



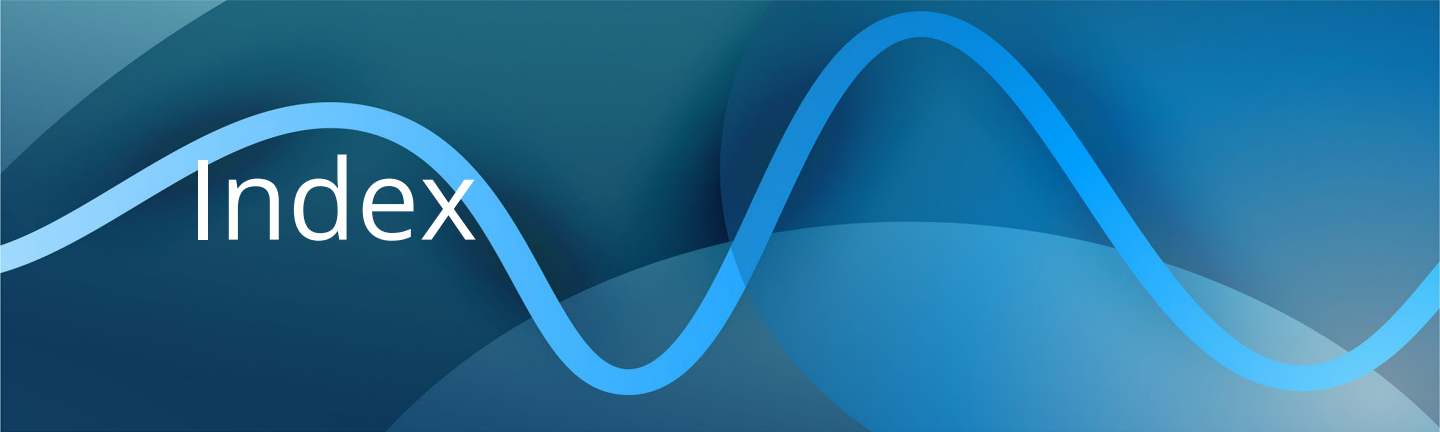
2025

Q3

ISRAELI TECH REVIEW



& **LEUMI**TECH



Index

4	Israeli High-Tech Ecosystem In Perspective
9	Israeli High-Tech Investments
11	Capital Raising in Mega Rounds
12	Early Rounds
14	Mid - Later Rounds
15	Capital Raising by Companies Stages
16	Top Selected Investments Q1-Q3/2025
17	Technology Verticals
18	Israeli High-Tech Life Science
19	Israeli vs Foreign Investors Activity
20	First vs Follow-on Investments
21	New Companies
22	Israeli High-Tech Exits
24	Exits under \$5b Analysis
25	Top Israeli High-Tech Exits Q1-Q3/2025
26	Israeli High-Tech Acquirers Activity
27	Israeli High-Tech Public Offerings
28	Methodology
30	About
33	Contact Us

Key Highlights



Israeli Tech market has regained its rhythm, with capital raising, M&As, and IPO activity returning to healthier levels in Q3/2025.



Israeli tech companies raised **\$2.35 billion** in **125 deals** during Q3 2025.



IVC estimates over 200 deals and nearly \$3 billion raised, including undisclosed funding rounds, signaling confidence in Israeli tech.



Cyber security remains the dominant vertical in the local ecosystem, both in capital raising and exits.



Q3/2025 saw a notable uptick in large seed rounds, with six deals above \$20 million.



In Q1-Q3 2025, Israeli high-tech exits totaled \$10.86 billion across 120 deals.





Israeli High-Tech Ecosystem In Perspective

Tech Ecosystem Perspective

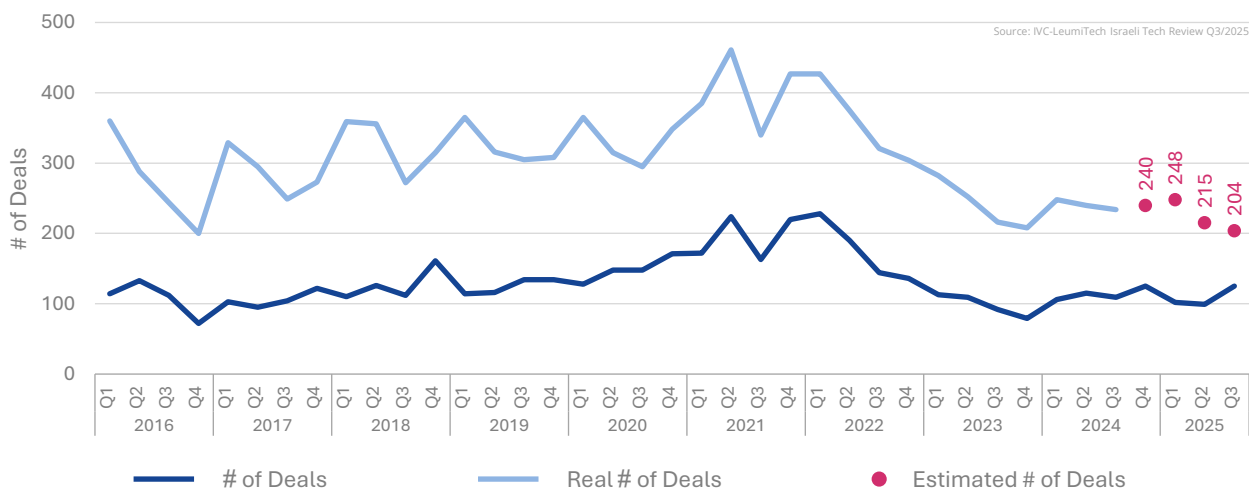
While the high-holiday season and summer vacation typically slow business activity, Israeli tech continues to advance in the third quarter. Capital raising, M&As, and IPO activity throughout the year indicate that the market has maintained its rhythm.

The first three quarters of 2025 have been relatively successful, with figures stabilizing and continuing to climb.

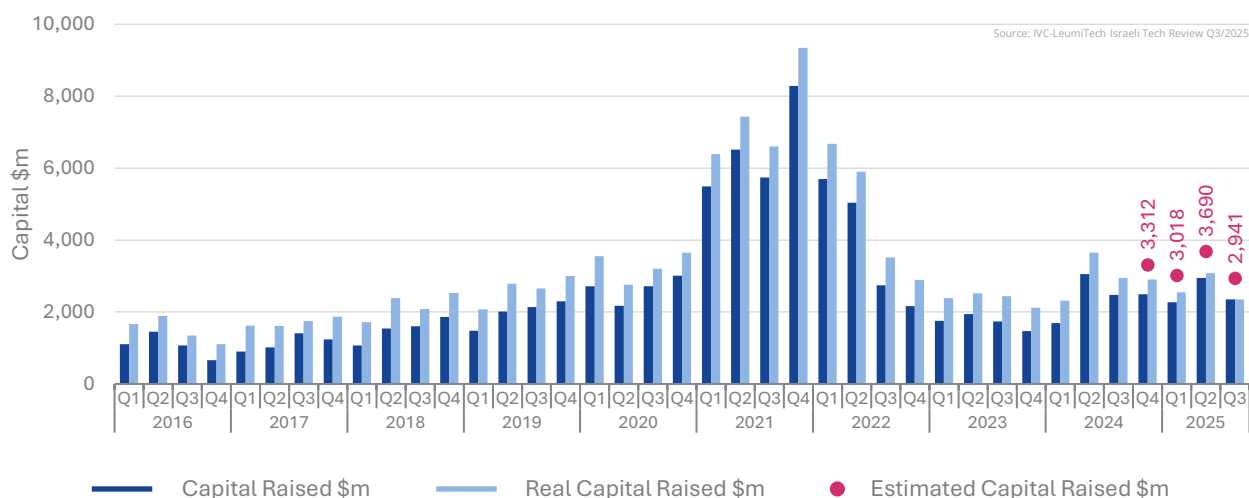
In Q3/2025, activity remained at healthy levels, and capital distribution improved compared to the past two years, signaling confidence across investors and companies alike.

Including stealth rounds unveiled during the period, IVC estimates over 200 deals were closed and nearly \$3 billion raised. (See IVC's [Methodology](#)).

Quarterly Israeli High-Tech Investments: # of Rounds



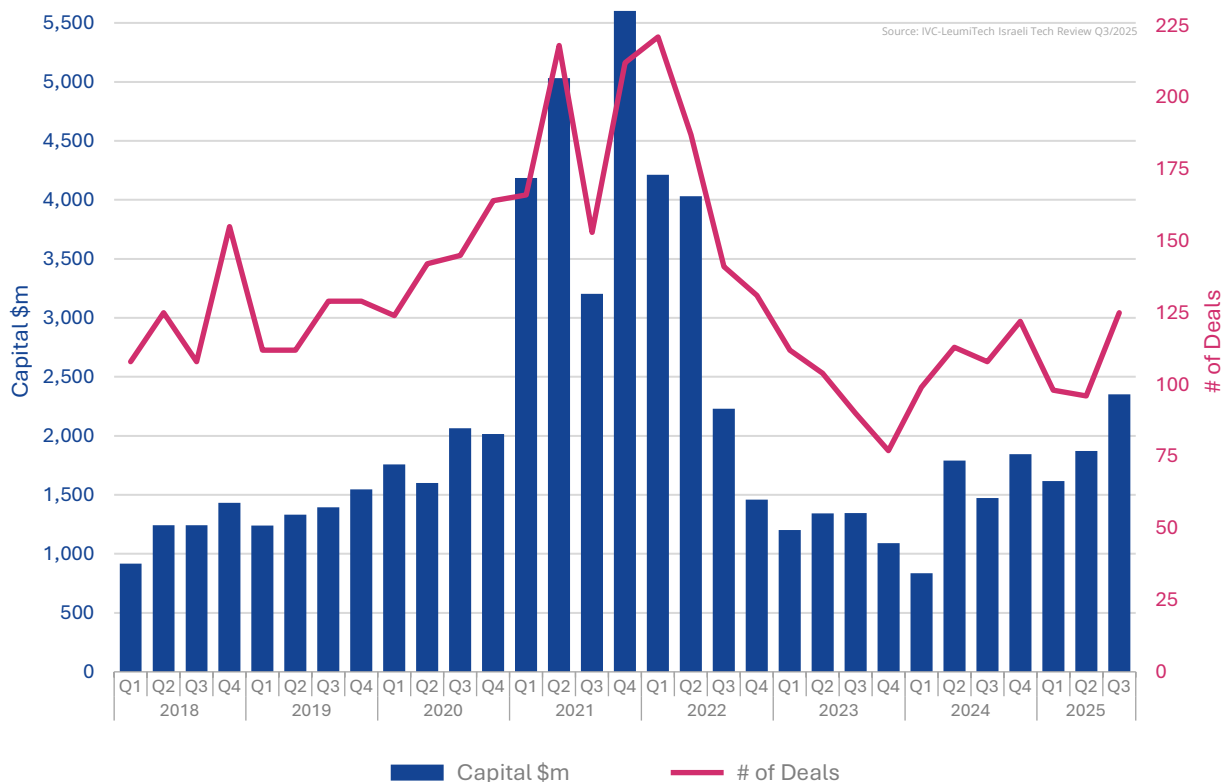
Quarterly Israeli High-Tech Investments: Capital \$m



Tech Ecosystem Perspective

Excluding outlier rounds above 2.5 standard deviations from the annual mean (or 1% of the total rounds each year), the pattern in the last quarters confirms the same upward trend: consistent recovery since the low point in Q1/2024, with no exceptional deals distorting the data this quarter.

Israeli High-Tech Investments Excluding Outliers



Are tech IPO's back?

Capital raising tells only part of the story. With one quarter left in 2025, the number of exits so far this year indicates that Israeli tech is on track to have returned to pre-pandemic levels (2016–2020).

