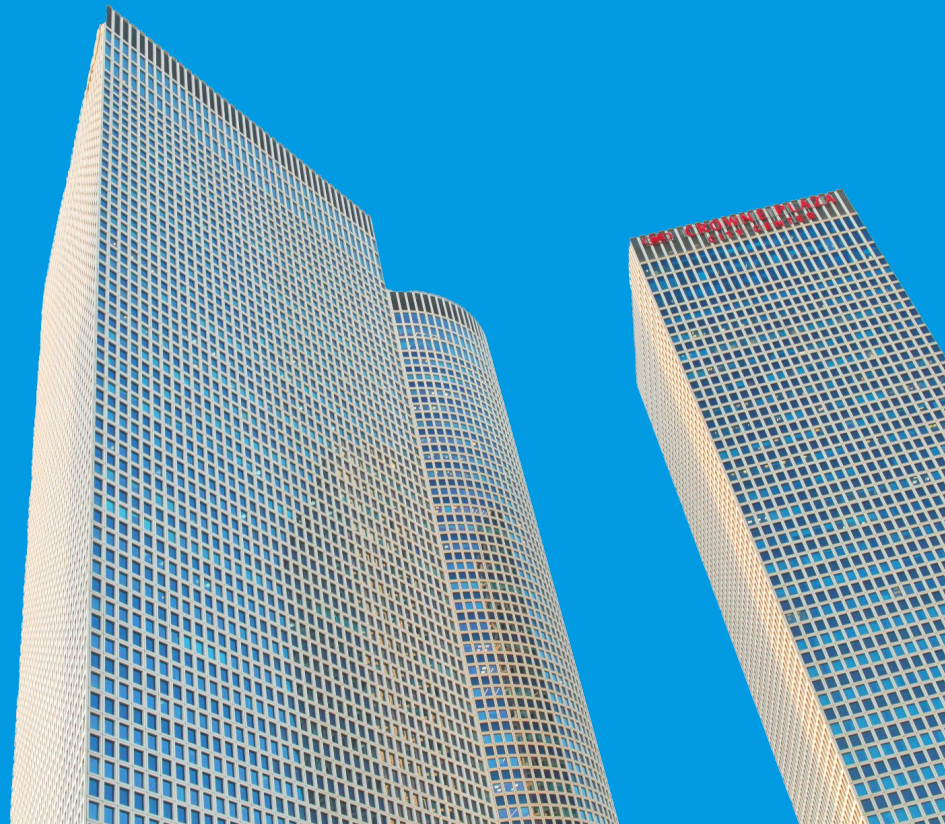
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Tel Aviv

The world's most productive startup ecosystem



March 2024



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Tel Aviv tech sector economic development.

Tel Aviv Tech, a strategic initiative of the Mayor's Office, advances the local tech ecosystem as an economic engine and source of prosperity for the City and its residents. It is managed by the International Economic Development team of Tel Aviv Global and Tourism.

Locally, the team works directly with municipal and business partners to remove barriers and facilitate the synergy that creates community and drives innovation.

Globally, the team forges vital partnerships with leading tech hubs, economic development organizations, research institutions, and more.

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Tech ecosystem intelligence.

Dealroom.co is a global intelligence platform for discovering and tracking the most promising companies, technologies and ecosystems. Clients include many of the world's foremost organizations such as Sequoia, Accel, Index Ventures, McKinsey, BCG, Deloitte, Google, AWS, Microsoft, Stripe.

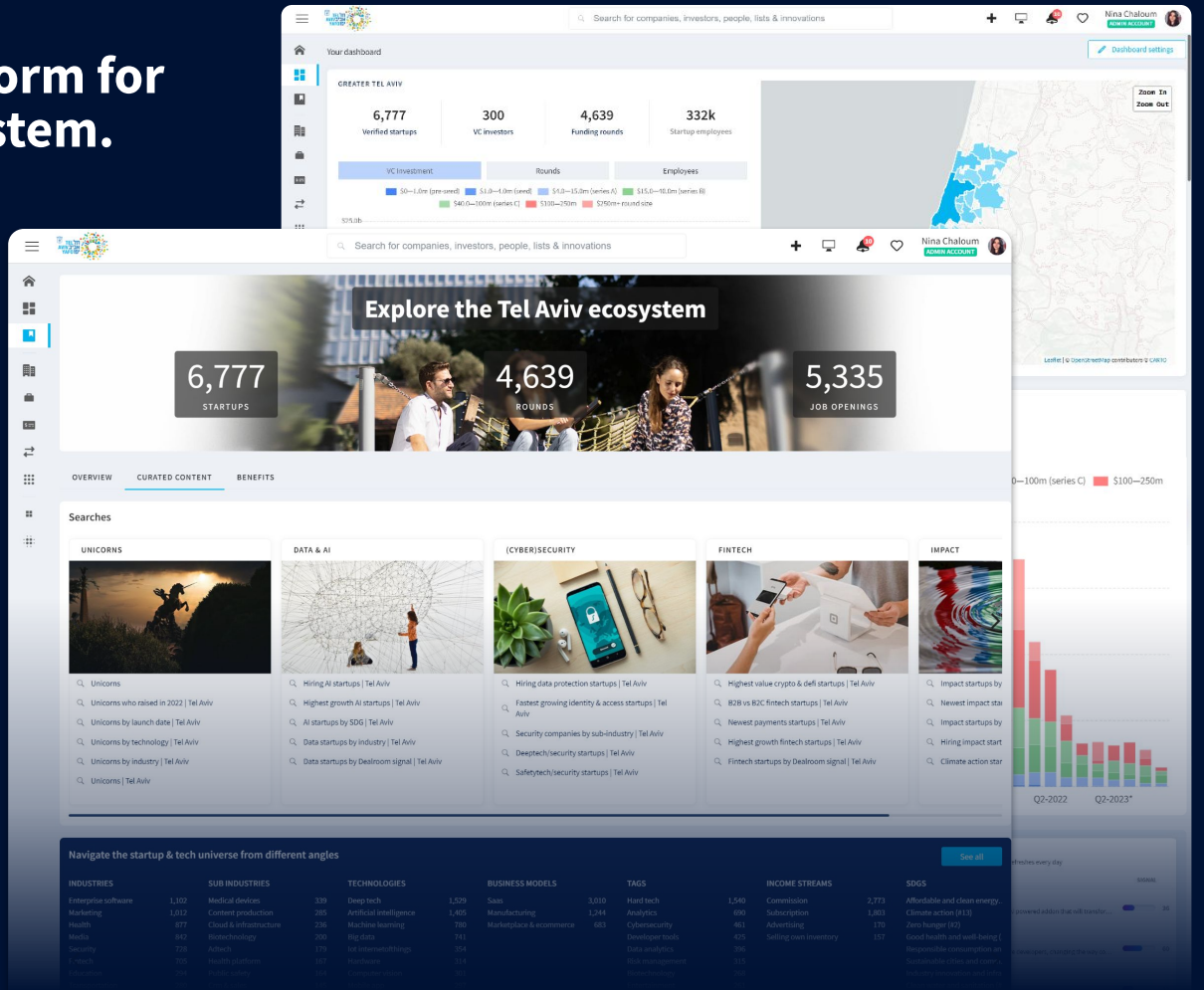
Dealroom partners closely with local tech ecosystem development agencies and enablers, to create a comprehensive multi-dimensional blueprint of the tech ecosystem, including capital, talent, innovation, entrepreneurship and overall economic dynamism.

Open-access data platform for the Tel Aviv tech ecosystem.

Accessible to anyone, to provide data transparency, learn about the ecosystem, measure KPIs, promote startups.

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3 Outlook

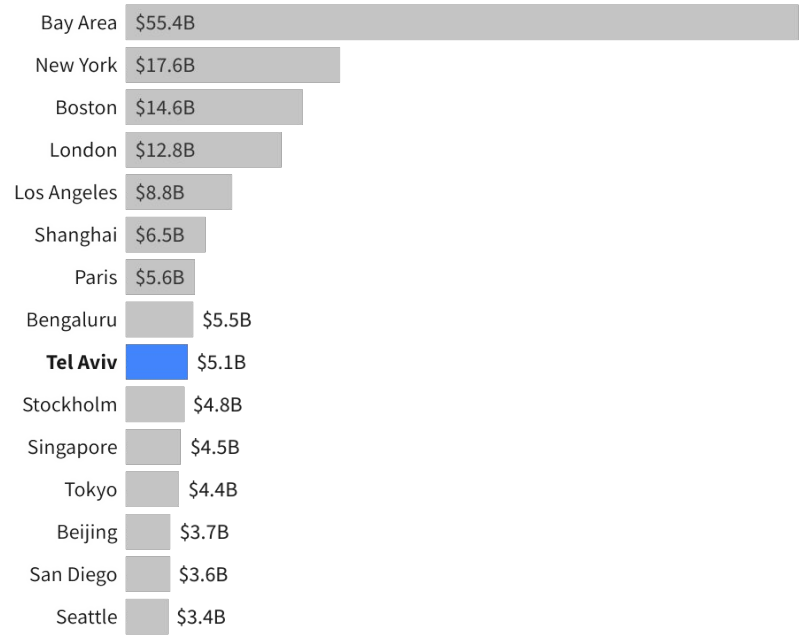
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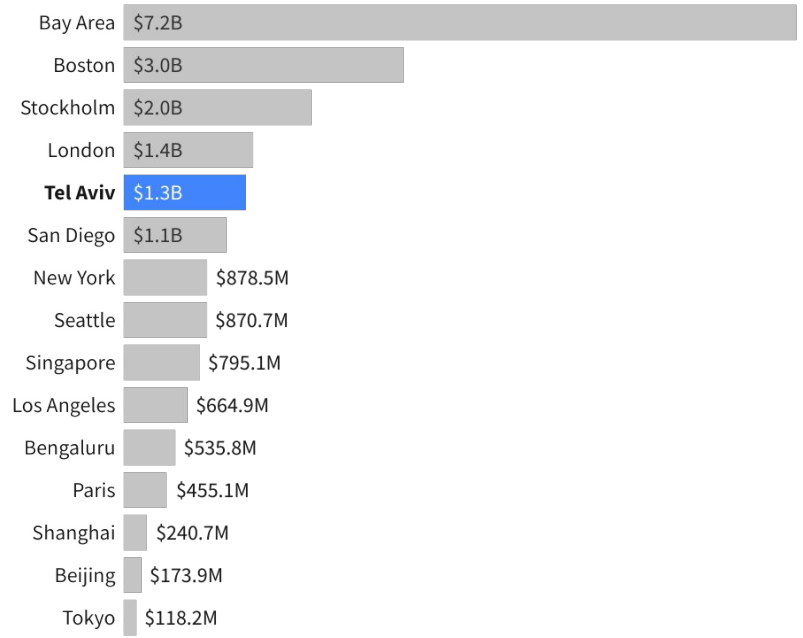
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Tel Aviv ranks #9 globally by VC invested in 2023, and #5 when measured per inhabitant.

