

# Israel: “The Power to Astonish”

## Key Drivers of Success for Emerging Tech Centers

Elan Zivotofsky  
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*“Some Americans have come to the Middle East looking for oil. We came to the Middle East looking for brains, and we stopped at Israel.”*

Warren Buffet – Sept. 2006

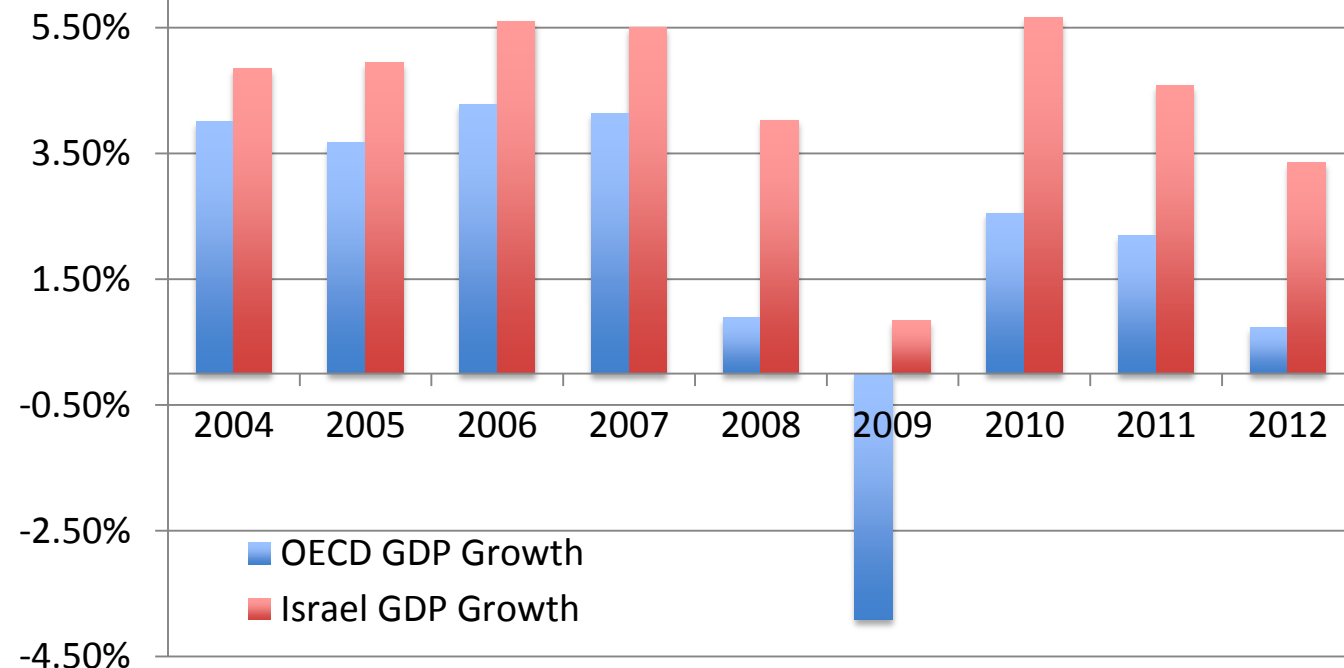
# 1) Israel

## The Economic Success Story

# “Israel: the power to astonish”

*Emerging Market Growth, Developed Market Stability*

## GDP Growth by Year

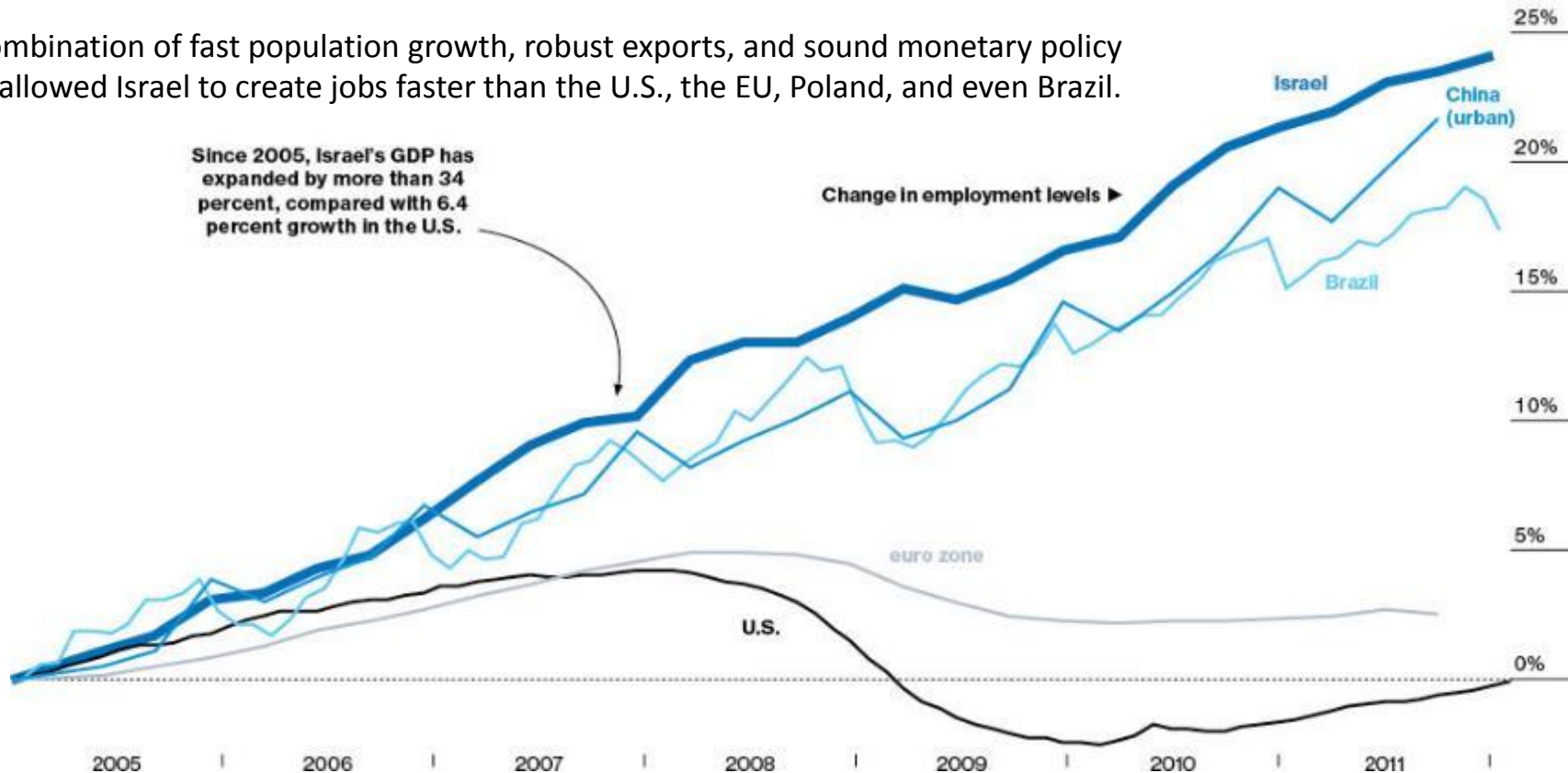


- The Start-up Nation is not a one-trick pony.
- Early rumors of a VC bubble have died out as Israel has shown its economic vitality through good times and bad.
- Since 2004 Israel has outpaced other advanced economies' growth by a significant margin.

