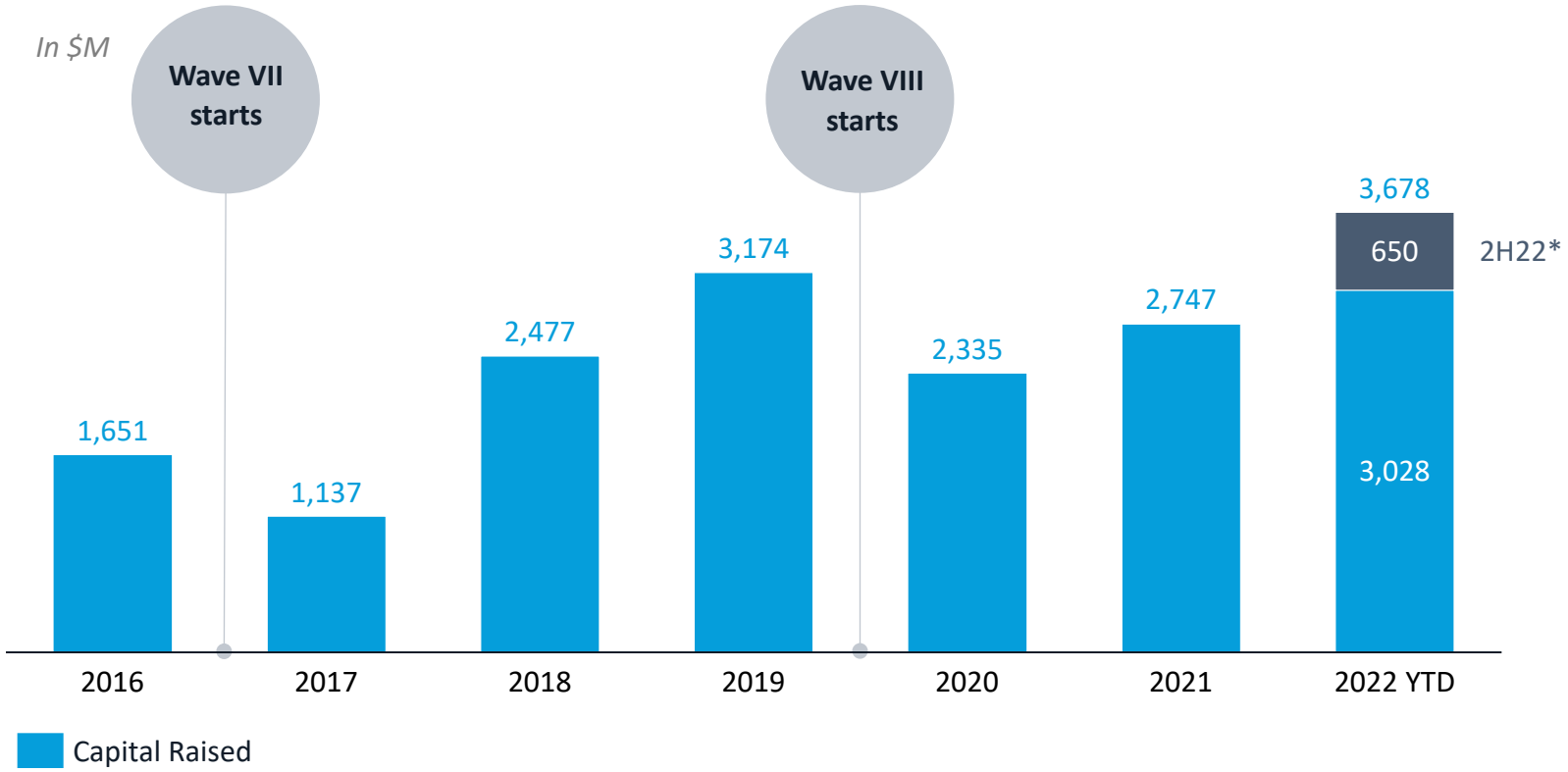
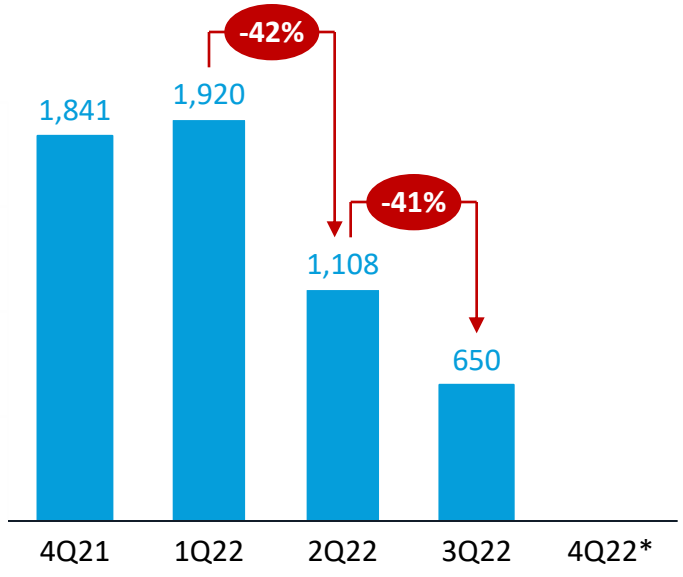
Israeli Venture Capital Snapshot

