

Jefferies

In collaboration with

STARTUP
NATION
CENTRAL

JEFFERIES ISRAEL GROUP

Next-Gen Middle East

Israel's Role in Shaping a Tech Future

SEPTEMBER 2025



Acknowledgment

STARTUP NATION CENTRAL

Startup Nation Central

Startup Nation Central is a nonprofit organization dedicated to harnessing Israel's innovation to solve complex global challenges. Operating independently and funded philanthropically, we connect local problem solvers with global investors and solution seekers—building bridges beyond borders and ideologies. Deeply embedded in the Israeli tech ecosystem, we foster meaningful partnerships across all levels, nurturing business growth and strengthening Israel's economy and society.

Finder, our data engagement platform, provides tailored insights, business intelligence, and networking opportunities to investors, corporations, governments, and startups. Through Finder, we facilitate collaboration between local innovators and international entities, supporting joint investments, pilot projects, and commercial agreements that accelerate innovation and drive impact.



Jonathan Katz, Israel Macroeconomist

A leading authority on Israel's macroeconomics and financial markets, Jonathan has been involved with macro economic forecasting of the Israeli economy since 1989, specializing in inflation forecasting, the Shekel and the bond market.

Jonathan authors a regular macroeconomic newsletter for institutional clients. To subscribe to Jonathan's newsletter please email Israel.ib@Jefferies.com He served for seven years as Chief Economist of the Budget Department at Israel's Ministry of Finance, then establishing his own private macroeconomic forecasting firm. Jonathan's years at the Budget Department provided him with a thorough understanding of fiscal policy. He specializes in the analysis of overall government accounts and in the cost-benefit analysis of government departments. Previously, he was an economic consultant to the HSBC EMEA research team.

Additional Data Sources



IVC Data and Insights

This report was developed with extensive data and analysis provided by IVC, Israel's leading data source and information for the Israeli tech ecosystem.

Founded in 1997, IVC is recognized as Israel's leading source of data and business information on the tech industry. IVC company delivers insights that help organizations understand the market, build connections, and identify opportunities through access to up-to-date analyses, reports, news, trends, and sector developments. IVC serves venture capital and private equity funds, leading corporations, emerging startups, and government agencies and offices, supporting the diverse information needs of Israel's tech ecosystem.



Bank of Israel

Established in 1954, the Bank of Israel operates independently. Its main objectives are to maintain price stability, support government aims such as economic growth, employment, and promote financial stability.



Central Bureau of Statistics Israel

Established in 1949, The Central Bureau of Statistics is the official body that is responsible for collecting, processing, and publishing statistical data about the population, economy, and society in Israel.

Authorship

Yosef Angster,
Vice President Israel Investment Banking

This report is the product of the Jefferies Israel Investment Banking Group, with lead authorship by Yosef Angster. Yosef's leadership and analysis highlights not only Israel's unique macroeconomic resilience but also its enduring contribution to global tech innovation.

The research draws on a combination of market data, sector insights, and industry trends with a focus on relevance for global tech investors and gives voice to the remarkable achievements and transformative potential that lie within Israel. We are proud to share the insights of our team with the global investment community as part of our TechTrek 2025.

For more information, please visit our website at TechTrek.com | Jefferies.com

Executive Summary

Next-Gen Middle East

While the last few years have been challenging for Israel, the regional risk profile has significantly improved with the start of dismantling Hezbollah in Lebanon, a new government in Syria, the attack on Iran's nuclear threat and a warming relationship with Saudi Arabia. All of which have resulted in Israel's position with its neighbors potentially becoming safer than before.

This new Middle East is being shaped not only by shifting alliances and improved regional collaboration, but increasingly by technology and innovation. In this transformation, Israel stands out as a regional tech powerhouse leveraging its world-class startup ecosystem, cutting edge defense technologies, and growing influence in fields such as cybersecurity.

All of this is evident both before and after the escalation with Iran and defense. The M&A market remains robust, observed by acquisitions like Wiz, CyberArk, Next Insurance and Melio. Furthermore, the current level of engagement and investor sentiment among private sponsors—including venture capital, growth equity, and private equity—as well as public equity investors toward Israel is more positive today than at any point in the past three years.

The overall investor outlook reflects confidence in Israel's long-term growth potential in both traditional business and particularly in tech with standout areas in Cybersecurity, Fintech, AI and Defense.

High-tech Ecosystem – Israel's Economic Engine

Israel is the 3rd largest high-tech hub in the world by capital raised, second only to Silicon Valley and New York.

In H1'25, \$9.5B was raised by Israeli tech companies; the strongest capital raising first half since 2022. Total Israeli fundraising jumped 54% compared to the same period last year. The number of rounds exceeding \$50M rose from 20 to 32. Among them was the \$2B Series B round by Safe Superintelligence (SSI), one of the largest in Israel's history.

M&A announcement activity reached a record \$39.2B in the first half of 2025 driven by Google's \$32.0B announced acquisition of Wiz. Other notable deal announcements included Next Insurance (\$2.6B) and Melio (\$2.5B). Excluding the Wiz deal, M&A value stayed consistent at \$7.2B with strategic buyers representing most of the deal value, driven primarily by US multinationals focused on acquiring Israeli tech to address gaps in cloud security, automation, and vertical SaaS solutions with no sign of slowing down in the following quarter as seen most recently with the announcements of Palo Alto Networks' \$25.0B acquisition of CyberArk, Advent's \$2.5B acquisition of Sapiens, and Thoma Bravo's \$2.0B acquisition of Verint.

In addition to increased M&A activity, the capital markets are starting to open up. For example, in May, eToro completed a \$713M IPO with Jefferies acting as Lead Bookrunner. The offering attracted significant interest from high-quality global investors with the order book being multiple times oversubscribed and resulted in very strong after market performance. Notably this was the first Fintech IPO since December 2021 and first Tech IPO since President Trump's Liberation Day.

Looking ahead to the remainder of 2025 – strategic buyers are

likely to stay active with AI arms races intensifying and cloud/security consolidation continuing, strategic buyers will likely keep driving high-value activity. We also see multiple financial sponsors both global and local actively evaluating Israeli companies for buyout or growth investment. While M&A has led the exit market in H1, a growing number of Israeli companies are reviving IPO plans for the near future.

H1'25 marked a clear turning point for Israeli high-tech M&A – not only due to headline-grabbing deal announcements like the Wiz-Google transaction but also because of a broader return to confidence in the market. With domestic players becoming more acquisitive and cross-border interest remaining strong, Israel continues to solidify its role as a global hub for innovation-driven dealmaking. If current momentum holds, 2025 may well close as one of the most active M&A years in Israel's tech history.

Macroeconomic Backdrop

Israel's country risk premium has improved significantly since the ceasefire with Lebanon and general geopolitical improvements. Although the 5-year Sovereign CDS is still high relative to pre-conflict period, it has decreased by ~91bps from its peak, currently standing at ~74bps.

Israel's economic fundamentals remain strong with a steady trade account surplus of \$18.5 billion and Foreign Direct Investments of \$18.4 billion supported by a stable Shekel.⁽¹⁾

The Bank of Israel expects the average interest rate in mid 2026 to be 3.75%. The interest rate forecast assumes that the direct economic impact of the conflict will persist through 2025. Following this, GDP is expected to gradually align with its pre-conflict trend, growing by 3.3% in 2025 and 4.6% in 2026.

Table of Contents

- 6 High-tech: Israel's Economic Engine
- 18 High-tech Outlook Select Sectors in 2025
- 26 Macroeconomic Backdrop
- 33 Appendix











High-tech: Israel's Economic Engine







The Israeli Economy at a Glance

CURRENT ECONOMIC INDICATORS

 Young & Growing Population 10.1M⁽¹⁾	 GDP Per Capita \$54.8K⁽²⁾	 Private Consumption as a % of GDP 48.8%⁽²⁾	 Unemployment Rate 2.4%⁽³⁾
 Current Account Surplus \$18.5B⁽⁴⁾	 Net Savings Rate 22.1%⁽²⁾	 Total Tech Investment \$15.6B⁽⁵⁾	 Foreign Direct Investment \$18.4B⁽⁴⁾

KEY ECONOMIC FORECAST⁽⁶⁾

 2025E Inflation Rate 2.6%	 2025E GDP Growth 3.3%	 2025E Fiscal Deficit 4.9%	 2025E Public Debt to GDP 70.0%
----------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

Key Economic Highlights

Israel is a developed economy that joined the OECD in 2010.

It has the highest mandatory pension savings rate of any country in the world at 18.5%, creating fast-growing institutional AUM which helps fuel the economy.

Israel has strong growth potential supported by positive demographics and a vibrant high-tech sector.

Israel entered the conflict with a low fiscal deficit and manageable Debt/GDP. The fiscal deficit is expected to be reduced in 2025 by nearly 1.9% of GDP.

Israel's strong external position including a Current Account Surplus and Foreign Direct Investment helps support a strong Shekel.