VC investment in 2023



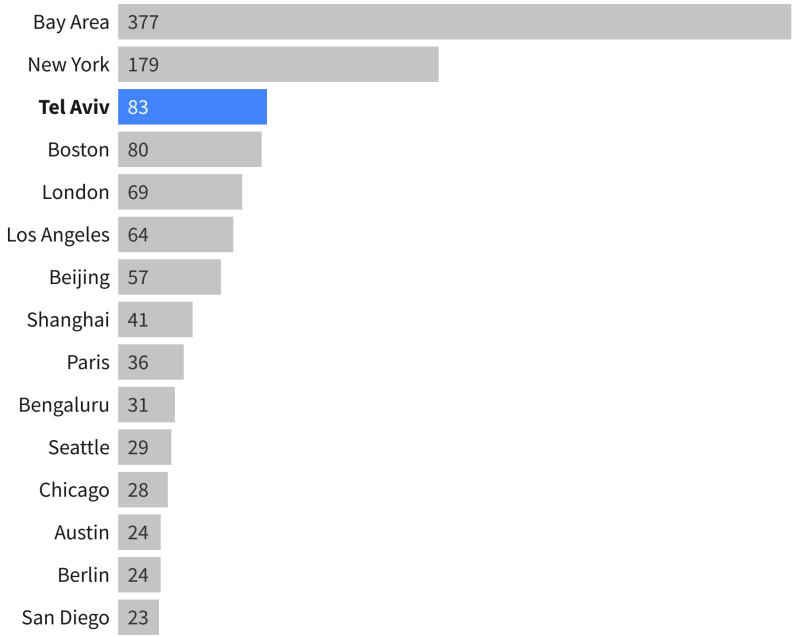
VC investment per million inhabitants in 2023



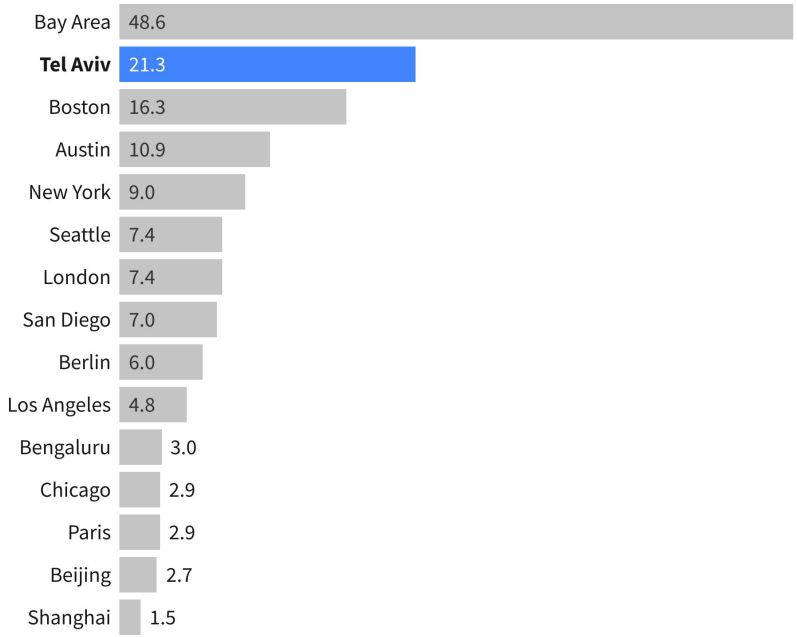
Source: Dealroom.co . Includes companies HQ and/or founded in each perspective ecosystem

By the number of Unicorns, Tel Aviv ranks #3 globally and #2 globally per inhabitant.

Number of unicorns created since 2019*



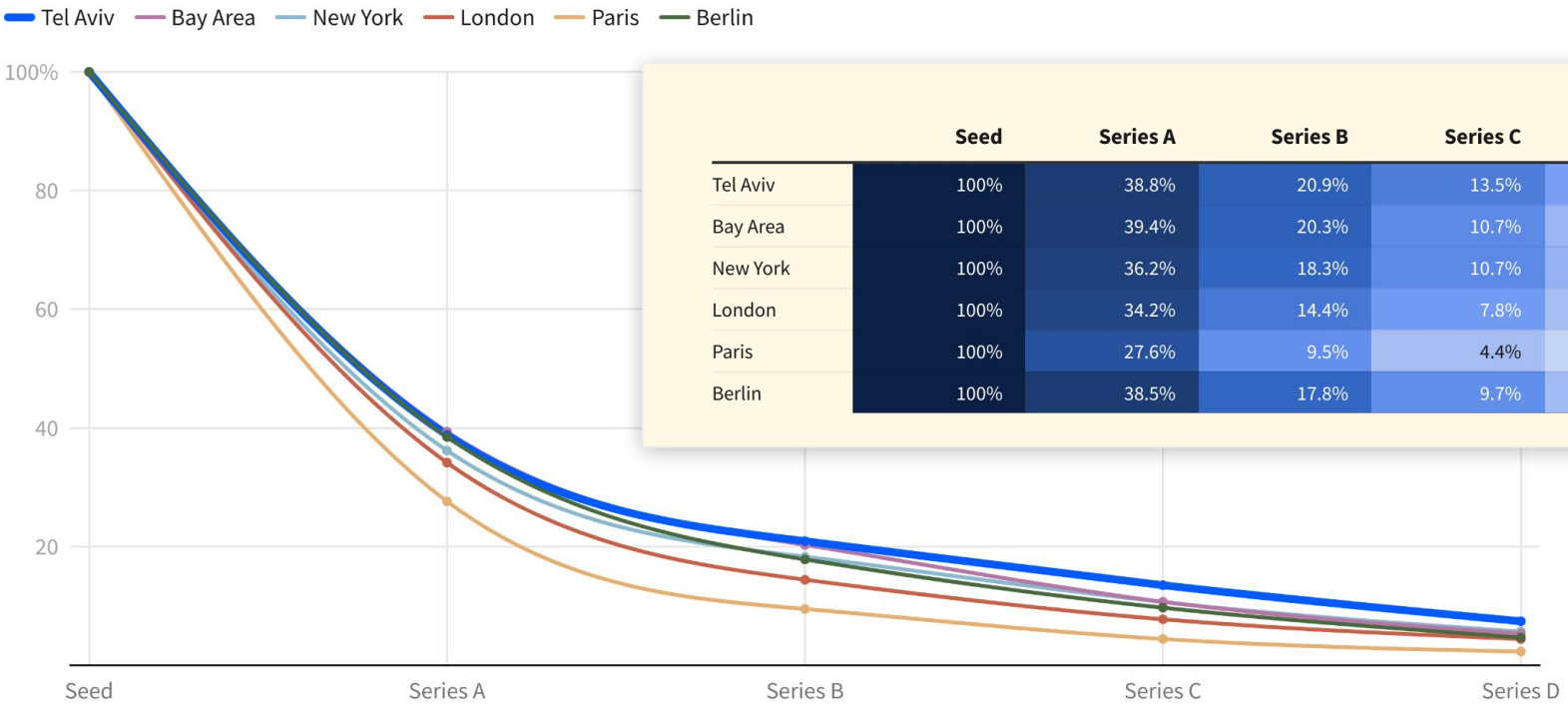
Numbers of unicorns created since 2019 per 1M inhabitants



Source: Dealroom.co . Includes companies HQ and/or founded in each perspective ecosystem. *Includes all startups that reached $1b in valuation since 2019.

In terms of scaling startups, Tel Aviv is best in class – measured by graduation rates.

Conversion rate of cohorts founded between 2010-2021



	Seed	Series A	Series B	Series C	Series D
Tel Aviv	100%	38.8%	20.9%	13.5%	7.4%
Bay Area	100%	39.4%	20.3%	10.7%	5.4%
New York	100%	36.2%	18.3%	10.7%	5.7%
London	100%	34.2%	14.4%	7.8%	4.4%
Paris	100%	27.6%	9.5%	4.4%	2.3%
Berlin	100%	38.5%	17.8%	9.7%	4.7%

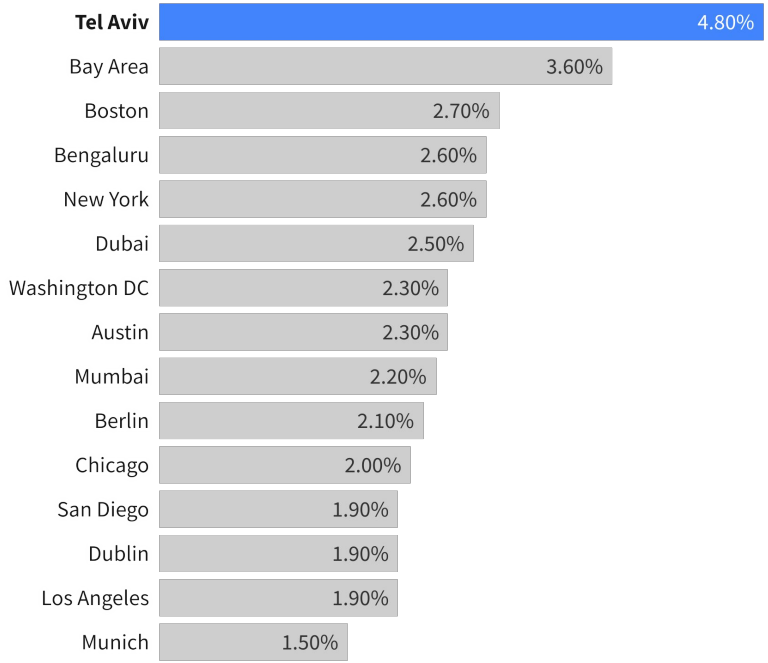
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Source: Dealroom.co. Note that these are not conversion rates between rounds. Some startups also skip the (pre)seed stage and go straight to Series A. Includes companies HQ and/or founded in Greater Tel Aviv.

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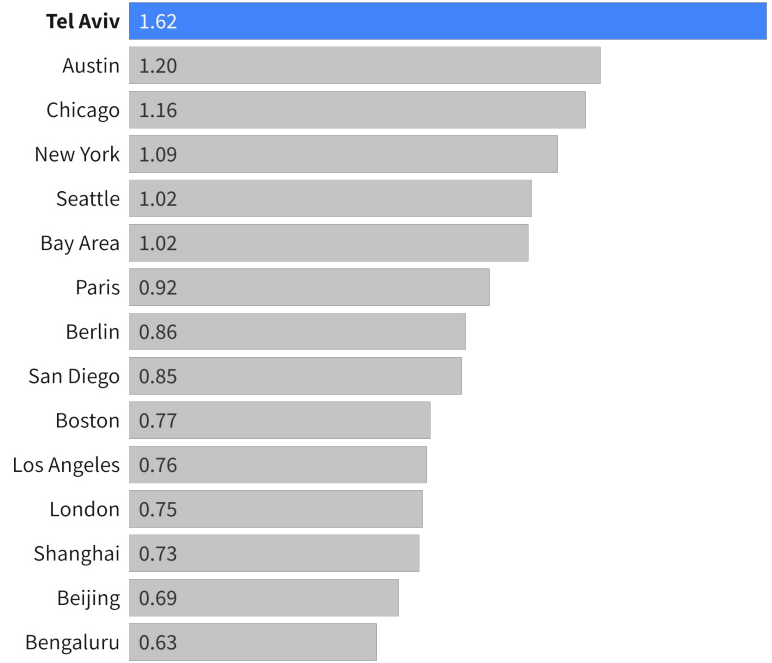
Tel Aviv produces more unicorns for every seed funded startup …

% of VC-backed startups that become unicorn



… and more unicorns for every $ amount of venture capital invested.

Number of unicorns per billion VC invested since 2019



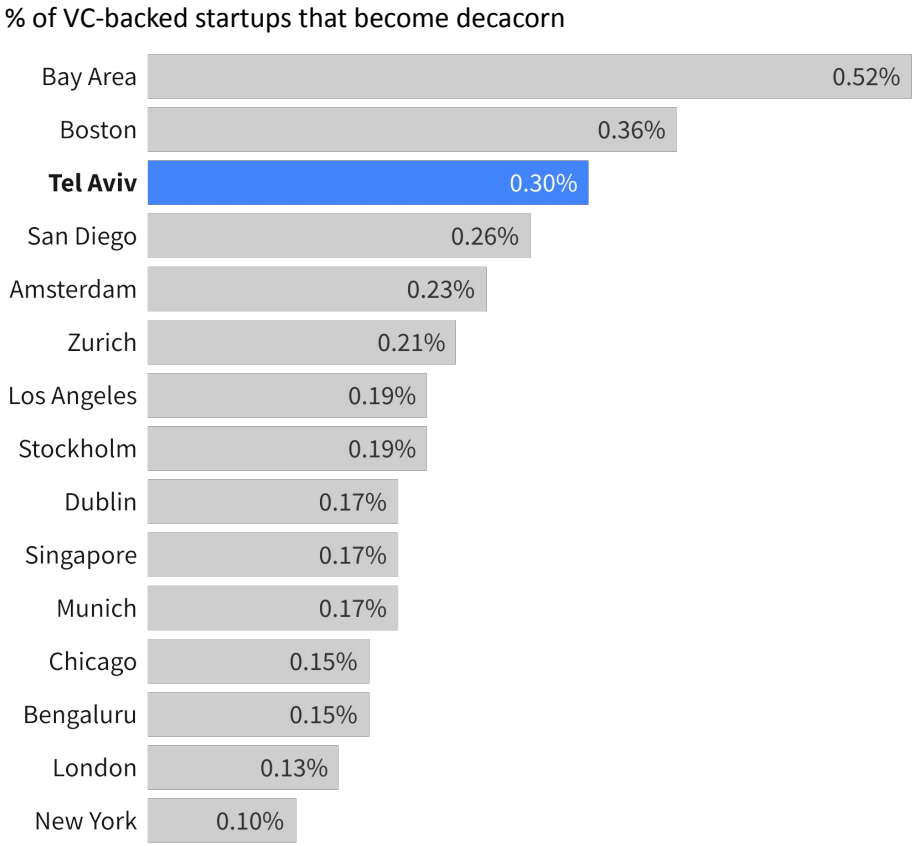
telaviv.dealroom.co

Source: Dealroom.co. Includes all funded companies which have received a round of $100K or more.