2022 Started Extremely Strong, But Has Fallen Off a Cliff

Capital Raised by Israeli Venture Capital Funds



Deep Dive QoQ



- As managers rushed to raise new funds before the window closed, 2022 started extremely strong, surpassing 2021's total raised
- However, 2H22 is pacing more like 2016, 2017

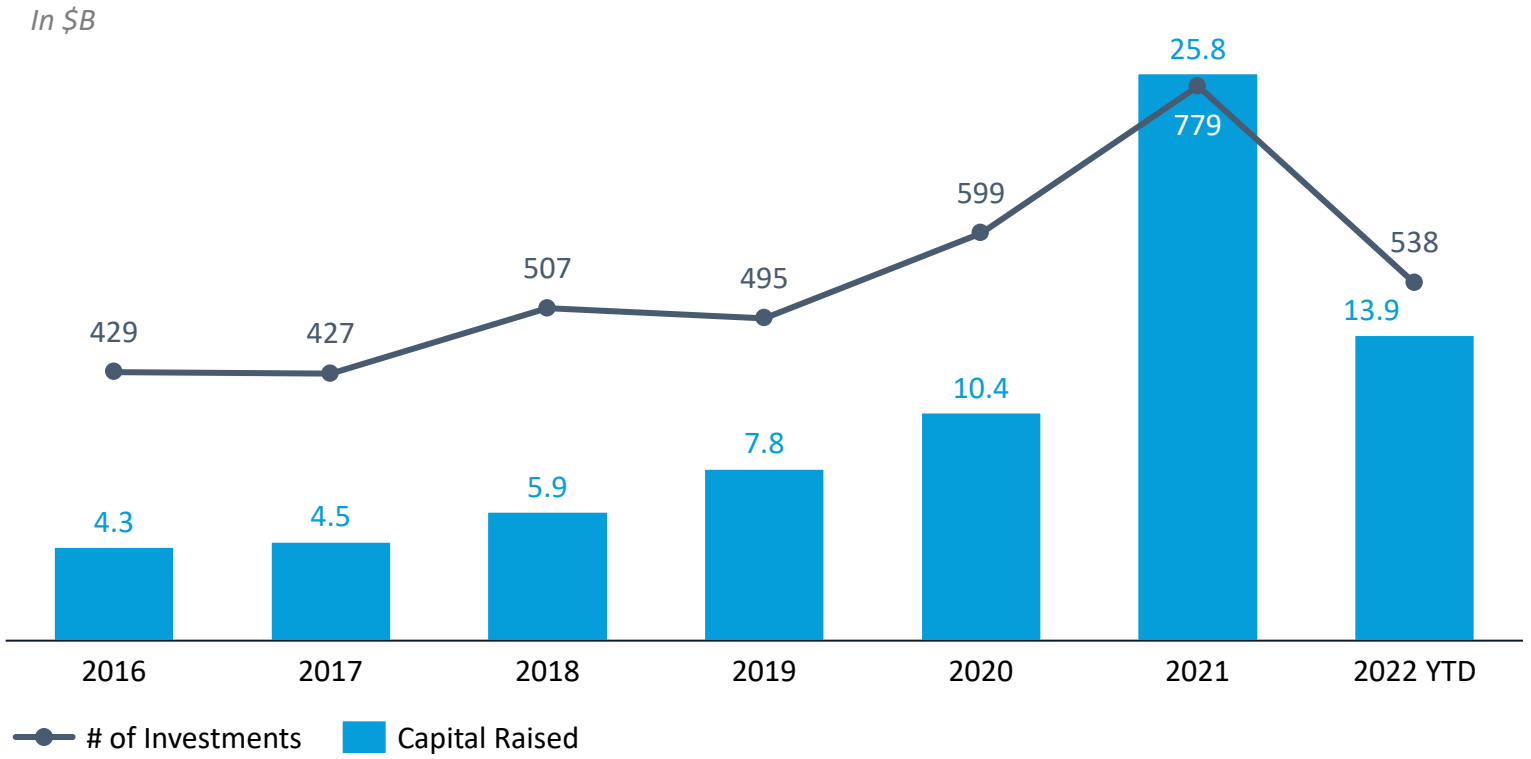
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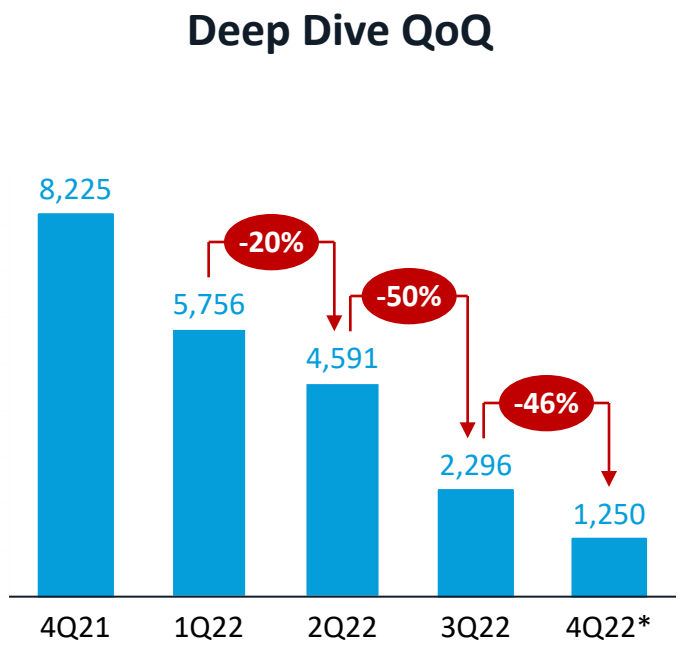
SOURCE: Vintage Investment Partners; Data as of December 7, 2022
* As of December 7, 2022