Sources: The World Bank Group. "World Development Indicators."

# Israel beats all comers in job creation

A combination of fast population growth, robust exports, and sound monetary policy has allowed Israel to create jobs faster than the U.S., the EU, Poland, and even Brazil.



# The Israeli Economic Success Story

*“For a country with so many wars, Israel still has an economy with the power to astonish”*  
- *The Economist, April 2008*

Until 2009, Israel had more US listed companies (currently 100+) than any other country, when only China and Canada surpassed it

Per capita VC funds raised in 2000:

- Israel: \$600 per capita
- Europe: \$30 per capita

The world's highest per capita count of engineers

The highest density of high-tech startups

- Nearly 6,000 in a country of eight million people.

Exports represent nearly 40% of Israel’s economy:

- \$9B of annual life science exports; tech + life science approaches \$20bn
- Intel: “We accounted for 10% of Israel’s 2012 exports”

S&P raised Israel’s credit rating in September 2011, lifting the country to A+

Israel’s Unemployment down to 5.6% -- near 20 year low.

*“Within the 6 years after the tech bubble burst in 2000, Israel suffered one of its worst periods of terrorist attacks and fought a 2<sup>nd</sup> Lebanon war; and yet, its share of the global venture capital market did not drop—it doubled from 15% to 31%”*

**Dan Senor and Saul Singer**  
*The Start-up Nation*

# Knowledge based, tech oriented

## R&D capital of the world

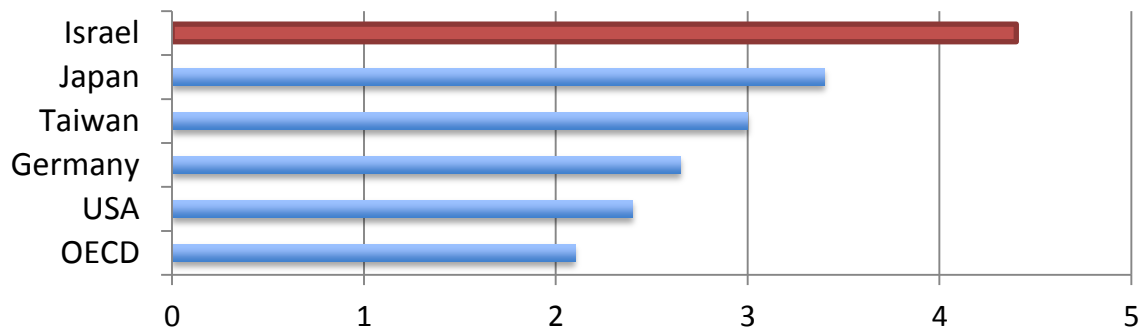
The Israeli economy is defined by its world-class capacity for innovation and its focus on R&D.

Industry-geared research institutions and military training foster a highly educated and motivated population.

*"Israel does spectacularly well on those indicators that capture technology innovation, education, human capital and this accounts for the very rapid movement of the Israeli Economy."*

**Augusto Lopez-Claros, Chief Economist,  
World Economic Forum, December 2009**

## Civilian R&D Expenditure as % of GDP<sup>1</sup>



## Quality of Scientific Research Institutions – ranking of 143 Countries<sup>2</sup>







|                |          |
|----------------|----------|
| <b>Israel</b>  | <b>1</b> |
| Switzerland    | 2        |
| United Kingdom | 3        |
| Sweden         | 4        |
| Belgium        | 5        |
| Qatar          | 6        |

## Innovative Capacity Score, Ranking of 53 Top Countries<sup>3</sup>

|               |          |             |
|---------------|----------|-------------|
| USA           | 1        | 8.24        |
| <b>Israel</b> | <b>2</b> | <b>8.00</b> |
| Switzerland   | 3        | 7.88        |
| Germany       | 4        | 7.60        |
| Sweden        | 5        | 7.52        |
| Taiwan        | 6        | 7.30        |

# Knowledge based, tech oriented

*Competitive on the global arena*

| Israel's Competitive Edge <sup>1</sup>   |   |   |                 |                 |
|--|---|---|-----------------|-----------------|
| Country Rank →                           | 1 <sup>st</sup>   | 2 <sup>nd</sup>   | 3 <sup>rd</sup> | 4 <sup>th</sup> |
| Total Expenditure on R&D                 |  | Finland   | Sweden          | Japan           |
| Flexibility & Adaptability               |  | Hong Kong   | Australia       | Brazil          |
| Entrepreneurship of Managers             |  | Malaysia  | Colombia        | Taiwan          |
| Availability of Scientists and Engineers |  | Japan   | USA             | India           |
| Venture Capital Availability             | USA   |  | Hong Kong       | Taiwan          |
| Info Technology Skills                   |  | Iceland   | Denmark         | Sweden          |

Israel is poised to remain the world's start-up capital.

A highly educated workforce, smart governance, and continued international investment opportunities provides Israel with a serious competitive edge in start-up creation over other developed countries.

## Israel Ranks:

- 1<sup>st</sup> in the world in Medical Device patents per capita
- 1<sup>st</sup> in the world in quality of scientific research institutions
- 3<sup>rd</sup> in the world for total patents per capita
- 3<sup>rd</sup> most scientific papers per capita in the world
- 2<sup>nd</sup> in the world in public expenditure on education