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By number of decacorns produced for every VC-backed startup, Tel Aviv ranks #3 globally.

WIZ
Rapyd
CHECK POINT
CYBERARK
monday.com

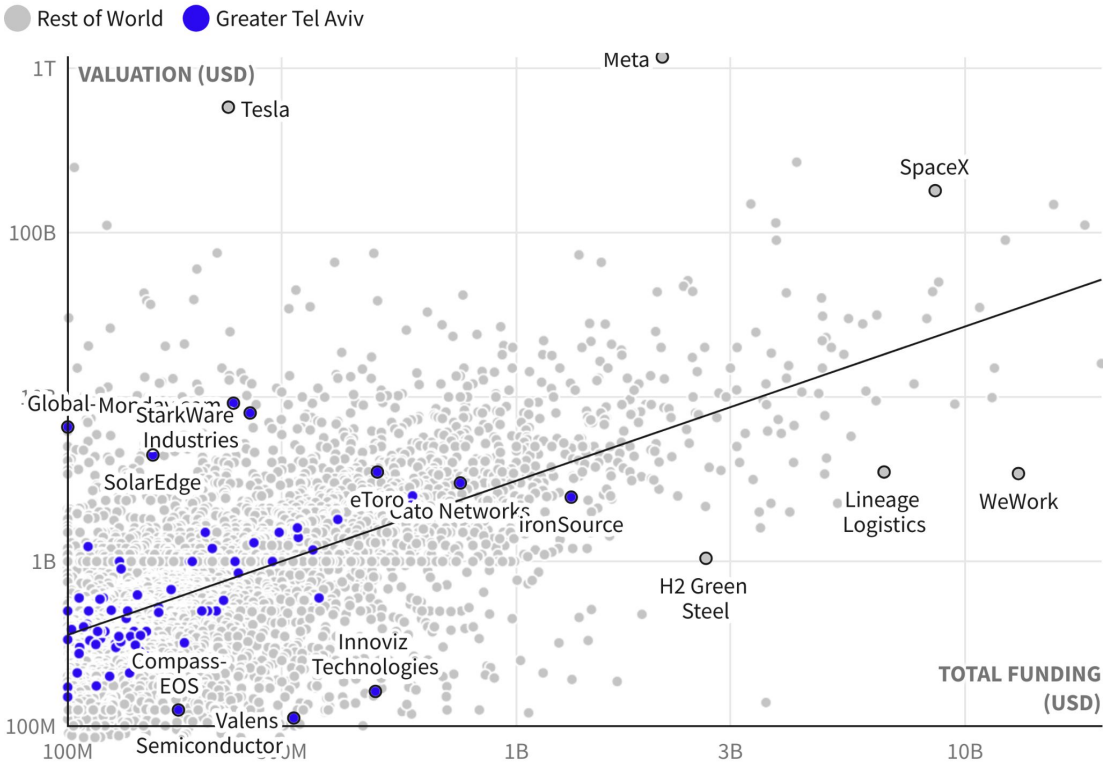


Source: Dealroom.co . Includes companies HQ and/or founded in each perspective ecosystem

Shooting for the stars: the ecosystem is undercapitalized at the very late stages, with few companies

With the right amount of capital they could grow even further: more decacorns and centacorns.

Scatter scaleups: Funding vs. Valuation ($100M + total funding) » **Live data**



Source: Dealroom.co

1 Tel Aviv on global stage

2 Ecosystem today

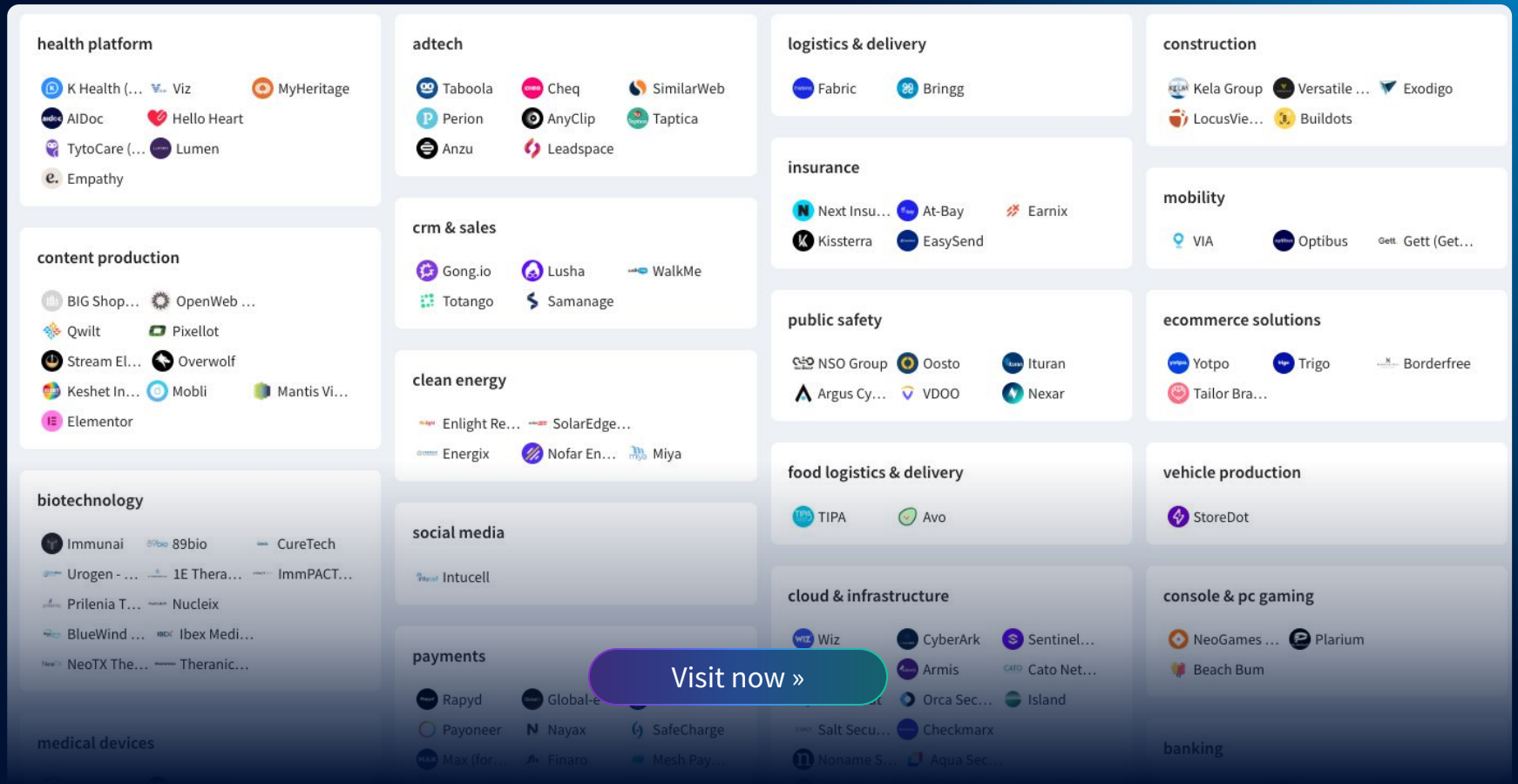
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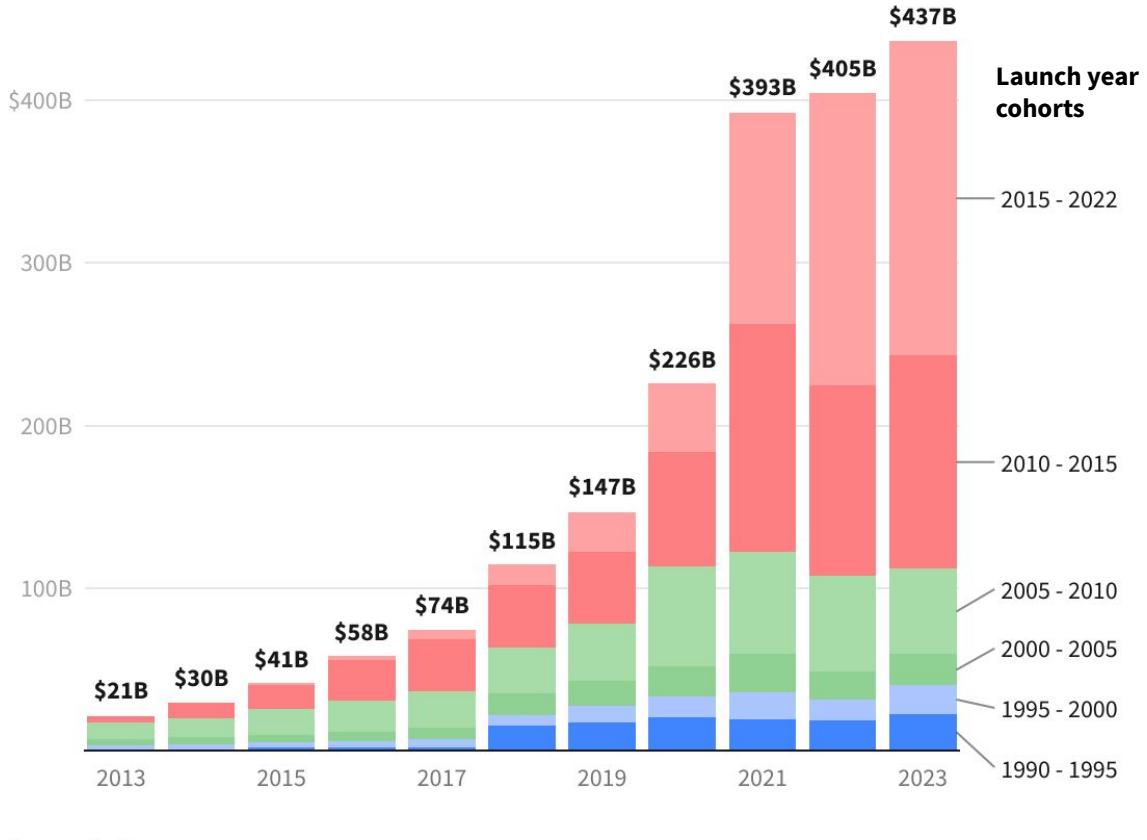
Tel Aviv has produced countless world-class startups.



Tel Aviv's tech ecosystem has a combined enterprise value of $437B.

Dynamism: ±80% of value has been created by companies launched since 2010.