Israeli Venture Capital Snapshot

The Slowdown is Here

Capital Raised by Israeli Private Tech Companies and Number of Investments





- Compared to other years, the pace of investment in 2022 is still very strong, but relative to 2021 the slowdown is evident
- QoQ it is obvious that the slowdown is accelerating

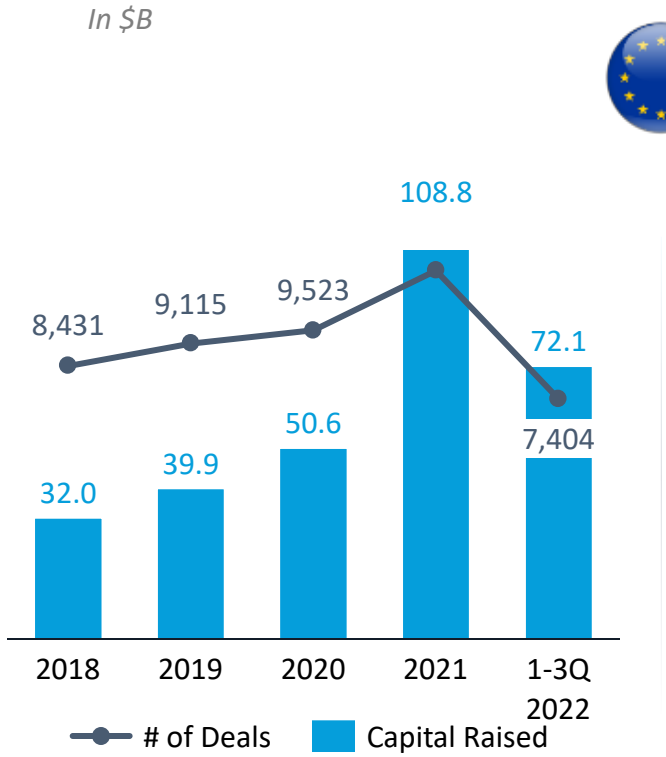
SOURCE: IVC; Vintage Investment Partners; 2021 and 2022 figures may change considering the expected lag in data; Data as of December 7, 2022
* As of December 7, 2022