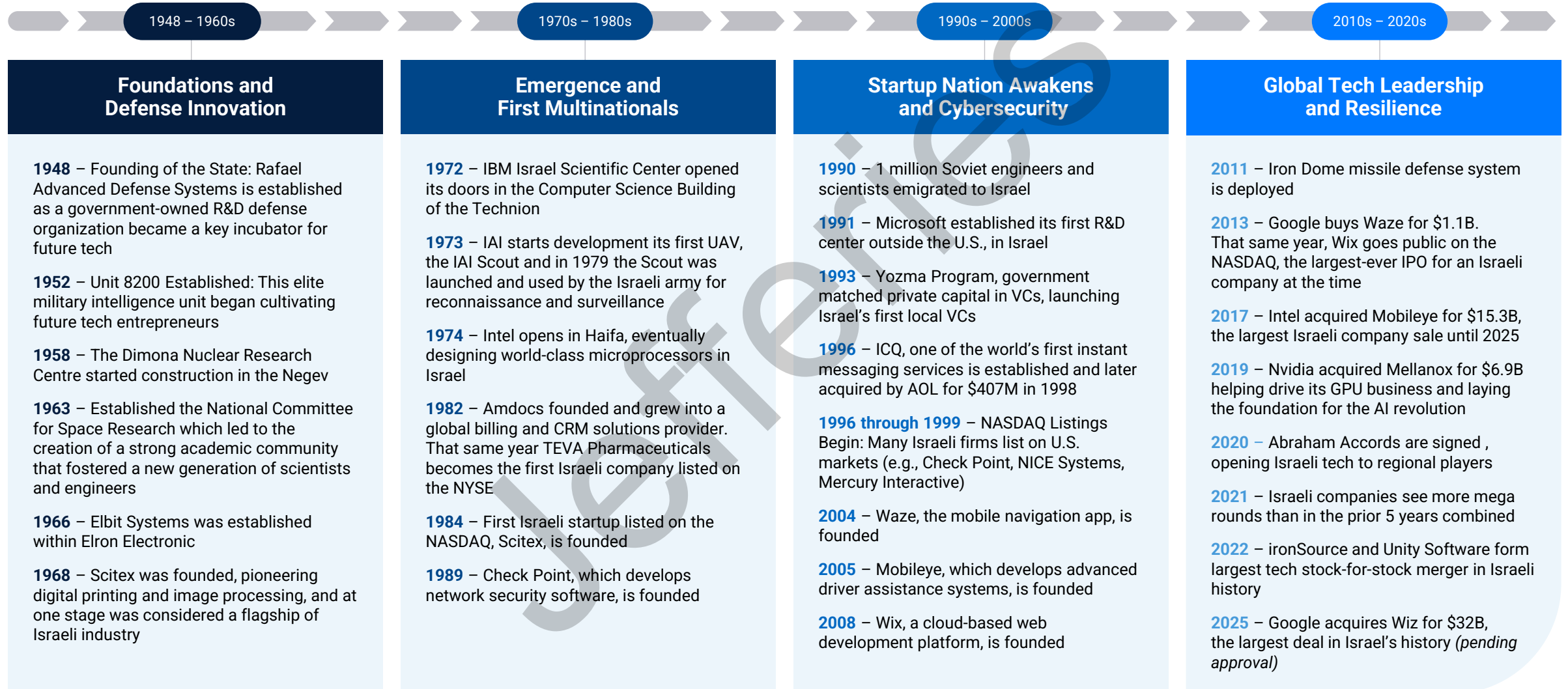
A tight fiscal policy, Shekel appreciation and a weakening of supply constraints will support lower inflation toward the end of the year.

The local population has a healthy appetite as private consumption is expected to grow by 3.5% in 2025 and 7.0% in 2026, according to the Bank of Israel.

Sources: Bank of Israel, IVC Data and Insights, Central Bureau of Statistics. (1) As of May 31, 2025. (2) 2024A as of December 31, 2024. (3) As of June 30, 2025. (4) LTM 1Q'25. (5) LTM 2Q'25. (6) Bank of Israel's Research Department Staff Forecast Report as of July 7, 2025.

Israel's Secret Sauce: Human Capital and Innovation Flywheel

"In Israel, a land lacking in natural resources, we learned to appreciate our greatest national advantage: our minds" — Shimon Peres



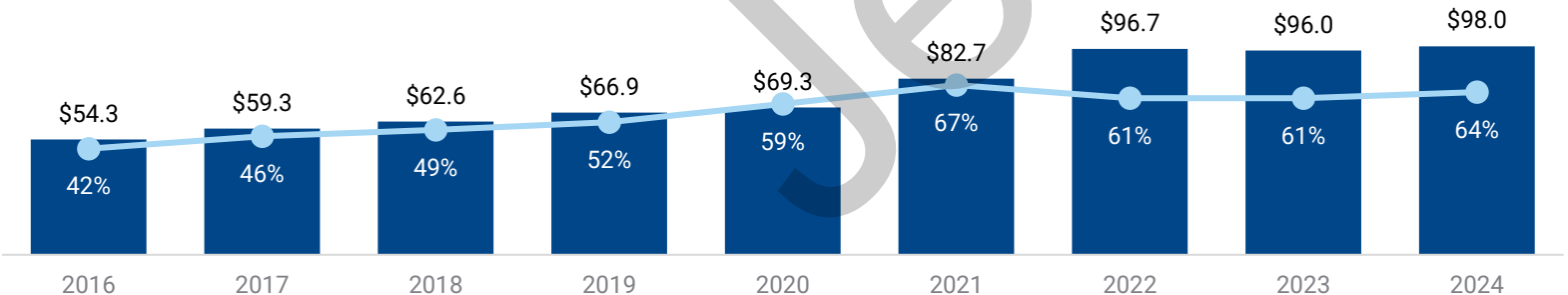
Today: Strength of the Israeli Technology Sector

Israeli technology sector accounts for ~20% of the country's GDP, while its share of Israeli exports is 64%

 12% of Israel's workforce is employed in the high-tech sector.	 Israeli companies account for 10% of global unicorns .
 Israeli high-tech services and products account for 64% of Israel's exports .	 Israel has the greatest density of startups per capita in the world.
 Israel has the highest R&D investment as a % of GDP worldwide.	 25% of income taxes paid in Israel come from high-tech employees.
 High-tech companies make up 30% of the market cap on the TASE .	 Israeli high-tech companies making up ~20% of total GDP .

Israeli Technology Products / Services and its Share of Total Israeli Exports

(\$ Billions and as a % of total Israeli exports)



Source: Israel Innovation Authority; Startup Nation Central, Pitchbook; IVC Data as of December 31, 2024.

(1) Startup Nation Central H1'25 report.

H1'25 – Israeli High-tech Statistics⁽¹⁾

In H1'25, Israel's private tech sector raised \$9.5 billion in 367 rounds, up 58% yoy – the strongest first-half total since 2021 and a reversal of the decline that began in late 2022.

Early-stage funding grew 50% yoy in H1'25, with pre-seed and seed rounds rising from \$406 million to \$607 million. Mid-rounds (B and C) also saw improvement: deals increased from 33 to 41 and investment jumped 60% to \$1.7 billion (excluding \$2 billion for Safe Superintelligence). Thirteen mega rounds marked the strongest half-year for large deals since 2021, indicating renewed interest in late-stage investments.

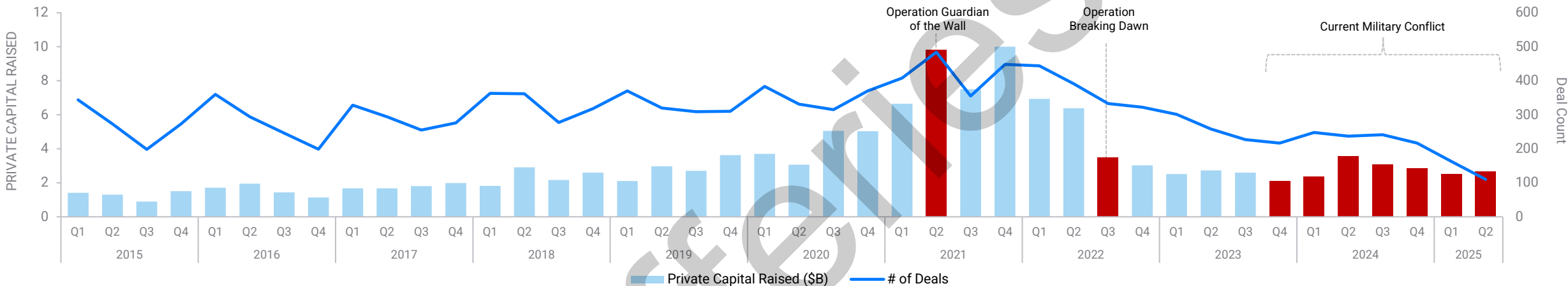
Global multinational companies and investors are driving Israel's M&A landscape, accounting for 58% of all acquisitions, with the vast majority from the U.S. Israeli companies were responsible for 42% of all deals signaling a more mature ecosystem, where later-stage Israeli companies have the capital and strategy to acquire other Israeli companies.

Israel's Private High-tech Capital Markets Mirror Global Trends

Israel's high-tech capital raising is more influenced by macro trends than local occurrences

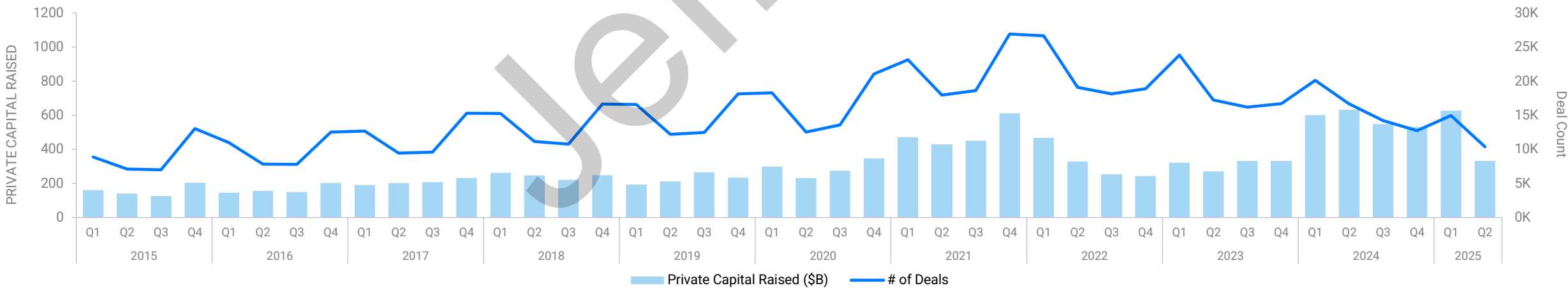
Private Capital Raised In Israel

(\$ Billions, except deal count)



Private Capital Raised Globally

(\$ Billions, except deal count)