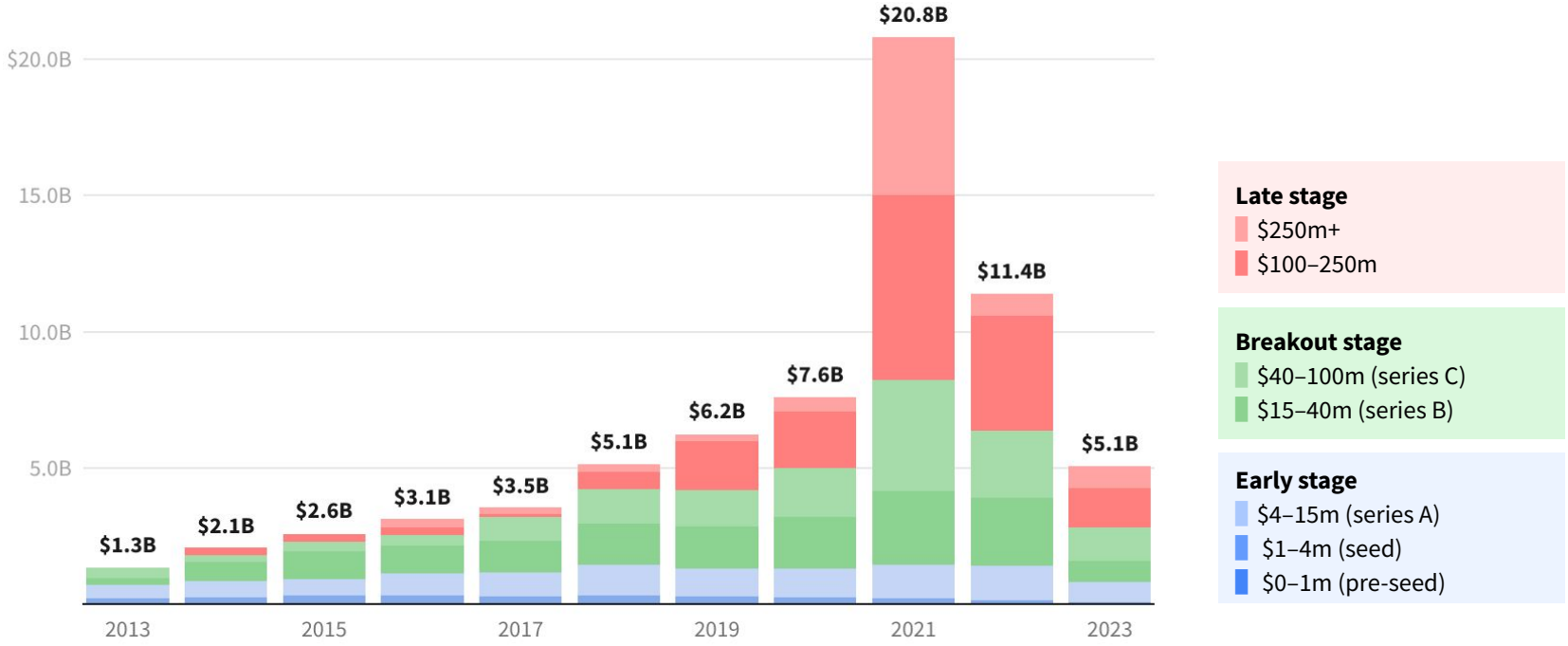
Combined enterprise value of Tel Aviv startups by launch year » **Live data**



Source: Dealroom.co . Includes companies HQ and/or founded in Greater Tel Aviv

Tel Aviv startups raised $5.1B in 2023 (across 316 funding rounds).

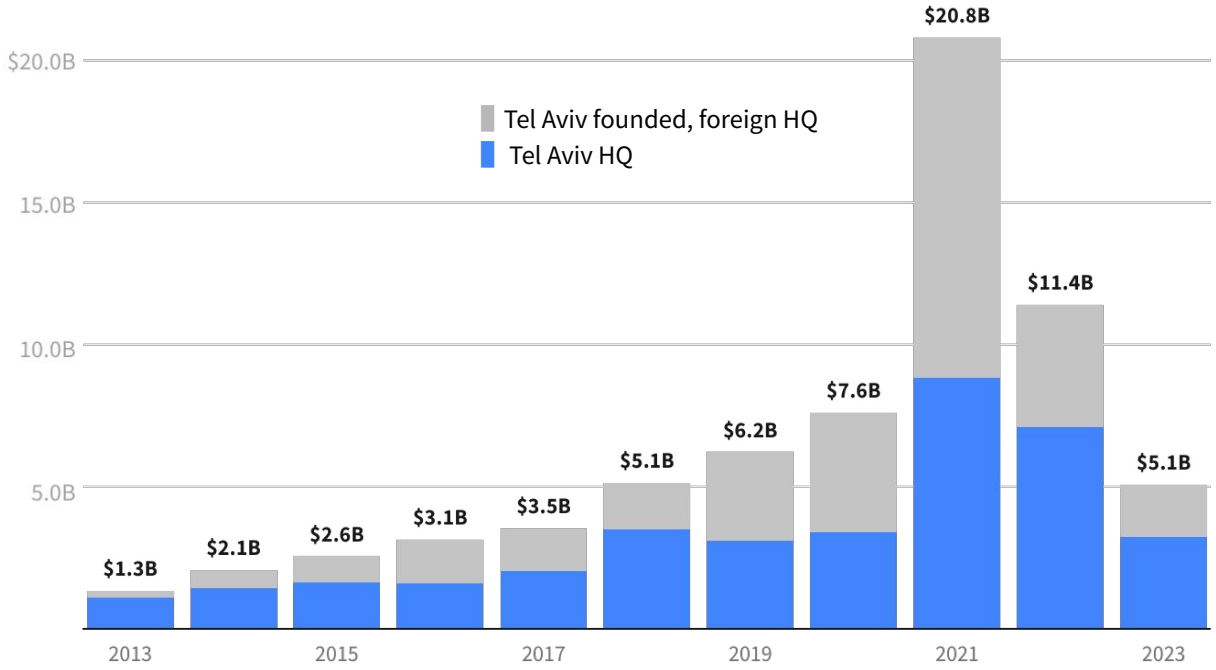
VC investment into Tel Aviv startups, annually » **View top rounds**



Source: Dealroom.co . Includes companies HQ and/or founded in Greater Tel Aviv

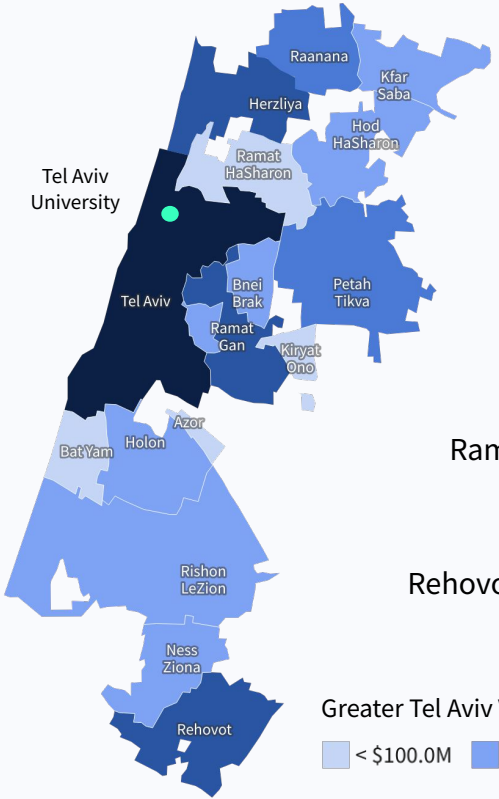
VC investment into Tel Aviv-HQ'd startups is on par with pre–2021 levels. The biggest fall in investment has been for the Tel Aviv diaspora - startups founded in Tel Aviv and HQ'd elsewhere.

VC investment Tel Aviv startups, HQ vs. founded



Source: Dealroom.co . Includes companies HQ and/or founded in Greater Tel Aviv

Greater Tel Aviv's tech ecosystem.



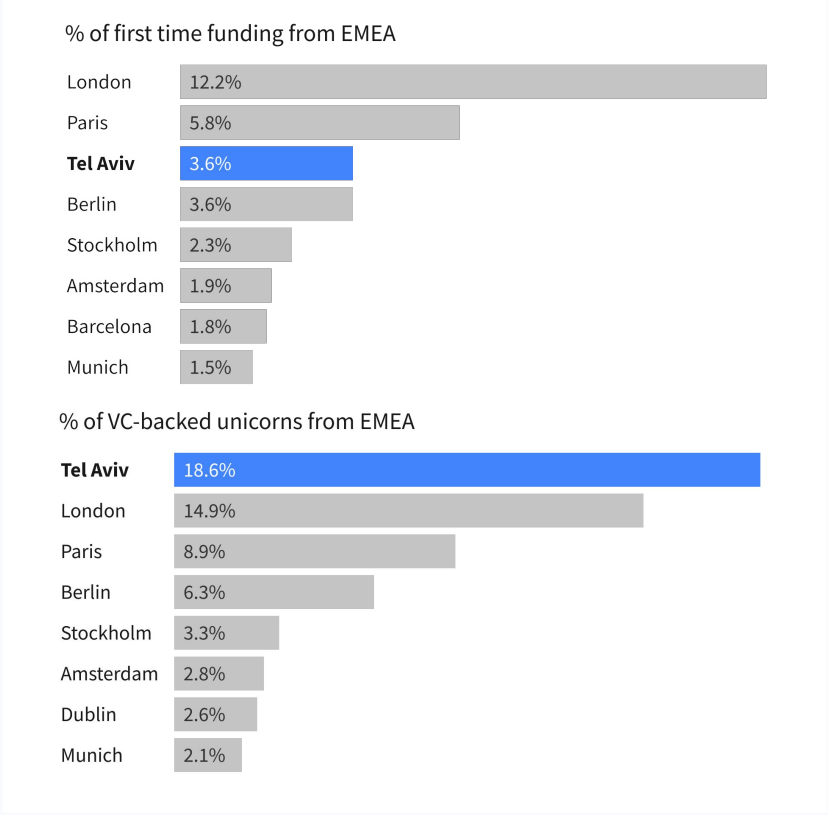
	% of VC-backed startups in Greater Tel-Aviv	Notable companies
Herzliya	7%	OTONOMO, StoreDot, solaredge
Tel Aviv	55%	ironSource, CATO NETWORKS, transmit security
Ramat Gan	4%	PLiOPS, earnix, elementor
Rehovot	3%	Landa DIGITAL PRINTING, BELIEVER, REDEFINE MEAT

Greater Tel Aviv VC investment since 2019

< $100.0M | $100.0M–$500.0M | $500.0M–$1.0B | $1.0B–$5.0B | $5.0B–$10.0B | ≥ $10.0B

Source: Dealroom.co. Logos of selected top funded companies in each district. *Companies which relocated their HQ outside of Greater Tel Aviv

With less than 4% of seed funding, Tel Aviv produces 19% of EMEA unicorns.





Source: Dealroom.co. Excluding former unicorns that now have less than $1B in valuation

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Mish Mashkautsan
General Partner at
LocalGlobe

"The world's investors will continue to look to Tel Aviv as an exceptional tech leader with good reason. As Dealroom's report shows, 19% of EMEA's unicorns are from Tel Aviv, underlining how much the city punches above its weight in creating global winners in cybersecurity, fintech and enterprise software."

"Having invested in Melio, Empathy, Rapyd, At-Bay, Hailo and many others, we continue to be bullish on the Tel Aviv ecosystem. The combination of a critical mass of repeat and seasoned founders and operators, high risk appetite to unlock massive markets, and a resilient solution-driven mindset continue to solidify its place as a unique innovation hub with global impact."

LocalGlobe

Tel-Aviv Investments
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melio

empathy.

Rapyd

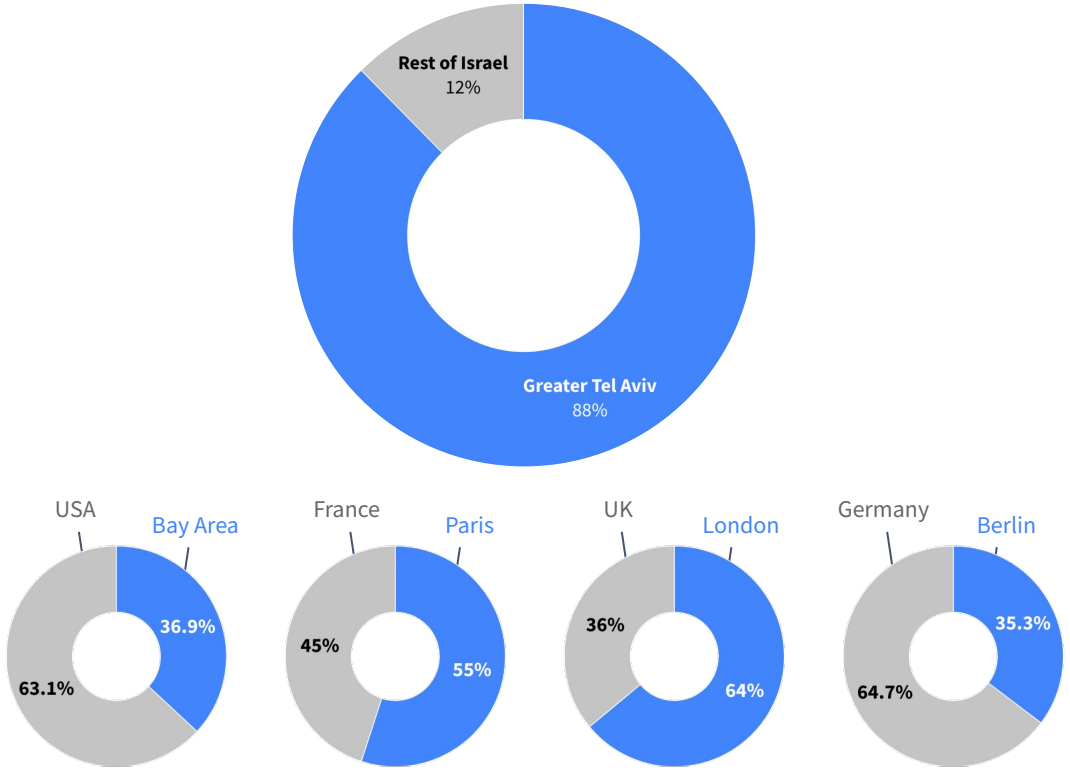
at bay

HAILO

Tel Aviv has captured 88% of VC activity in Israel since 2019.