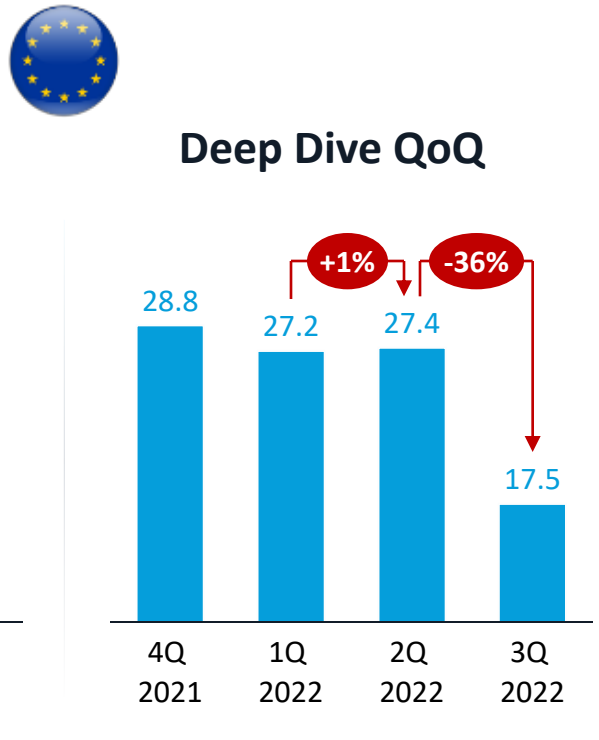
Israeli Venture Capital Snapshot

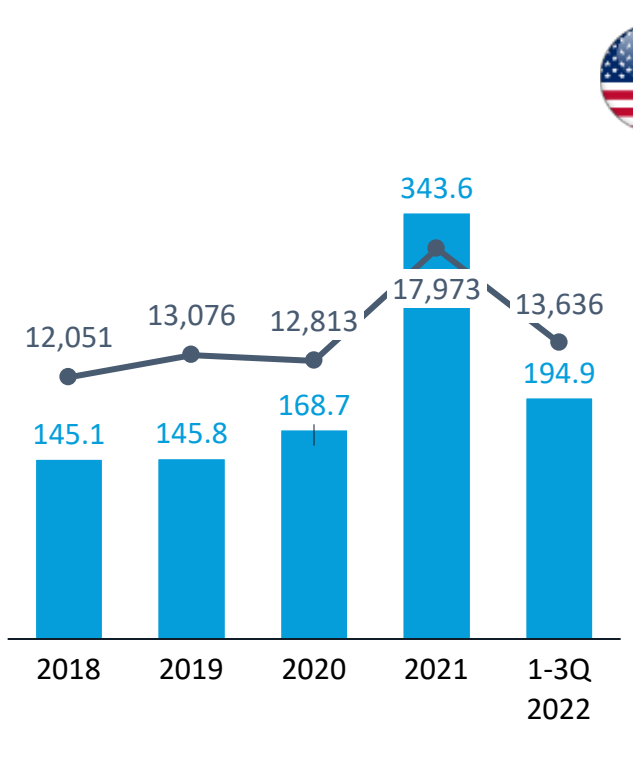
Just as it is Everywhere Else

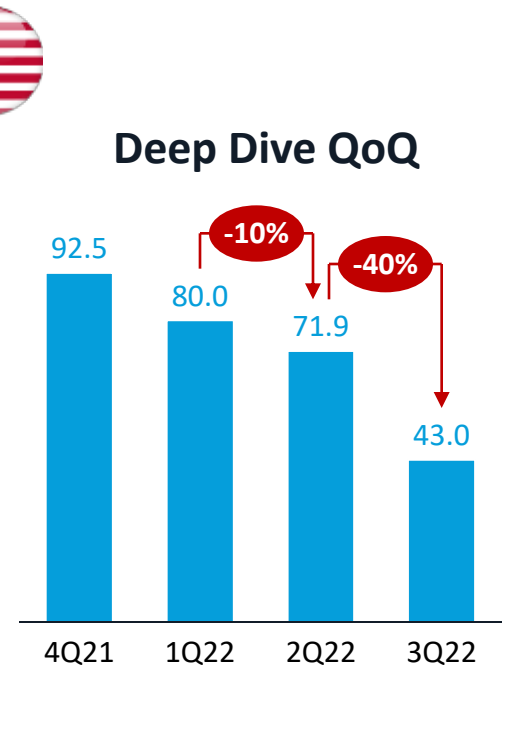
Capital Raised by European and U.S. Private Tech Companies and Number of Investments