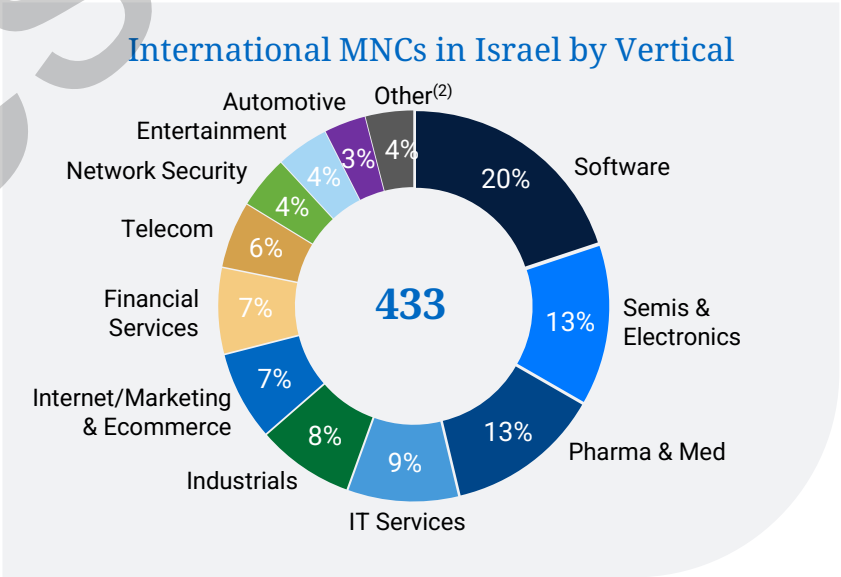
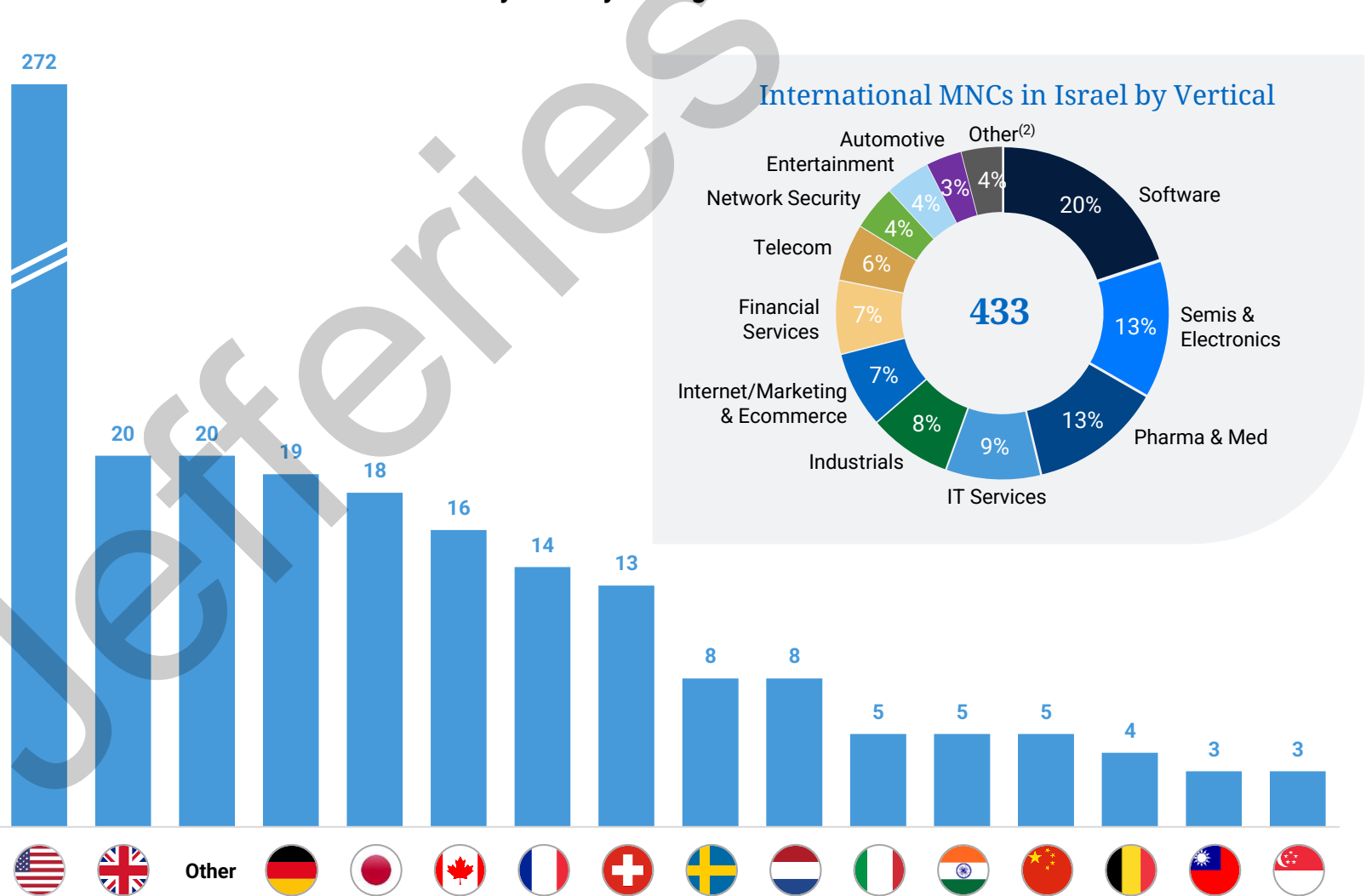
Multinational Corporations: Innovative Footprint in Israel

Multinational R&D centers play a crucial role in driving innovation, fostering collaboration between global companies and leveraging Israel’s technological expertise

MNC Acquisitions of \$500M+⁽¹⁾

MNC	# of Acquisitions	# of Employees in Israel
intel	13	~9,000
paloalto	12	~1,500
IBM	10	~1,450
BROADCOM	10	~700
cisco	9	~800
Microsoft	9	~3,750
Google	8	~2,500
salesforce	8	~750
Medtronic	5	~1,200
Akamai	5	~650
Qualcomm	5	~650
NetApp	5	~200
Apple	5	~2,300
ORACLE	5	~500
tenable	5	~250
NVIDIA	4	~4,200
SAP	4	~850
bmc	4	~450
CROWDSTRIKE	4	~200
ebay	4	~200
Symantec	4	~50
THALES	3	~50
Johnson&Johnson	3	~500
amazon	3	~2,000
OPKO	3	~50
Other	25	-
Total	175	

Number of International MNCs in Israel by Country of Origin

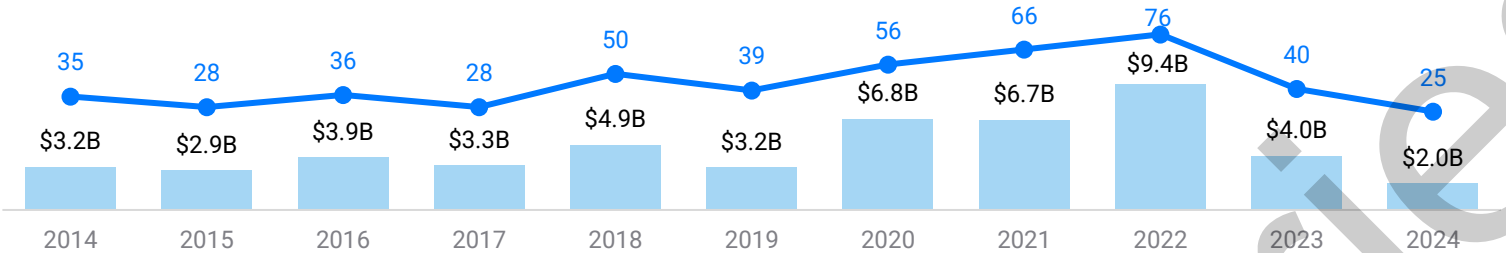


Source: Startup Nation Central as of August 13, 2025. (1) From 2000 - 2Q 2025. (2) Other includes Consumer, Food, Beverage, Aerospace and Defense.

VC Fundraising and Investment Participation

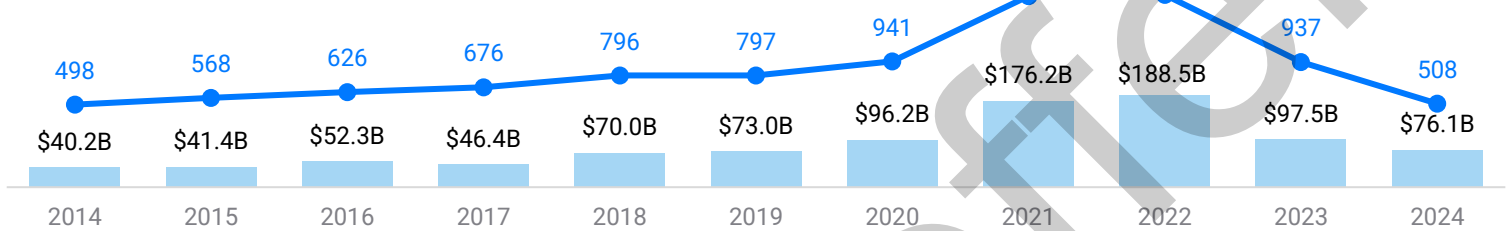
Israeli VC Fundraising Activity

(\$ Billions, except for number of funds)



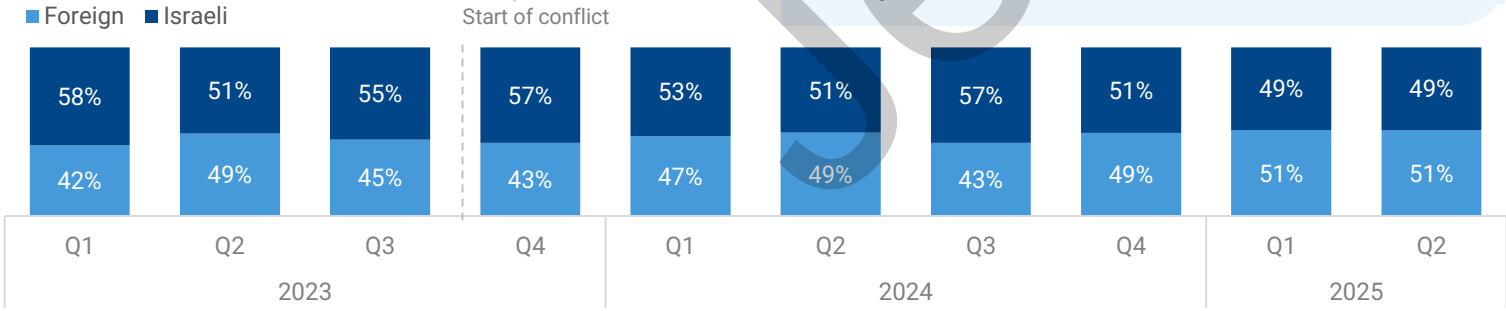
Global VC Fund Raising Activity

(\$ Billions, except for number of funds)



Foreign⁽¹⁾ vs Israeli Investors

(Deal Count, %)



Source: Pitchbook, IVC Data as of August 13, 2025.

(1) Foreign Funds are defined as funds with headquarters outside of Israel.

2024 – VC Activity

In 2024, 25 Israeli funds raised a total of around \$2.0 billion, down from \$4.0 billion in 2023.

In 2024, global fundraising declined to ~\$76.1 billion raised across 508 VC funds. With limited exits and liquidity, LPs are hesitant to allocate more capital to venture. Fundraising will likely be similar in 2025 until LPs receive their returns.