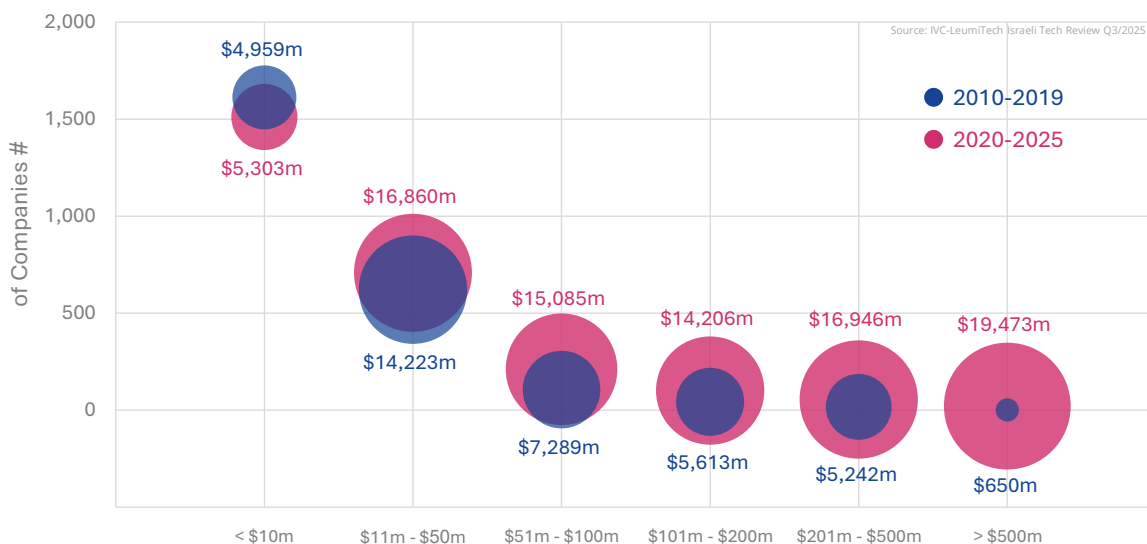
On the IPO front, two Israeli companies, Via and eToro, successfully went public on the NYSE and Nasdaq. However, a broader momentum on Wall Street remains uncertain.

Tech Ecosystem Perspective

The exit state is vital not only to the tech industry's lifecycle but also as evidence that the venture capital business model still functions. Analyzing VCs' behavior from 2020 to 2025 highlights the challenges ahead.

Comparing VC-backed investments in Israeli tech between 2010–2019 and 2020–2025 displays a dramatic shift. The size of the reddish bubbles shows the total amounts raised by companies during specific time periods. For example, 211 companies raised between \$50 million and \$100 million each during 2020–2025, while only 106 companies raised capital within this interval in 2010–2019.

Number of Companies by Capital Raised by Two Time Periods



Overall, the total funding surged from \$38B in 2010 – 2019 to \$88B in 2020 - 2025. Most of the difference in the funding — a \$47B (as shown in the bar chart below) — was invested in companies that raised over \$50m each during the current cycle.

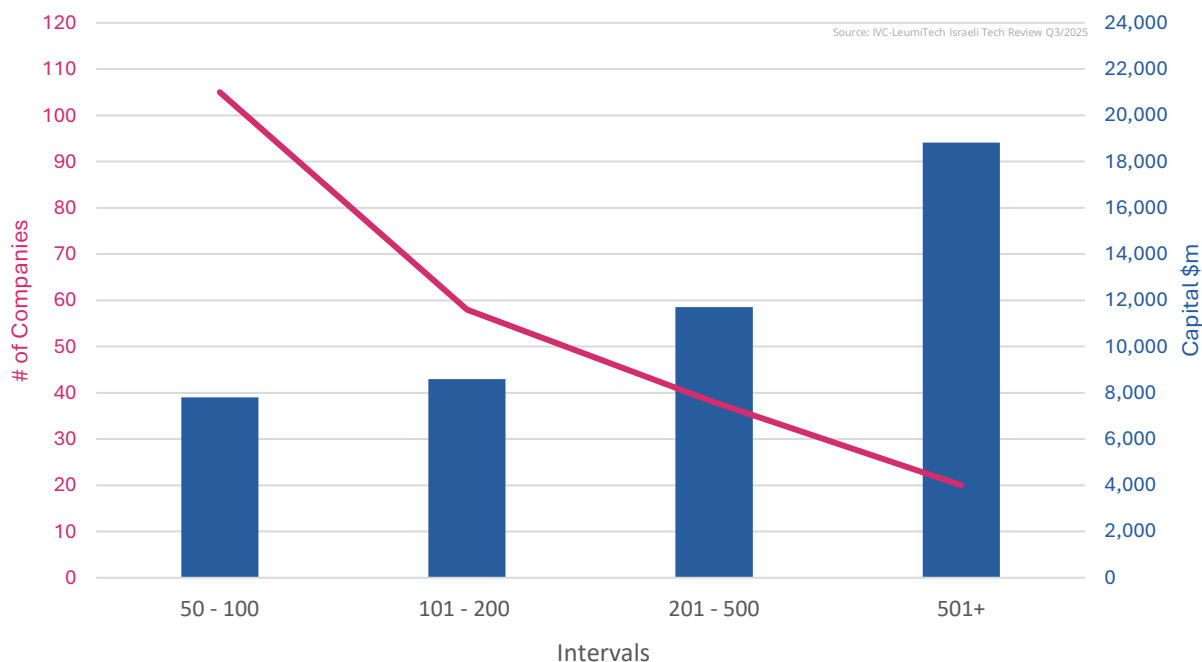
Tech Ecosystem Perspective

The bar chart below shows the differences between the two time-period cohorts (2010-2019 vs 2020-2025) in capital and the number of companies that raised it.

For example, the last bar shows that the gap between the two cohorts is 20 companies, each raising over \$500 million. The difference in the amounts raised by these groups (companies that raised over \$500 million in 2010-2019 versus 2020-2025) totals approximately \$19 billion.

This buildup means a substantial volume of returns is expected to flow back to VCs and LPs in the coming years. For that to happen, however, the exit environment must remain in excellent shape.

Differences in companies' cohorts 2010 – 2019 vs 2020 – 2025:
of Companies and Capital Raised (\$M) by Intervals



Notes: * Intervals were calculated based on period difference in numbers and amounts.



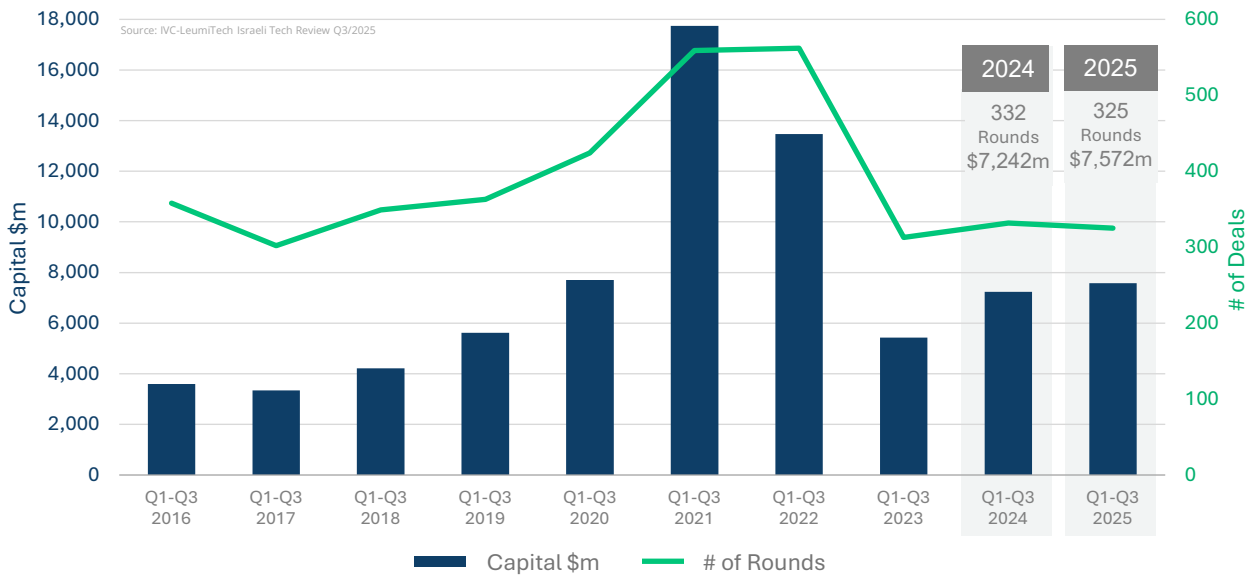
Israeli High-Tech Investments

Israeli High-Tech Investments

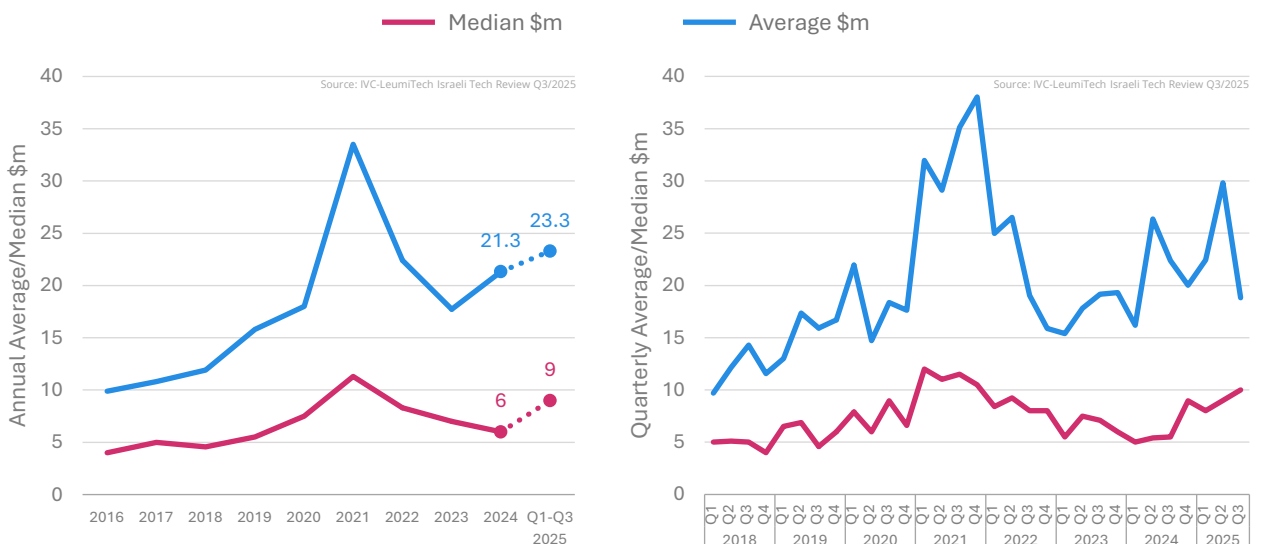
The first three quarters of 2025 have shown a steady pace in Israeli tech capital raising. Companies raised \$7.57 billion during this period, up from \$7.24 billion in 2024 and \$5.42 billion in 2023.

The number of deals in Q1-Q3/2025, totaling 325 deals, aligns with the average of 322 over the past two years.

