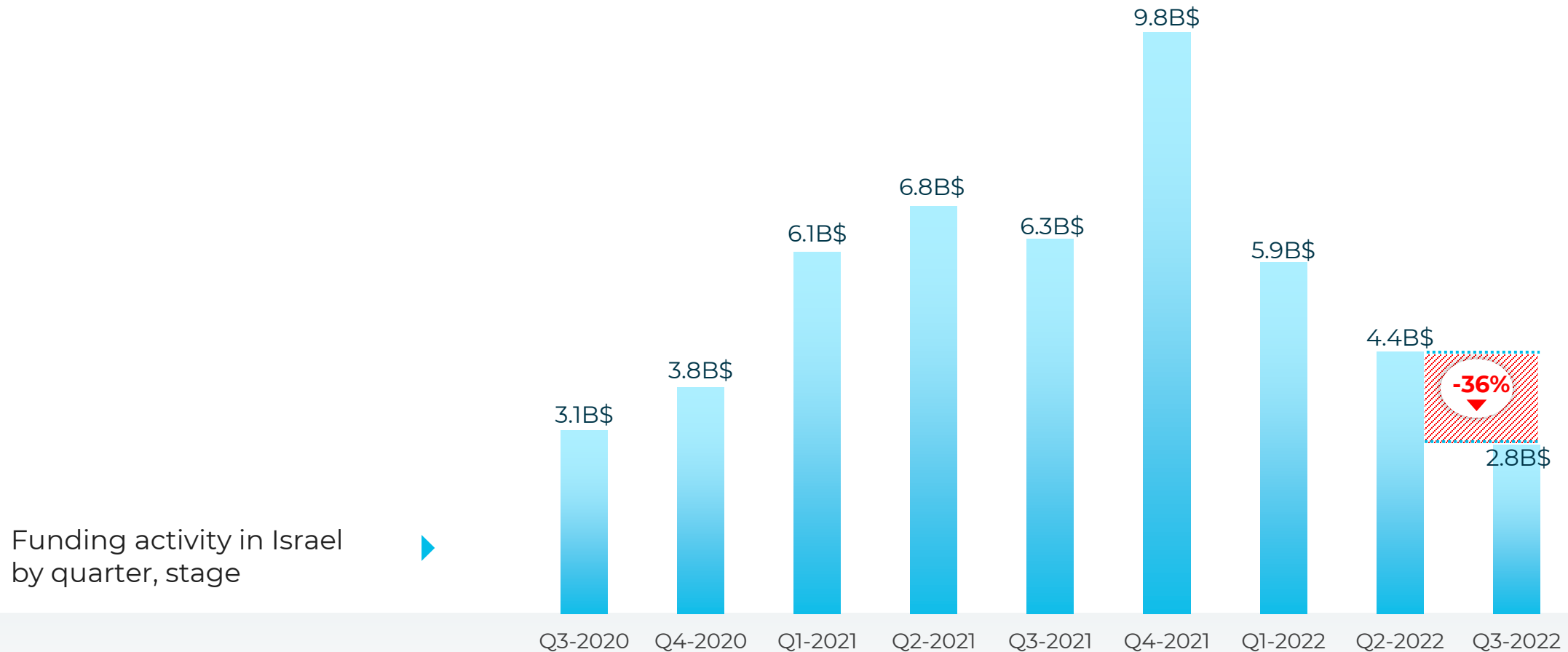




Q3/2022 - Public Market Volatility Reflected in The Israeli Tech Ecosystem

Q3/2022 Total Investments Decreased by 36% from Q2



*Including projected deals in Q3/2022

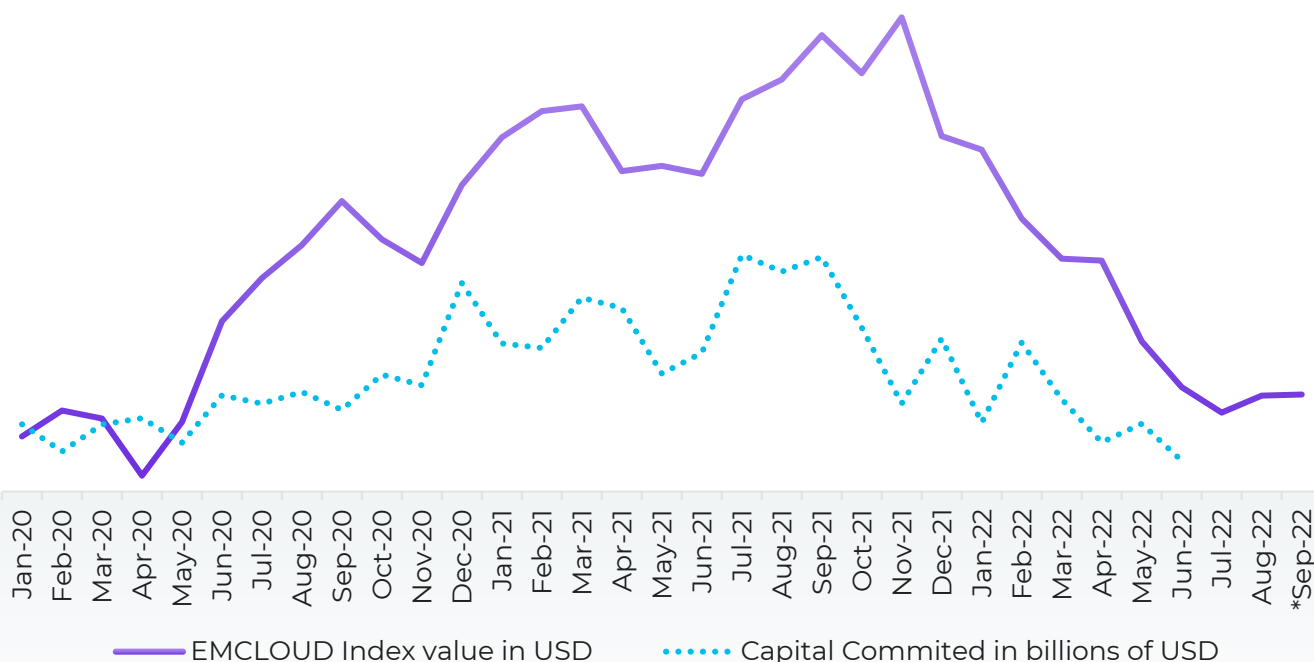
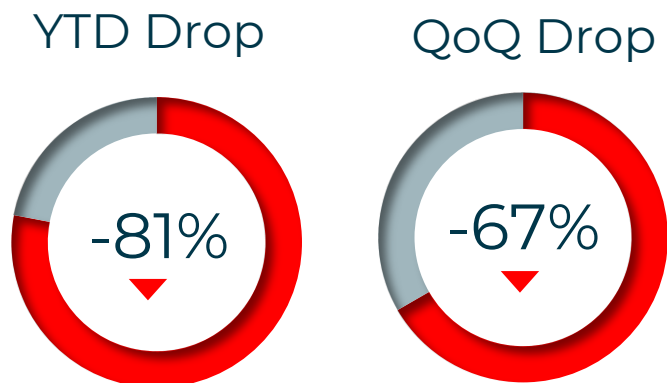
Source: Viola Data, IVC



Private Markets Are Down in Q3, Driven by Public Market Performance in Q2

Capital committed, which lags a quarter after reported capital, is a good proxy for private markets performance.

As anticipated in our H1/2022 report, the public market's Q2/2022 decline was reflected in Q2/2022's committed capital