In $B









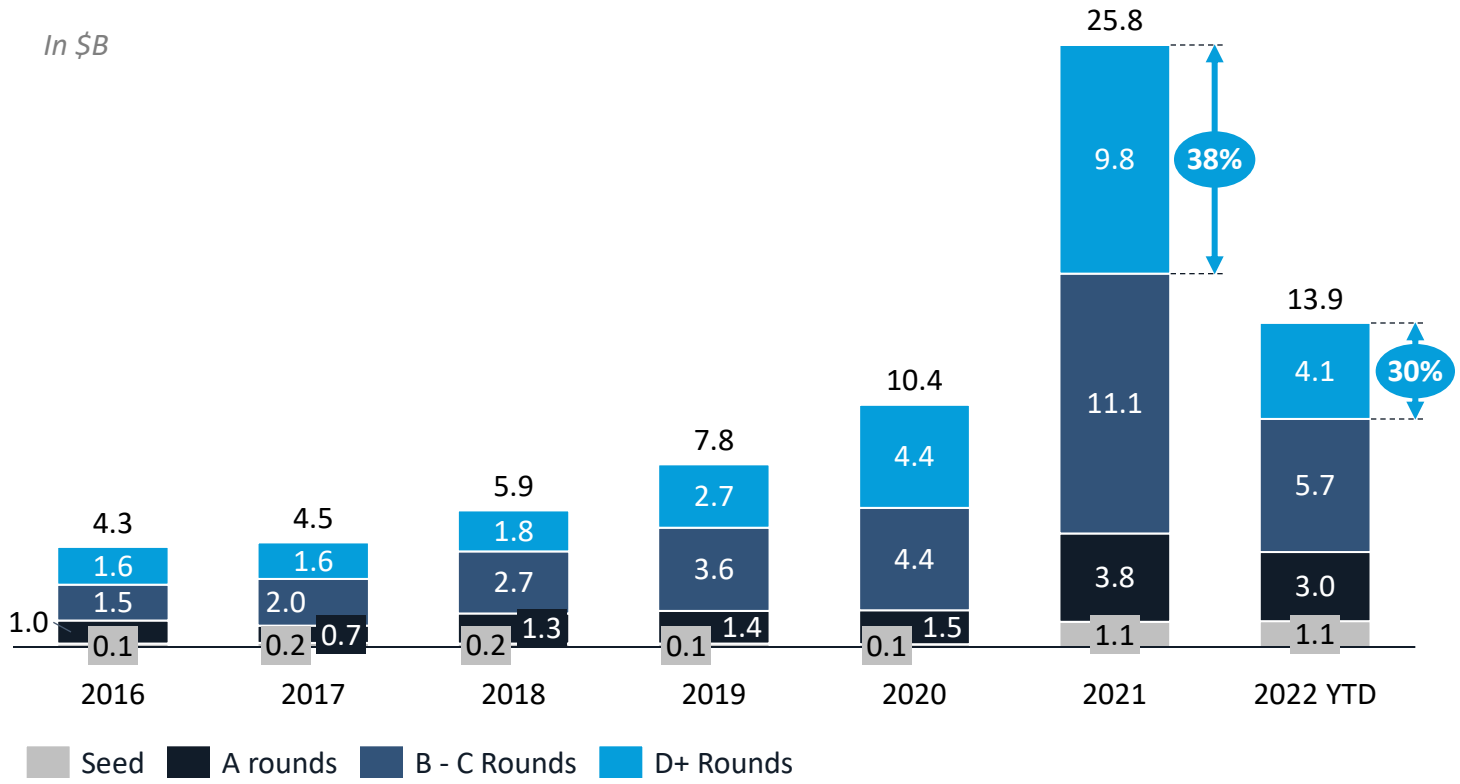
- In both the U.S. and Europe, capital invested in private tech companies started strong and then fell off a cliff
- Interestingly, Europe held relatively steady in 1H22 before materially decelerating

SOURCE: Pitchbook 3Q 2022 European Venture Report, Figures converted from EUR using average EUR:USD rate per year; Pitchbook NVCA Venture 3Q 2022; 2021 and 2022 Deal Count is an estimate considering the expected lag in data