Follow-on investments accounted for 33% of all VC investments in 2024.

In 2024, 54% of all first-time investments were Seed rounds, reflecting a decrease from 61% in 2023.

Foreign Funds accounted for 75% of all capital invested in Israeli high-tech and over 50% of total deal count in 2024.

Corporate VCs made up less than 5% of total first-time investments in 2024.

In 2024, the median number of investors per funding round was 4.

High-tech Company Capital Raising

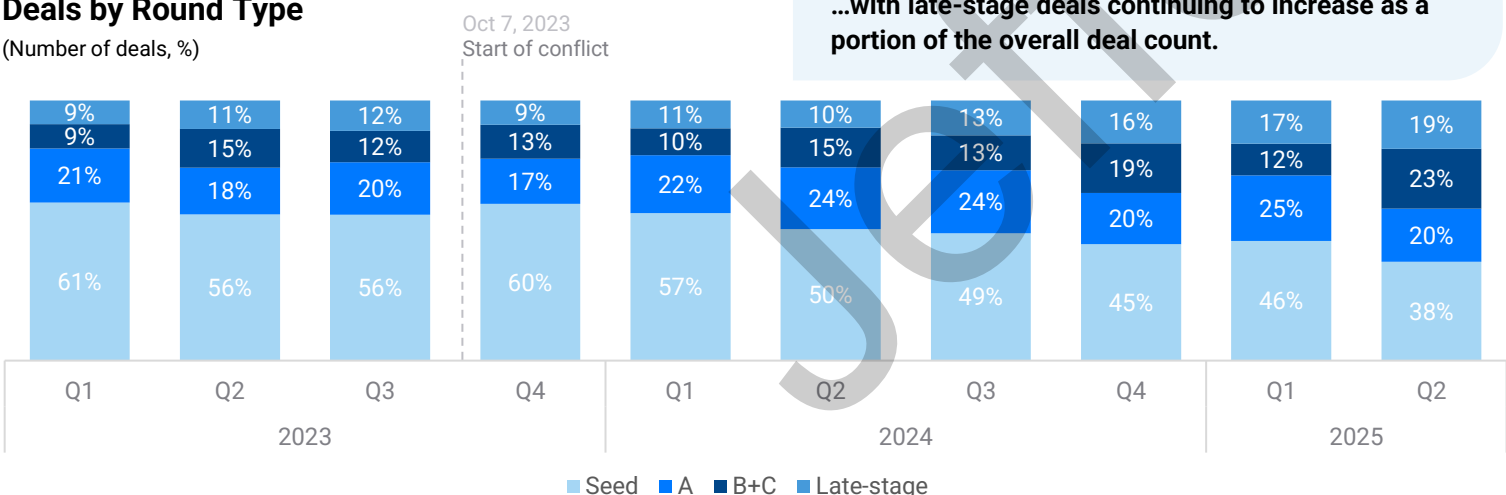
Total Capital Raised and Number of Deals

(\$ Billions, except for number of deals)



Deals by Round Type

(Number of deals, %)



Source: IVC Data, Startup Nation Central as of August 13, 2025.

(1) Denotes a \$2 billion capital raise by Safe Superintelligence (SSI). The company has offices both in Tel Aviv and Palo Alto.

(2) Startup Nation Central Report – June 2025.

(3) Aerospace, Defense and Government as defined by Startup Nation Central which includes space-tech and HLS.

Key Highlights

\$9.3 billion raised in H1'25; the strongest capital raising first half since 2022. Total Israeli fundraising jumped 54% compared to the same period last year, reaching \$9.3 billion in the first six months of 2025.⁽²⁾

Larger rounds are becoming more common. In H1'25 the number of rounds exceeding \$50 million rose from 20 to 32. Among them was the \$2 billion Series B round by Safe Superintelligence (SSI), one of the largest in Israel's history⁽²⁾

Capital Raising by Key Sectors in 2024

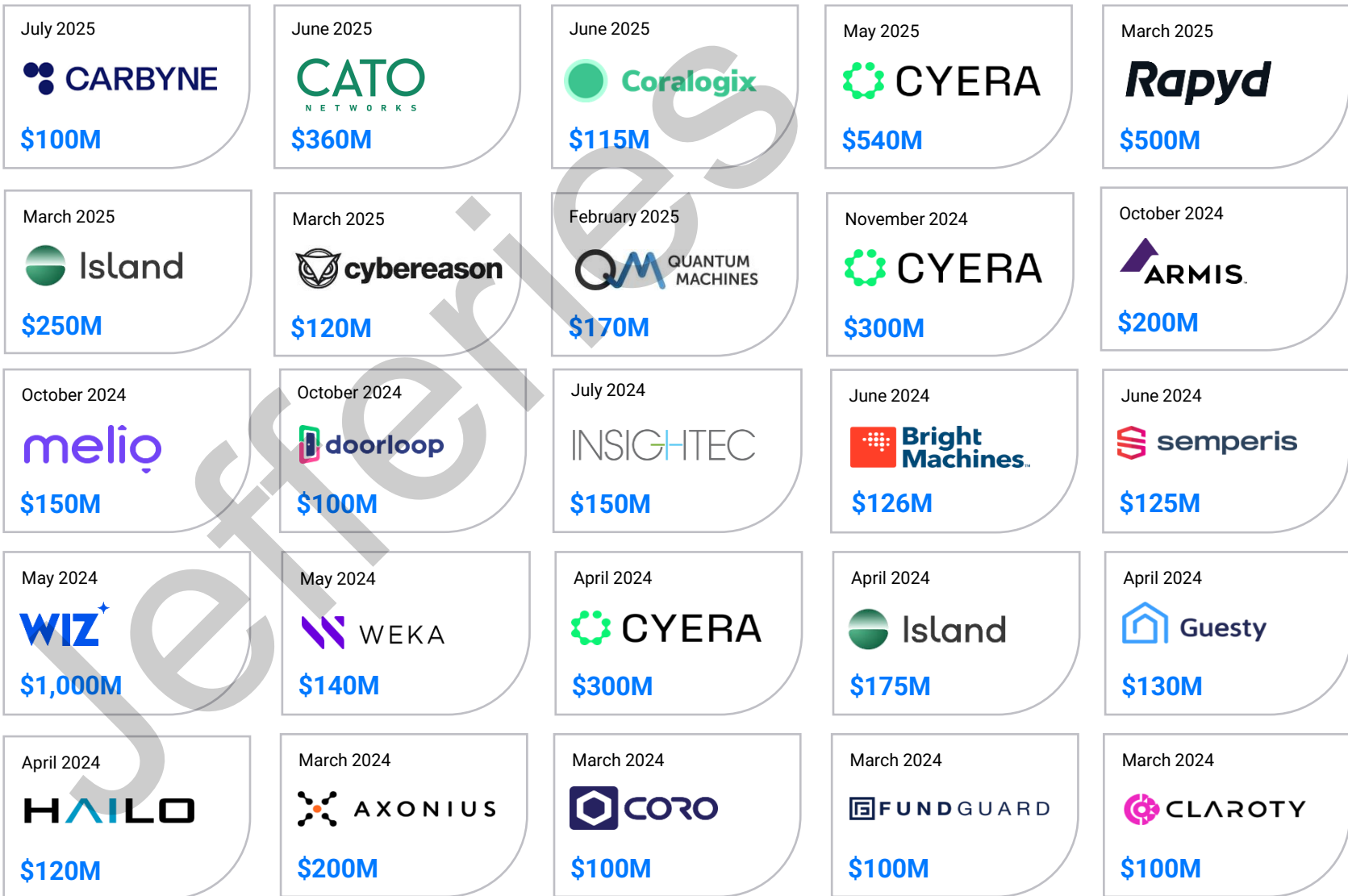
39% Cyber	27% Enterprise Software
13% Health / Med	10% Fintech / Insurtech
6% Industrial	2% Agtech / Food
1% Energy	1% ADG ⁽³⁾

Select Notable Capital Raises from 2024 to Date

KEY HIGHLIGHTS⁽¹⁾

In H1'25, Israel's private tech sector raised \$9.5 billion across 367 rounds based on reported and estimated deals, marking a 58% increase in capital raised compared to H2'24. This represents the strongest first-half performance since the 2021 peak and signals a clear departure from the market contraction that began in late 2022.

This isn't just a rebound, it's a structural reset. The Israeli tech ecosystem is consolidating, with funding flowing into startups that are built for scale and sustainability. Investors are focused on long-term value creation, backing fewer companies, but with greater strategic intent. The result is a more discerning, more resilient, and ultimately reflects a more mature funding environment.



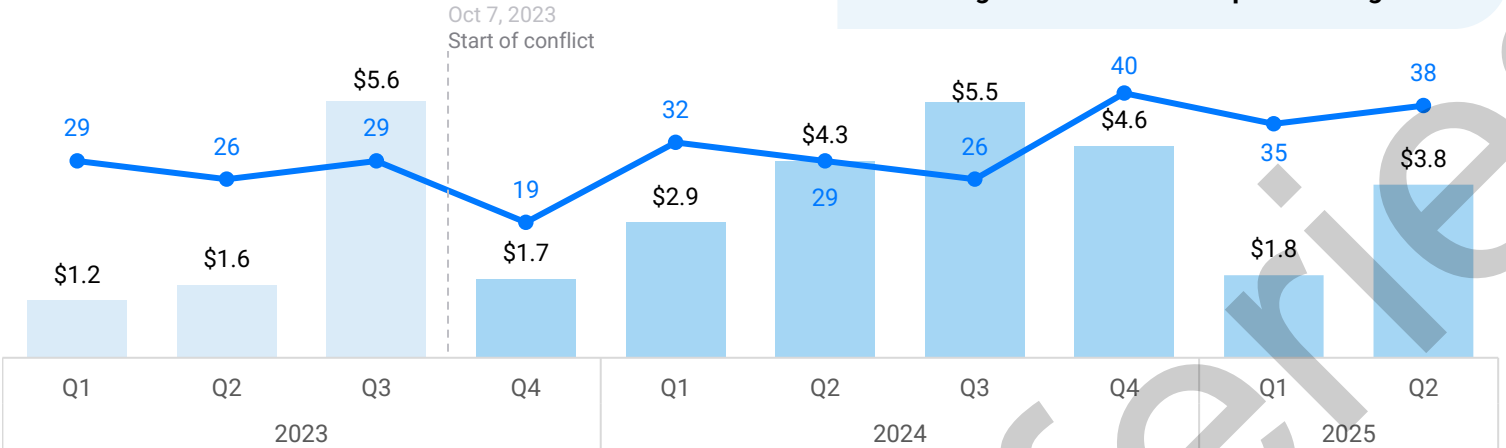
Source: Company filings, Pitchbook, IVC Data, Calcalist, and Globes as of August 13, 2025.