Israel High-Tech Capital Investments – Q1-Q3 Period



Tech Investments: Average vs. Median \$m



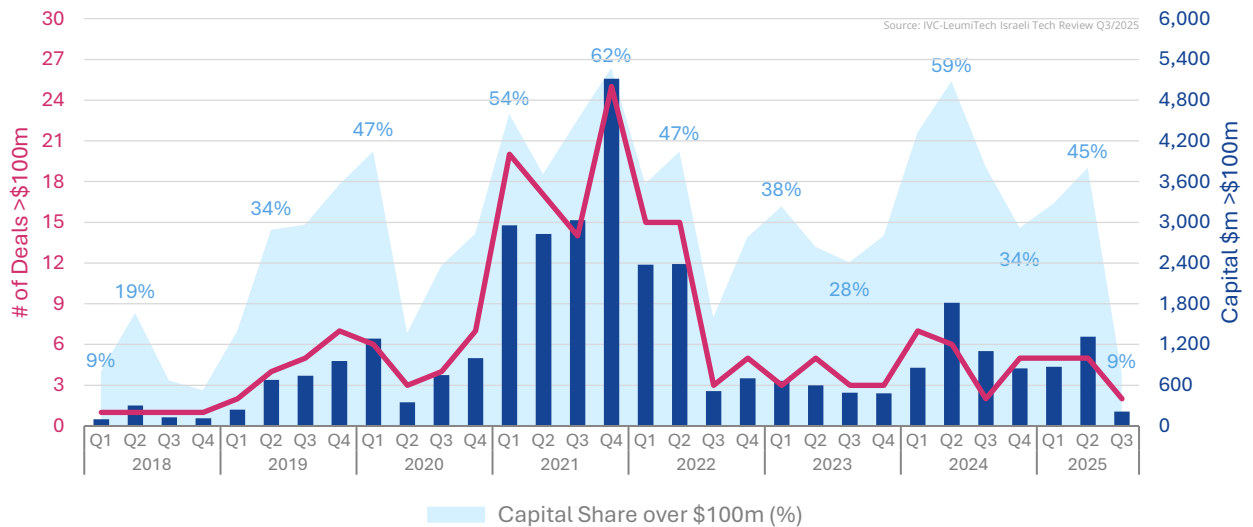
Capital Raising in Mega Rounds

Only two Israeli tech companies in Q3/2025 succeeded in raising over \$100 million, each: Aidoc Medical with \$110 million and Decart AI with \$100 million.

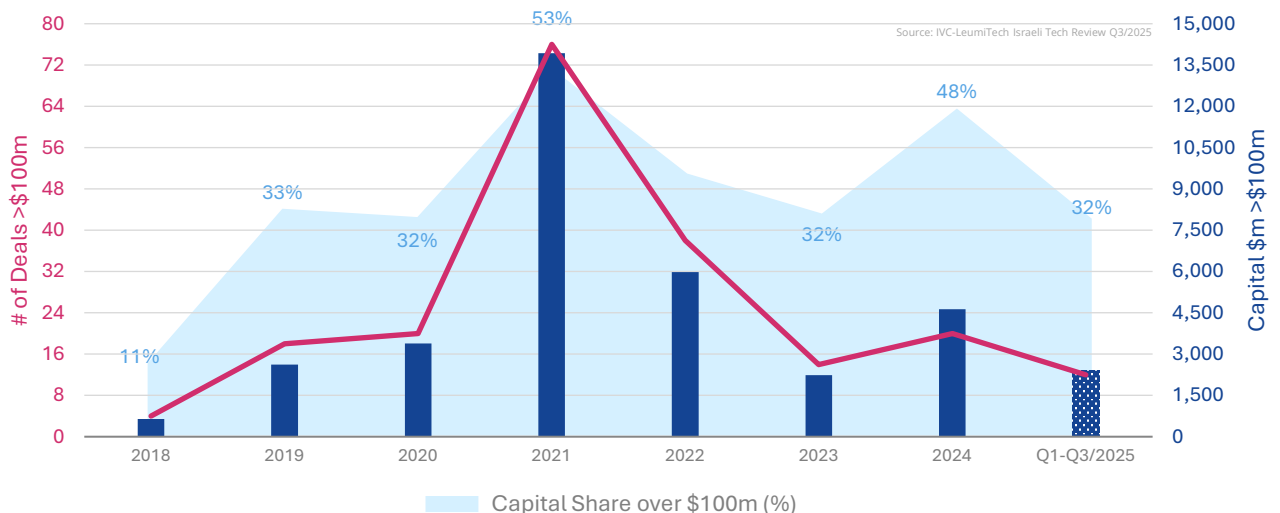
Additionally, another company, Noma Security, raised \$99 million.

Rounds exceeding \$100 million totaled \$2.4 billion, making up 32% of all capital raised in Q1- Q3/2025.

Quarterly Capital Raising Over \$100m



Annual Capital Raising over \$100m



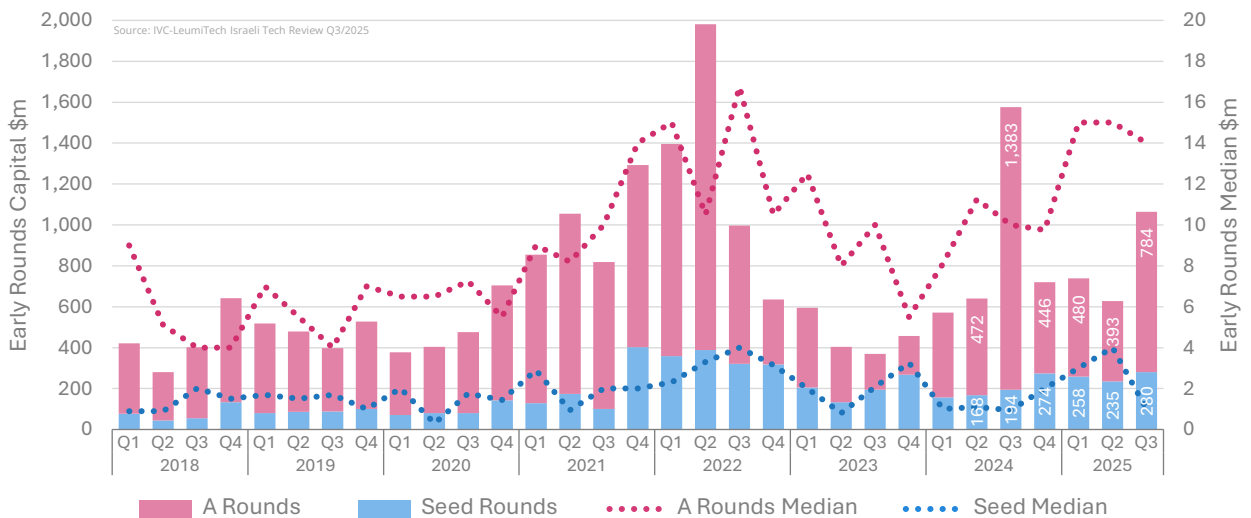
Early Rounds

In Q3 2025, early-round figures have improved, contrasting with the weaker trend of the previous three quarters.

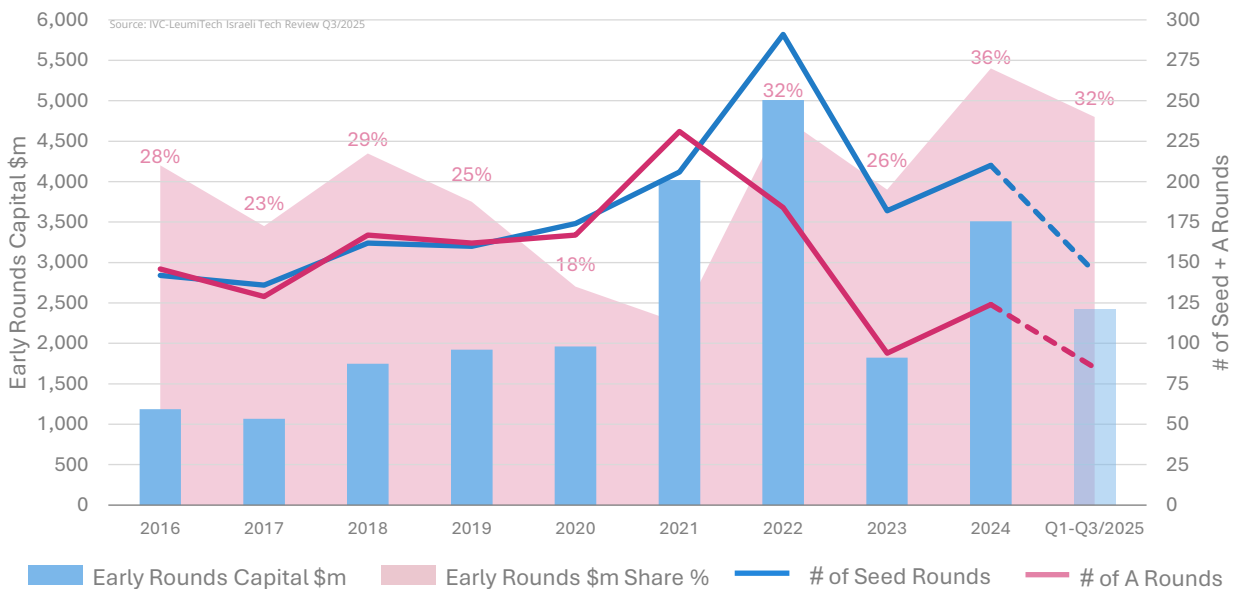
The quarterly chart below clearly shows an uptrend in the amounts allocated to A rounds since mid-2023.

Excluding the outlier deal by Superintelligence in Q3/2024 (raised \$1 billion in the first round), this increase becomes even more noticeable.

Early Rounds Capital & Median \$m (Seed + A rounds)



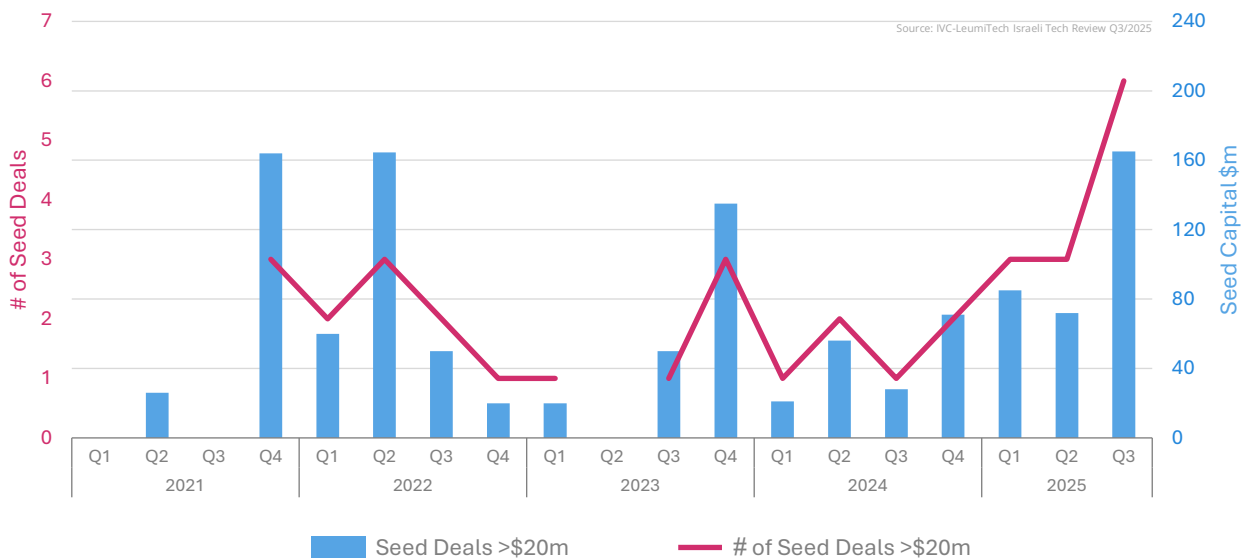
Annual Early Rounds Capital (Seed + A rounds)



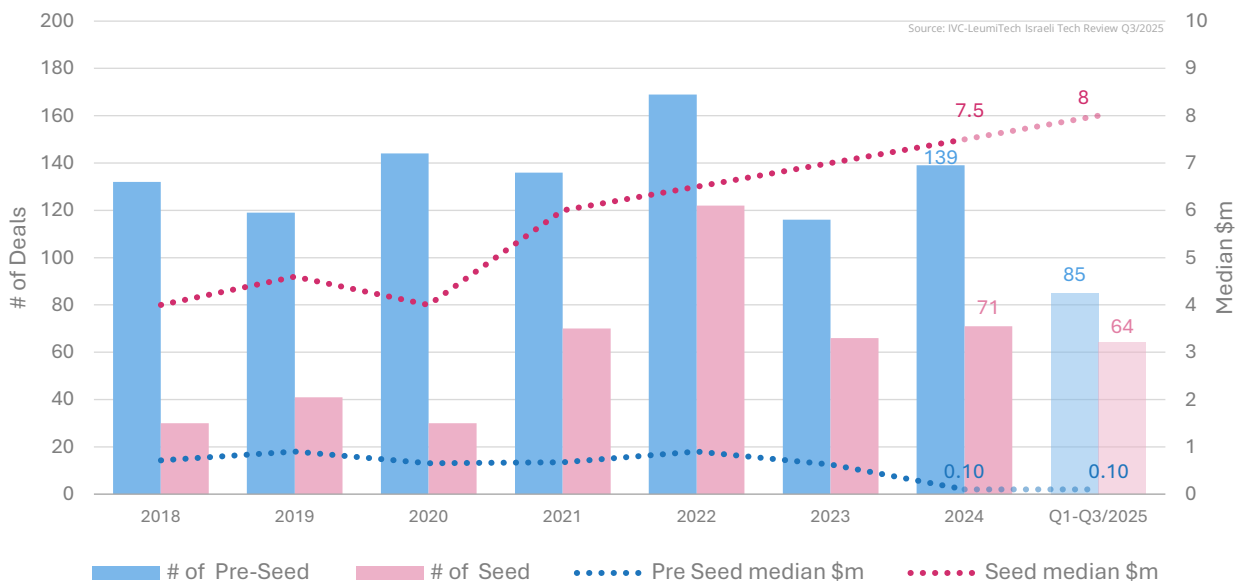
Early Rounds

Q3/2025 saw a notable uptick in large seed rounds, with six deals above \$20 million, well above previous levels. This surge drove the median seed round to an unusually high figure for the quarter.

