

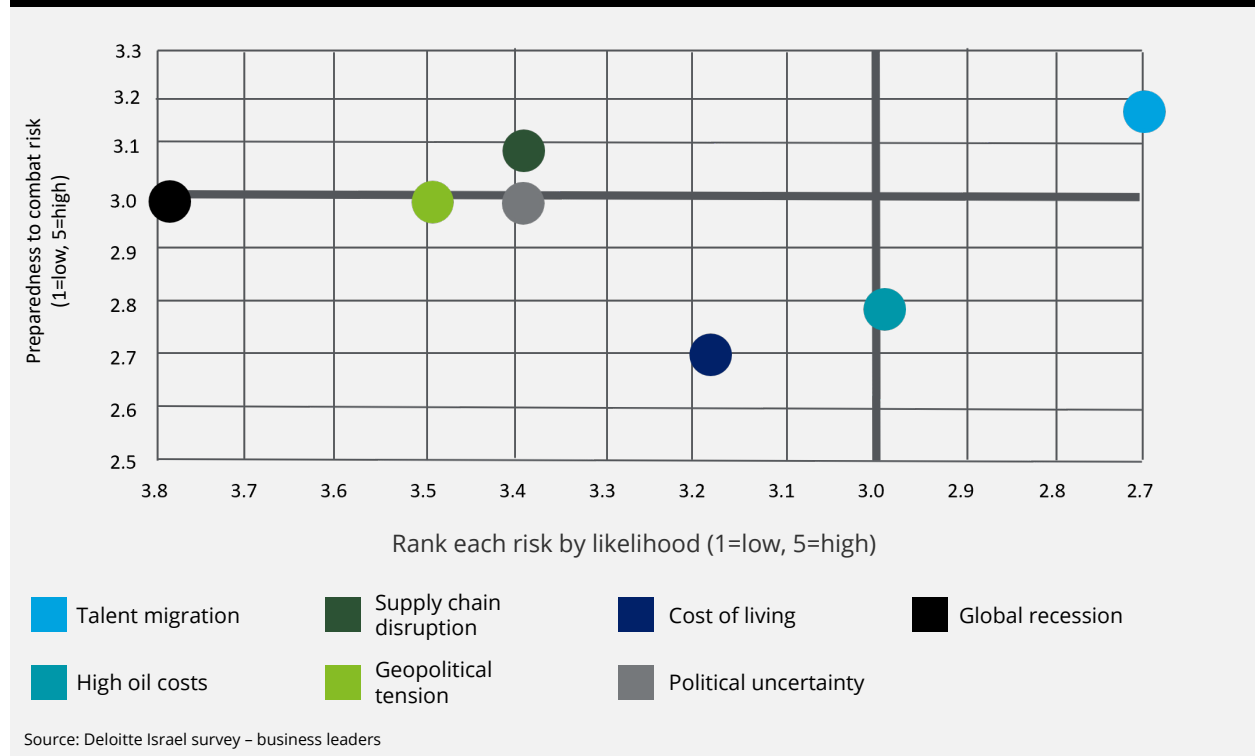
2023 Israel Business Leader and Investor Survey