## 2) Serious results

***“We see the opportunities, and we think that we should increase our bet here.”***

**Marcos Battisti ,Director,  
Intel Capital Western Europe and Israel  
- July 2012<sup>3</sup>**



# Israeli High Tech Investment

*A great decade gets even better*

## Israeli high-tech capital raising

**\$3.4B in  
2014, \$1.1B  
in Q4 alone**

■ Israeli VC Share ■ Other Investors

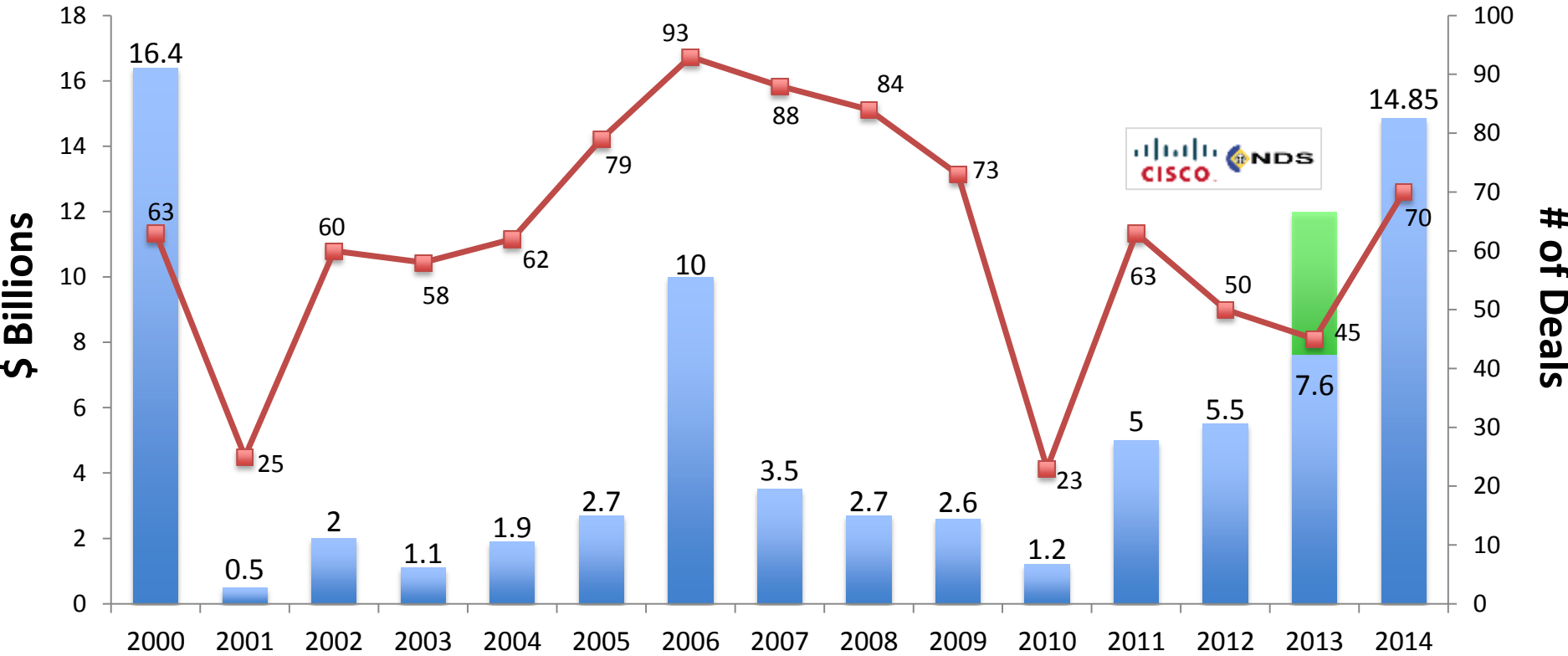
Hundreds of Millions of \$

**Foreign VC at 85%,  
an all-time high**

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

Source: IVC Quarterly Survey, Q4 2014, IVC Research Surveys 2010-2014

# Trends: Israeli M&A



Source: PwC Israeli Exits Report 2014

# Serious Results

*"If Silicon Valley didn't exist, Microsoft would still be able to get some great ideas and acquire new technologies – In Israel!" – Microsoft CEO, Steve Ballmer, Nov. 2012*



**Between 2005 and 2012,  
these companies all  
bought at least one  
Israeli start-up.**

**Some headlines from Feb-Mar 2014 that highlight the drumbeat of acquisition activity in Israel:**

- "Japanese giant snags Viber"*
- "MobileFun acquires Israeli vendor PlayFect"*
- "Google buys Israel's cyber security startup SlickLogin"*
- "Wix buys Israeli mobile platform Appixia"*
- "Yandex buys KitLocate"*
- "Palo Alto Networks buys Israel's Cyvera"*
- "JinPeng buys Israeli high-tech provider"*
- "Ping Identity snaps up Israeli startup Accells"*
- ..... and so on....**

*Intel has invested in 64 start-ups in Israel and employs 8,000 people. IBM has purchased 11 companies, Cisco has purchased 9, the list goes on and on. . .*

# International investors are taking note



# Multinationals' "boots on the ground" in Israel



**50%** of hi-tech workforce  
in multinational centers

**300** centers around Israel

Huge players in the economy:

Cisco purchase of NDS: **\$5B**

Cisco: **13** acquisitions

Broadcom: **10** acquisitions

Intel/Isar : **10%** of Israel's exports

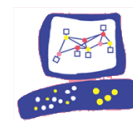
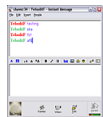
Sources:

1 Intel Israel exports doubled in 2012 – Globes  
February 17th

# Israeli Companies are Leaders in Profit Driving Innovation

*Israeli companies developed many of the technologies we all use*

- ◆ Use a PC . . . . The Intel MMX, Pentium-4 & Centrino chips were designed, developed, and produced in Israel
- ◆ Make some calls . . . IP telephony was invented by VocalTec and AudioCodes; Cordless phones powered by DSPG
- ◆ Leave Voicemail . . . . Comverse Technology is the world leader in Voicemail and SMS systems
- ◆ Use a Disk On Key . . . . Disk-on-Key was invented and first sold by M-Systems (now part of SanDisk)
- ◆ Try to Hack Into a Computer . . . . Checkpoint is by far the world leader (and the inventor of) Firewall Software
- ◆ Call into a call Center . . . . Two companies (NICE and Verint) are world leaders in monitoring and Recording Systems
- ◆ Get Wiretapped (huh?) . . . . Verint is a global leader in digital audio and video surveillance analytic tools
- ◆ Use a Cell-Phone. . . . . Original cell phone technology was developed and continues to be produced in Israel
- ◆ Watch a Flat Panel TV . . . . Orbotech sells critical inspection equipment which is used by virtually all TV manufacturers
- ◆ Get some help on the Internet . . . . LivePerson sells the software than enables live-chat for leading Internet retailers
- ◆ Send an Instant Message ICQ (now AOL Instant Messenger) was invented in Israel



## **3) Causes**

**Why Israel? What lessons can be learned**

# Why? The Key Ingredients Which Have Lead to Success

- Culture
- Human resources . . . It's all about the people
- Favorable Government Policies – Leading to Availability of Capital
- Army training, development and experience
- Academia
- Required resources *working together* : govt., universities , brain power, funding



# Why? The Key Ingredients Which Have Lead to Success

## It's the Culture

- Small Geographical entity -- 2 hour drive to anywhere (like Silicon Valley?)
- Risk taking is endemic; Its OK to fail (life and failure are in perspective)
- Going Global from Day 1
- Everyone questions authority
- Informality is a way of life (bibi, dudu, chemi, bogi), flat social organization
- Immigrants and immigration are accepted and encouraged
- Pioneering ethos; the “whole country” was startup



# Why? The Key Ingredients Which Have Lead to Success

## Governmental Support

- Yozma (1993) – Govt. backed kickstarter for the venture capital
- Results:
  - 2 funds @ 10m each to 10 funds >20m in 3 years
  - Currently 70 local funds (14 international) + 220 active international funds
  - 58m in 1991 to 3.3b in 2014
- Favorable Taxation for export/technology related enterprise
- Tax-free industrial parks
- Strong financial incentives for foreign companies (e.g. Intel)

# Why? The Key Ingredients Which Have Lead to Success

## The IDF – Israel’s not-so-secret weapon

- Elite technical units are a key (and cost effective) training ground
- Technology/intel units have the latest tech and “toys”
- Best and brightest work as teams, take risks, and lead
- Learn how to innovate and build products fast and cheap
- Meet/bond with friends and partners for life
- **Cutting edge technologies in software, communications, security, optics, video, networking, etc.**
- **Military technologies applied to unlikely areas...**



*Plus, it puts risk taking in perspective!*

# Human Resources: Is it just cheap engineering talent?

- **2011 saw 40% of Intel's revenues come from the product lines developed by Intel Israel in Haifa**
- **Last year, Intel finalized their next Israel expansion: \$6B investment over the next decade to build out R&D facilities and a new fab plant**
- Intel Israel produced the 8088, Pentium M, Sandy Bridge architecture (i3, i5, i7) and also developed Intel's next generation architecture, Skylake
- **For products so critical to Intel's success, there is no way Israel is just a cost-first choice**



Harry Bosco,  
exec at Lucent

**"Israel has the best engineers in the world... I view Israel as a tremendous source of technologies"**

# Doing more with less

## Climate/geography facts:

- Half of Israel is desert -- Less than 20% arable land



# Doing more with less: limited arable land

## But...

- Israel 95% of agriculture produce independent
- Significant citrus exporter, world's largest date exporter, etc...
- Exporting agricultural expertise globally

“New York's finest caviar: All the way from a socialist kibbutz in northern Israel”

*New York Times, April 2012*



# Doing more with less: limited arable land

## ***World leader in reclamation of desert and uninhabitable lands:***

- Reforestation, agriculture in the desert, rehabilitation of degraded land
- Only country to increase # of trees from 20<sup>th</sup>-21<sup>st</sup> century
- Underground & artificial environment fish breeding
- High-efficiency dairy



**“In Israel’s desiccated Arava valley... temperatures topping 45 degrees C – they breed fish”**

Stock Journal  
*Farming Fish in Israel’s Deserts*  
August 22, 2012

# afimilk®

The Heart of the Dairy Farm  
World leading expertise in efficient dairy farming out of Kibbutz Afikim.