Quarterly Seed Rounds over \$20m Q1/2021 – Q3/2025



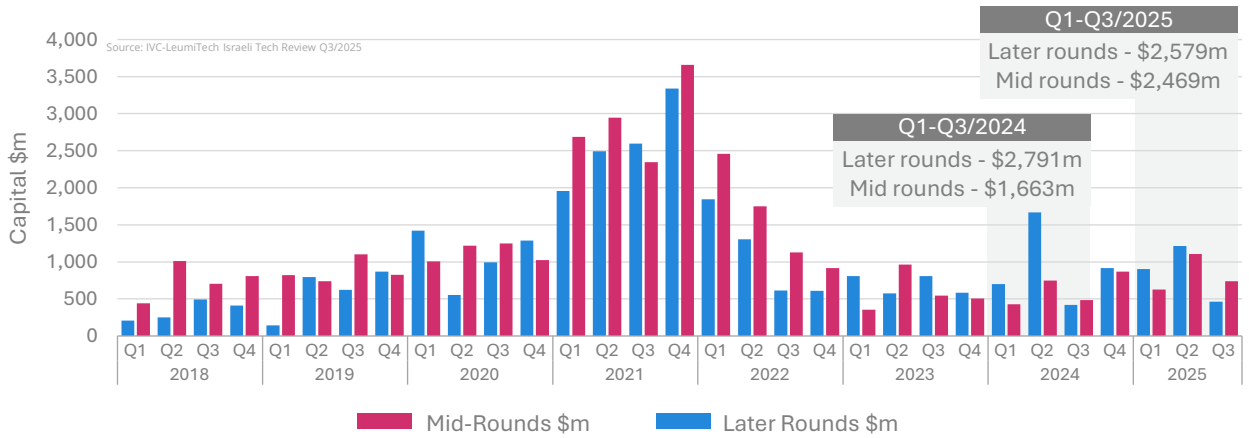
Number and Median \$m of Pre-Seed & Seed Deals 2018 – Q1-Q3/2025



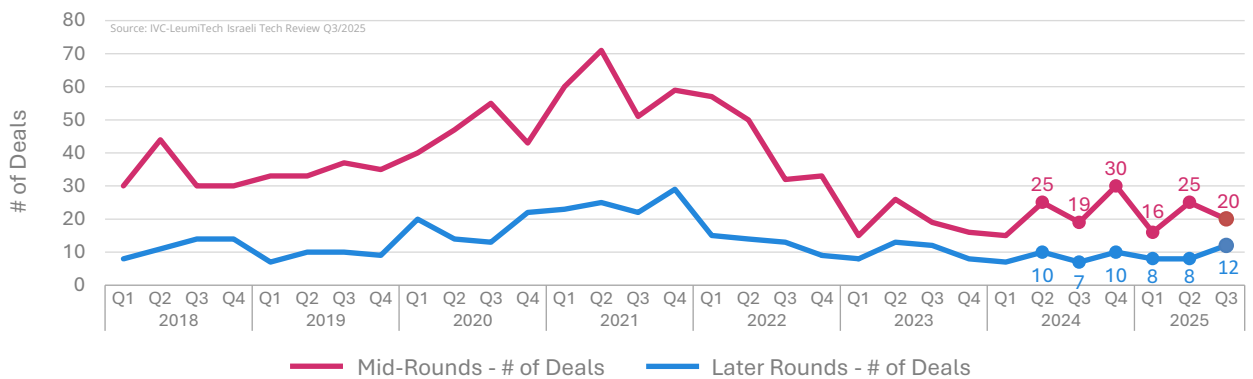
Mid-Later Rounds

Later-stage funding reached \$464 million in Q3/2025, bringing the year-to-date total to 8% below the level recorded in Q1-Q3/2024.

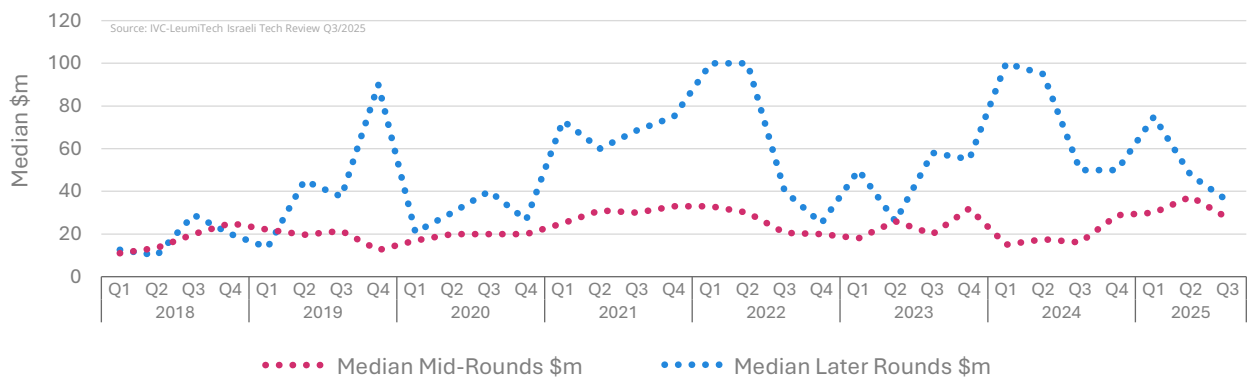
Mid-Later Rounds: Capital \$m



Mid-Later Rounds: # of Deals

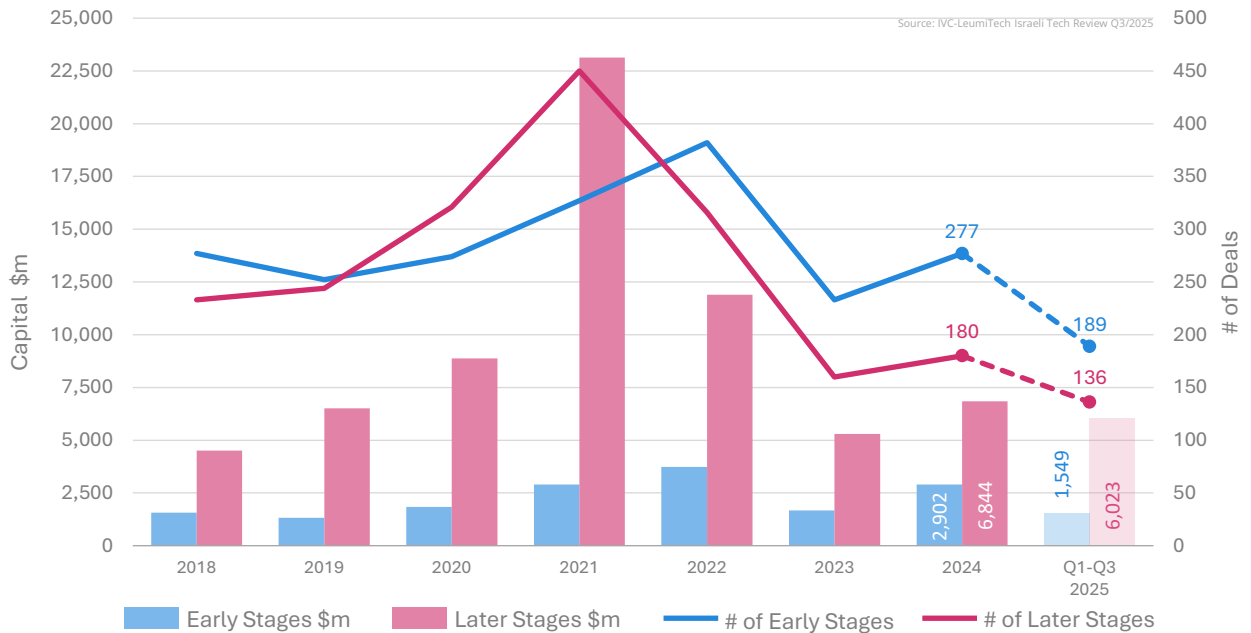


Mid-Later Rounds: Median \$m



Capital Raising by Companies Stages

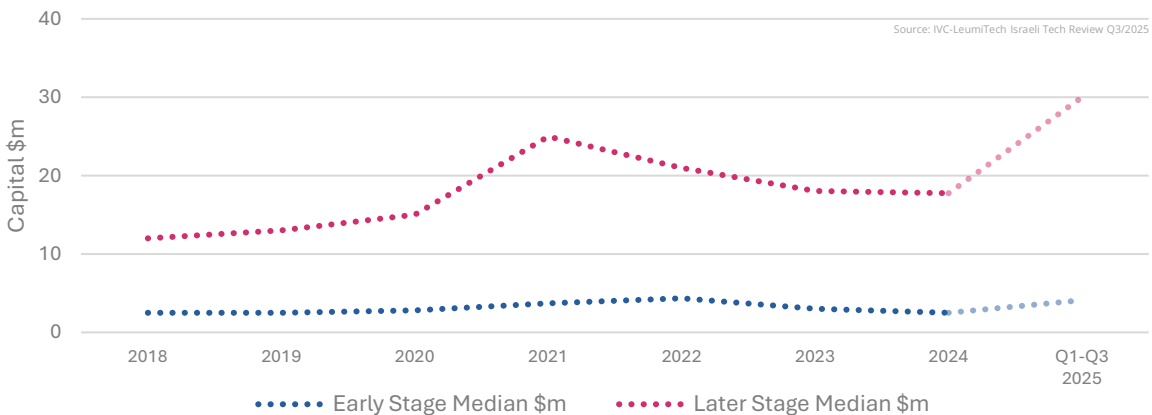
Early vs Later Stage Capital Raising 2018 – Q1-Q3/2025



The period of Q1-Q3/2025 ended on a positive note for Later Stage Israeli tech companies (companies in the operational stages of initial revenue or revenue growth).

Median amounts peaked in Q1-Q3/2025, reaching \$4.1 million for early-stage companies (companies in the operational stages of Seed and R&D) and \$30 million for later stages, contrasting with the annual downtrend observed in the previous two years.