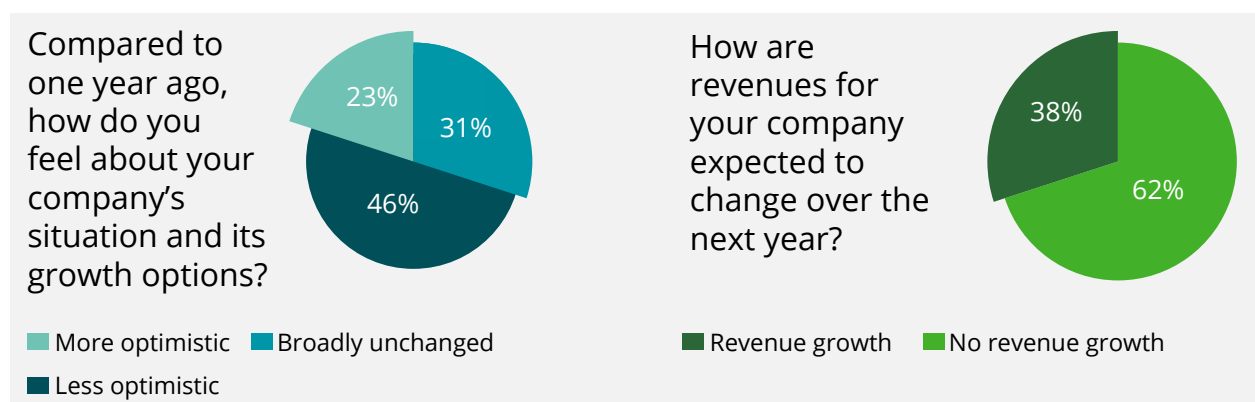
Despite Israel successfully emerging from the COVID-19 pandemic in 2021, business leaders view the current market conditions with uncertainty, largely driven by a combination of macro risks including political uncertainty, geopolitical tension and the potential threat of recession that cannot be fully mitigated through pre-planning.

The threat of talent migration which was a key challenge to business leaders in previous years, appears to have receded and business leaders are seemingly more confident in their ability to combat this issue.

Key business risks ranked by business leaders in terms of likelihood and preparedness



Against this backdrop, it is unsurprising that business leaders are less optimistic about their company's situation compared with the previous year, and over **60%** of all business leaders surveyed did not believe that their business would experience revenue in 2023.

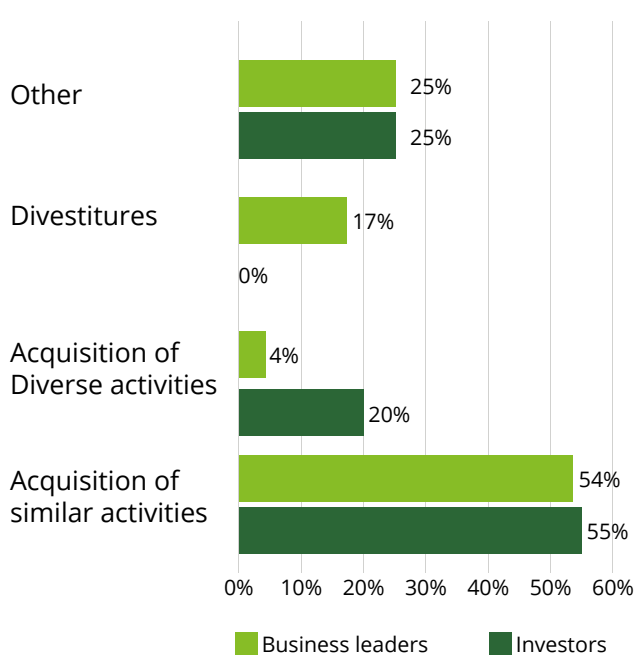


Despite the current market turbulence, just under half of business leaders indicated they would seek to pursue M&A deals in 2023. However, investor sentiment to undertake M&A was lower than in previous years and suggests there is some level of deal hesitancy, possibly due to seller price expectations not being realigned with the revised market levels.

70% of investors indicated that they would expect their fund / portfolio businesses to pursue M&A activity in 2023.

46% of business leaders intimated that their company would actively seek to pursue M&A activity in 2023.

What type of deal are you most interested in pursuing in the next year?



Whilst corporates are more interested in defensive M&A strategies (including divestitures) to safeguard market position, investors appear increasingly interested in offensive M&A plays to identify possible value opportunities.

How do you anticipate funding any potential acquisition?

There appears to be significant levels of dry powder available to both corporates and investors to use once the right opportunity is identified.

With **42%** of business leaders looking to fund deals from cash reserves held.