(1) Startup Nation Central H1'25 report July 15, 2025.

High-tech Company Exits

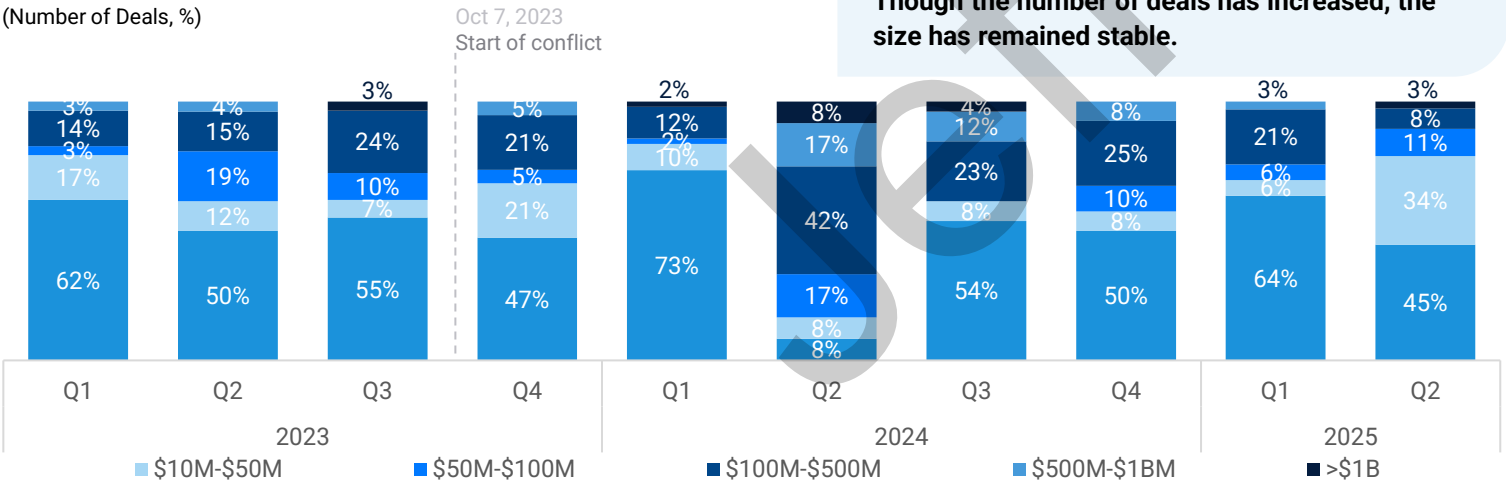
Exit Transactions that have Closed⁽¹⁾

(\$ Billions, except for number of deals)



Deal Breakdown by Size

(Number of Deals, %)

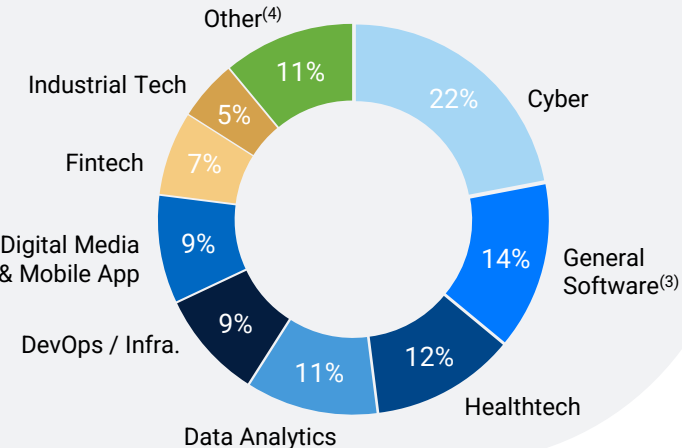


Key Highlights

M&A announcements in H1 2025 totaled \$39.2B, led by Google's \$32 billion acquisition of Wiz. Other major deals included Next Insurance (\$2.6B) and Melio (\$2.5B). Without Wiz, M&A value was \$7.2B, mostly from US multinationals acquiring Israeli tech for cloud security, automation, and vertical SaaS⁽²⁾. The M&A momentum continued into Q3'25 with Palo Alto Networks announcing a \$25.0B acquisition of CyberArk and Advent's \$2.5B acquisition of Sapiens.

In 2024, the Israeli high-tech sector recorded 118 M&A transactions totaling approximately \$17 billion – representing a 20% increase in transaction volume and a 60% surge in total deal value compared to 2023.

Exits by Key Sectors in 2024



Source: IVC Data as of August 13, 2025.

(1) Transactions across M&A and IPO that have closed. (2) Startup Nation Central Report – June 2025. (3) Software companies that help businesses manage their daily operations across various sectors and products. (4) Includes: ADG, e-Commerce, Semis, TravelTech, CleanTech, AgTech.
































Select Notable Acquisition Announcements from 2024 to Date

KEY HIGHLIGHTS

Despite the conflict, Israeli tech companies continue to be highly attractive targets for global acquirers, including strategics and sponsors since almost all Israeli high-tech companies have the vast majority of their revenues from outside of Israel, they are less impacted by domestic volatility.

M&A announcement activity reached a record \$39.2B in the first half of 2025 driven by Google's \$32.0B announced acquisition of Wiz. Other notable deal announcements included Next Insurance (\$2.6B) and Melio (\$2.5B). Excluding the Wiz deal, M&A value stayed consistent at \$7.2B with strategic buyers representing most of the deal value, driven primarily by US multinationals focused on acquiring Israeli tech to address gaps in cloud security, automation, and vertical SaaS solutions.

3Q'25 is off to a great start with no sign of slowing down as seen most recently with the announcements of Palo Alto Networks' \$25.0B acquisition of CyberArk, Advent's \$2.5B acquisition of Sapiens, NICE's \$955M acquisition of Cognigy, and Thoma Bravo's \$2.0B acquisition of Verint.

<p>August 2025</p> <p>VERINT  THOMABRAVO</p> <p>\$2.0B</p>	<p>August 2025</p> <p>SAPIENS  Advent</p> <p>\$2.5B</p>	<p>July 2025</p> <p>COGNIGY NICE</p> <p>\$955M</p>	<p>July 2025</p> <p> CYBERARK  paloalto <small>NETWORKS</small></p> <p>\$25.0B</p>	<p>June 2025</p> <p>melio xero</p> <p>\$2.5B</p>
<p>March 2025</p> <p>WIZ  Google</p> <p>\$32.0B</p>	<p>March 2025</p> <p>NEXT  Munich RE</p> <p>\$2.6B</p>	<p>March 2025</p> <p>PayU  Rapyd</p> <p>\$610M</p>	<p>January 2025</p> <p>INFINIDAT  Lenovo</p> <p>\$500M⁽¹⁾</p>	<p>December 2024</p> <p>WINDWARD  FTV <small>CAPITAL</small></p> <p>\$270M</p>
<p>December 2024</p> <p> PARAGON  ae <small>Industrial Partners</small> REDLattice</p> <p>\$900M⁽¹⁾</p>	<p>November 2024</p> <p>INNOVD  mediaocean</p> <p>\$500M</p>	<p>November 2024</p> <p>DAZZ  WIZ</p> <p>\$450M</p>	<p>September 2024</p> <p> Own  salesforce</p> <p>\$1.9B</p>	<p>September 2024</p> <p> SuperPlay  Playtika</p> <p>\$700M</p>
<p>September 2024</p> <p>[ZOOMIN]  salesforce</p> <p>\$450M</p>	<p>August 2024</p> <p> V-WAVE  Johnson & Johnson</p> <p>\$1.7B</p>	<p>August 2024</p> <p>Teads  Outbrain</p> <p>\$900M</p>	<p>July 2024</p> <p>PLANNCK  APPLIED</p> <p>\$300M⁽¹⁾</p>	<p>June 2024</p> <p>walkme  SAP</p> <p>\$1.5B</p>
<p>May 2024</p> <p> Venafi  CYBERARK</p> <p>\$1.5B</p>	<p>May 2024</p> <p> BioCatch  PERMIRA</p> <p>\$1.3B⁽¹⁾</p>	<p>May 2024</p> <p> Priority  Blackstone</p> <p>\$800M⁽¹⁾</p>	<p>May 2024</p> <p>noname  Akamai</p> <p>\$450M</p>	<p>April 2024</p> <p>run:ai  NVIDIA</p> <p>\$700M⁽¹⁾</p>

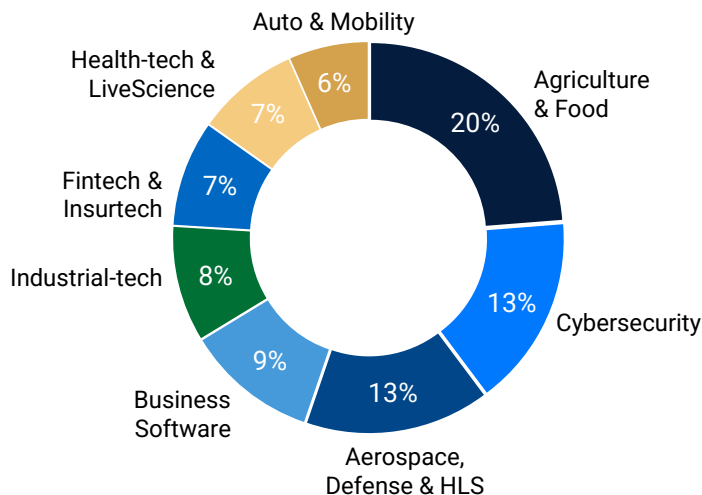
Source: Company filings, Pitchbook, IVC Data, Calcalist, and Globes as of August 25, 2025. Note: Not all acquisitions have closed as of this report date.

(1) Valuation according to news outlets. Companies did not disclose transaction value.