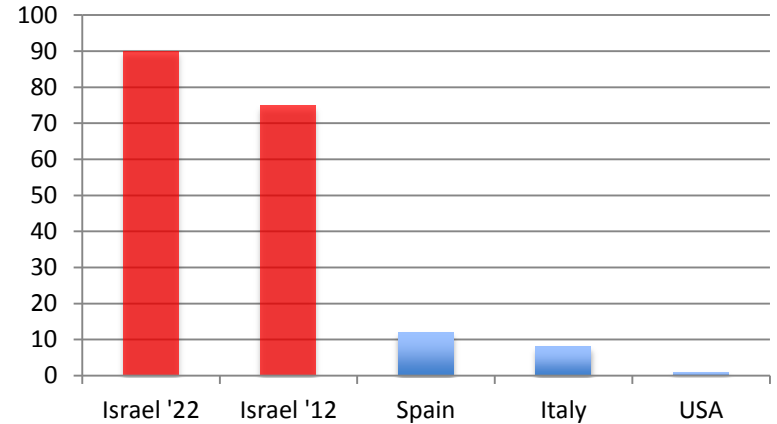
**“Kibbutz wins \$500 million tender for Chinese dairies”**

Jerusalem Post Headline  
Setting up multiple centers of excellence throughout China

# Doing more with less



% wastewater reclaimed for use – top countries



**“Israel should be proud of being at the forefront of green innovations for water management; these innovations can be decisive in managing scarce water resources”**

**Angel Gurría  
Chair of OECD  
June 6<sup>th</sup>, 2012**

**nirosoft**  
TREATING WATER WORLDWIDE

**amiad**  
WATER SYSTEMS

**ARKAL**  
BY AMIAD

**IDE**  
technologies ltd. WE MADE OUR MARK IN WATER

**ODIS**  
IRRIGATION EQUIPMENT LTD.

**AYYEKA**

**Aqwise**  
water solutions

**TaKaDu**



# Top-tier academic institutions & cooperation channels – capturing value without stifling innovation



T<sup>3</sup>: “Taking Innovation from Technion to Market”

## T<sup>3</sup>'s commercialization channels

**Entrepreneur in Residence** program, in which entrepreneurs are engaged in a joint effort to identify technologies and form companies.

**The licensing of Technion intellectual property (IP)**

Incorporation of spin-off companies based on Technion IP through within the framework of incubators.



*Over the past four years, thirty-eight 3DS events on four continents have given rise to 28 companies receiving \$8 million in funding. Thirteen companies from 3DS have been accepted to accelerators such as Y Combinator, TechStars, and 500 Startups*

# Bulgaria: The Ingredients for a Tech Hub

- A great Talent Pool
- Going Global from Day 1; export focused
- Govt. Support
- Multinationals coming in big
- VC money starting to flow and first serious exits.

*"Bulgaria's IT sector employs over 20,000 professional software engineers in R&D companies,. The software R&D sector alone is expected to grow by 15 percent in 2014, after an 11 percent rise in 2013, breaking the \$1bn barrier accounting for 1.74 percent of the country's GDP - a fivefold increase in nine years. **65% of the industry's revenues are from export**, mainly to the rest of EU and the US," -- BASSCOM Report.*

*"Bulgaria is home to advanced IT centers serving multinational companies, [and] focuses on software development for captive players such as CSC and SAP," -- 2014 AT Kearney Global Locations Services Report*

*"Bulgaria offers the sixth lowest tax levels in the EU and the European Free Trade Association for a medium-sized company" ---[PricewaterhouseCoopers' Paying Taxes 2015 analysis](#).*

***"Bulgaria ranks third in the world for certified IT professionals per capita**, among the key advantages . . .are the highly qualified workforce and competitive pricing."* Konstantin Konov, managing director, Luxoft

# Bulgaria – Seeds of early VC scene taking root.

**“We see a lot of additional opportunities exactly in this segment - IT professionals and startups. Sofia is one of the most promising startup hubs in Eastern Europe,”** --spokesperson for Microsoft Bulgaria

Top developer talent – results from 2015 study of Stack Overflow, major developer resource, networking & job finding site



*“Another way to look at the country numbers is to determine the average country ranking of Stack Overflow users. On this basis, **Bulgaria has the highest average reputation among top users in the world... In other words, if you are top user in Bulgaria, chances are you a Stack Overflow rockstar.**”*

- VentureBeat April 2015



*“In 2012, a nuclear bomb of sorts blew up in the country’s capital, Sofia. It was around the time when the European Investment Fund (EIF) allocated 21 million euros to two venture funds – Launchub and Eleven through the Joint European Resources for Micro and Medium Enterprises (JEREMIE) program.”*

--Tech.EU 2014 report on Bulgarian tech

# Some lessons for Bulgaria from Israel: role of government and early funds

## Government Sponsorship and Initiation: Yozma

- Yozma I ('93), II ('98), III ('02)
- \$220M across 50 companies
- De-risking investments & seeding the massive flow of foreign venture capital
- Key advantages of VC mindset vs grants & “free money”

“Yozma earned worldwide recognition as the founder of Israel's VC industry. Our seasoned and cohesive management team, working together since 1993, possesses more than 70 years experience making direct investments in high growth tech companies.”



-Yigal Erlich, founder  
& chair of Yozma Group

# Potential Policy Directions / Projects

- Bulgaria – Israel Binational Research Fund
  - See model established by **BIRD** – US/Israel binational research fund
- Trade missions between countries – keep focus on specific industries of interest
- Government tax incentive programs – Israel as a model
- Recruit Israeli companies for Bulgarian “knowledge cities” – possible avenue to implement experimental incentives
- Crowdfunding platform to open the gates to venture capital and angel investing in Bulgaria

# Start-up Nation: What it's all about

***“The great irony of the Start-up Nation story is that Israel has transformed the challenges it has faced into assets that form the cornerstones of the culture of innovation. Adversity of all kinds, such as being under attack, small, isolated, and lacking resources, have forced Israelis to be resourceful, to do more with less, to innovate and to be global from day one.”***

*--Dan Senor and Saul Singer, Authors of The Start-Nation*

***“A key Lesson from Israel is that innovation is not just something that goes on inside companies; it comes from a wider culture that fosters both innovation and entrepreneurship. Israel is a country of immigrants –there are over 70 nationalities represented in this tiny country. 2 out of every 3 Israelis are newcomers or children or grandchildren of newcomers. Immigrants are natural risk takers since they were willing to uproot themselves and start over.”***

*-- Dr. Orit Mossionson, Partner Global VC Holdings*

## 4) Recent Trends

What are we seeing now?