Despite the rest of Israel being a world class tech ecosystem itself, having produced multiple global champions including Mellanox, Mobileye, Lightricks, and universities such as Technion (Israel's MIT).

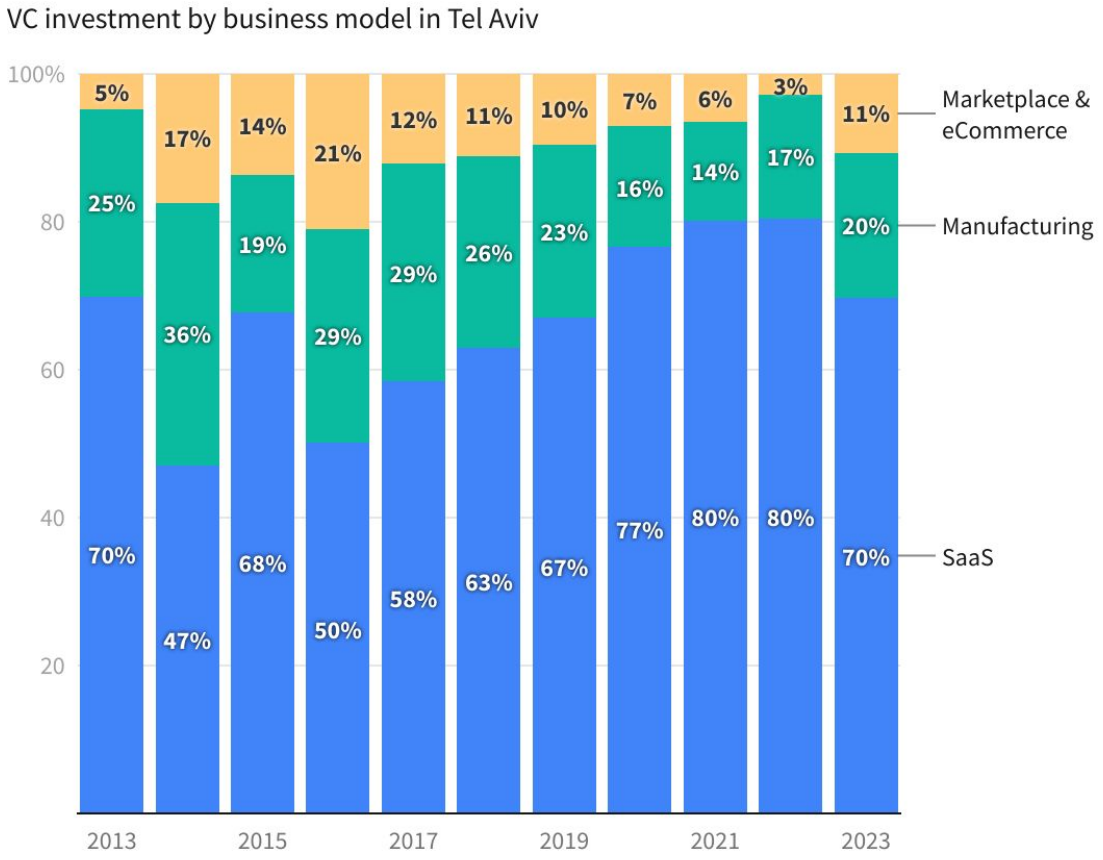
Share of Tel Aviv VC investment in Israel, 2019-2023



Source: Dealroom.co . Includes companies HQ and/or founded in Greater Tel Aviv

SaaS has become the dominant business model for Tel Aviv VC.

In the last five years 75% of Tel Aviv VC investment went to SaaS companies, compared to 44% globally.

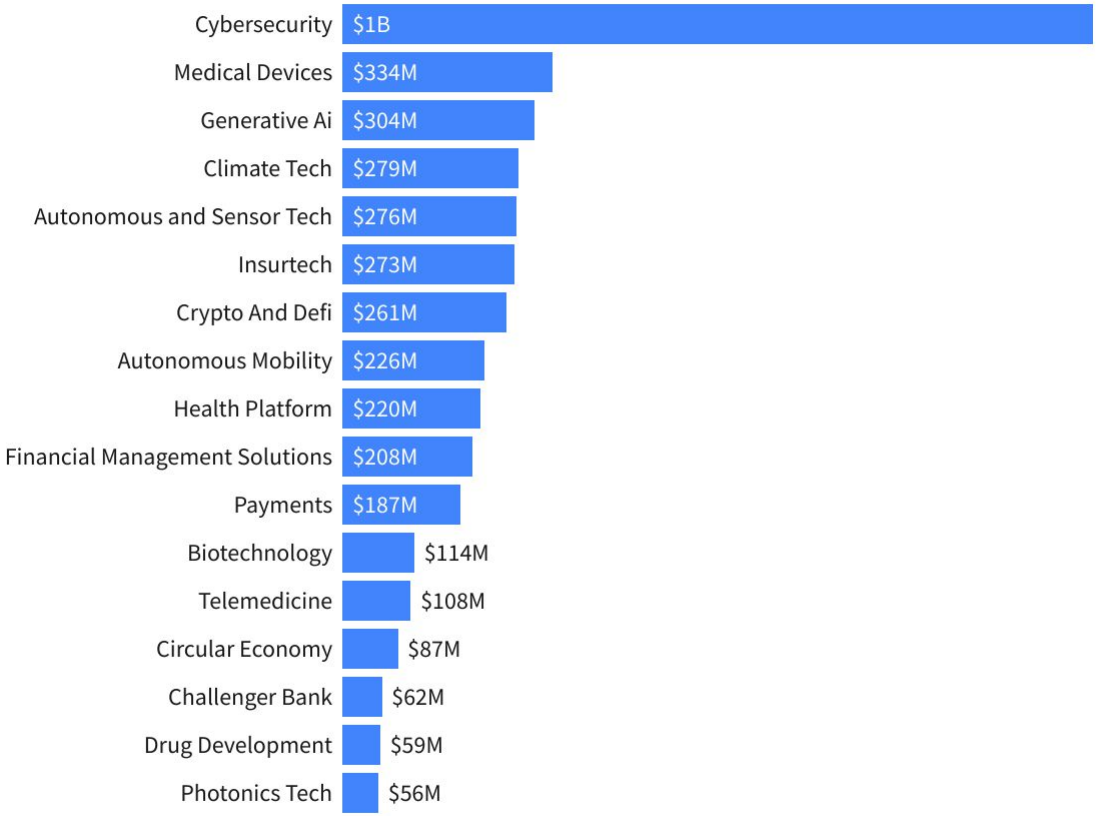


Source: Dealroom.co . Includes companies HQ and/or founded in Greater Tel Aviv

Cybersecurity remains a major focus for Tel Aviv frontier tech investment.

GenAI is a notable new entry at the top of Tel Aviv investment activity tables.

VC investment in Tel Aviv startups in 2023, by top segments



Source: Dealroom.co Segments overlap between each other (e.g. Autonomous mobility is also part of Autonomous and sensor tech). Includes companies HQ and/or founded in Greater Tel Aviv.

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#2 in Cybersecurity

View top rounds»



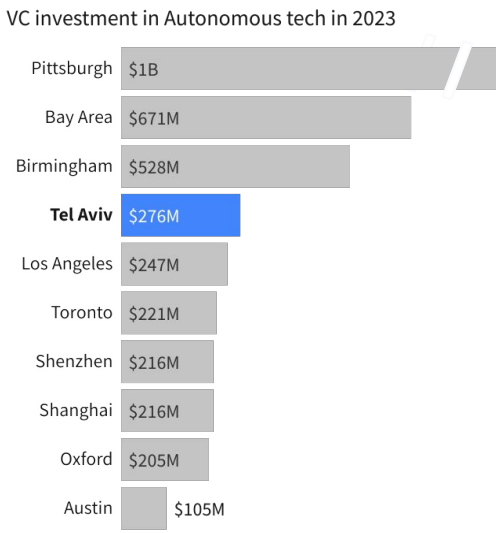
#4 in Generative AI

View top rounds»



#4 in Autonomous tech

View top rounds»



Source: Dealroom.co. Includes companies HQ and/or founded in Greater Tel Aviv.



Yaron Kniajer

Managing Partner and Co-founder at
Surround Ventures

"The resilience and ongoing innovation within the Israeli tech ecosystem are inspiring. Historically, Israel has been a breeding ground for leading companies across a variety of industries, including cybersecurity, e-commerce, food-tech, and more.
The current moment presents a compelling opportunity for new investors, including European players, to engage even more actively in the Israeli ecosystem, and become a part of the next wave of such companies."

SURROUND VENTURES

Tel-Aviv Investments
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yotpo. outbrain
Sharegain XTEND
onebeat yo egg
IMGN ZOOZ

Top tier investors know where to find Tel Aviv, often with dedicated presence.

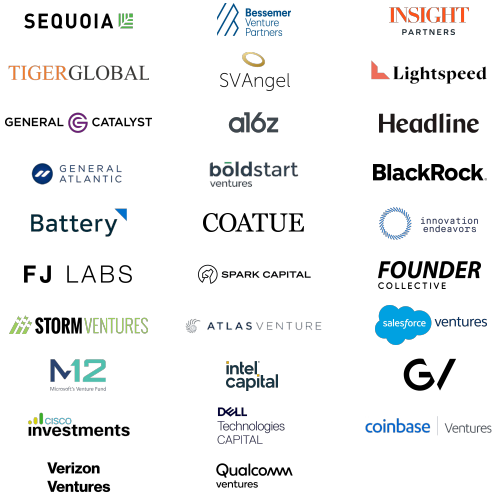
Israeli investors

View all»



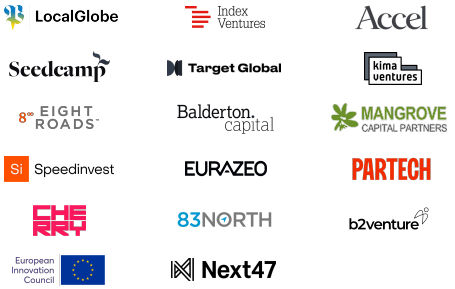
US investors

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European investors

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Asian investors

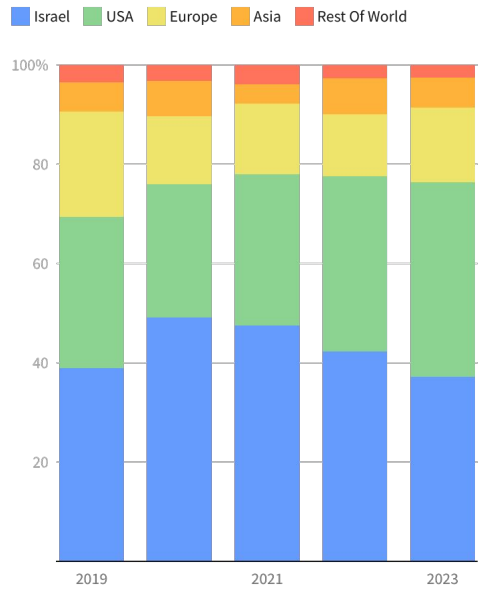
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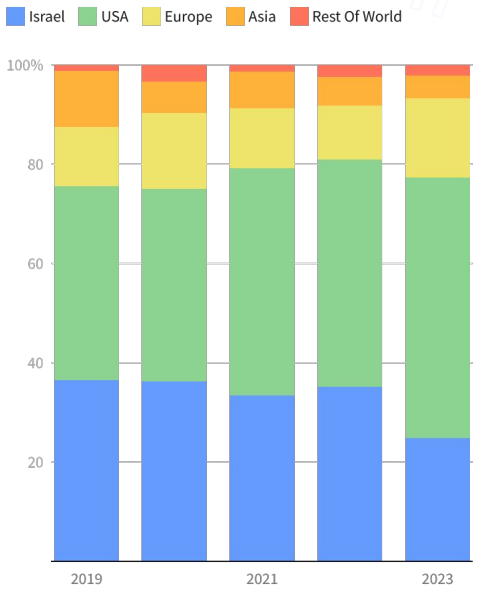
Early stage: diverse sources of capital

$0–15m rounds, by location of investor



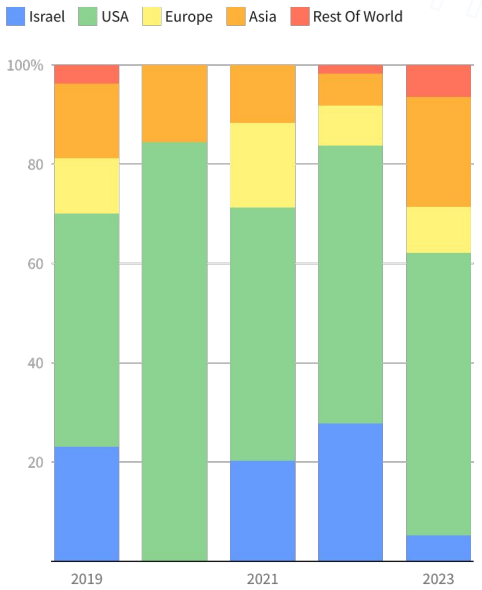
Breakout stage: increasing foreign participation

$15m–$100m rounds, by location of investor



Late stage is dominated by US investors

$100m+ rounds, by location of investor



Source: Dealroom.co. Excludes undisclosed investors. When multiple investors participate in a round, amount invested is equally divided between the co-participants. Includes companies HQ and/or founded in Greater Tel Aviv.