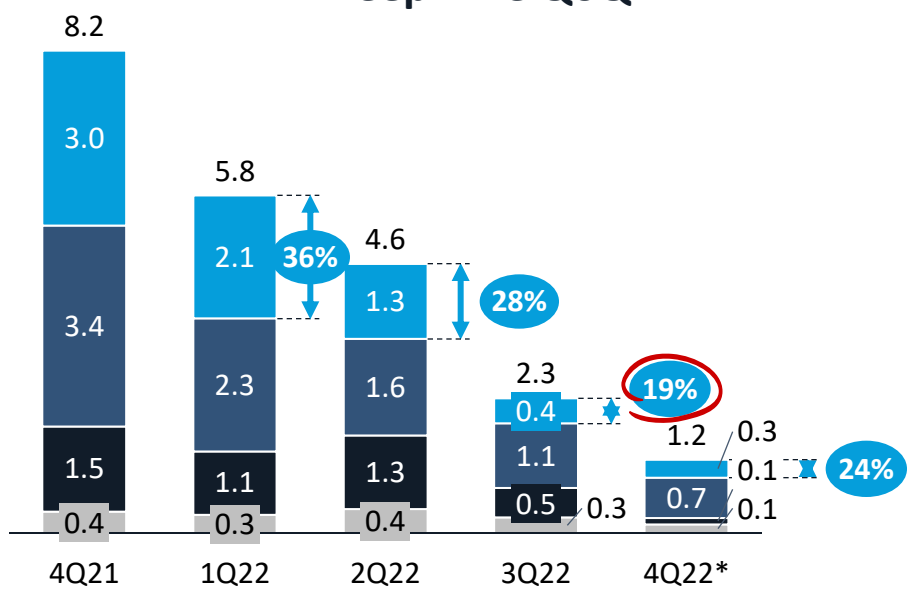
Israeli Venture Capital Snapshot

The Slowdown is Hitting the Later Stages First, Expect It To Trickle Down

Investments in Israeli VC-Backed Private Companies by Stage



Deep Dive QoQ



- Late-stage was less than 20% of total investment in 3Q 2022, half of what it was in 1Q 2022 and 4Q22 late-stage isn't much better
- Seed is the only stage that hasn't been impacted yet

SOURCE: IVC; Vintage Investment Partners; 2021 and 2022 figures may change considering the expected lag in data; Data as of December 7, 2022
* As of December 7, 2022