Early vs Later Stage Median \$m 2018 – Q1-Q3/2025



Q1-Q3/2025 Top Selected Investments


CYERA

1

Cyera Ltd.
Software
Later Round

540 \$m

AI21labs

2

AI21 Labs Ltd.
Software
Later Round

* AI21 Labs deal might
still be in process

300 \$m


Island

3

Island Technology Inc.
(Quantum Machines)
Software
Later Round

250 \$m

Rapyd

4

**Rapyd Financial
Technologies Ltd.**
Software
Later Round

250 m\$

CATO
NETWORKS

5

Cato Networks Ltd.
Software
Later Round

239 \$m

QM

 QUANTUM
MACHINES

6

QM Technologies Ltd.
(Quantum Machines)
Hardware & Industrial
C Round

150 \$m


**FORSIGHT
ROBOTICS**

7

ForSight Robotics Ltd.
Medical Devices
B Round

125 \$m


cybereason

8

Cybereason Labs Ltd.
Software
Later Round

120 \$m


aidoc

9

Aidoc Medical Ltd.
Digital Health
Later Round

110 \$m


CLASSIQ

10

Classiq Technologies Ltd.
Software
C Round

110 \$m


Decart

11

Decart AI Ltd.
Software
B Round

100 \$m


DREAM

12

Dream Security Ltd.
Software
B Round

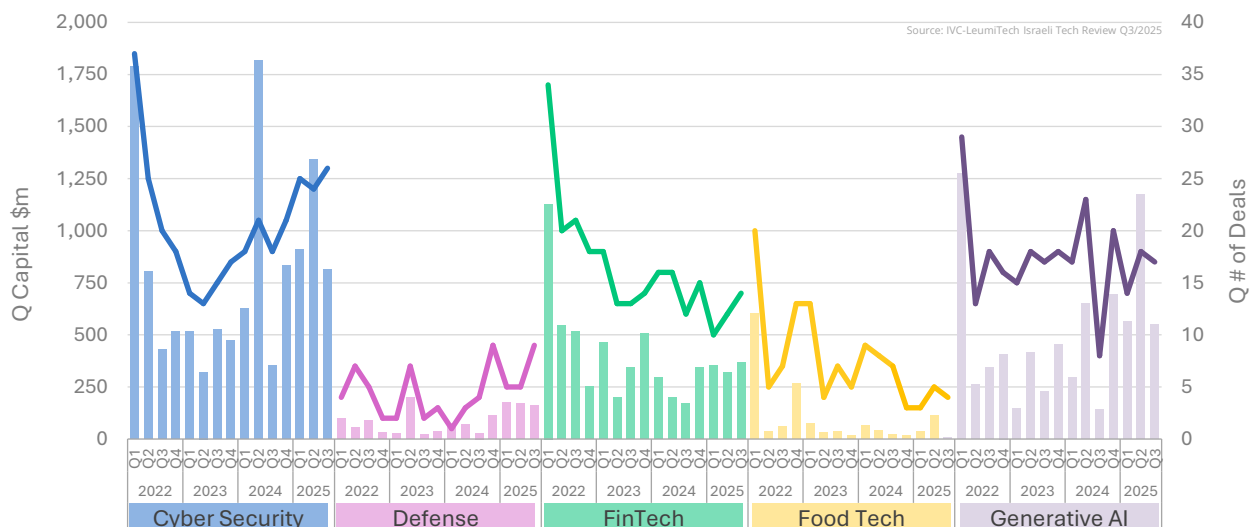
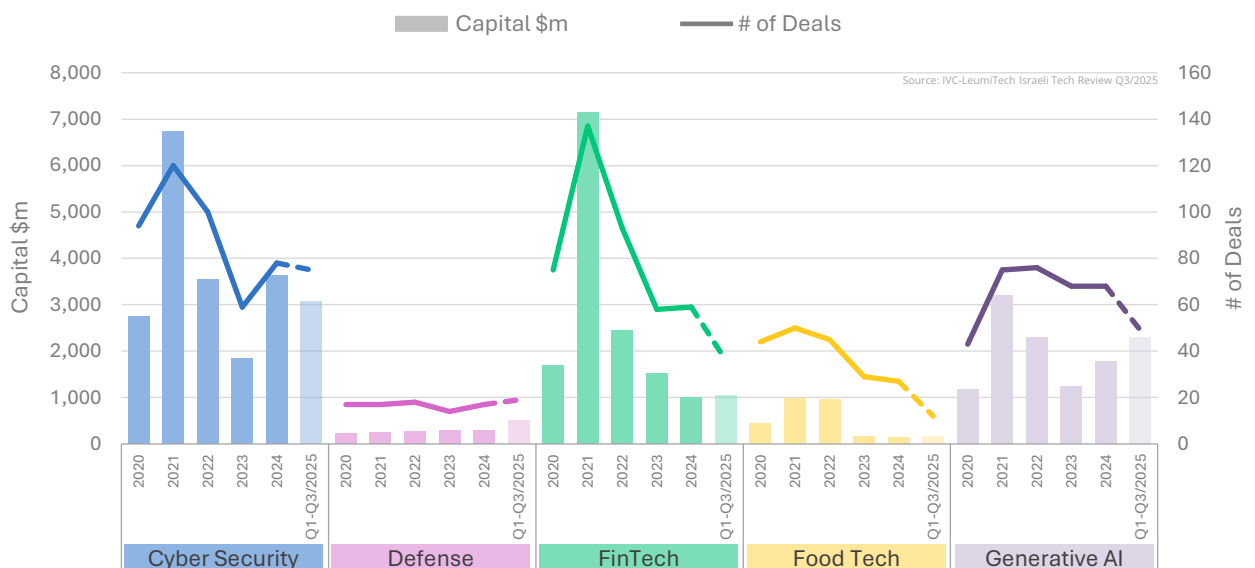
100 \$m

Technology Verticals

The number of Cyber Security deals continues its upward trend since mid-2023, reaching 75 deals from Q1-Q3/2025. Generative AI companies raised \$2.3 billion in Q1-Q3/2025, surpassing the total for all of 2024.

Aidoc Medical and Decart AI, both Generative AI companies, raised \$110 million and \$100 million, respectively, marking the most significant amounts in Q3/2025. The highest amount raised by a Cyber Security company was \$99 million by Noma Security.

Investments by Tech Verticals

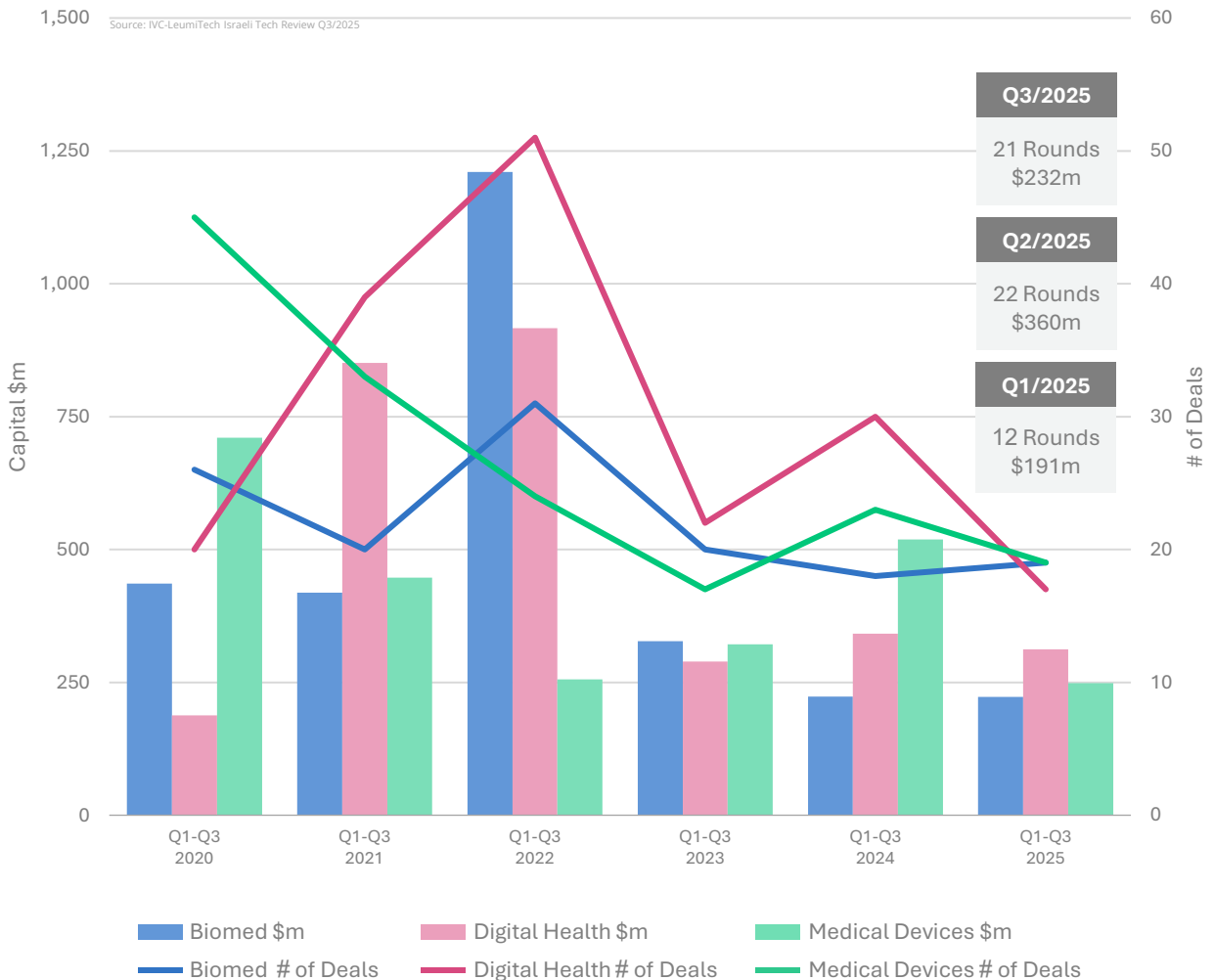


Israeli High-Tech Life Science

Q1-Q3/2025 was the weakest period for Israeli high-tech life science companies, especially in digital health (11 deals) and medical device (9 deals) sectors, compared to Q1-Q3/2024 with 30 and 23 deals each, respectively.

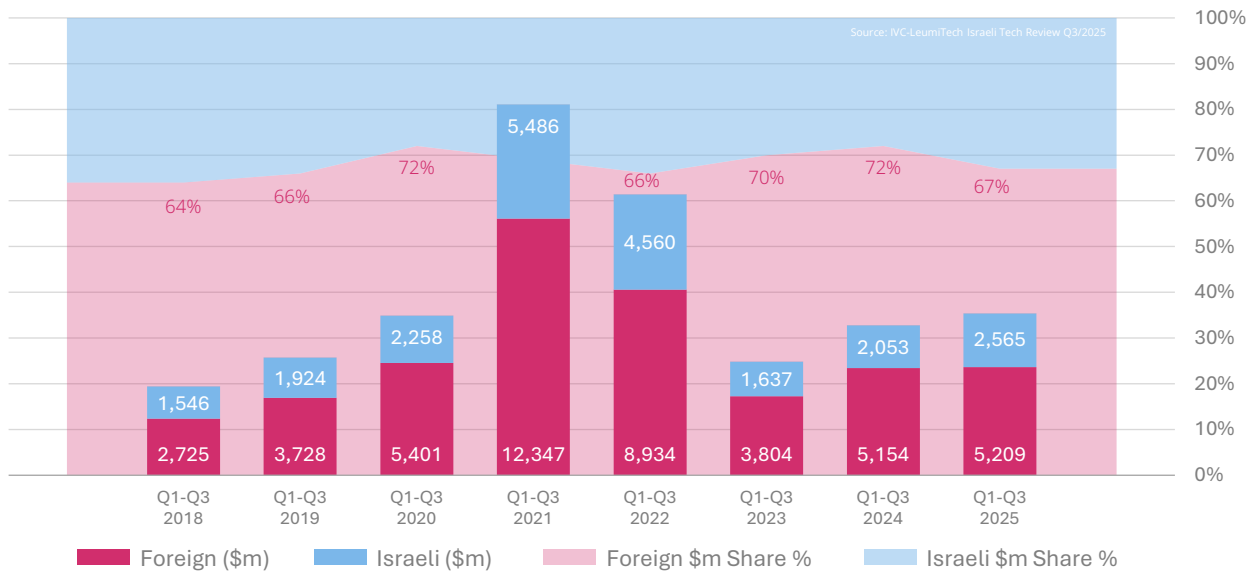
Four companies exceeded \$50m threshold, two of them in digital health, raising \$340m in total, 44% of total raised by life science companies in Q1-Q3/2025, led by Forsight Robotics (\$125m) and Aidoc Medical (\$110m) .

