

Respectfully,

Xenia Venture Capital Ltd.  
Via: Anat Segal, CEO and director, and Eli Sorzon, CFO