Dana Bublil

Investment Manager at
Target Global

"Tel Aviv's startup scene is navigating a shift in funding. Seed rounds might see a slowdown, but the city's core strengths remain. Cybersecurity and AI talent are magnets, attracting both local and international investment. This, coupled with Tel Aviv's long history of scrappy innovation, suggests a period of adaptation rather than decline. We expect to see startups focusing on profitability and extending runway lengths, but the entrepreneurial spirit that defines the city is here to stay."

Target Global

Tel-Aviv Investments
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Rapyd

deci

Masterschool

ermetic

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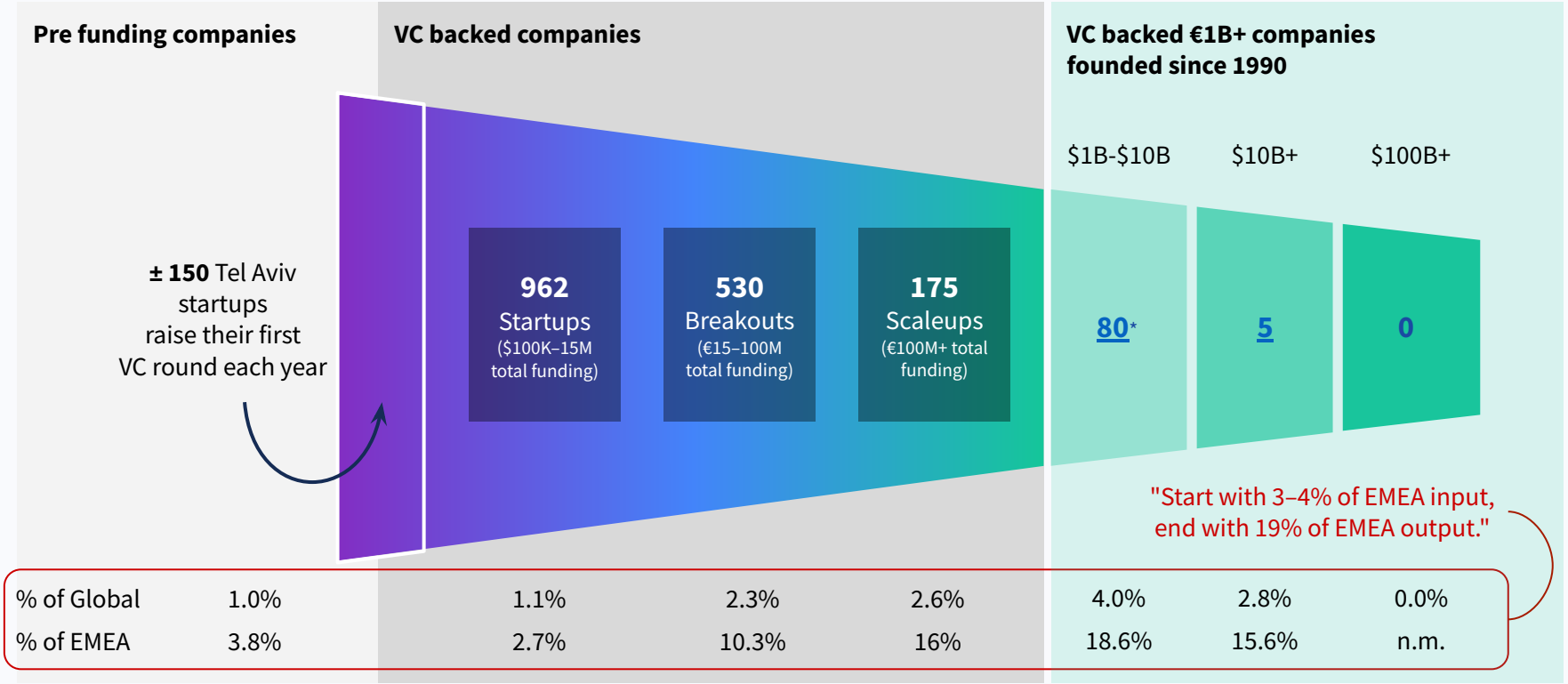
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Tel Aviv has a promising funnel of startups, breakouts and scaleups.



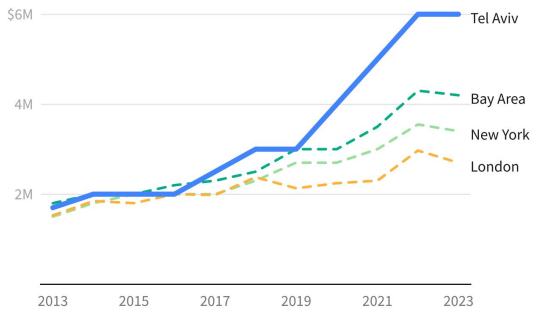
Source: Dealroom.co. Includes companies HQ and/or founded in Greater Tel Aviv.
*+ 18 additional companies that achieved $1b exit. 103 total Tel Aviv unicorns & $1B+ exits.

dealroom.co

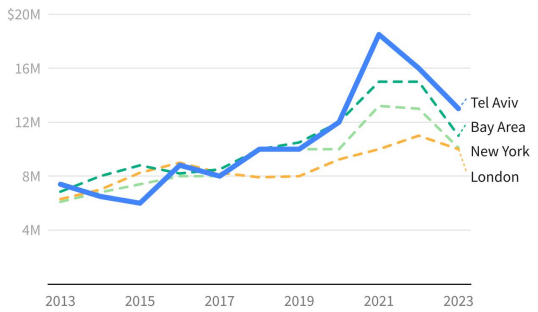
At the early stages, median round sizes are <u>significantly ahead of</u> other leading tech ecosystems

At the later-stages, median rounds sizes have <u>trended in line with</u> other other leading tech ecosystems

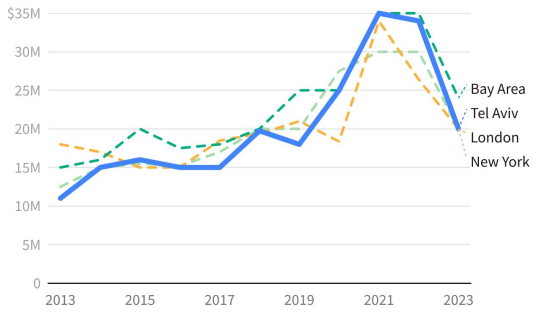
Seed median



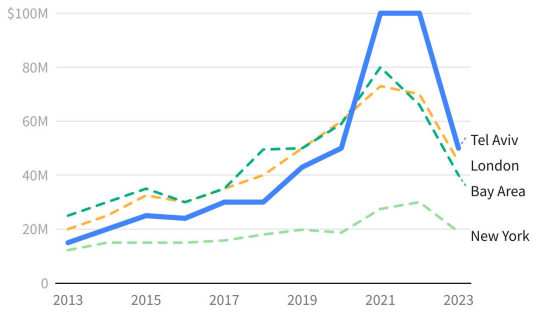
Series A median



Series B median



Series C+ median



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Source: Dealroom.co. Includes companies HQ and/or founded in Greater Tel Aviv. Using standardised rounds above $50K.

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Philippe Botteri

Partner at

Accel

"Israel has a deep pool of uniquely talented entrepreneurs and access to global markets, ensuring it's poised to continue its leadership in the tech industry. Over the more than two decades Accel has been investing in Israel, partnering with companies such as Axonius, Cyera, Oasis, Melio, Snyk and Varonis, we've seen it emerge as a cloud unicorn factory. Many exceptional companies have been built in the cybersecurity and now generative AI spaces in particular. This is due to the incredible talent coming from the 8200 military intelligence unit, as well as the local offices of large tech companies as a result of historical M&As.
The Tel Aviv talent flywheel is now spinning and there are also around 200 tech startups founded by former Tel Aviv-founded unicorn employees. We're looking forward to seeing the next generation of great entrepreneurs emerge from the ecosystem."

Accel

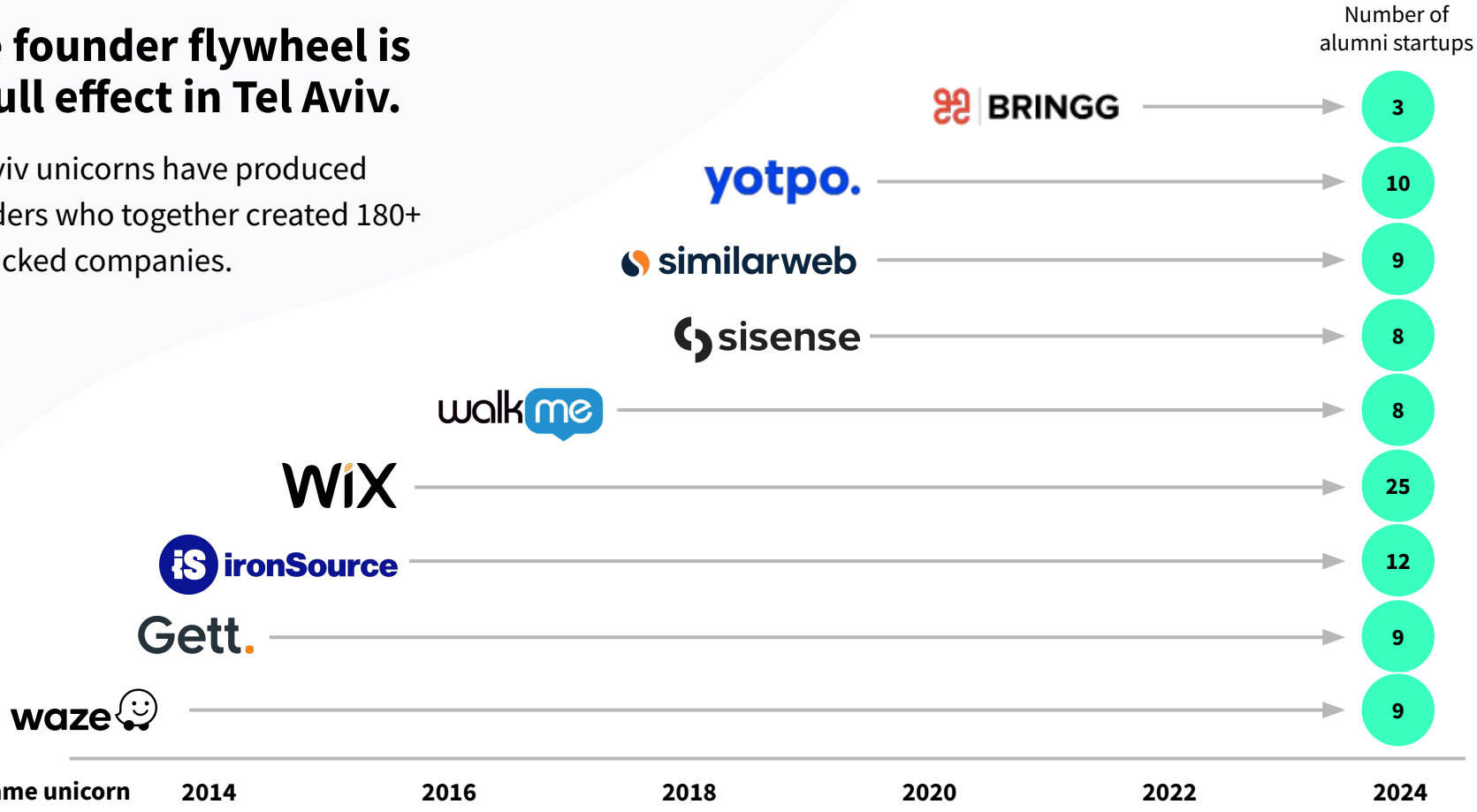
Tel-Aviv Investments

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CYERA · Databand · ermetic · gloat · komodor · melio · OASIS · salto · snyk · strattic · tweed

The founder flywheel is in full effect in Tel Aviv.

