Xenex Secures $38 Million in Funding Led by Essex Woodlands & Piper Jaffray Merchant Banking; Company's Germ-Zapping Robots Help Hospitals Reduce Infection Rates

SAN ANTONIO, 24 February 2017 -- Xenex Disinfection Services, the manufacturer of LightStrike Germ-Zapping Robots™, today announced the investment of $38 million in a funding round led by Essex Woodlands (EW), one of the country's leading healthcare private equity firms. The financing, which includes new participation from Piper Jaffray Merchant Banking and continued investment from existing investors Malin Corporation and Tectonic Ventures, will be used for growing its sales force, product development, scientific research and international expansion.

Nearly 300 people die in the U.S. every day from an infection they acquired during their hospital stay and the death toll can be even higher internationally. Healthcare Associated Infections (HAIs) caused by microorganisms such as Clostridium difficile (C.diff), Methicillin-resistant Staphylococcus aureus (MRSA) and carbapenem-resistant Enterobacteriaceae (CRE) are a global problem and the Xenex pulsed xenon ultraviolet (UV) room disinfection technology is a proven solution that quickly destroys deadly viruses, bacteria and spores before they pose a threat to patients and healthcare workers.

Xenex LightStrike Germ-Zapping Robots help hospitals reduce their HAI rates by destroying the microscopic germs that may be missed during the manual cleaning process. Xenex's germ fighting robots use pulsed xenon, an environmentally-friendly noble gas, to create Full Spectrum™, high intensity UV light that quickly destroys infectious germs in less than five minutes. Hospitals using Xenex devices have published outcome studies in peer-reviewed journals showing 50-100 percent decreases in C.diff, MRSA and Surgical Site Infection rates when those hospitals used the Xenex robots to disinfect rooms.

"Hospitals can and should do more to keep patients safe. No one wants a loved one to go to the hospital and contract C.diff, MRSA or CRE. Hospitals using Xenex LightStrike Germ-Zapping Robots have repeatedly demonstrated that using our technology lowers infection rates and enhances patient safety," said Morris Miller, CEO of Xenex. "Hospitals using our technology can stop the spread of infections while improving their bottom line."

Uniquely designed for ease of use and portability, a hospital's environmental services staff can operate the Xenex robot without disrupting hospital operations. With a four or five-minute disinfection cycle (depending on robot model), the robot can disinfect 30-62 hospital rooms per day (according to Xenex customers), including patient rooms, operating rooms, equipment rooms, emergency rooms, intensive care units and public areas. Approximately 400 hospitals, Veterans Affairs and Department of Defense facilities in the U.S., Canada, Europe, Africa and Japan are using Xenex robots, which are also in use in skilled nursing facilities, ambulatory surgery centers and long term acute care facilities.

"The robots' effectiveness, documented by the hospitals utilizing Xenex LightStrike Germ-Zapping Robots, has dramatically reduced the incidence of HAIs in these hospitals. We are very pleased to support Xenex's technology and strong management team to further expand these critically important capabilities in healthcare facilities in the U.S. and around the world," confirmed Marty Sutter, Co-Founder and Managing Director of EW.

XENEX
GERM-ZAPPING ROBOTS™

Germ-Zapping Robots Differ from Older UV Technologies

The Xenex robot contains no toxic mercury, and it is the only UV disinfection technology that uses xenon, an environmentally-friendly inert gas, to create UV light. It is also the only UV technology that has been credited by hospitals in multiple peer reviewed outcome studies for its significant role in helping them reduce infection rates.

About Xenex

Xenex's patented pulsed xenon Full Spectrum UV room disinfection system is a pesticidal device used for the advanced cleaning of healthcare facilities. Xenex's mission is to save lives and reduce suffering by eliminating the deadly microorganisms that cause hospital acquired infections. The company is backed by well-known investors that include Malin Corporation, Battery Ventures, Targeted Technology Fund II, Tectonic Ventures, RK Ventures, and now Essex Woodlands and Piper Jaffray Merchant Banking. For more information, visit xenex.com.

About Essex Woodlands (EW)

With $3.0 billion under management, EW is one of the largest and oldest growth equity firms pursuing investments in pharmaceuticals, medical devices, healthcare services and healthcare information technology. Since its founding in 1985, EW has maintained its singular commitment to the healthcare industry and has been involved in the founding, investing and/or management of over 150 healthcare companies, ranging across sectors, stages and geographies. The team is comprised of 20 senior investment professionals, with offices in Palo Alto, Houston, New York and London. To find out more about EW, please go to www.ewhv.com.

About Piper Jaffray Merchant Banking

Piper Jaffray Merchant Banking (PJMB) is a part of the asset management business of Piper Jaffray Companies (NYSE: PJC) and operates as the private equity arm of the firm. PJMB is supported by Piper Jaffray capital and that of distinguished non-affiliated limited partners. The group seeks investments in private, commercial stage businesses with strong growth prospects within the industry sectors covered by Piper Jaffray equity research and investment banking resources. To find out more about PJMB, please go to www.pjc.com.

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