Israeli Venture Capital Snapshot

Mega-Rounds Decelerate & Unicorns Become Real Unicorns…Mythical

2021 Headlines

TripActions raises $275m at $7.25b valuation

TripActions raises $155 million at a $5 billion valuation

Melio triples valuation to $4 billion, raises $250 million in Series D

Rapyd raises $300M on a $2.5B valuation to boost its fintech-as-a-service API

Transmit Security raises $543M Series A to kill off the password

Cybersecurity co Snyk raises $300m at $8.5b valuation

Israeli co Redis Labs raises $310m at over $2b valuation

Snyk raises $300m at $4.7b valuation

Wiz raises $250 million at $6 billion valuation

Retail analytics company Trax raises $640m at $2b valuation

2022 Headlines

Fireblocks raises $550m at $8b valuation

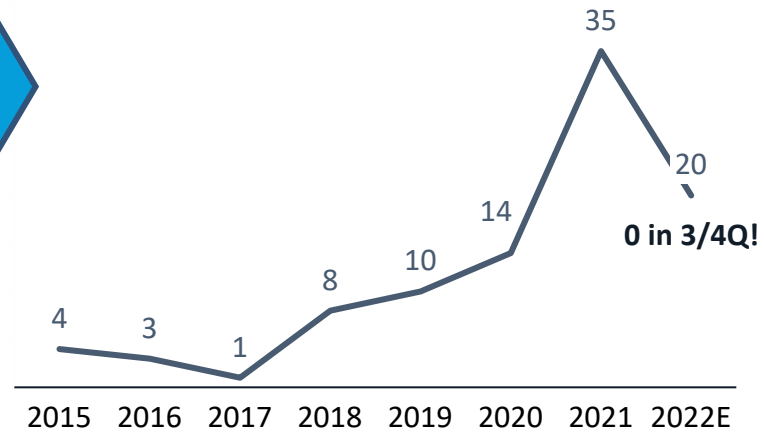
Veev Raises $400M in Series D Round

Israeli cybersecurity co CHEQ raises $150m

BigPanda Raises $190 Million in Funding at $1.2 Billion Valuation

Weeks after launch, Island hits $1.3B valuation with $115M round

Unicorn Creation

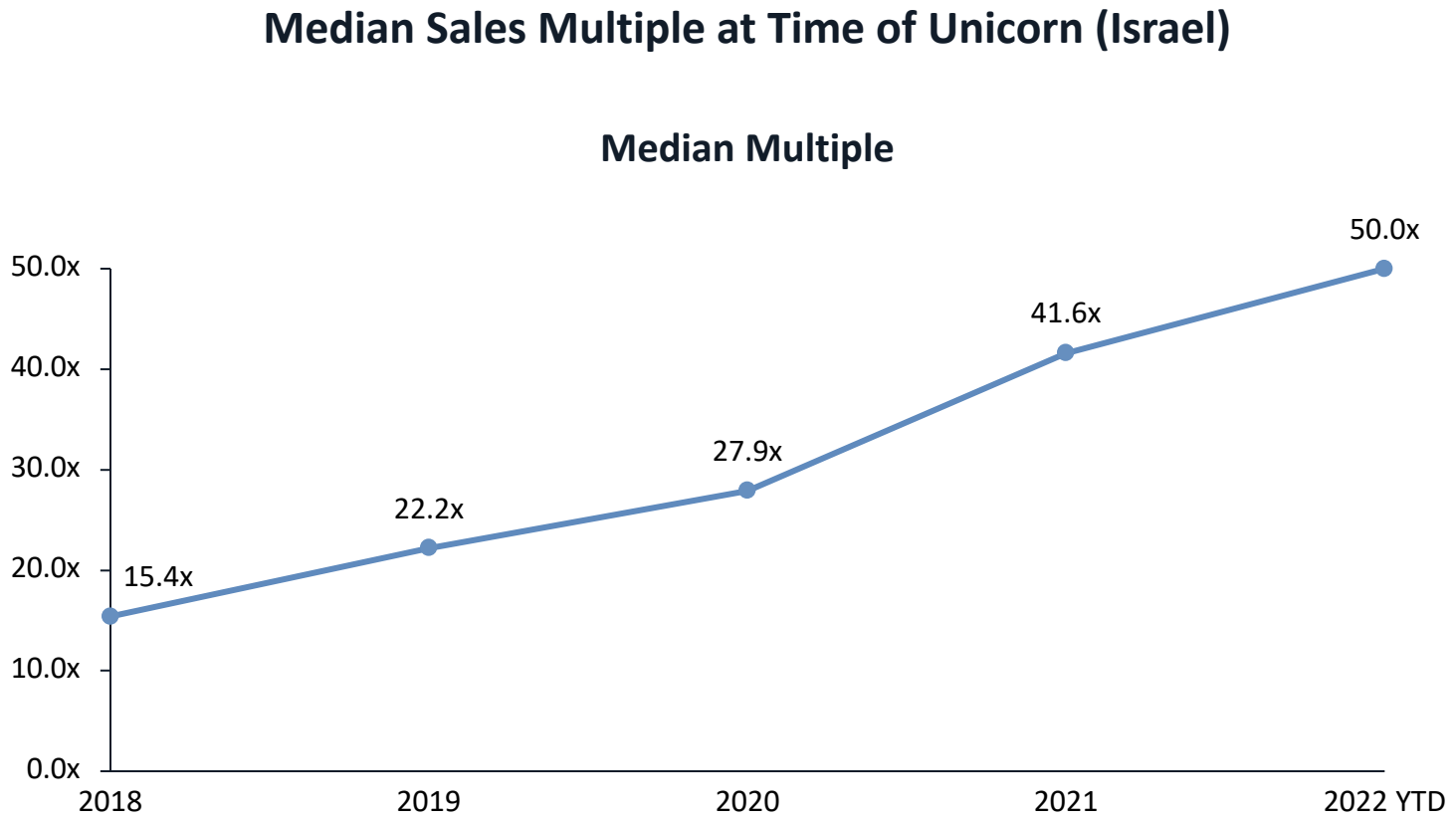


- 2022 has seen a slowdown in mega-rounds with $6.0B raised across 40 mega-rounds compared to $15B raised across 78 mega-rounds in 2021
- Consequently, Unicorn creation came to a halt in the 2H 2022

SOURCE: Vintage Investment Partners; Data as of December 7, 2022

Israeli Venture Capital Snapshot

Pricing Got Out Of Hand



- Multiples paid have more than tripled and went from somewhat reasonable to absurd
- A clear indication of the frothy market conditions created in the past couple of years
- This explains investors hesitation to invest in later-stages at higher valuations and the Unicorn drought in 2H 2022