Tel Aviv unicorns have produced founders who together created 180+ VC backed companies.



Source: Dealroom.co. Accel & Dealroom.co - full report. Only includes VC-backed founder factories.



Davor Hebel
Managing Partner at
Eight Roads Ventures Europe

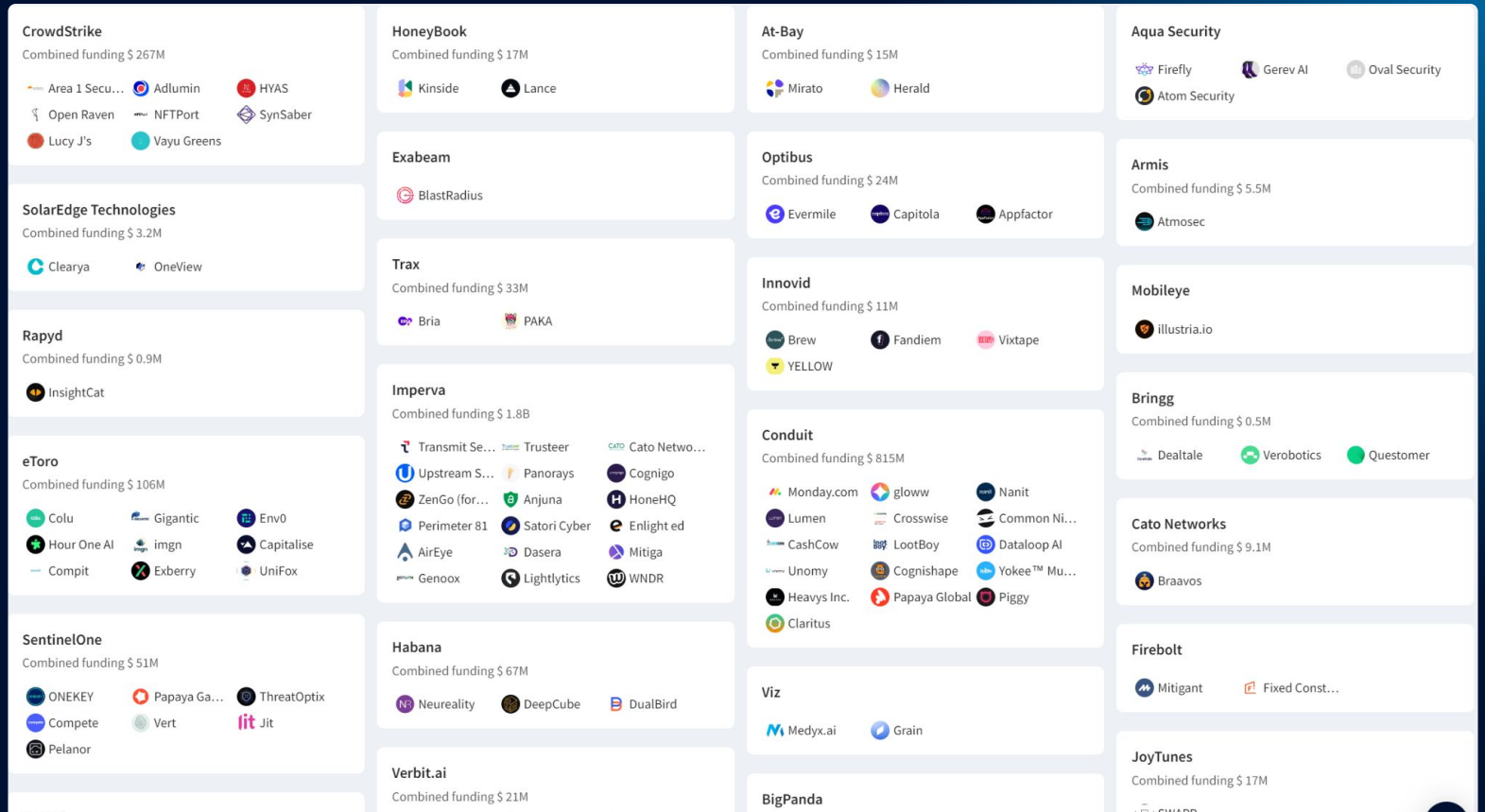
"Eight Roads has long been a committed investor in Israel, backing many of the country's fastest growing technology companies including HiBob, AppsFlyer, Walnut, Eleos Health, Fireblocks, Gloat, and Scylla. This report underlines the immense potential of this world-leading ecosystem, with Tel Aviv producing more unicorns per startup funded at seed than any other city in the world.
While challenges of operating a startup in Israel right now remain, we are confident that resilient Tel Aviv's founders and management teams will succeed in building many more global champions in the coming years."

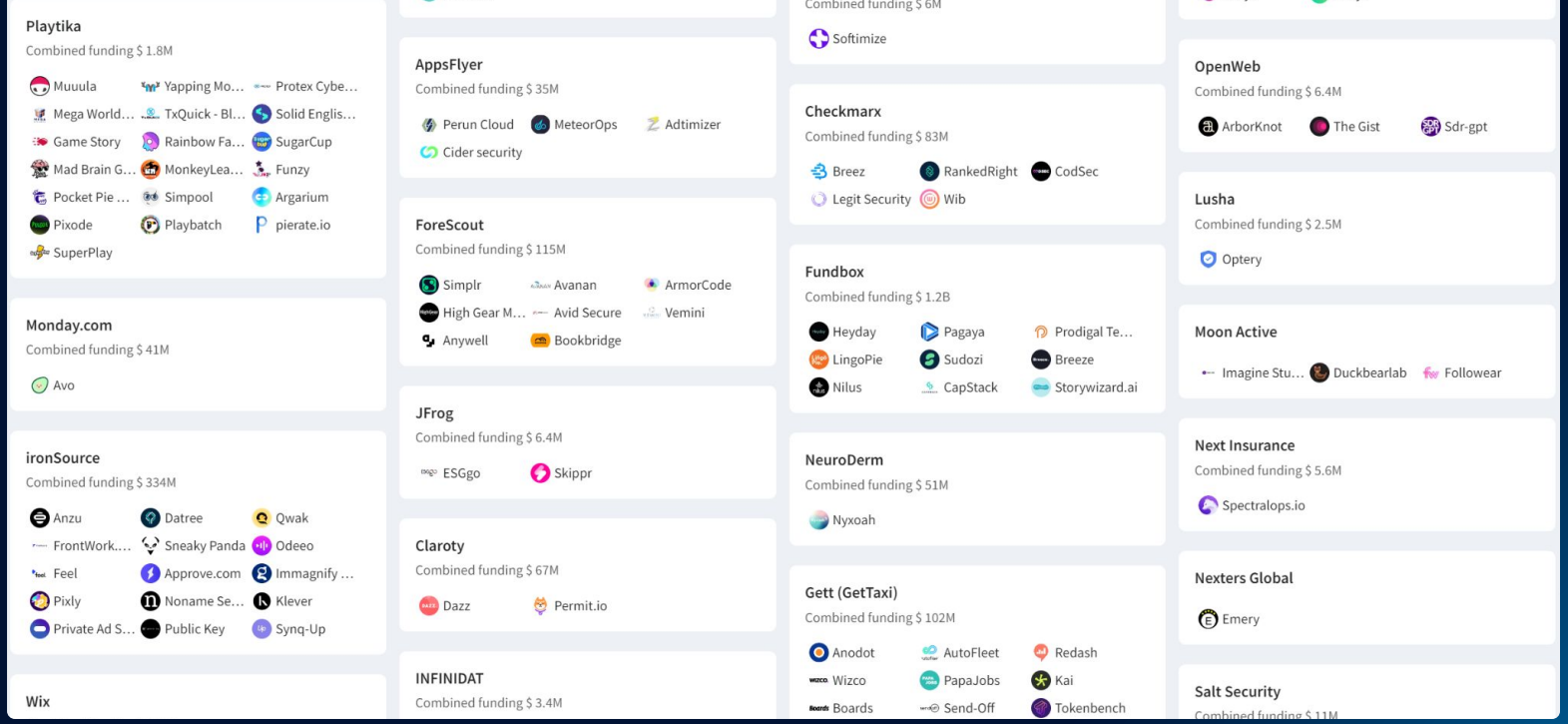
8∞ EIGHT ROADS™

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AppsFlyer · eleos · Fireblocks · HiBob · Noogata · gloat · PLANCK · SCYLLA · Walnut.

Success breeds success: Israel's founder factories





Founder factories

Methodology.

What is a startup?

Companies designed to grow fast. Generally, such companies are VC-investable businesses.

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies. Only companies founded since 1990 are included in this report.

Blog post: **What is a Startup?**

What is a unicorn?

Unicorns are (former) startups that reached US$ 1B valuation or exit at one point in time.

Blog post: **What is a Unicorn?**

Underlying Data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

The data on which this report builds is available via **app.dealroom.co**. For more info please visit dealroom.co or contact **support@dealroom.co**. Data for this report was taken in 2023.

Venture Capital, Investors

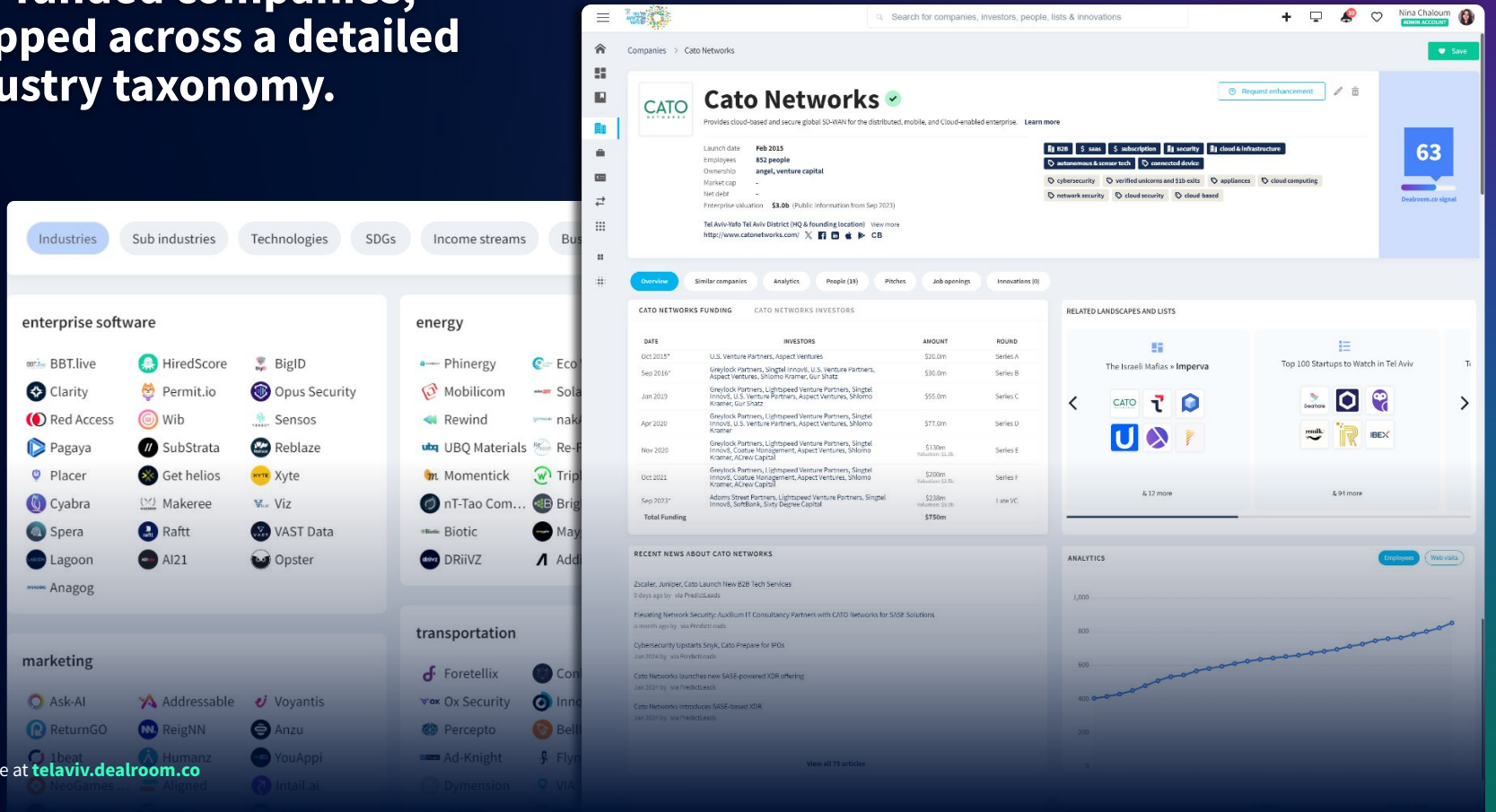
Investment are referred to by their round labels such as Seed, Series A, B, C, … late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

Regional Breakdown

While many startups founded in Tel Aviv relocate beyond their borders, most maintain business-critical ties to their homelands.