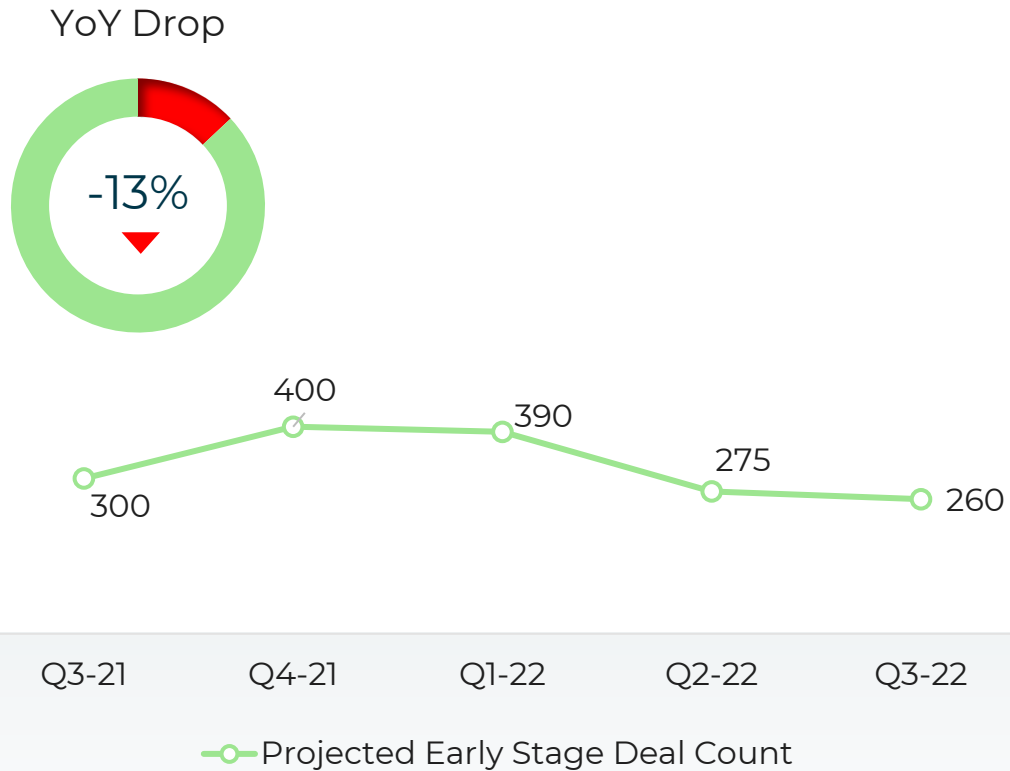
Funding activity in Israel by month

For further information about the public market's impact on the private market, check our [2022-H1 Report](#)

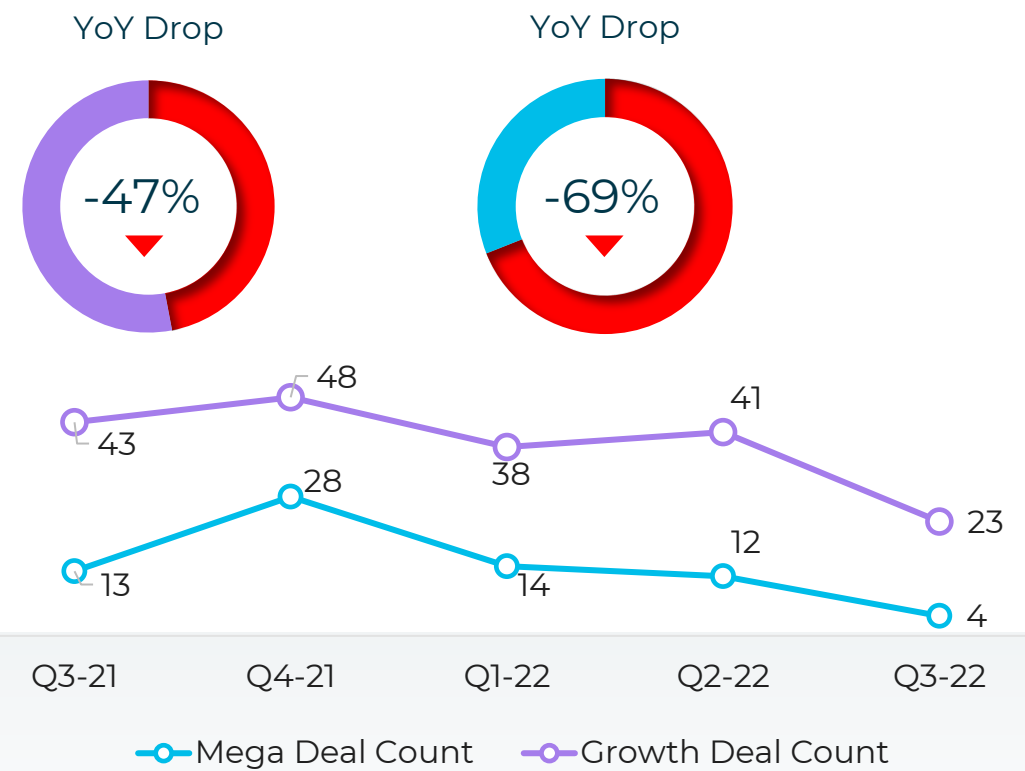
Deal Count is Decreasing, ESPECIALLY in Mega Rounds