Economic Bridges in the Middle East: Tech, Trade and Transformation

Gulf Country Investments in Israeli Tech by Sector

(%, Deal Count)

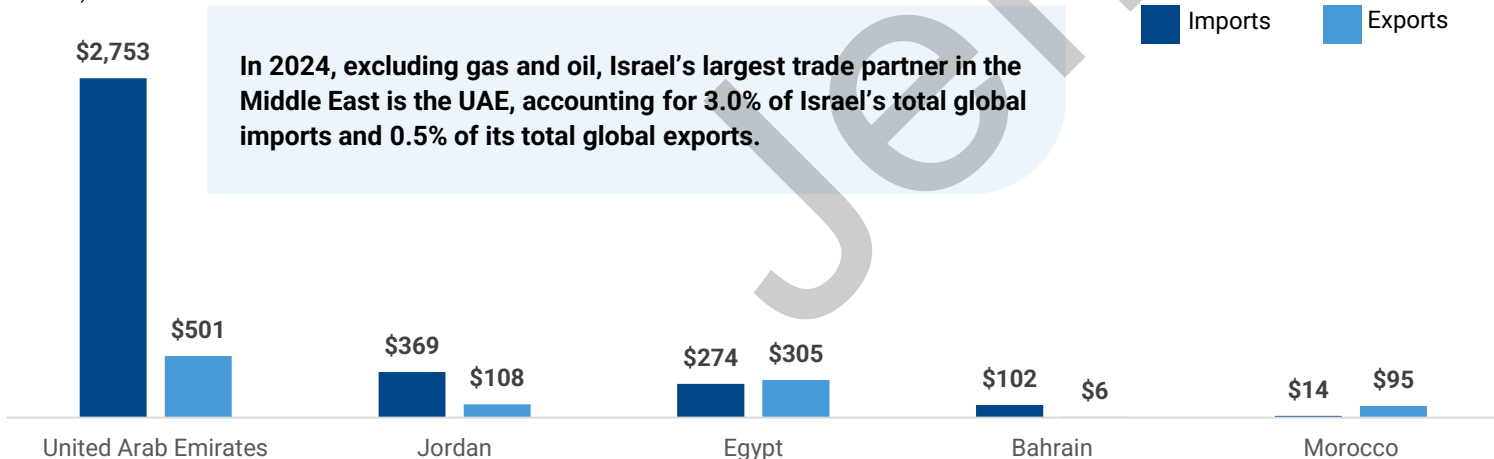


Three sectors account for 46% of total deal count, with Agriculture/Food-tech leading the way. Cybersecurity and Aerospace, Defense & HLS are tied for second place and have emerged as consistently prominent areas of recent interest.

The vast majority of Israeli tech capital raising from Arab countries comes from the UAE and Bahrain, with expectations that additional nations may participate in the near-future.

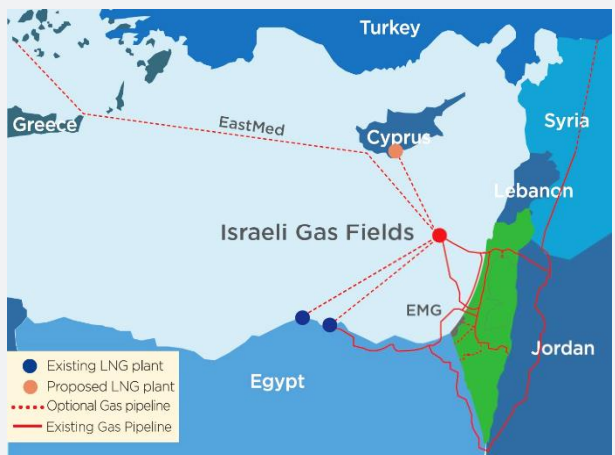
2024 Total Imports and Exports with Arab Countries

(\$, Millions)



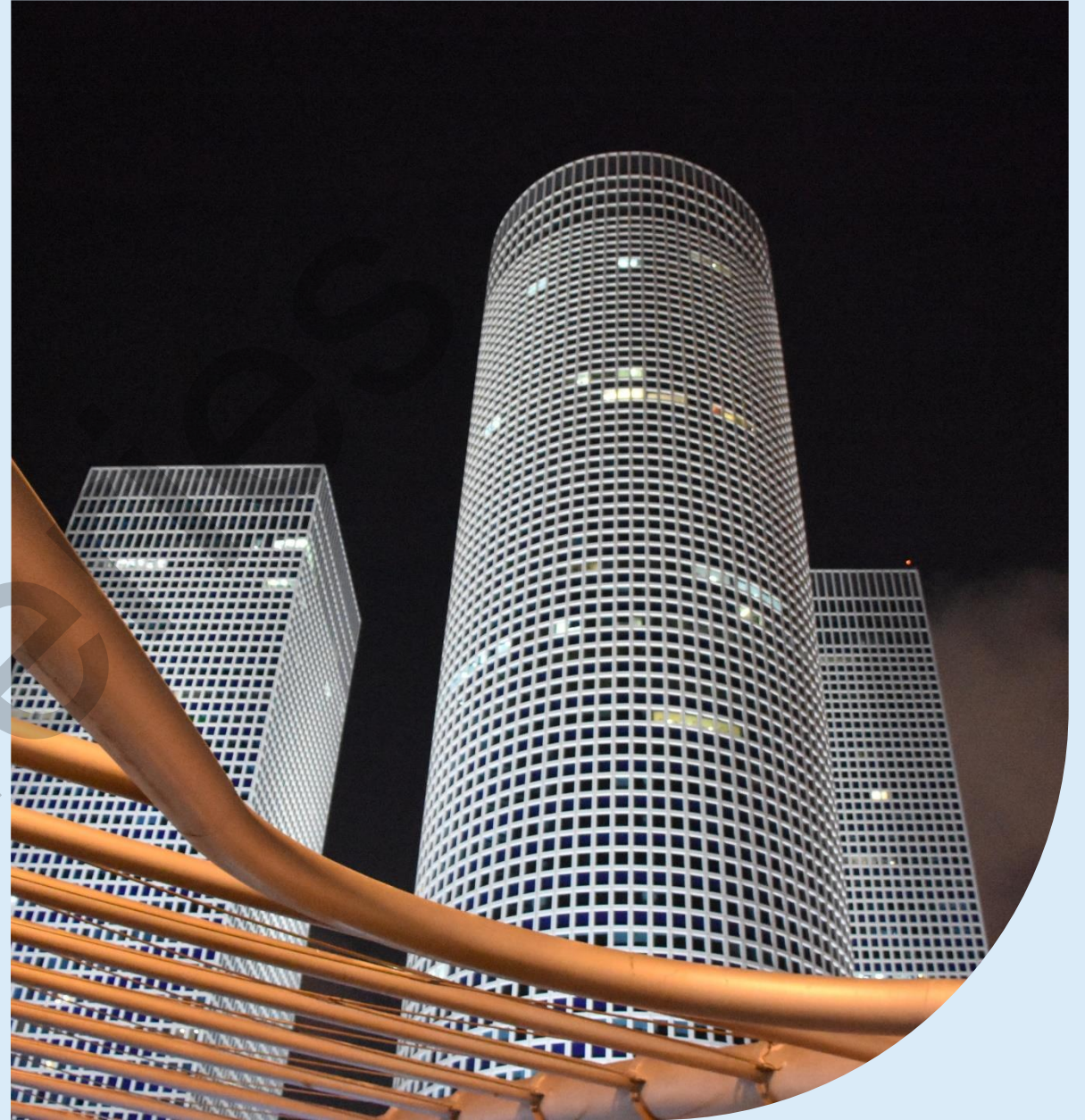
In 2024, excluding gas and oil, Israel's largest trade partner in the Middle East is the UAE, accounting for 3.0% of Israel's total global imports and 0.5% of its total global exports.

Israel Has the 2nd Largest Natural Gas Reserves in the Eastern Mediterranean



In August 2025, Israel's Leviathan entered into a \$35 billion natural gas supply agreement with Egypt, marking the largest such deal in Israel's history. The agreement will significantly increase the annual volume of natural gas sent from the Leviathan offshore field to Egypt by three-fold and is expected to increase the state of Israel's revenue from the royalties.

High-tech Outlook Select Sectors in 2025



2025 Investor Focus

ADG (Aerospace, Defense & Government)

The number of Israeli defense-related startups have significantly increased, doubling in the past year. Funding has also risen in 2024 totaling \$165 million⁽⁴⁾, with more foreign and private investment in early-stage technologies.

Israeli defense technology is internationally recognized as IDF veterans are known for establishing world-class defense-tech startups, combining battle-tested military proficiency with wide-ranging applicability. As governments globally encounter increasing defense challenges, Israel’s technology offers scalable and high-performance solutions to address contemporary threats.

Cybersecurity

As in previous years, cybersecurity continued to dominate the capital raising landscape, attracting around \$4 billion. This trend shows no signs of slowing down, given that global cybersecurity threats are continually increasing.

Most Israeli cyber startup founders are alumni of military cyber defense programs such as 8200, top academic institutions, and mature cybersecurity firms. This network, developed over 30+ years, has created a talent flywheel effect in establishing new cyber startups.