# Serial Entrepreneurs – Coming back for bigger exits



**Shlomo Kramer**  
Check Point, co-founder  
Imperva, founder  
Trusteer, founder



**Uri Levine**  
Waze, co-founder  
FeeX, co-founder



**Yuval Tal**  
BorderFree, co-founder  
Payoneer, founder





# Here Comes Private Equity

## Promising early days of Israeli PE



Buffet's 2006 bet –  
from \$5B to \$10B



2012 Preqin ranking:  
**Top 10 of 160 buyout  
funds worldwide**



Bezeq earns Apax  
4x between 2005  
and exit in 2009



Apax makes 5x on  
Tnuva between  
2008 and 2014



Fortissimo turns  
\$12M into \$100M  
by 2010 IPO

# Here Comes Private Equity

Internationals continuing to turn to Israel

The logo for Blackstone, featuring the word "Blackstone" in a white serif font centered within a solid black rectangular background.

“Blackstone plots Israel office amid surge in buyout interest”  
**WSJ, March 2014**

The logo for Apax Partners, with "Apax" in a large, bold, black sans-serif font and "PARTNERS" in a smaller, all-caps, black sans-serif font below it.

“Apax’s new \$300M Israel mid-market fund to start investing”  
**Reuters, November 2014**

The logo for Everbright, consisting of a blue stylized 'E' icon followed by the Chinese characters "光大控股" and the English name "EVERBRIGHT" below it.The logo for Catalyst Investments L.P., featuring a stylized blue and black 'V' or checkmark icon followed by the text "CATALYST INVESTMENTS L.P." in a grey sans-serif font.

“China Everbright and Catalyst Equity Mgmt have agreed... to establish a PE fund that will invest in Israeli companies... \$200-300M”  
**Reuters, October 2013**

# What's coming up next from Israel...



Israel's strength with embedded systems lays fertile ground for **Internet of Things**



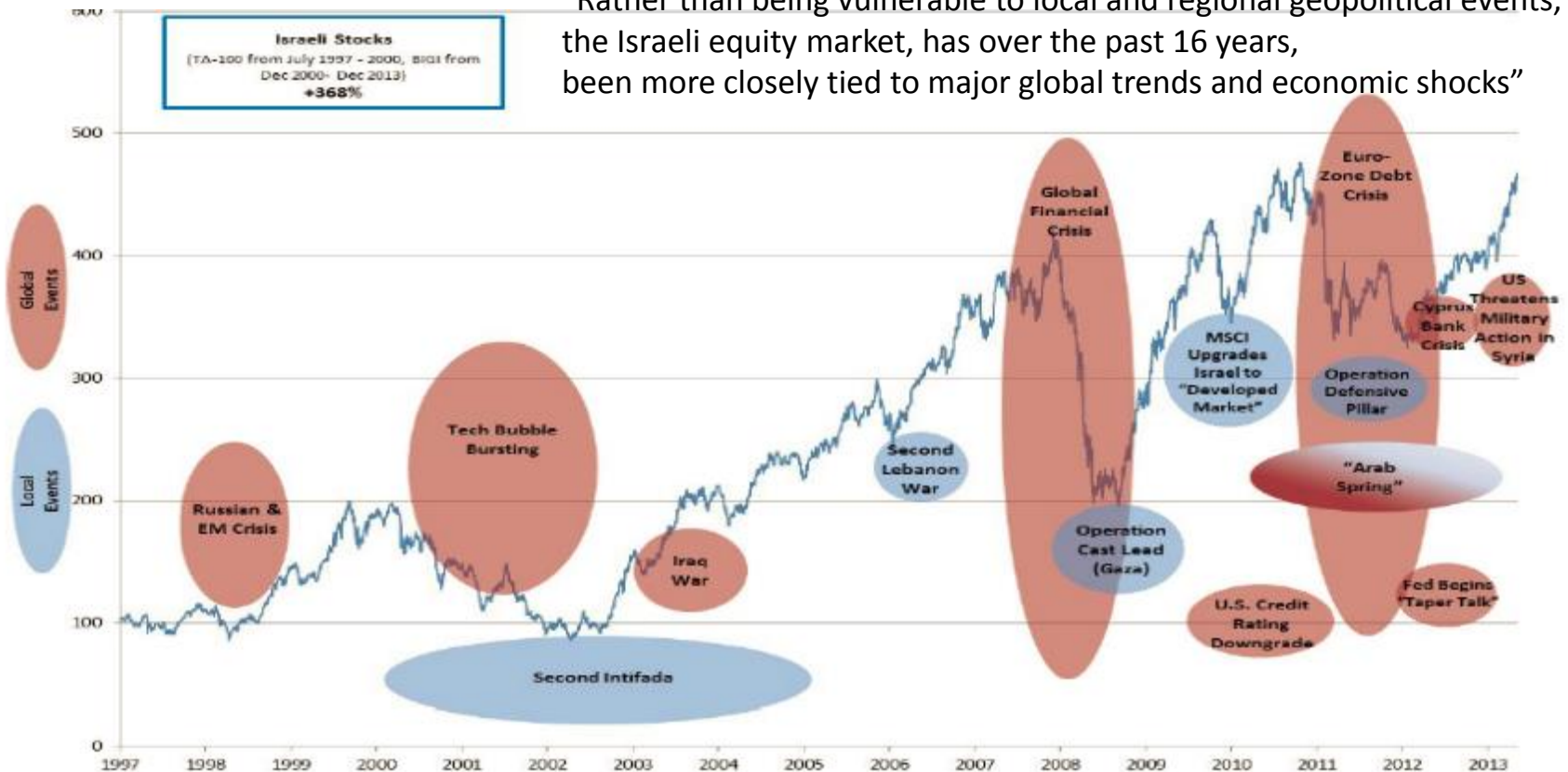
And the mainstay thanks to the IDF... **Cybersecurity**



We have the engineering base for growing in **Big Data & Analytics**

# Israeli equities :Global not Regional effects

“Rather than being vulnerable to local and regional geopolitical events, the Israeli equity market, has over the past 16 years, been more closely tied to major global trends and economic shocks”



Source: BlueStar "Investing in Israel: Impact of Geopolitical Risk" Feb 2014

## 4) OurCrowd

A better way to invest in start-ups

OurCrowd enables  
accredited investors to invest  
alongside us  
in great start-ups, at great terms

# World-leading stats

**62**

Companies  
in portfolio

**\$120M+**

invested

**8000**

members

**50+**

countries

**~25**

Up-rounds

## Co-investors



## Investors' traditional dilemma

### Venture Capital

OR

### Angel Investing

- Exposure to top dealflow
- Professional due diligence
- Legal issues/termsheets handled by firm

- Independence, self-selection
- Low/no management fees
- No large upfront commitment



**BUT**

Services and management of a venture fund,

- Large Commitment
- Hefty management fees, carried interest fees
- No control, no choice

**BUT**

flexibility and choice of angel investing.