Israel Life Science Capital Raising (Medical Devices, Biomed, Digital Health)

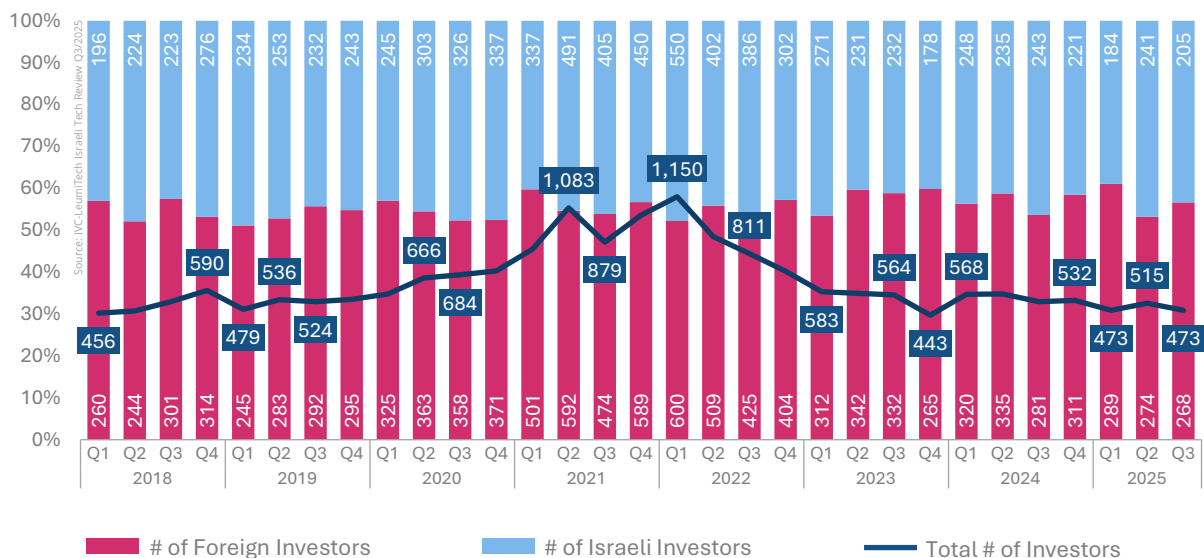


Israeli vs Foreign Investors Activity

Israeli vs Foreign Investments ^{1, 2, 3}



of Investors - Israeli vs Foreign ^{1, 2, 3}



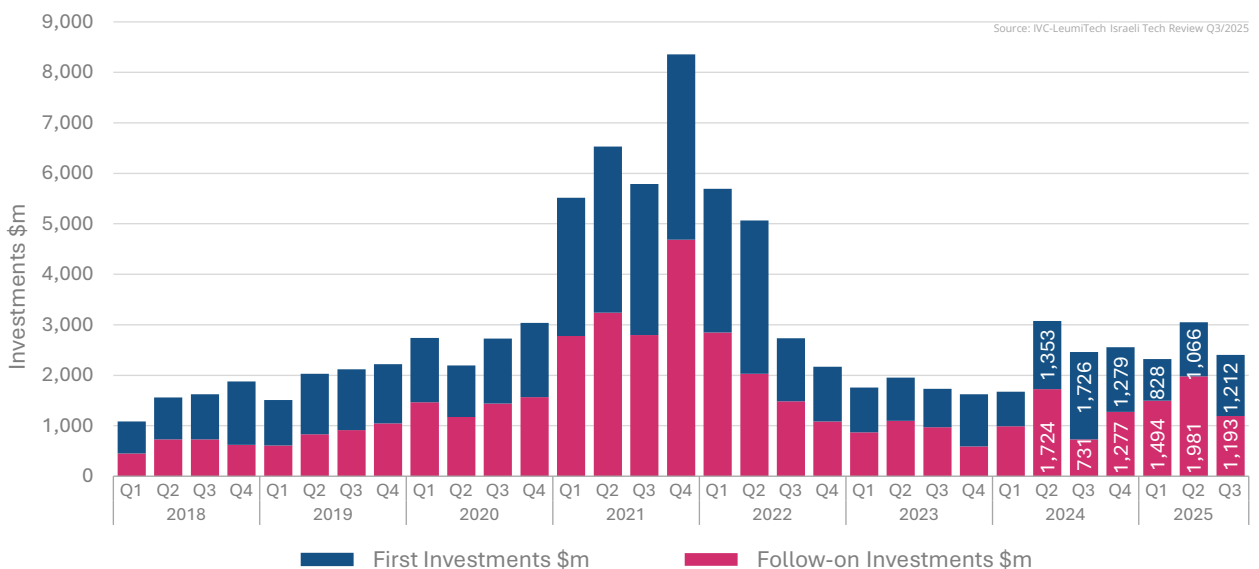
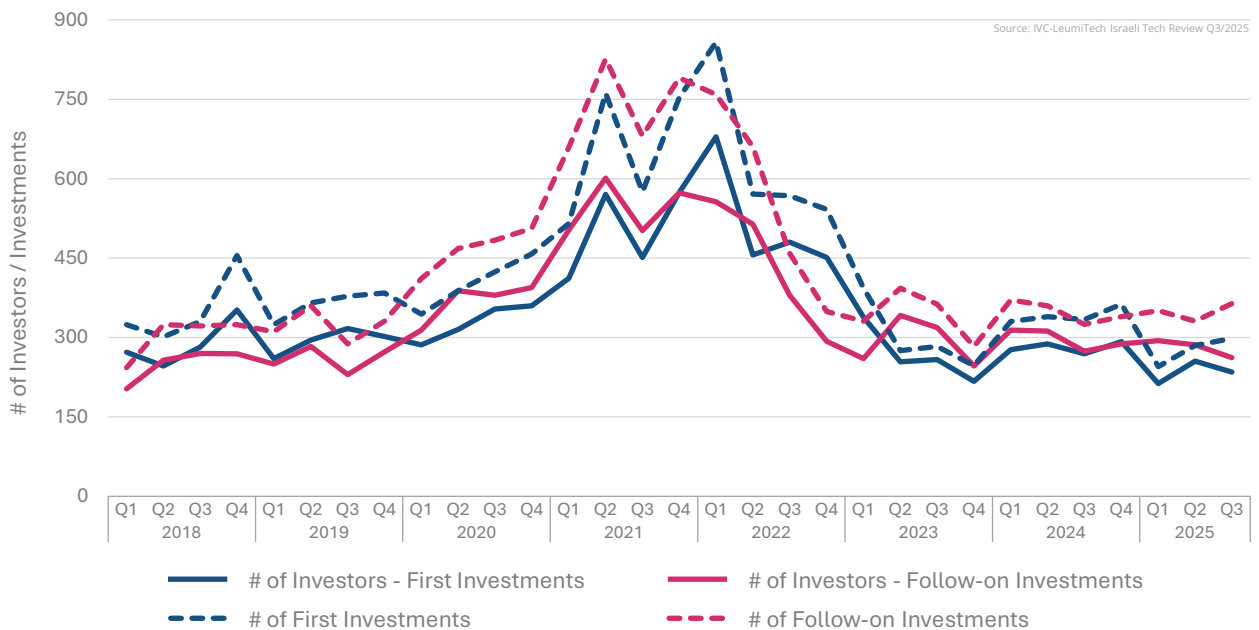
Notes: 1) Some Investors were undisclosed. 2) Investments performed by Investor HQ Region. 3) The amounts are based on IVC's investors activity model, on average, at 95% accuracy.

First vs Follow-on Investments

In Q3/2025, both first and follow-on number of investments, among overall investor types, showed an upward trend, narrowing some of the gap created in Q1/2025, when first investments declined.

First investments demonstrated steady growth in capital over the quarters in 2025.

First vs. Follow-on Investments ^{1, 2}

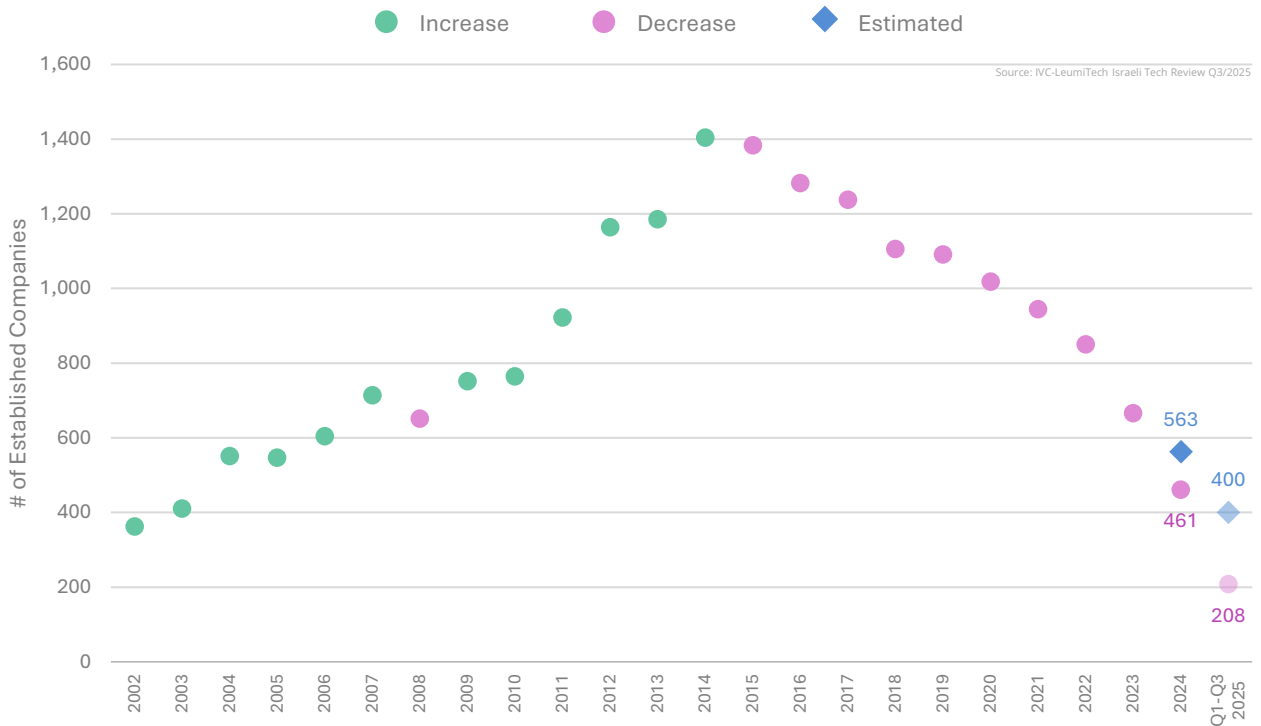


Notes: 1) Some Investors were undisclosed. 2) The amounts are based on IVC's investors activity model, on average, at 95% accuracy.

New Israeli High-Tech Companies

IVC estimates that around 400 new companies were established in the first three quarters of 2025, following nearly 600 new companies in 2024.

of New Israeli High-Tech Companies





Israeli High-Tech Exits

Israeli High-Tech Exits

In Q1-Q3 2025, Israeli high-tech exits totaled \$10.86 billion across 120 deals. Although the number of deals increased compared to the same period in the previous two years, the overall value decreased, indicating smaller average deal sizes. The period continues the moderate recovery trend observed in 2024.