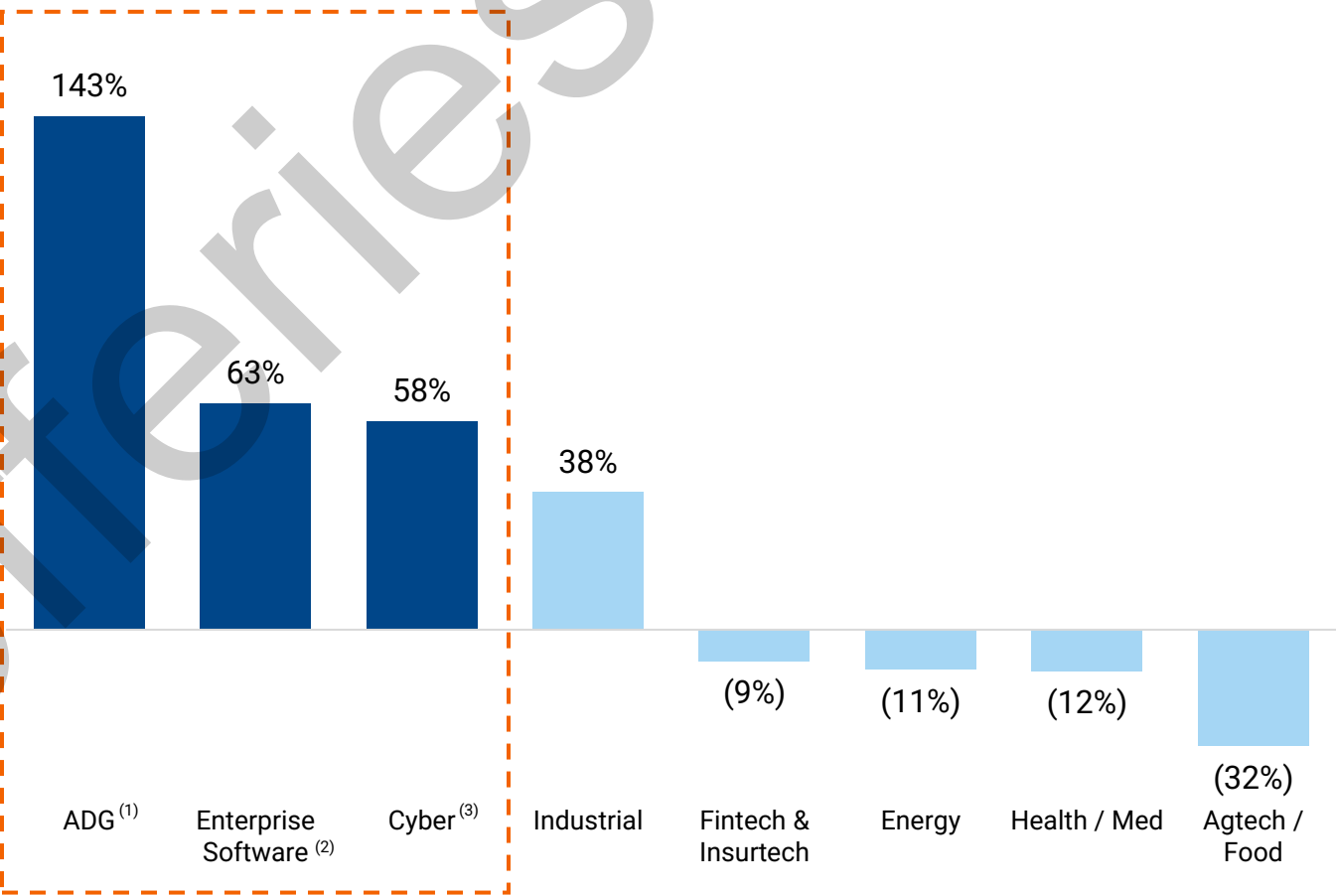
Enterprise Software (being driven by AI)

Enterprise software surged in total capital raised driven by companies developing AI tools for businesses across multiple industries with vast applications.

There is a Global Technology Arms Race, Creating a Generational Opportunity to Invest in Israeli Breakthrough Technologies

Year Over Year Growth in Israeli High-tech Capital Raise by Select Sectors

(%, Growth in Amount of Capital by USD)



Source: Startup Nation Central as of December 31, 2024.

(1) Aerospace, Defense and Government as defined by Startup Nation Central which includes space-tech and HLS.

(2) Includes a wide range of solutions designed to support various business operations, including IT management, data solutions, project management, financial operations, sales, and marketing.

(3) As defined by IVC Data which may use a broader categorization than Startup Nation Central.

(4) According to Startup Nation Central’s definition excluding Space-tech.

Defense-tech: Global Trends

The ADG sector is currently undergoing significant changes, driven by the understanding that future warfare will be influenced more by advanced technology than by the quantity of traditional military equipment.

The geopolitical environment is evolving, military budgets are increasing, and innovation in modern warfare has become increasingly important.

NATO and European allies defense spending is being spearheaded by a necessary rearmament.

AI & MACHINE LEARNING

37%+ CAGR

Global AI / ML Market Expected to Grow to \$1+ Trillion by FY '30

AI-enabled, real-time intel for warfighters is a major priority of the JADC2 framework.

DoD remains focused on integrating machine learning into existing analysis methodologies, including warfighting decision-making, down to backend office functions.

C4ISR

4%+ CAGR

C4ISR Spending is Expected to Reach \$145+ Billion by FY '27

Surveillance and reconnaissance and tactical communications are expected to remain the largest segments.

Processing power is moving to the "edge" as a strategic enabler.

CYBER & CLOUD

13%+ CAGR

Global Cyber & Cloud Market Expected to Grow to \$78+ Billion by FY '26

Effective cybersecurity requires agile, proactive and reactive defenses that involve a combination of software, hardware and systems.

Fundamental levels of security are expected to be incorporated into every technology deployment.

SPACE SUPERIORITY AND HYPERSONICS

14%+ CAGR

Directed Energy Weapons and Hypersonics Market Expected to Grow to \$20+ Billion by FY '27

US DoD is prioritizing increasingly sophisticated space programs to counter symmetric threats from foes.

The US SDA and MDA are creating both offensive and defensive responses to emerging threats, with hypersonics and direct energy being two priority focus areas.

TRUSTED MICROELECTRONICS

6%+ CAGR

Global Defense Electronics Market Expected to Grow to \$250+ Billion by FY '28

The DoD has a stated priority to ensure the US defense supply chain is free of tampering from outside near-peer threats (China, Russia).

Most recent defense budget has dedicated an investment of \$375M towards state-of-the-art microelectronics production and testing.

UNMANNED AUTONOMOUS SYSTEMS

15%+ CAGR

Autonomy / Unmanned Systems Market Expected to Grow to \$15+ Billion by FY '30

Recent conflicts have led to a systemic shift in warfare and need for attritable aircraft.

Primary funding has been allocated towards air, but marine and ground have begun receiving significant traction.

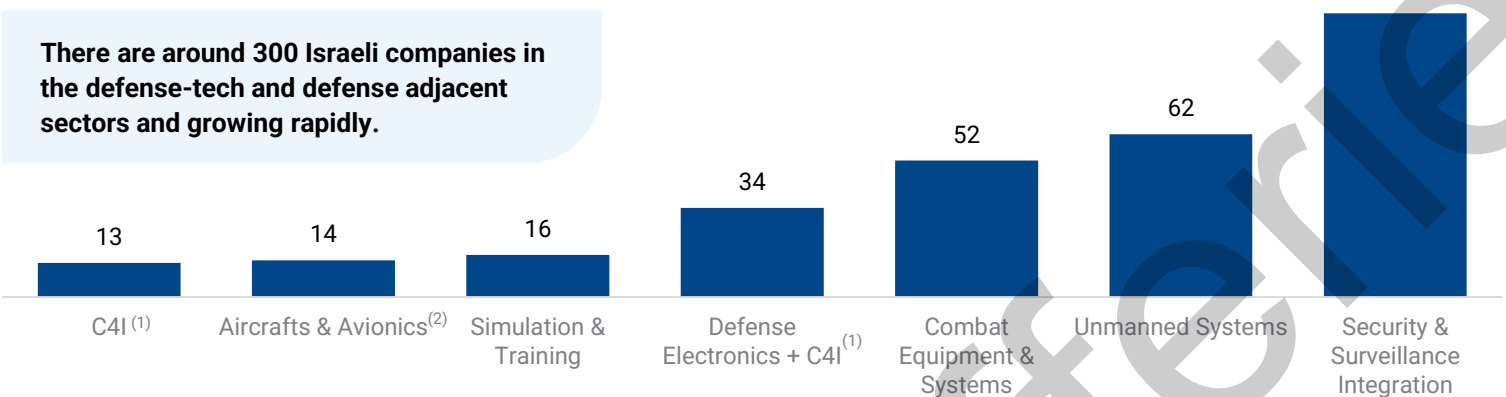
GPS-denied operations remains a key investment focus.

Israeli Defense-tech

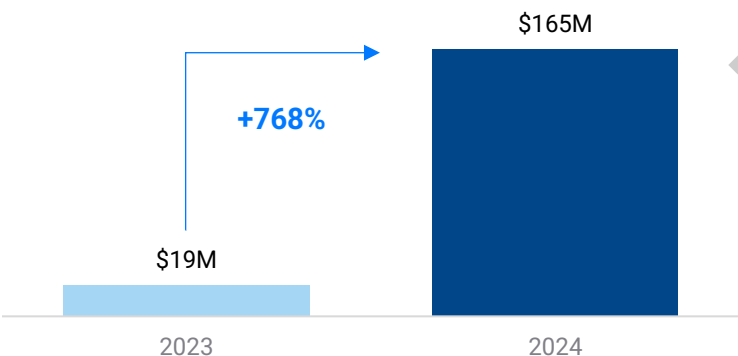
Driven by necessity and supported by a strong military background, Israel's defense-tech sector is evolving into a robust ecosystem

Total Number of Companies by Sector

(Includes companies with dual use applications expanding beyond its sector)



Total Private Capital Raised⁽³⁾



“

THE WALL STREET JOURNAL.

Israel's Defense Industry Booms on Foreign Demand and War at Home – January 9, 2025

Israel will still need to recruit at least 6,000 more employees in the defense industry to meet the future demands.

— Dr. Ron Tomer, President of the Manufacturers Association of Israel

Source: Startup Nation Central, Pitchbook, The Wall Street Journal, Breakingdefensetech.com.

(1) Command, Control, Communications, Computers, and Intelligence.

(2) Electronic systems that control and operate aircraft. The term is a combination of the two words "aviation" and "electronics".

(3) According to Startup Nation Central's definition excluding Space-tech.

Recent Israeli Defense-tech Events

October 2023 – The attacks brought attention to the use of advanced military technologies, including precision-guided munitions, drone warfare, and cyber operations. The conflict underscores the need for continuous innovation in defense technologies to maintain superiority and effectiveness in modern warfare.







October 2023 – Israel intercepts a ballistic missile launched by the Houthi rebels. This event represents the first recorded instance of space combat.

April 2024 – Iran conducts retaliatory strikes against Israel. This event highlights the use of advanced missile and drone technologies in modern conflicts.

December 2024 – The Israeli Ministry of Defense in 2024 significantly increased its investments in start-ups, with ~\$170M over the past year, 5X more than the year before.

Jan 2025 – Slovakia's Ministry of Defense signed a \$580M contract, to acquire Israel Aerospace Industries' Barak MX Integrated Air Defense System. The ministry said it "is very important that the selling country is experienced in using the capability they offer us, There is no doubt about Israel's rich experience in the field of air defense."

Cybersecurity: Global Trends

	Artificial Intelligence	AI-based cybersecurity products spend was ~\$15 billion in 2021 and is projected to reach nearly \$135 billion by 2030, a nearly 10x increase.
	Enterprise Vendor Consolidation	In 2020, only 29% of organizations pursued a vendor consolidation strategy, but 75% are on the path of active consolidation as of 2025.
	Cyber As An Enterprise Priority	Enterprise security spending is expected to continue to grow at twice the pace of broader IT in 2024 / 2025.
	Increasing Regulations	Each year the number mandated compliance audits only increases as evidenced by the recent DoD approved CMMC regulations and ISO 42001 which is setting the monumental compliance standards for AI systems and security.
	White Flag M&A Opportunities	Several recent “unicorns” in need of strategic homes as it is becoming increasingly challenging for <\$150-200M ARR platforms to build sustainable profit margins.
	IPO Backlog	Highly likely for 10+ IPO candidates preparing for a public listing, with an average ARR of >\$200M and growth >20%.