- Very limited dealflow
- Term sheet negotiations
- Limited due diligence capabilities



# OurCrowd

A hybrid of venture capital and crowdfunding



Dealflow of  
2000+ companies  
per year



OurCrowd invests  
its own money in  
2-3 per month



OurCrowd  
negotiates deal  
terms and handles  
legal work



Open the  
investments to  
the crowd  
- same terms,  
\$10K minimum

# OurCrowd Overview

- ✓ Global leader in equity crowdfunding
- ✓ Raised over \$120M for 60+ companies
- ✓ 33 companies with over \$1m raised, 10 deals over \$3M
- ✓ First follow-on deal funded in 4 hours, ~20 follow-on deals
- ✓ High-quality, diverse pipeline of new & global deals
- ✓ 8000 Accredited investors, 800 active
- ✓ Average active investor committed to almost \$100K on site
- ✓ Experienced investment team - 150 years VC experience

# OurCrowd's Leadership Team



**Jon Medved** *Co-Founder & CEO*

- Washington Post: "one of Israel's leading high tech venture capitalists"
- 12 exits >\$100M
- Co-founder, CEO of VRNG
- Founder & GP Israel Seed Partners, \$260M AOM



**Elan Zivotofsky** *General Partner Investments*

- 15yrs experience in Israeli investing
- Managing Partner at Prelude Israel
- Former Head of Technology Banking, Lehman Brothers Israel
- Top-ranked Israeli tech research analyst for Goldman Sachs



**Geoff Levy** *Chair of Advisory Committee*

- Extensive experience in law, banking and investing
- Non-Executive Chairman of Monash Private Capital, Specialty Fashion Group and Cromwell Property Group
- Non-Executive Deputy Chairman of Investec Bank (Australia) Limited



**Steven Blumgart** *Co-Founder & Chairman*

- Co-director of Glencore's aluminum division
- Senior executive, management committee at Glencore 1998-2012



**Pini Lozowick** *General Partner*

- General Partner at Alta Berkeley
- Among first employees at Broadcom, Dir. Marketing
- Chairman of Provigent
- Founder and GM of Verisense
- 5 exits; total value \$3B



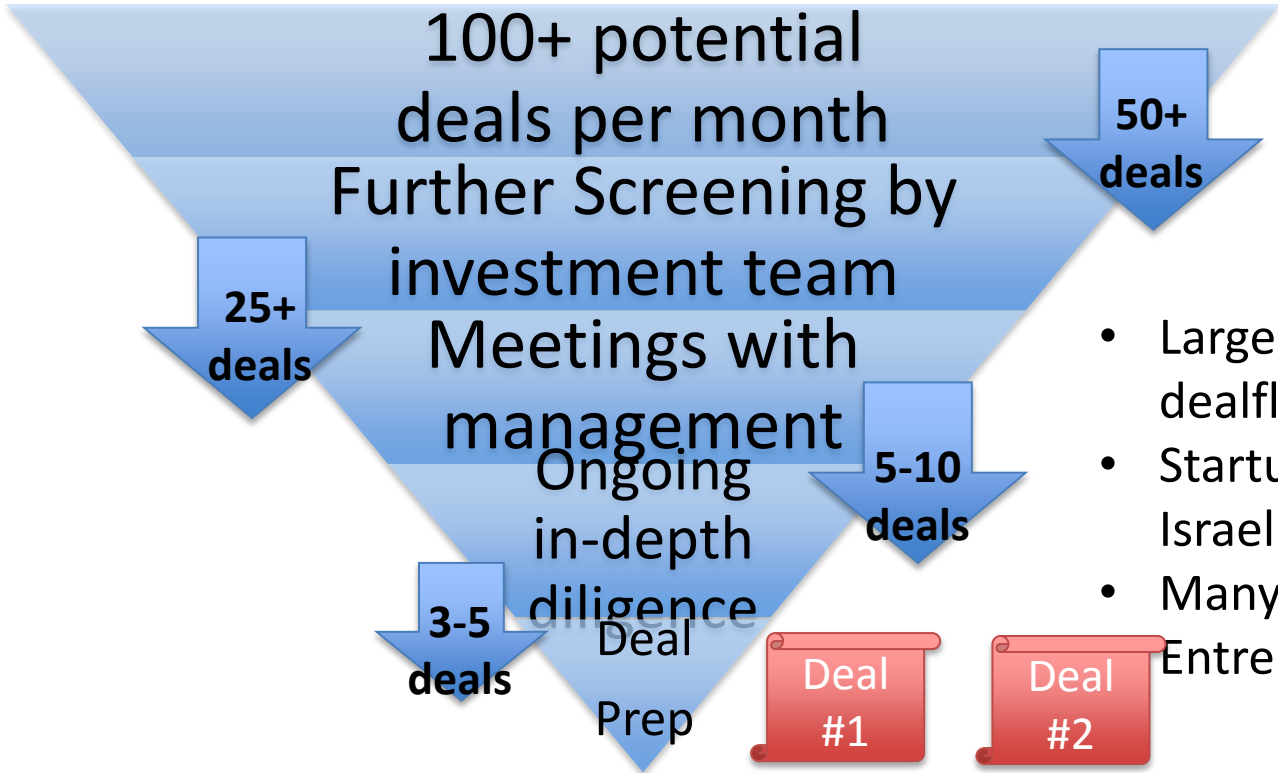
**Gadi Mazor** *General Partner & CTO*

- Serial entrepreneur in mobile/wireless
- US Senate Advisory Board
- RIM entrepreneur of the year 2013
- Ex-8200

# ACCESS



# Dealflow – funnel and process



- Large volume of quality dealflow
- Startups from across the Israeli tech sector
- Many Serial Entrepreneurs

# 6 Key Investment Criteria

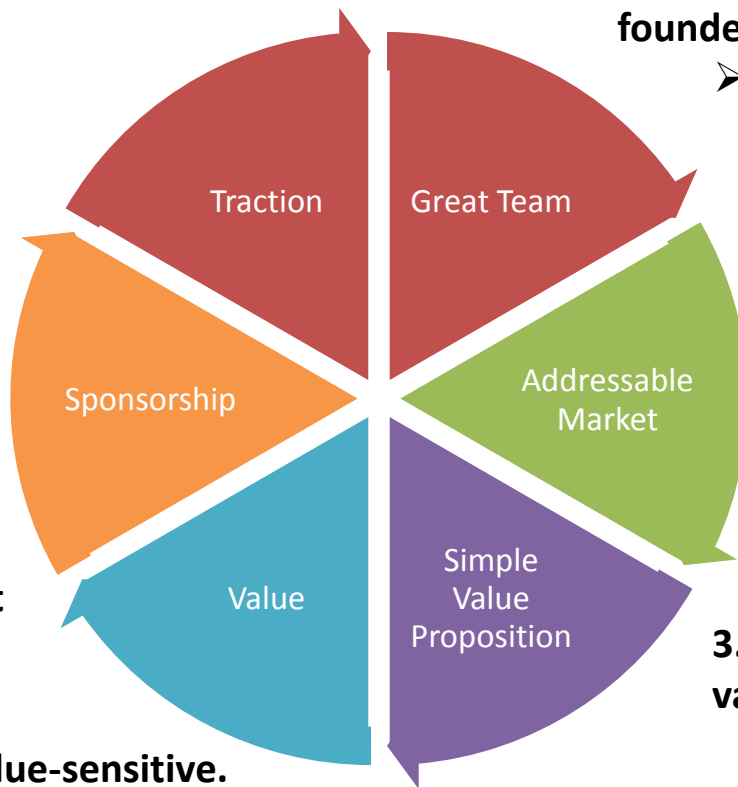
**4. Traction: Investing in early stage companies, but not just ideas or pre-prototype.**

- Early product, users, customers, partners & revenues

**5. Sponsorship: Investing in startups/building early stage companies is a team sport.**

- Board, advisors, **smart investors**

**6. We seek “deals” and are value-sensitive.**



**1. Great team: Successful startups are founded by great people.**

- We pay special attention to successful serial entrepreneurs.