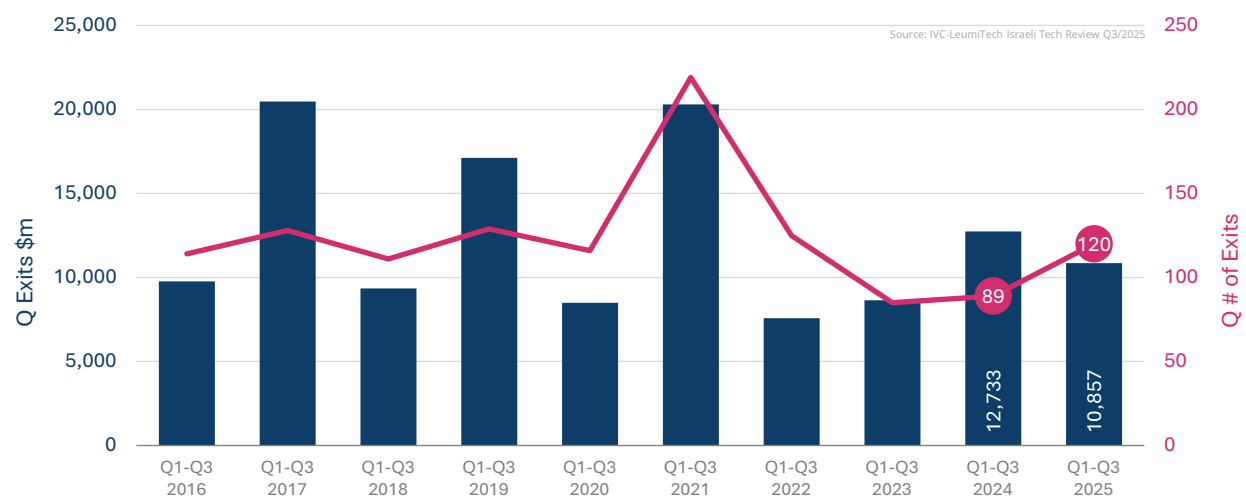
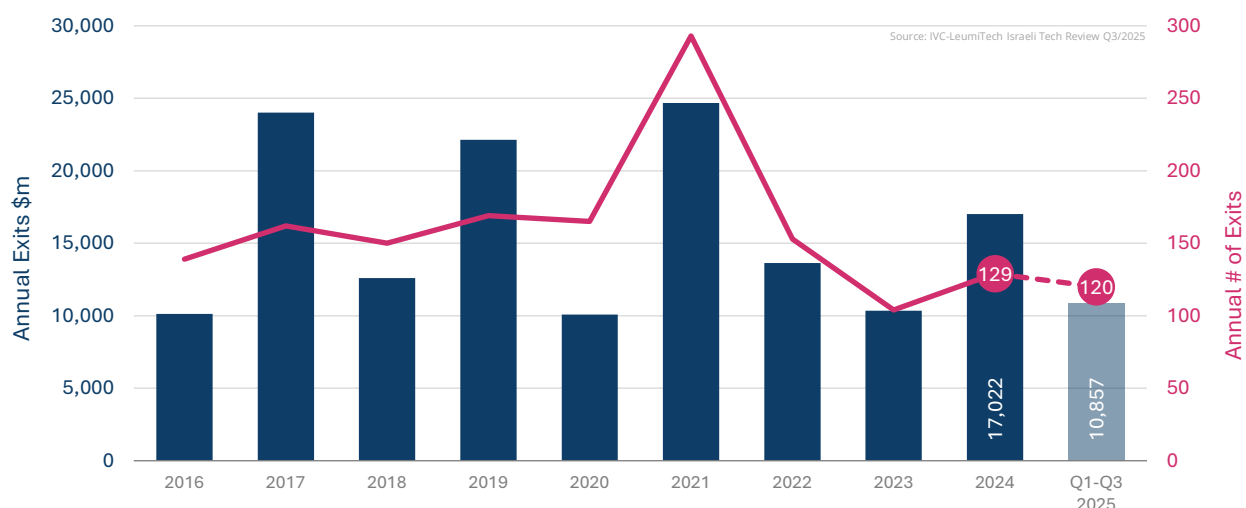
The \$2.6 billion acquisition of Next Insurance by ERGO and the \$2.5 billion acquisition of Melio by Xero accounted for nearly half of the total exit value in Q1-Q3 2025.

108 M&As were recorded during the first three quarters, surpassing the figures for Q1-Q3 in both 2023 and 2024, and matching pre-2020 levels.

IPO activity increased with five offerings completed in Q3/2025.

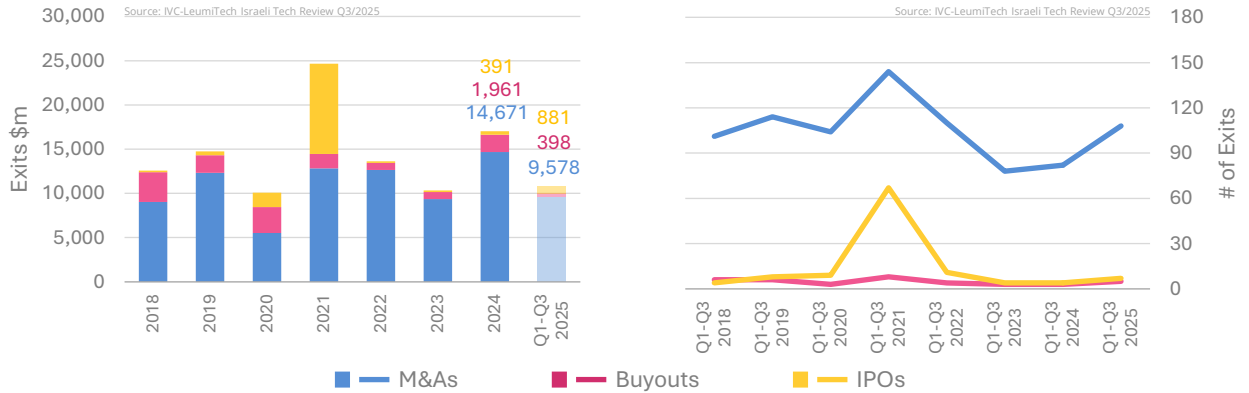
The acquisition of Wiz by Google for \$32b and the acquisition of CyberArk by Palo Alto Networks for \$25b have not yet been completed.

Israeli High-Tech Exits (M&As, Buyouts, IPOs)

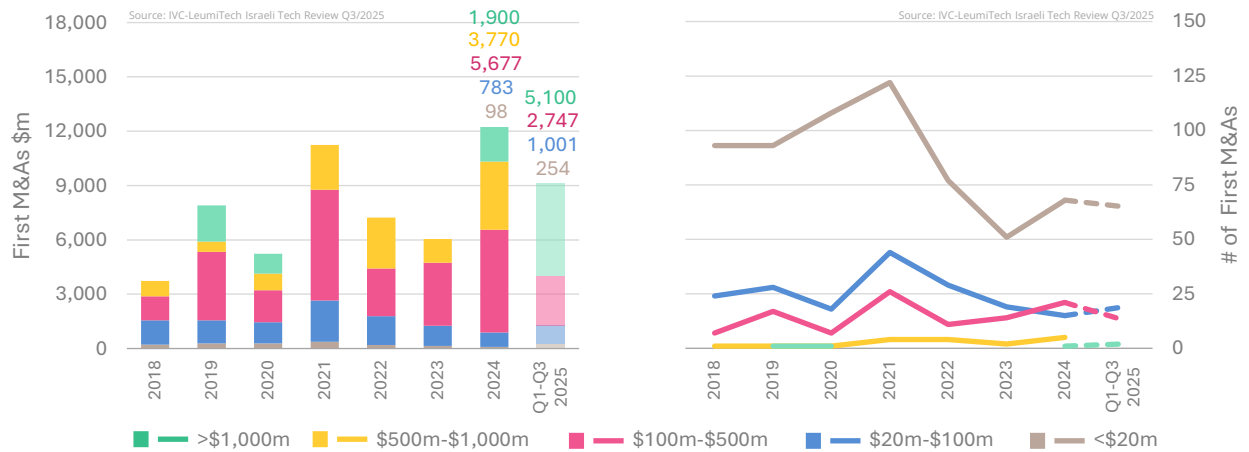


Exits under \$5b Analysis

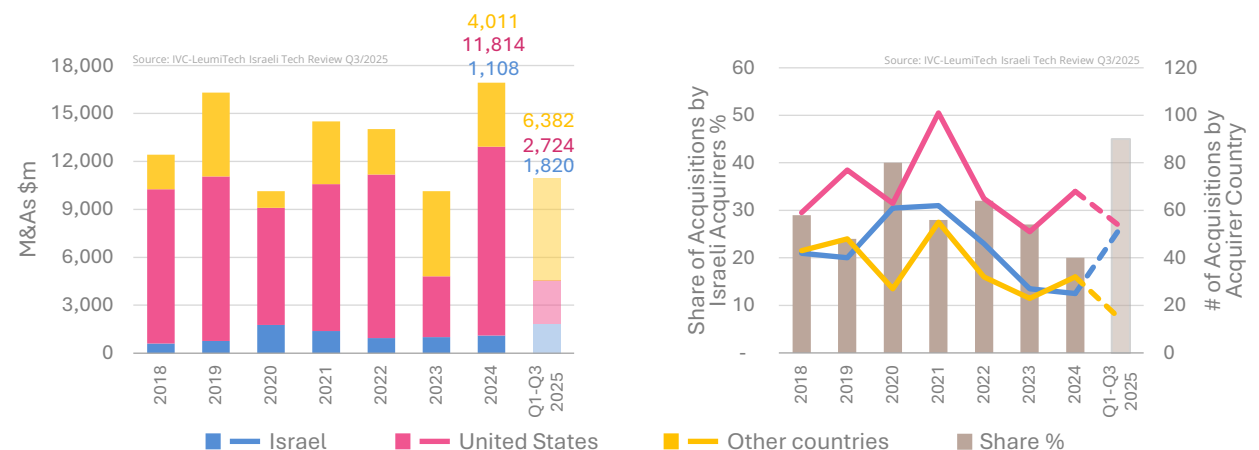
Exits Under \$5b - by Type



First M&As Under \$5b - by Deal Size ¹



M&As Under \$5b - by Acquirer Country



Notes: 1) First exit refers to the first time a startup goes through an exit process (M&A, IPO, or Buyout).

Top Israeli High-Tech Exits Q3 2025

Top exits (above \$100m) in the third quarter totaled \$4.75b and accounted for almost 90% of the quarter's total exit value.

NEXT

by

ERGO

Germany

Software

2600 \$m



SatixFy

by



Canada

Network Infrastructure

356 \$m

aim aim security

by

CATO NETWORKS

Israel

Software

350 \$m



IPO



Consumer-Oriented Software

329 \$m

Vectorious

by



Medical Devices

239 \$m

ATERD AI

by

Crusoe

USA

Software

200 \$m

DigitalOwl by **datavant**

USA

Software

200 \$m

Gett.

by



Israel/Australia

Consumer-Oriented Software

188 \$m

Prompt:

by

SentinelOne

Israel

Software

180 \$m

Cynerio

by

Axonius

Israel

Software

109 \$m

Israeli High-Tech Acquirers Activity

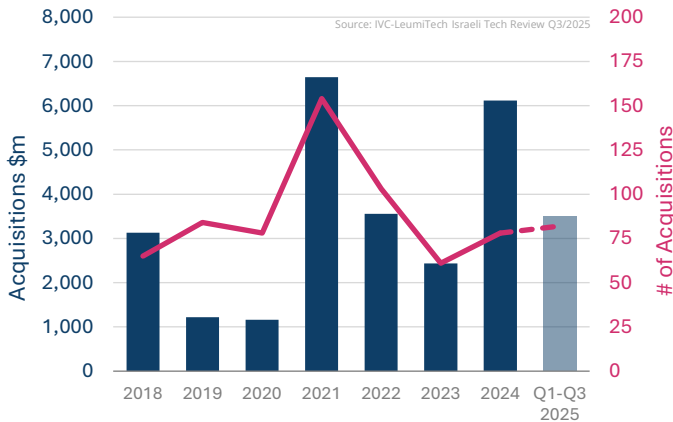
Israeli acquisitions activity surged in 2025 and accounted for a significant portion of the increase in M&A deals.

