

Israel Biomedical Innovation raises \$12.5m, eyes acquisitions

JANUARY 7, 2010. Biomedix Incubator Ltd. (TASE: BMDX) portfolio company Endogun Medical Systems Ltd. has raised \$12.55 million. In connection with the closing, Endogun has changed its name to Israel Biomedical Innovation Ltd. (IBI).

Biomedical investment fund Filvest SCA led the round with an investment of \$8.25 million, in its first investment in Israel. In addition to Filvest, Biomedix subsidiary Spearhead Ltd. invested \$880,000 and Biomedix's shareholder, Pontifax Fund, invested \$1.3 million. Roberts Mitani, LLC (www.robertsmitani.com) served as placement agent and advisor to IBI in connection with the financing.

IBI intends to use proceeds from the financing round to further develop its two products for the minimally-invasive fastening of tubes and treating pelvic organ prolapse, as well as for the expansion of the company's strategic plan.

Biomedix CEO and IBI chairman Elad Naggar has commented that IBI will use proceeds to acquire additional product lines of minimally-invasive surgical products that are between the completion of clinical trials and the start of sales."

IBI currently markets its gynecological products directly in Europe. The company is waiting for US Food and Drug Administration (FDA) marketing approval for its gynecological product, and for its urology product, jointly developed with Cook Medical Inc., which is now undergoing preclinical trials.

IBI plans to develop a basket of minimally-invasive surgical products that will exploit the company's know-how in development, regulation, quality control, and marketing. For this purpose, the company hired Ronny Barak as CEO six months ago. Barak was previously CEO of Collplant and Disc Orthopaedic Technologies Inc., which was sold to Medtronic Corporation (NYSE: MDT) unit Kyphon for \$220 million.

Barak said, "We saw that Israel has many technologies that are suitable for minimally-invasive surgical procedures, but little management strength or marketing capabilities. There is no reason why a strong medical devices company shouldn't arise in Israel to lead the way to market."