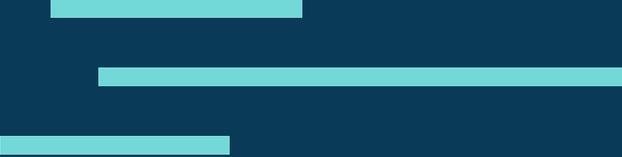




Israeli Tech Review June 2022 Update

***The full Q2 2022 will be out on the first week of July

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ISRAELI TECH

First Investments Patterns

The headlines from the recent weeks leave very little space for optimism about the Capital Markets in general and investments in private tech companies specifically. The high correlation between the NASDAQ index and the Israeli Tech Investments' amounts, creates an expectation to see the local tech investments cooling down very quickly following the drop of ~24% in NASDAQ during 2022.

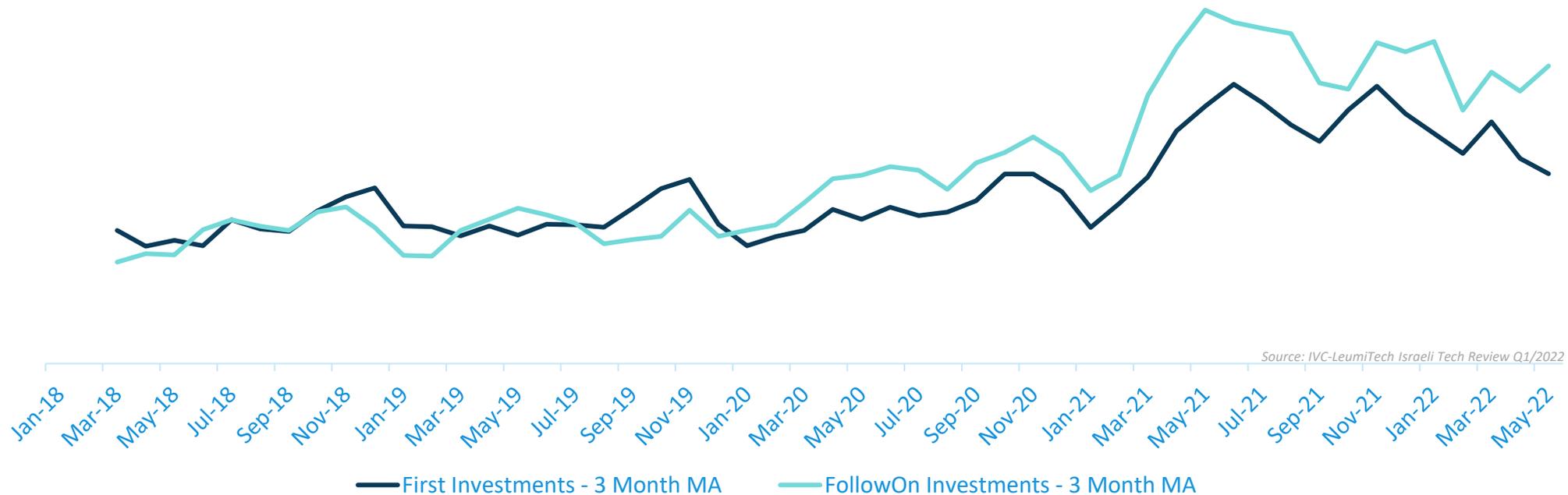
The first time an investor allocates the money to a private company involves psychological barriers that are should be enhanced in the current environment. As such, testing the First Investments patterns could be regarded as a leading indicator on the investors' risk appetite toward private companies.



First & Follow-On Investments | 2018–Q2 2022 – Monthly Data

Using a simple three months Moving Average to smooth the data, shows a clear downtrend since Nov 2021, like the 'Risk Off' environment in capital Public Markets. However, despite the bearishness in the financing markets, the incentives for tech investors to commit to new deals are still around, at least for the near future.

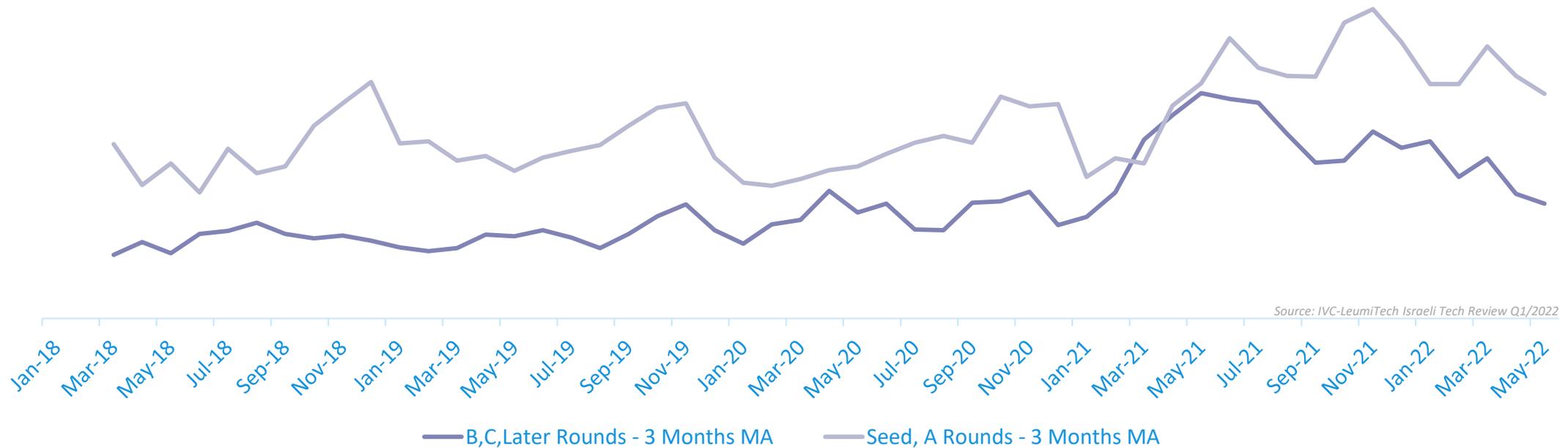
Of First & Follow-On Investments Three Months Moving Average



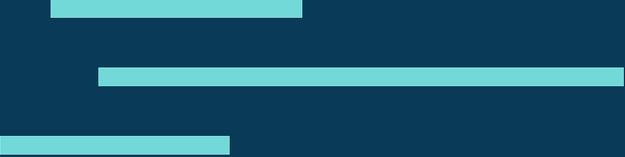
First Investments by Round Types | 2018–Q2 2022 – Monthly Data

A 'Zoom In' view about investors' behavior in different Round Types, supports the notion that for the moment Investors prefer to shy away more from Mid – Later Rounds (Series B,C and Later) than Early Rounds (Seed and A). The pattern provides a clear decline since mid 2021 in first Investments in Mid – Later Rounds, back to the levels we saw in the beginning of 2020.

of First Investmens By Round Types: 3 Months Moving Average



Source: IVC-LeumiTech Israeli Tech Review Q1/2022



2022

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