Funding activity in Israel by quarter

Early rounds projected deal count

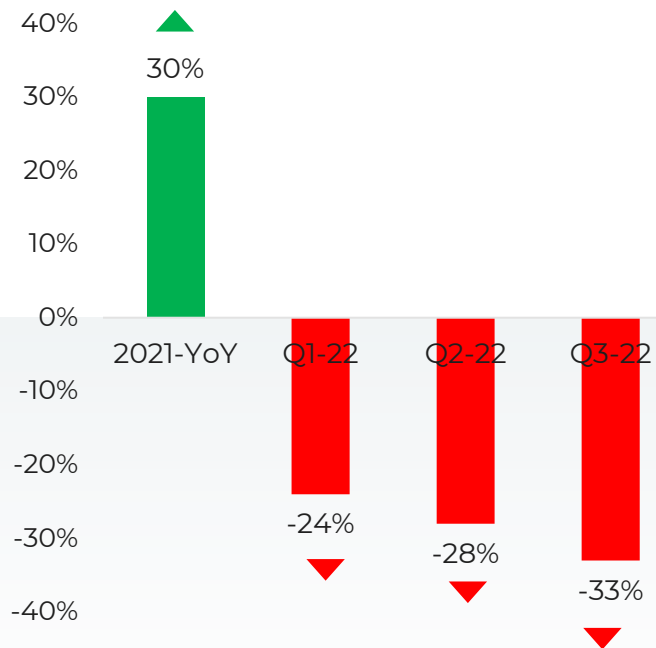


Growth and mega rounds deal count

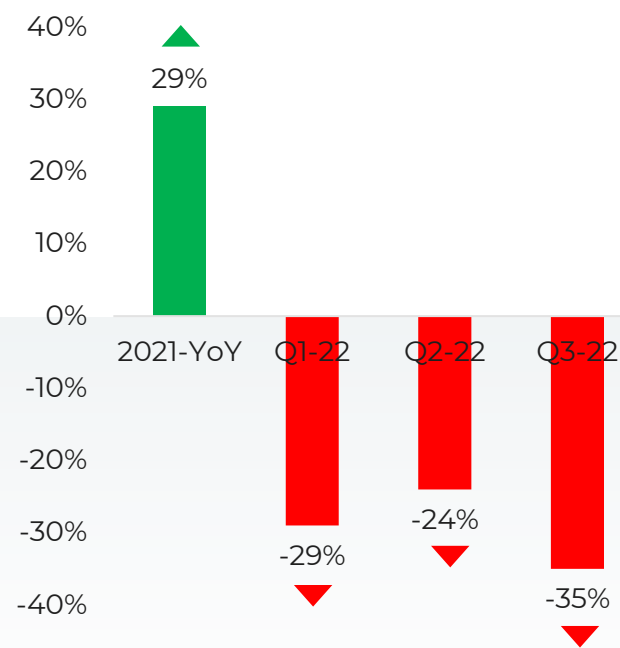


30% Drop in Investment Pace – For Both Israeli and Foreign VCs Investing in Israeli Companies