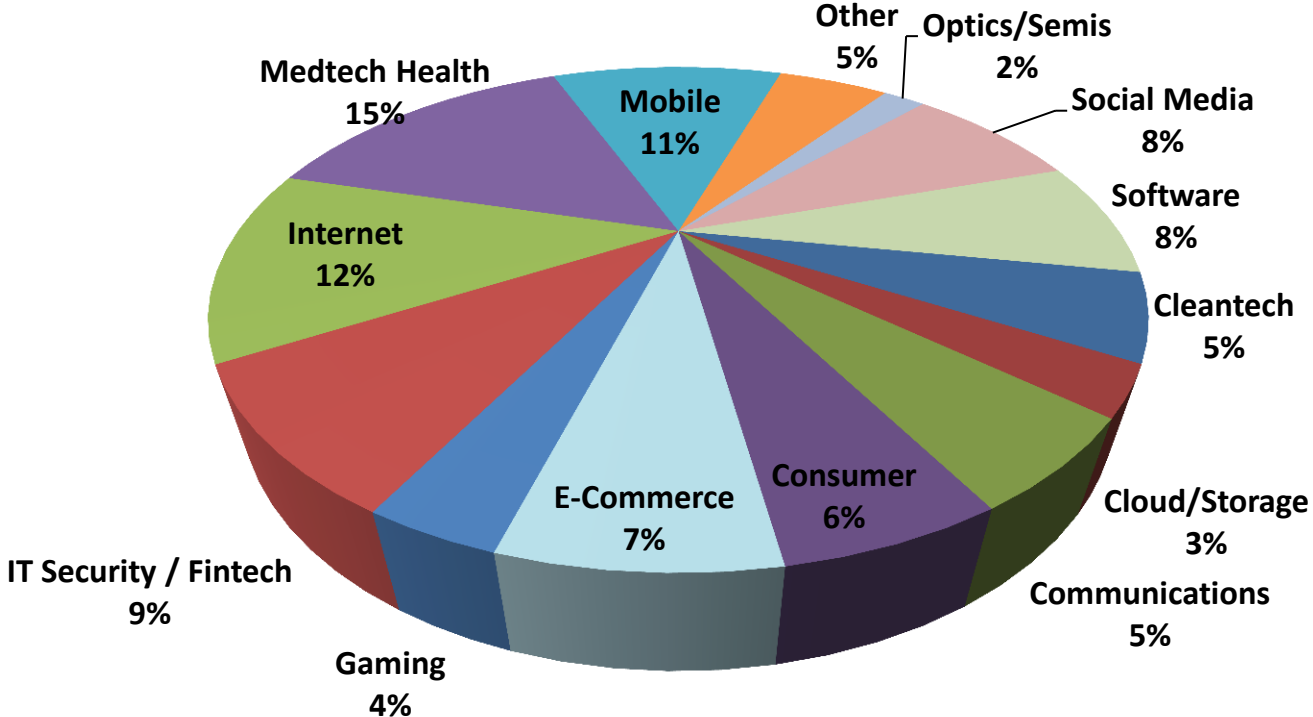
**2. Market: The startup must address huge market growing like a weed.**

- No arcane ideas addressing niche markets.

**3. Easy to understand: a simple value proposition.**

- Easily understood by us AND by “our crowd”.

# Diversification across sectors



# Diversification across stages





# OurCrowd's Portfolio – 60+ companies



# Co-investing with leading investor groups

*Top-tier funds and institutional investors*



# Co-investing with leading investor groups

*Top-tier funds and institutional investors*



*\* Investor opting for anonymity*

# The Story of Consumer Physics (SCiO)



Miniaturized near-IR spectrometer, allowing for first hand-held molecular sensor. Applications: measuring nutritional information in foods, identifying allergens, authenticating precious metals and leathers, etc.



<https://www.kickstarter.com/projects/903107259/scio-your-sixth-sense-a-pocket-molecular-sensor-fo>

# The Story of Consumer Physics (SCiO)



Crowdfunded seed round on OurCrowd - \$375k raised | 2013

Launched consumer product on Kickstarter in 2014

Opened follow-on via OurCrowd – raised \$3.3M within two weeks

Product launch - \$2.8M in preorders

KICKSTARTER



12,958  
backers

\$2,762,571  
pledged of \$200,000 goal

0  
seconds to go

Project by  
Consumer  
Physics, Inc.  
Tel Aviv, Israel

First created · 0 backed

Product launch on Kickstarter at \$200 price point saw **over \$1.2M in pre-orders within a week.**

Rave reviews in media: VentureBeat, CNN, Bloomberg, Forbes, BBC, Fox, Gizmag, TechCrunch  
Validation of strong demand for consumer-friendly health-focused devices at ~\$200 price point.

# ReWalk: Enabling Paraplegics to Walk

# ReWalk

Paraplegics face immense social and medical difficulties living wheelchair-bound. Israeli entrepreneur Dr. Amit Goffe developed the ReWalk for over a decade to produce a device uniquely capable of alleviating key medical complications that come from a paraplegia and allowing paraplegics to walk, climb stairs, and even complete marathons.

**Argo – advanced robotics allowing paraplegics to walk again**



# ReWalk: Enabling Paraplegics to Walk

## ReWalk

**Argo – advanced robotics allowing paraplegics to walk again**

**May 2013:** ReWalk opens round with existing investors, Pontifax and SCP Vitalife. OurCrowd wins access.

**June 2013:** 57 individual investors from 9 countries raise a total of \$1.3M for ReWalk. Average individual investment is \$23,150.

**September 2013:** Japanese robotics giant Yaskawa invests \$10M at a 20% premium to the valuation at which OurCrowd came in.



# ReWalk: Enabling Paraplegics to Walk

# ReWalk

**Argo – advanced robotics allowing paraplegics to walk again**

**June 2014:** ReWalk granted FDA approval for its at-home-use product. It is the first and only exoskeleton to be cleared for sale in this key market.

**July 2014:** OurCrowd investors participate in ReWalk's Series E raise with \$2.59M. One week later, ReWalk files for IPO.

**September 2014:** ReWalk goes public on NASDAQ (RWLK).

**25.60**

**+13.60 (113.33%)**

Pre-market: 27.51 +1.91 (7.46%)

Sep 15, 4:40AM EDT

NASDAQ real-time data - Disclaimer

Currency in USD

Range 11.50 - 30.00

52 week 11.50 - 30.00

Open 12.00

Vol. 1,250.00

Mkt cap 294.84M

P/E -



## RWLK's IPO

- Went public on NASDAQ (RWLK) on Friday, September 12<sup>th</sup> at \$12, below range of \$15-17/share
- Over the weekend, it rose over 100% to \$25-27/share range
- First IPO since 2000 to price below its range and rise over 100% in 2 days

**First early stage company to crowdfund, then go public**



# Press Coverage

## Forbes

*“... one of the largest crowdfunding organizations on the planet”*

Forbes



*“An Israeli company trying to change the way startups are funded”*

CNN Business 360

## The Street

*“Crowdfunding for real investors”*

thestreet.com

## Bloomberg

*“Medved's latest mission is to blow up the exclusivity around tech fundraising”*

Bloomberg BusinessWeek

## WALL STREET JOURNAL

*“Widening pool of angel investors to main street”*

Wall Street Journal

## Inc.

*“The hottest equity crowdfunding operation in the world”*

Inc Magazine

# Surgical Theater



SURGICAL  
THEATER

Applying the science of flight simulation to advanced CT/MRI imaging tech, allowing surgeons to perform a 3D simulation of the surgery prior to operation

Surgical Rehearsal Platform is the only FDA-approved player in its market

**Reducing surgical errors and costs with F-16 simulator technology**

## Surgical Rehearsal Platform: highly differentiated Israeli military tech



Surgical Theater's core technologies are powered by the military technologies pioneered by its founders, Moty Avisar and Alon Geri. With the medical help of Dr. Warren Selman, Surgical patented a solution that is miles head of any simulation technology available on the market today.