In order to take this reality into account, the first chapter of this report includes both Tel Aviv-based startups, which maintain their main center of business (HQ) in their country of origin, and Tel Aviv-founded startups, which relocated their HQ outside of Tel Aviv.

3K+ funded companies, mapped across a detailed industry taxonomy.



Explore more at **telaviv.dealroom.co**

Search for niches using granular keywords.

precision farming
Keyword

EV charging
Keyword

advanced materials
Keyword

food waste
Keyword

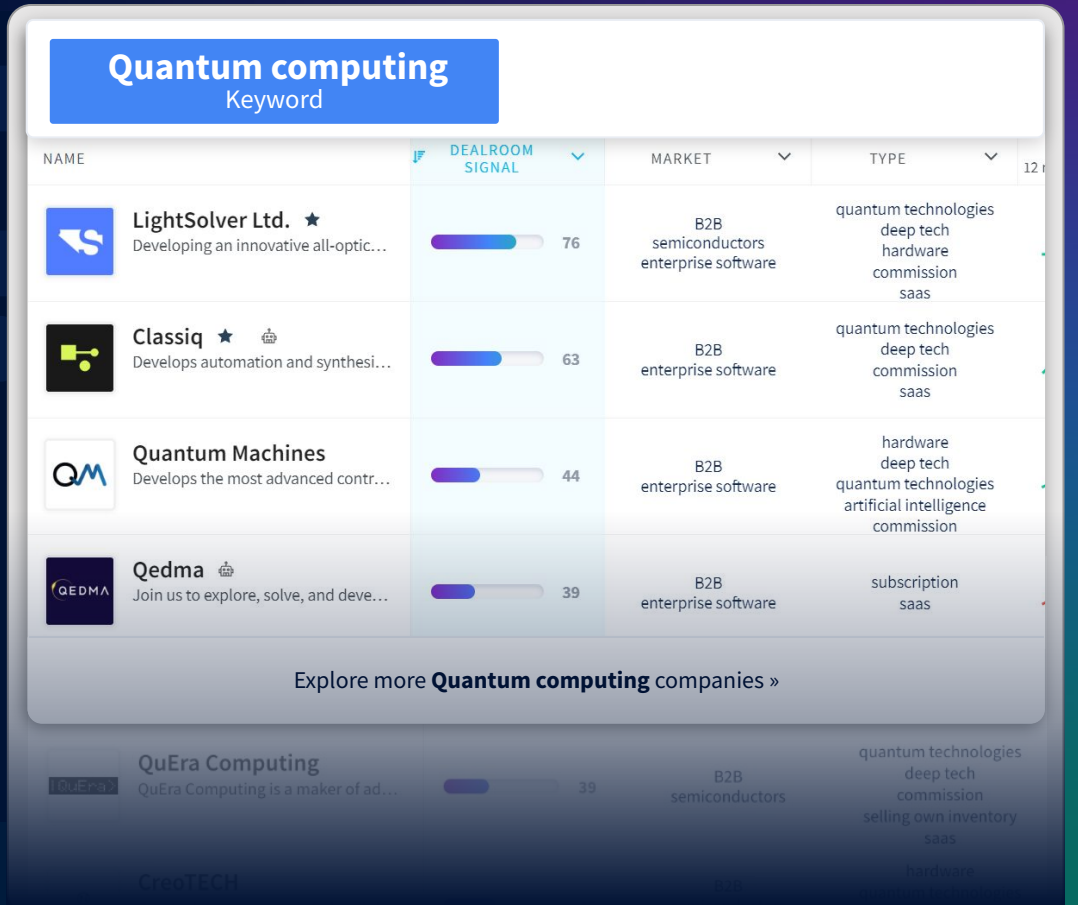
green blockchain
Keyword

vertical farms
Keyword

superconductors
Keyword

biofuel
Keyword

energy storage
Keyword

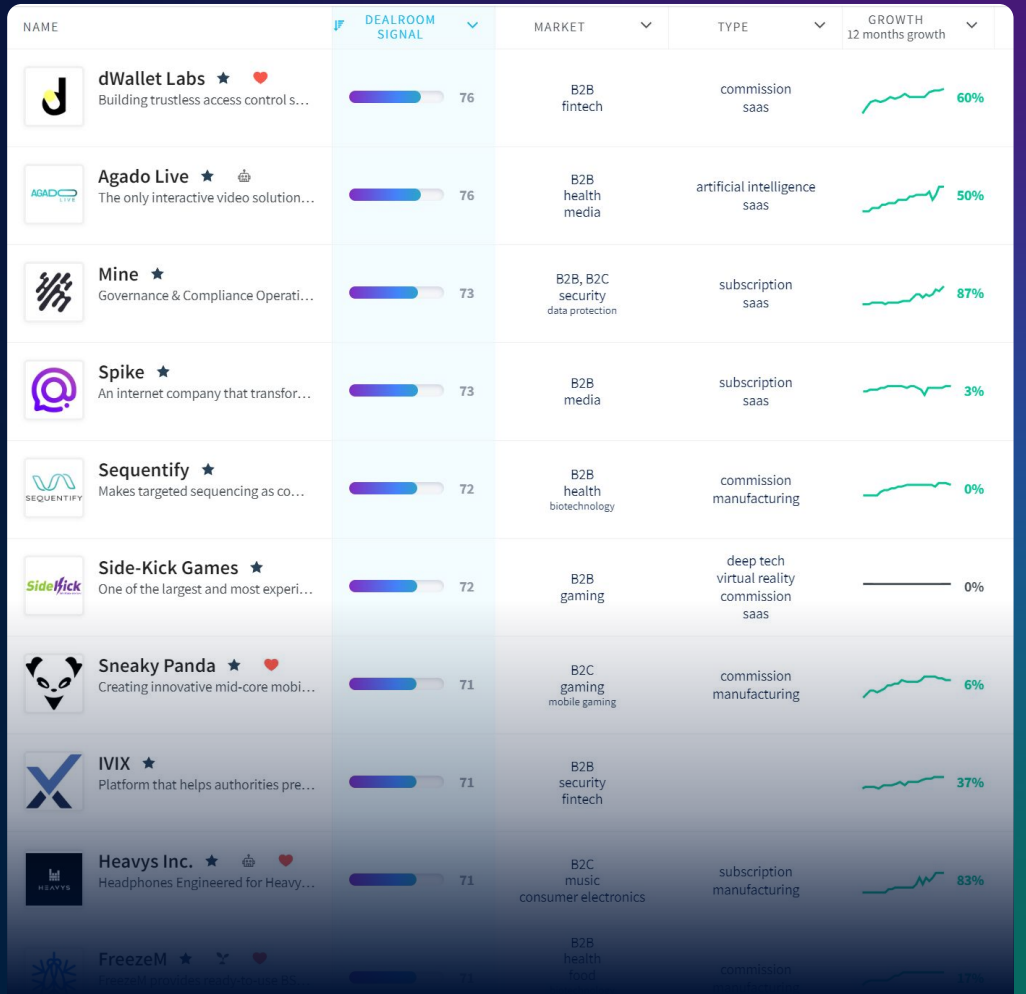


Explore more at **telaviv.dealroom.co**

Discover promising companies with the Dealroom Signal, a predictive algorithm to surface upcoming funding opportunities.

Startup teams can claim/add their company profile to raise their visibility in the Tel Aviv Tech Ecosystem.

Add my startup »

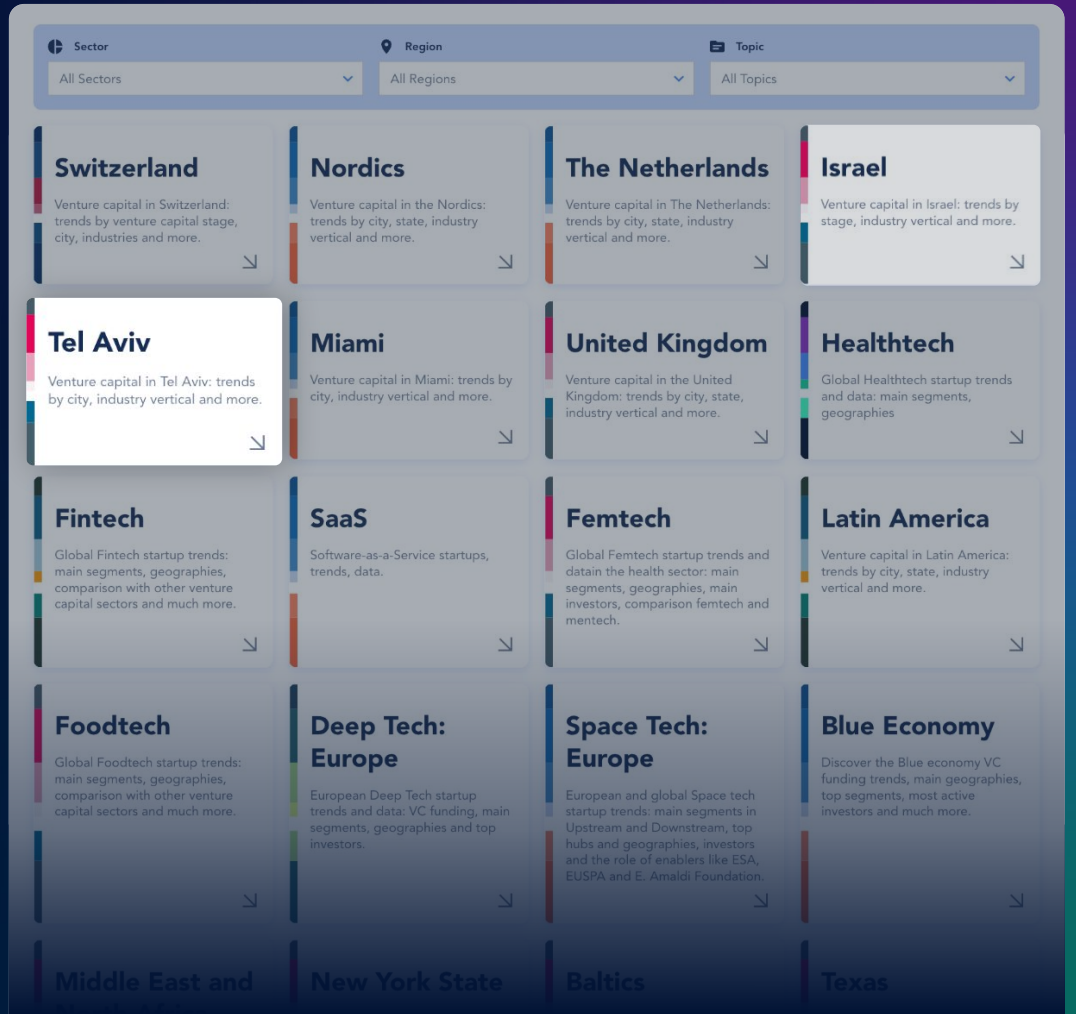


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Tel Aviv deep dive.

Find the newest investment figures, emerging trends, technologies and promising startups.

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