Israel’s Eco-System
Israel at a Glance

Population: 8,522,000
Capital: Jerusalem

GDP Growth: 2.8%
Current Unemployment Rate: 4.9%

GDP: $305.7 Billion
Per capita GDP: $37,200
Israel – A Unique Innovation System

Over 350 MNC have a local presence

1400 start-ups formed in 2015

Highest # of engineers per Capita

OECD’s second highest (after South-Korea) R&D spending as % of GDP (4.3%)

“Israel is the most promising Investment hub outside of the U.S.”

Warren Buffet
(The Tower Magazine)
Summary of Israeli High-Tech Capital Raising

» Israeli high-tech capital raising soars to $4.43B in 2015; 30% above 2014’s previous record
» VC-backed deals capture majority of investments in 2015, with $3.2B – up 36% from 2014
» Number of large deals of $20M or more - up 62% in 2015
2015 Israeli high-tech exits hit $9.02 billion - up 16 percent from 2014 proceeds

VC-backed exits reached an outstanding $4.98B – highest in 10 years

M&A deals below $1 billion strongest in 10 years – at $7.2 billion
A unique innovation system

**Unique Society**
- **high quality and low cost educational system** - among the most educated societies in the world
- **Highly adaptive, motivated and creative environment** - leads many entrepreneurs to establish cutting-edge startups.
- **Israel is a relatively young state** - requires it to be hedge, nimble and disruptive.
- **Part of the Israeli culture is taking risks** - people know that failure is a decent option.

**Market**
- **Lack of natural resources** that led to scientific-technological innovation system to ensure Israel quality of life
- The country’s small size and geographical isolation from its neighbors enhanced domestic dynamics and “Global-First” approach.

**Military service**
- Young people already receive a high technical training during their military services
- During the service they get equipped with a high sense of responsibility and success orientation (**highest per capita ration of engineers in the world**).
A unique innovation system

**Government fostering innovation**

**R&D Support**
The Office of the Chief Scientist at the Ministry of Economics, Trade and Labor provides a variety of support programs on an annual budget of about $400 million. 4.3% of Israel's GDP accounts for R&D spending.

**Investment Support**
The Investment Law enables foreign companies to benefit from a company tax rate of only 10%, and investment grants of up to 24%.
Israel
In the world
Israel In the world

The Deloitte VC Confidence Survey (2015)

Israel is the 2nd Most trusted market in the world

The Global Startup Ecosystem Ranking (2015)

The City of Tel-Aviv is ranked 1st in the world outside the US (5th globally) and Jerusalem is ranked in the top 50

Over 7,000 Companies operating in Israel

Source: The 2015 Global Startup Ecosystem Ranking by Startup Compass Inc. (previously Startup Genome)
Multinational companies in Israel
Fortune Global 500 capitalizing on Israeli innovation

- Over 350 MNC R&D Centers, incubators, accelerators, etc. were established in Israel.
- 80+ Fortune Global 500 companies have a research and development centers in Israel.
- The companies accelerate business with unique IP and unique technologies that are developed in Israel leveraging a business friendly ecosystem.
- GF500 companies benefit from the quick, can-do-attitude of Israelis that focuses on breaking down barriers to get new products out-to-market very quickly.
80 partners and directors and more than 1000 employees serve domestic and international clients, public institutions and promising fast-growth companies whose shares are traded on the Israeli, US and European capital markets.

Deloitte is one of the leading accounting and consulting firms in Israel.

The firm provides a wide range of services to private companies and public companies in diversified sectors.

Deloitte provides services to 60% of the companies traded on the Tel Aviv 100 index. The firm has 7 offices throughout the country: Tel Aviv (Main Office), Petah Tikva, Netanya, Haifa, Jerusalem, Beer-Sheba, Eilat.

>60 start-ups meetings weekly

Large database of companies looking for investments & business partners

200 Practitioners Working with start-up clients
Bridge to **Innovation**

The Global Technology Alliance (GTA) Service

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**Innovation Story**
- Overview of innovation and disruption within industry
- Determine role of innovation within client's organization
- Confirm guidelines and parameters for mapping

**Mapping**
- Initiate dynamic mapping process
- Begin periodic sync meetings with client and GTA team
- Reset mapping parameters as needed

**Strategize**
- Select potential startups and companies for collaboration
- Evaluate mechanisms of collaboration (i.e. control)
- Visit Startup Nation to meet with prioritized startups

**Collaboration Model**
- Initiate conversations
- Proceed as required by project

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**Strategy**

**Mapping**

**Scouting**

**Execution**
Our M&A Practice

400+

Extensive experience in performing advisory and transaction services for local & international companies

Successful projects

>50 dedicated staff members

18+ years Experience
Know your team
Israel – China Corridor
**Israel – China Corridor**

**Eli Tidhar**  
Partner, Strategy Consulting

Throughout his 15 years of professional career in management consulting Eli has led projects relating to the development of strategic plans, business growth initiatives, and complex consulting projects.

Eli’s work has been focused on Industrial goods, Defense and Homeland security, Clean-tech, Agro-Science, consumer business and water technologies markets.

Eli’s diverse client list includes multinational corporations and non-governmental organizations (NGOs). Eli has managed complex projects throughout Israel and globally working with some of the industry’s most recognizable companies.

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**Sigal Adania Kapun, CPA, LLM**  
Partner, Head of M&A Practice, Transaction Services & Corporate finance Leader

Sigal Adania Kapun, CPA, is the leading partner of Deloitte Israel’s M&A practice. She facilitates the collaboration of M&A professionals providing strategic and private equity investors with comprehensive service offerings across the deal lifecycle.

For over 18 years, Sigal has worked closely with both strategic and private equity clients. She has extensive experience in a number of areas within M&A including large-scale due diligence, merger planning, vendor support and sell side advisory, SPA advisory, carve-out analysis and more. Transactions managed by Sigal ranged from Start-ups to multi-billion dollar companies.

Sigal has a wealth of transaction experience across a range of sectors and internationally, including for Apax partners, Leumi Partners, Francisco Partners, TPG, Orbimed, Riverwood Capital, Shamrock growth fund, Sony, CISCO, IBM, Azrieli Group, Elco Group, etc.

Sigal is a former member of the GAC (Governmental Advisory Committee) and currently is an instructor at the GNPS. Sigal holds a BA in Economics and Business Administration from The College of Management and a LLM from Bar Ilan University.
Qianli Fang, CPA-Canada
Analyst, Corporate Finance

Qianli mainly focus on cross-board M&A and global technology alliances, bridging Chinese companies with Israeli high-tech companies.

Prior to her current position, Qianli has two years auditing experience in Mainland China, offering services to international companies and listed companies.

Qianli is a Certified Public Accountant from Canada. She is an MBA graduate, and also holds a BA in Accounting.
Innovative thinking requires stepping outside of your comfort zone.

In order to create a change you must focus your efforts away from your core business and sail to new horizons.

When looking to be innovative there is no better horizon than Israel.

Deloitte is here to assist you on your new quest.