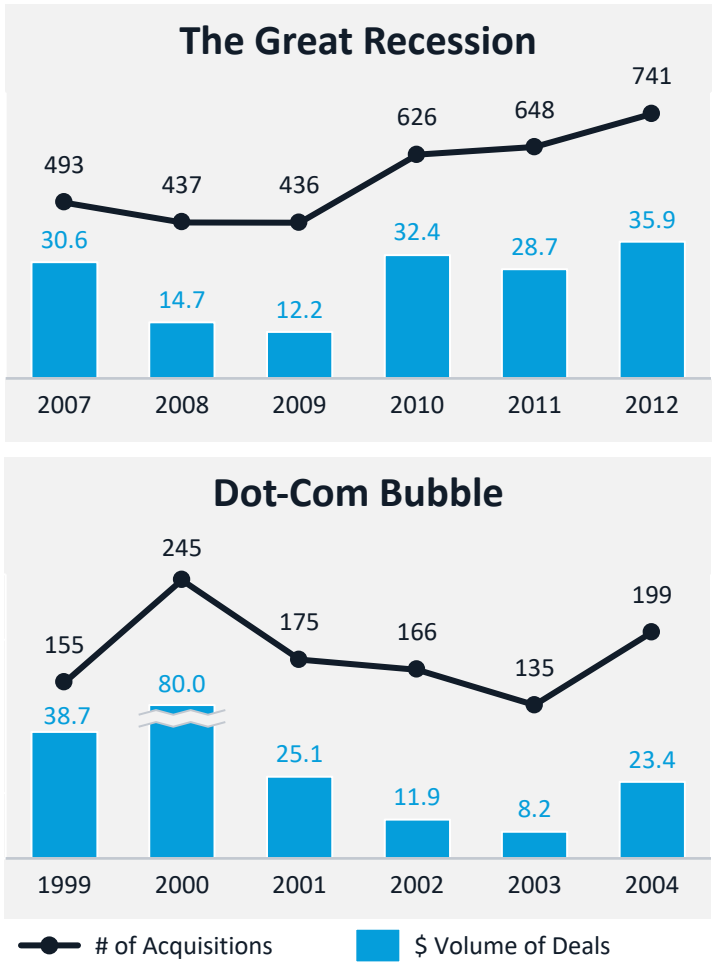
SOURCE: IVC; Vintage Investment Partners; Data as of December 7, 2022

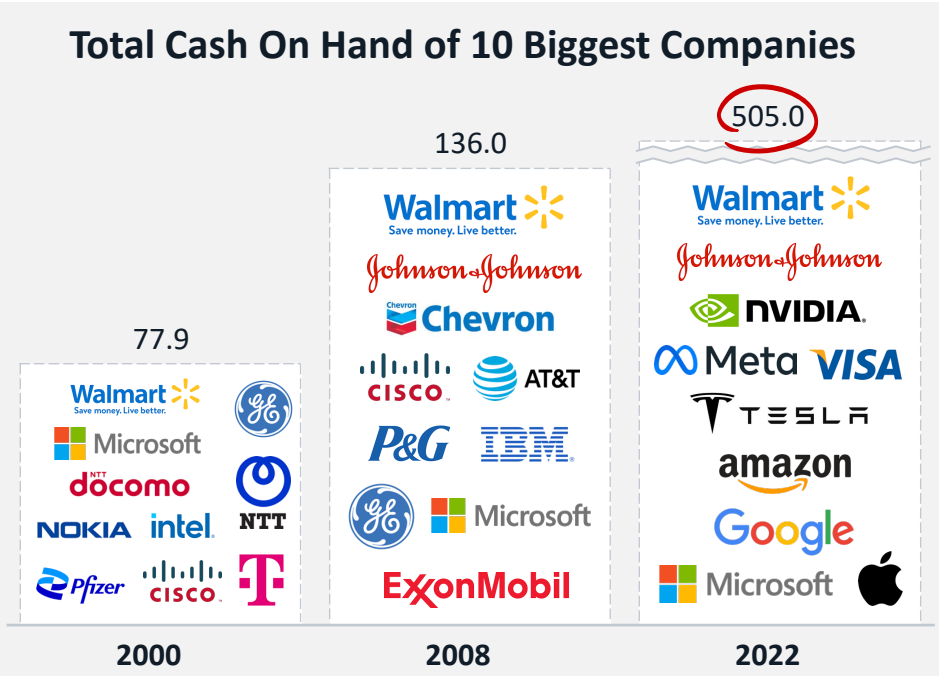
Israeli Venture Capital Snapshot

M&As Rebound 2-3 Years After a Downturn, This Time Acquirers are Better Capitalized

Dollar Volume & Number of VC-Backed M&A Deals Prior & After a Down Markets – U.S.

In $B







Adobe snaps up Figma for $20B, taking out one of its biggest rivals in digital design

Citrix To Be Acquired, Taken Private And Merged With Tibco In $16.5B Deal

- Historically, it took 2-3 years for M&A activity to rebound
- Due to available cash in big companies and PE, M&A activity may surge earlier

SOURCE: Pitchbook NVCA Venture 3Q 2022; NVCA Yearbook 2015