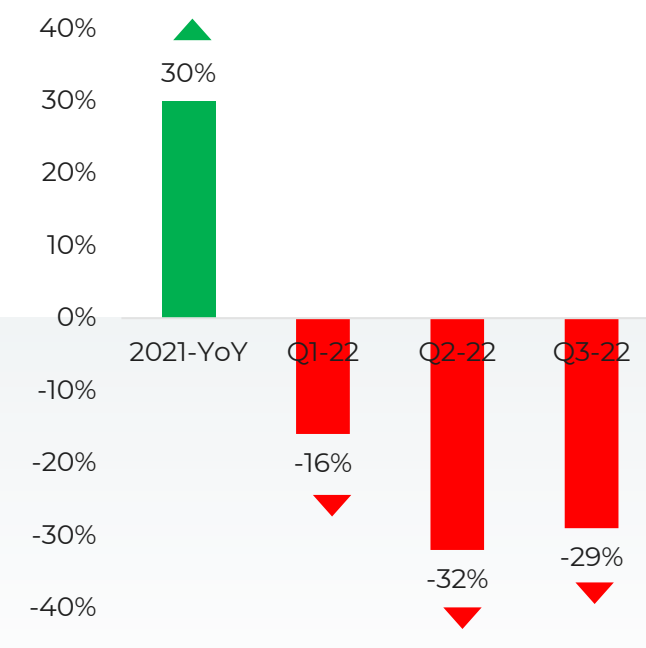
QoQ Change in
of **Total** VC Investments



QoQ Change in
of **Foreign** VC Investments



QoQ Change in
of **Israeli** VC Investments

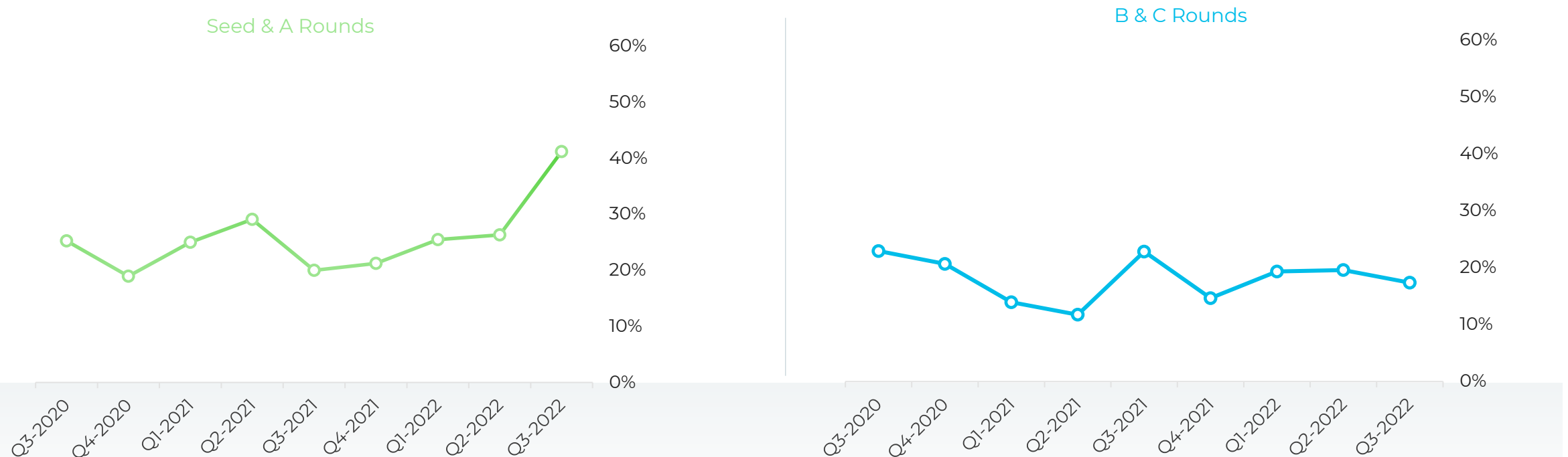


Uptick in Extension Rounds at Early Stage

With early-stage companies looking to extend their runway quickly, and with valuations from previous rounds still relatively low, extension rounds have become more common in early stage.

Growth stage companies, on the other hand, have sufficient funds, and may explore the venture debt alternative instead.

**Funding activity in Israel by quarter –
% of expansion rounds out of total rounds**



The Bright Side – Downturns Offer Opportunities, Not Only Challenges

The 2008 Crisis Brought New Categories and Businesses to the Market



Consumer & Social

matchgroup



e-Commerce

zalando

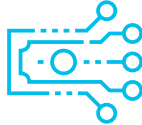
GROUPON



Shared-Economy

Uber

airbnb



Fintech

credit karma

stripe

Square

venmo



Collaboration

asana

Dropbox

slack



What Will 2023 Bring?