The share of Israeli acquirers in local company acquisitions doubled from 2024 to 45%, reaching its highest level since 2018.

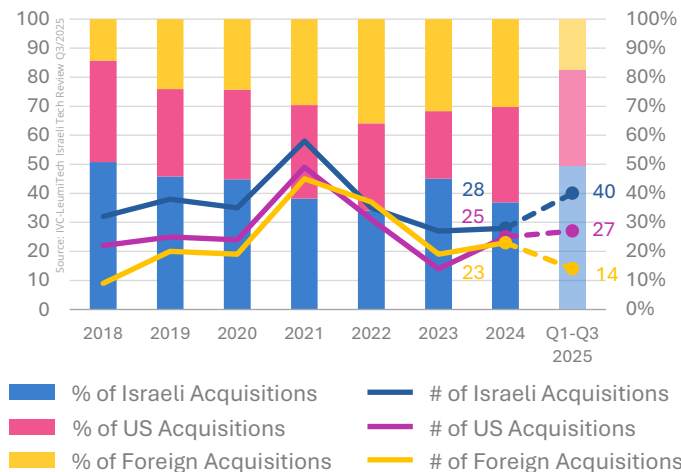
In Q1-Q3 2025, Israeli tech acquirers completed 82 acquisitions, maintaining strong activity levels compared to recent years.

The total number of deals stayed steady, similar to the pre-2021 trend. The focus of acquisitions shifted to local targets, with nearly 50% of all acquisitions involving Israeli companies, the highest share since 2018.

Israeli High-Tech Acquirers Activity



of Acquisitions by Acquired Company Region



Top Acquisitions Q3/2025

COGNiGY by **NiCE**
Germany
Software 955 \$m

aim security by **CATO NETWORKS**
Israel
Software 350 \$m

LAKERA by **CHECK POINT**
USA
Software 300 \$m

observo.ai by **SentinelOne**
USA
Software 225 \$m

Clippings Inc. by **Pro Sportority Ltd.**
USA
Software 200 \$m

Prompt: by **SentinelOne**
Israel
Software 180 \$m

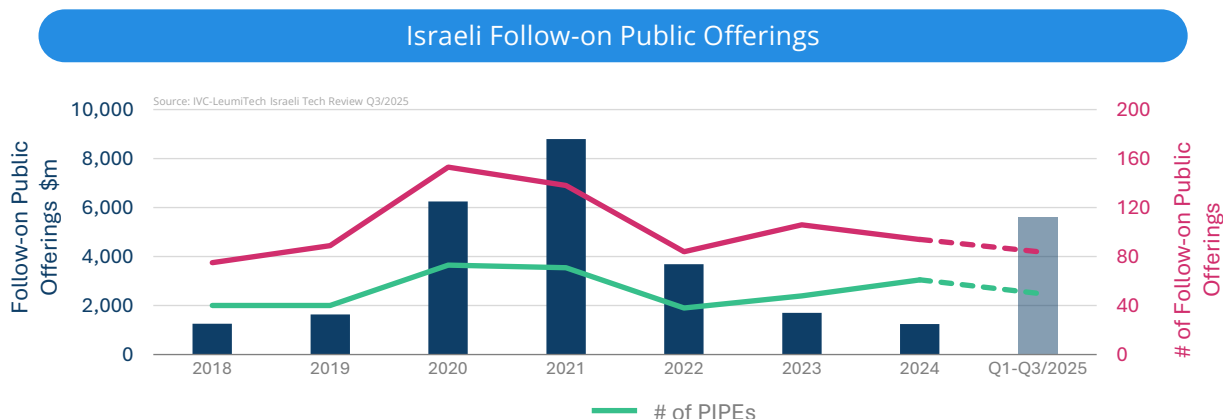
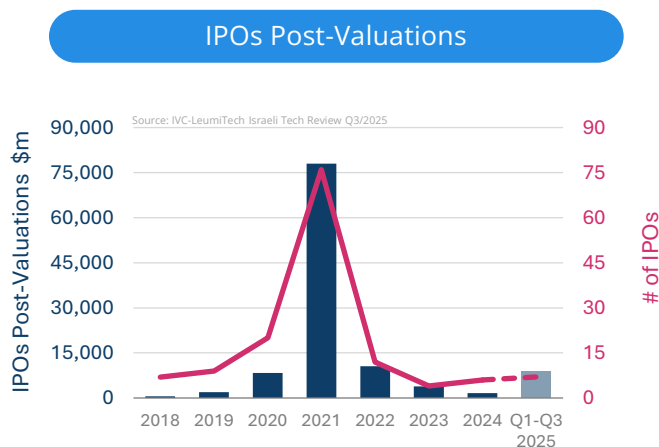
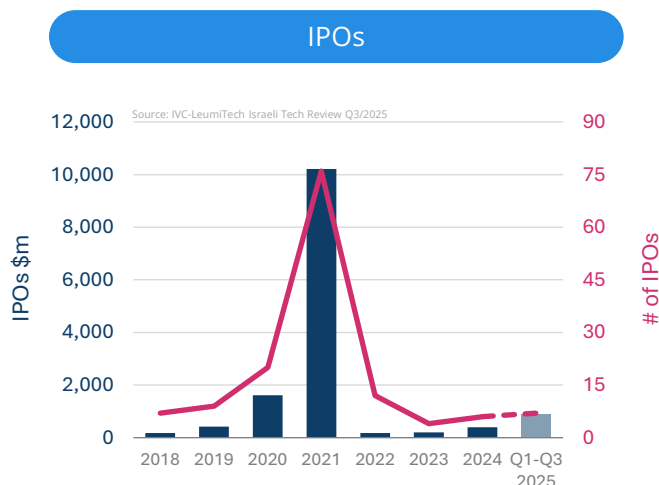
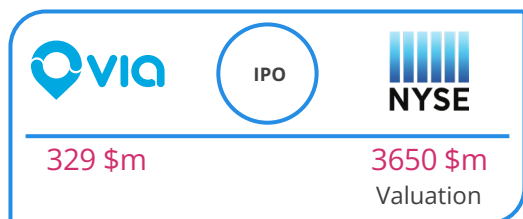
SLASHNEXT by **VARONIS**
USA
Software 150 \$m

Israeli High-Tech Public Offerings

IPO activity continued to grow in 2025, with seven offerings totaling \$881 million in value completed from Q1 to Q3.

Four IPOs took place in New York and three on the Tel Aviv Stock Exchange. The most notable in Q3/2025 was Via Transportation, which went public on the NYSE with a post-IPO valuation of \$3.65 billion.

Thirty-four follow-on public offerings (FPO) & 50 PIPEs, driven by a few larger transactions, totaled \$5.6 billion in the first three quarters of 2025, marking an increase in total value compared to recent years.





Methodology

General

- This report contains information derived from the IVC-Online Database. Deal numbers and valuations may vary across our reports due to continuous updates of historical numbers in the IVC database.
- This report summarizes activities of Israeli and Israel-related high-tech companies between 2015 – Q3/2025. "Israel-related" refers to a company which is not incorporated in Israel but has senior Israeli management and founders.
- Up-to-date information is available on www.ivc-online.com.

Investments

- This report reviews capital raised by Israeli tech companies from Israeli and foreign venture capital funds as well as from other investors, such as investment companies, corporate investors, incubators and angels.
- Reported data presents the investments activity IVC collects from reliable media sources, and direct reports gathered by IVC's information specialists' team. In order to compare the data to previous periods, the data in IVC's database are normalized to include only the known published data for each quarter or year.
- Projected data covers the gap in knowledge about Seed companies' activity. Since most of the information about Seed companies comes to light 12 to 24 months after the closing took place, the projected data shows the reported data multiplied by a constant (factor) that helps to understand the real impact of activity in Seed companies over the long run. [READ MORE HERE](#).
- The report is based on data from 474 investors of which 104 were Israeli VC funds and 370 were other entities.
- The term 'Early-Stage Companies' refers to high-tech companies in the process of development and not yet offering products to the market.
- The report covered total investments in the Israeli venture capital sector, including both VC-backed rounds where at least one investor participating in the round was a VC fund, as well as deals not backed by venture capital funds.
- The report includes amounts received by each company directly, including direct transactions performed between company shareholders.
- Most companies fall within more than one technology cluster, therefore the data regarding tech clusters should be viewed separately per cluster.



About



IVC is the leading data source and business information company in Israel's high-tech industry. We help our clients understand the market, make connections and identify opportunities with access to the latest news, trends and developments.

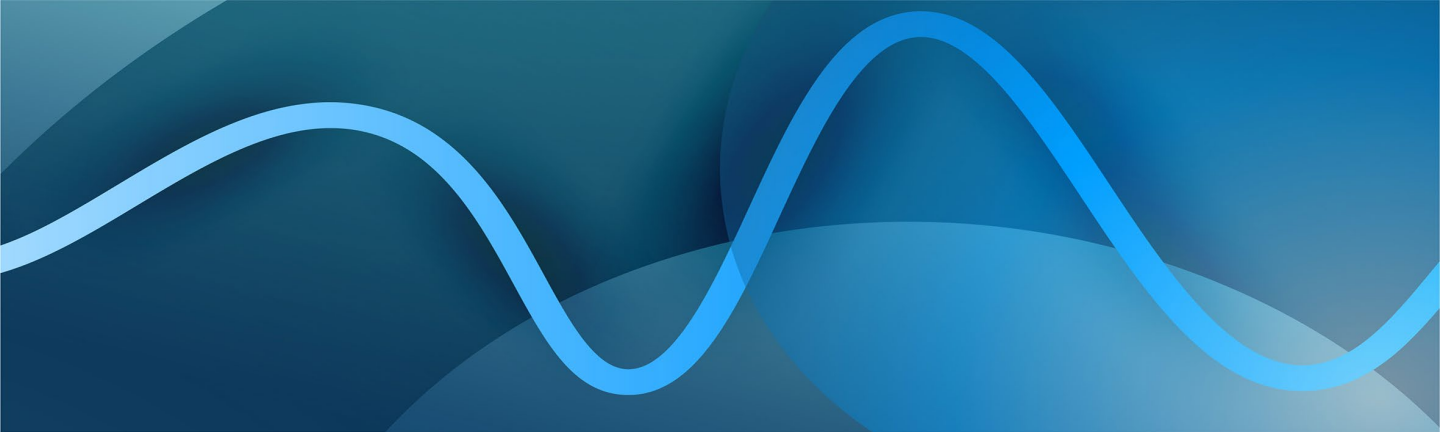
From venture capital and private equity funds to industry leading companies and emerging startups across Israel's varied high-tech sectors, we cater to the varied business information needs that make up the Israeli high-tech ecosystem. We bring more than 20 years of experience of gathering and analyzing data, serving the IVC community. Our dedicated team of industry researchers and analysts has deep knowledge and hands-on experience working with Israel's high-tech sector.

Our management, professional sales, data and marketing teams drive IVC's commitment to excellence and client service. We enable a wide range of local and global clients, including entrepreneurs, local and foreign investors of all types and service providers such as lawyers and accountants, to get to know the Israeli high-tech ecosystem better

(Registered Database #366723)

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LEUMITECH

LeumiTech, the banking arm of Leumi Group, specializes since 2014 in banking for high-tech companies and VC Funds, servicing companies from early stage through fast growing to giant corporates. We provide a comprehensive, personalized, tech-specific banking products and specialized loans as part of our complete solution for all of our clients' financial needs. Such services include high-tech credit expertise, hedging and investment tech center and access to global and local ecosystems.

With dedicated high-tech teams, LeumiTech provides a financial home for the Israeli high-tech industry.

www.leumitech.com



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