Surgical's team [featured on CNN here](#)

# BT9



Intelligent Supply Chain Solutions

Real-time, granular monitoring of perishable goods transport

Addressing market where tens of billions of dollars of food is wasted annually due to supply chain issues

**Real-time monitoring infrastructure for the cold supply chain industry**



Wireless sensor tag

BT9 offers a “full stack solution” – they own and manage the full range of technology used to provide data and analysis to their customers. This includes the disposable sensor tags, the communications hardware, and the data/analysis service.

BT9 already operates in over 40 countries and is approaching 300 customers, including General Mills, Total Produce, UniVeg, Fyffes, and Zespri.

# Feeding the world: water



Farmers waste hundreds of millions of dollars worth of water – driving up prices and reducing supply for those most in need of affordable water – because they’re spraying water uniformly across their fields. A mobile app that enables farmers to finely control where their water goes is already saving countless cubic meters of water internationally.

**Varigate – the world’s most affordable water**

## Israeli water tech impact

Did you know that Israel is recognized by the OECD, WWF, and UN for being a water tech powerhouse?



Israel recycles 75% of its water, #1 in the world. By comparison, #2, Spain, recycles just 11% of its water.

“Israel should be proud of being at the forefront of green innovations for water management; these innovations can be decisive in managing scarce water resources” – **Angel Gurría, OECD Chair**

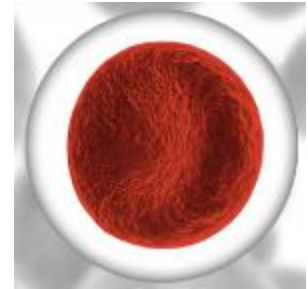
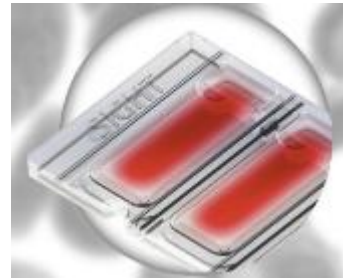
# Fighting the most deadly killer: malaria



- Malaria has killed millions in the past decade and is among the diseases with the highest toll on human life and economic activity worldwide.
- Despite this, diagnostics tools used in the prevention and treatment of malaria remain expensive, slow, and inaccurate
- SightDX's technology reduces the time to diagnose from hours to minutes, while being more accurate and cheaper.

## Israel's interdisciplinary strengths

Sight Diagnostics represents the convergence of two key Israeli strengths: life sciences/biology and machine vision/advanced algorithms



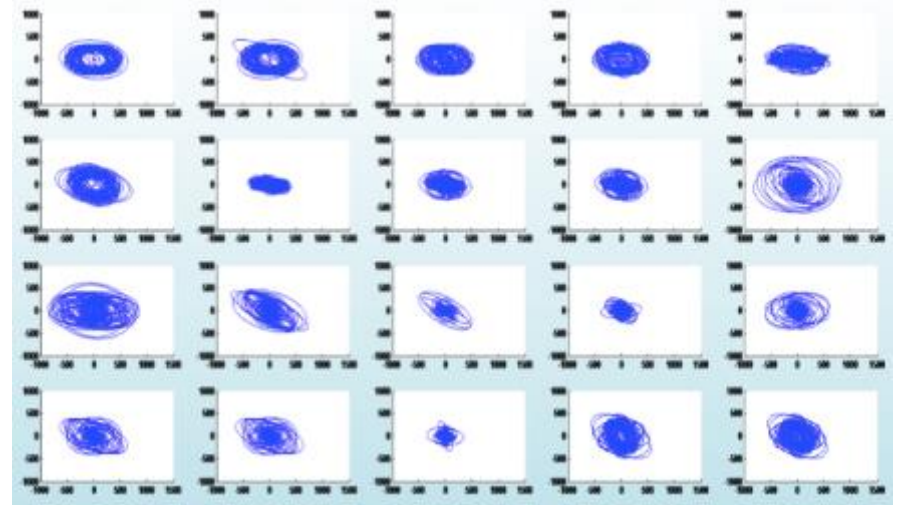
The story of SightDX being founded and built by a diverse group of people pooling their personal intellectual strengths is the archetype of the Israeli startup.

# BioCatch: *Cyber Security*



- Identifying fraud through mouse/keyboard/touchscreen input monitoring
- Individuals' input style creates a "signature" that is highly unique
- Already in use by major financial institutions

**Biometric monitoring to catch fraud online**



## **Disappearing Cursor Challenge:**

Monitoring over 350 parameters around a user's reaction to a disappearing cursor to differentiate the normal user from a fraudster.

# Saving lives by learning from Israel's experience



Israel's unique demand for the fastest, most innovative technologies in emergency alerting forced eVigilo to produce the world's leading mass alerting system that is now used by governments around the world as a core part of their disaster preparedness plans.

## Case study: Chilean earthquake '14



Chile's 2010 earthquake and tsunami took over 520 lives as millions were left without means to communicate or be alerted to the post-quake tsunami for up to 12 hours. In the minutes after the 2014 earthquake, Chile activated eVigilo's newly-implemented system and effectively alerted several million people in tsunami zones to evacuate.

# Highcon



Moving conventional packaging production from analogue (die-cutting) to digital process (one-button operation). Opens new possibilities for packaging – short and medium runs, high-value packaging in small quantities, labor savings, etc.

**Co-investors:** Benny Landa (Indigo, \$800M acquisition by HP)

## Israeli expertise in digital printing



Israeli entrepreneurs brought Scitex, Jemtex Printing, Objet, XMPie, and Indigo to the world market, securing major exits to multinationals like HP and Eastman Kodak. Indigo, which HP acquired for \$800M to absorb its digital printing technology, was started by Benny Landa, a Highcon investor.

**Current opportunity:** Raising \$15M for expansion. Strategic investment possibilities.



# BillGuard



## Crowdsourced credit card fraud detection

- Banks catch only 1/3 of card fraud and largely analyze only at the moment of transacting – about \$3.5B
- BillGuard’s “post-transaction monitoring” approach opens a \$26.5B segment of additional fraudulent and “grey” charges to analysis and detection
- Co-Investors: Bessemer, Khosla, Peter Thiel, Eric Schmidt



## About the app

- **#1 personal finance app globally:** solid & consistent 5-star rating, set to surpass 1M users in 2014
- **Industry-leading engagement & retention:** the app’s award-winning UI makes checking fraud as addictive as checking Facebook. Average of 7 log-ins per week and 40% 90-day retention, or 4X the industry average.
- **Crowdsourced “neural network”:** similar to anti-spam technologies, BillGuard uses patent-pending algorithms to interpret input from 1M+ users and learn to predict fraud

[http://www.youtube.com/watch?v=ynH\\_rvWHXw](http://www.youtube.com/watch?v=ynH_rvWHXw)

**OurCrowd: Enabling more investors to  
participate in the Start-up Nation!**

**Join us!**

[www.ourcrowd.com](http://www.ourcrowd.com)

Thank you!  
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