CLASSIC AI SERVICES FORECAST BY SEGMENT, GLOBALLY (USD)

	2023	2026E	2023-2026E CAGR
Identity	\$19.0B	\$27.2B	12.7%
Endpoint	\$19.3B	\$27.4B	12.4%
SOAR / Automation	\$7.2B	\$10.0B	11.6%
Data & Encryption	\$4.4B	\$6.1B	11.5%
Vulnerability Management	\$7.6B	\$10.1B	9.9%
Network & Cloud	\$26.6B	\$35.2B	9.8%
Integrated Risk Management	\$7.1B	\$8.6B	6.6%
Email & Messaging	\$4.5B	\$5.4B	6.3%

Israeli Cybersecurity

With global cybersecurity threats not slowing down, Israel will continue to be a major player in cybersecurity in 2025 and beyond

KEY HIGHLIGHTS

Cybersecurity was the most significant vertical by capital raising in 2024, reaching 39% of the total funding. Notably Wiz raised \$1 billion, and Cyera raised \$600 million across two separate \$300 million capital raises in both April and November 2024.

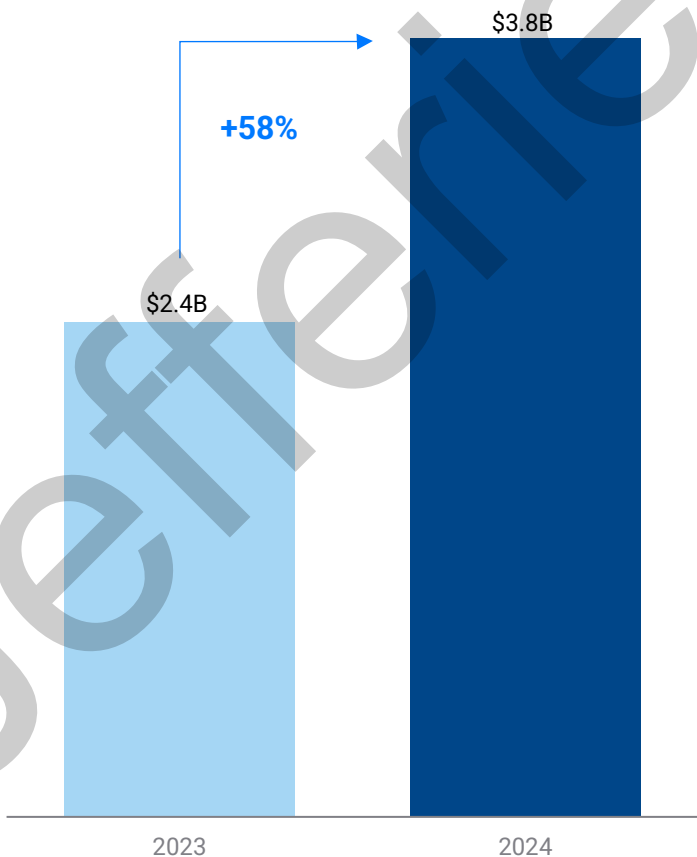
Cybersecurity as with previous years continued to dominate the Israeli M&A landscape, with ~\$5 billion in total transaction value. Notable deals include CyberArk’s \$1.5 billion acquisition of Venafi, Permira’s \$1.3 billion acquisition of BioCatch, Wiz’s acquisitions of Dazz (\$450 million) and Gem (\$350 million), Akamai’s \$450 million acquisition of Noname, and Zscaler’s \$350 million acquisition of Avalor.

In 2024, the number of Israeli cyber deals remained nearly constant compared to 2023, while the capital invested increased by 58%, rising from \$2.4 billion to \$3.8 billion.

In 2025, Cybersecurity remains extremely attractive with no sign of slowing down as evident in Google’s \$32 billion announced acquisition of Wiz, and Palo Alto Networks’ \$25.0 billion acquisition announcement of CyberArk.

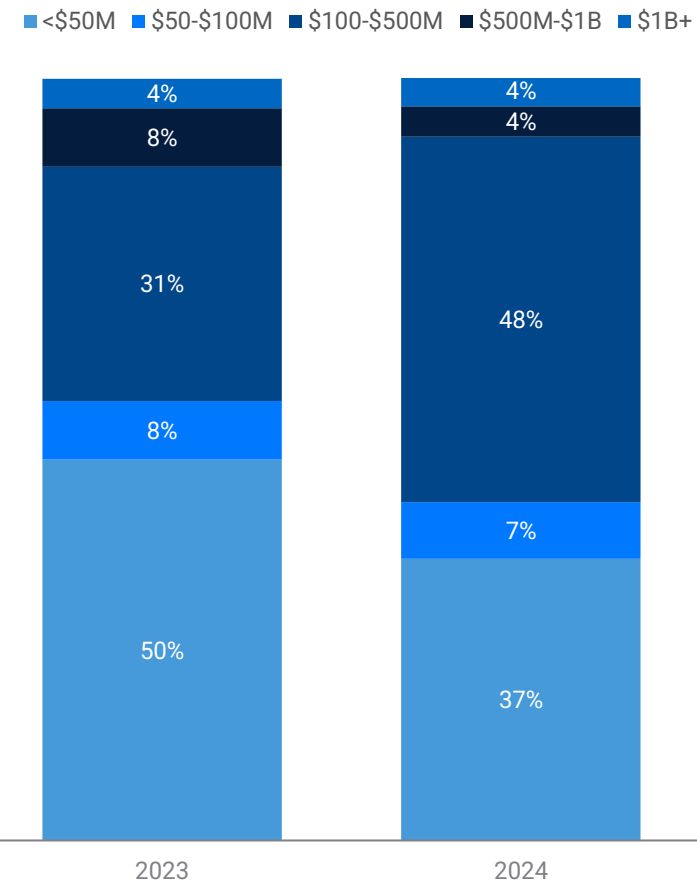
Cybersecurity Capital Raisings

(\$ Billions)



Cybersecurity Exits by Size

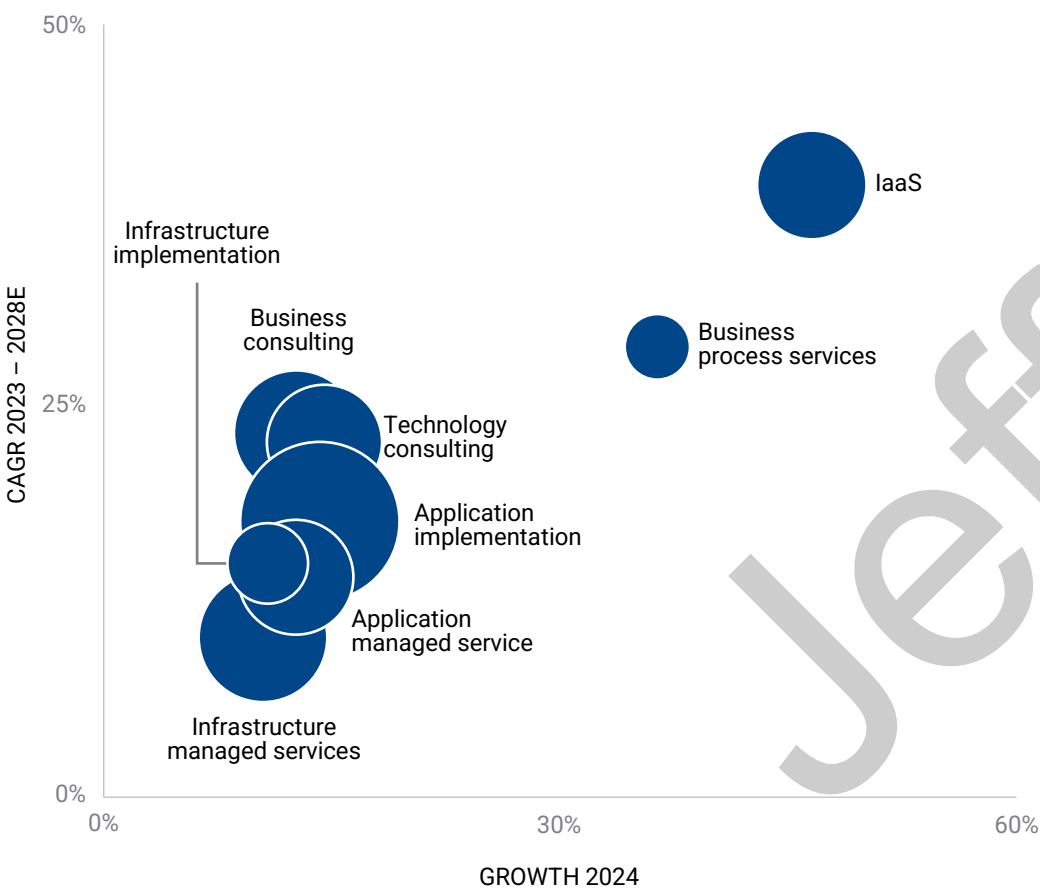
(Number of Deals, %)



AI: Global Trends

By 2028, the AI services market will hit \$609 billion, growing at a five-year CAGR of 21.4%. This growth will be fueled by both generative AI capabilities and traditional AI technologies in predictive analytics and decision making.

CLASSIC AI SERVICES SPENDING BY SEGMENT, GLOBALLY



CLASSIC AI SERVICES FORECAST BY SEGMENT, GLOBALLY (USD)

	2023	2028E	2023-2028E CAGR
IaaS (Infrastructure as a Service)	\$24.3B	\$70.6B	23.8%
Business Process Services	\$8.5B	\$17.7B	15.7%
Application Managed Services	\$31.5B	\$51.1B	10.2%
Technology Consulting	\$25.4B	\$41.3B	10.2%
Business Consulting	\$33.7B	\$53.7B	9.7%
Infrastructure Managed Services	\$38.6B	\$58.9B	8.8%
Application Implementation	\$51.3B	\$77.0B	8.5%
Infrastructure Implementation	\$12.7B	\$16.6B	5.5%

Source: Gartner report – Forecast Analysis: Artificial Intelligence Services, Worldwide (August 27, 2024).

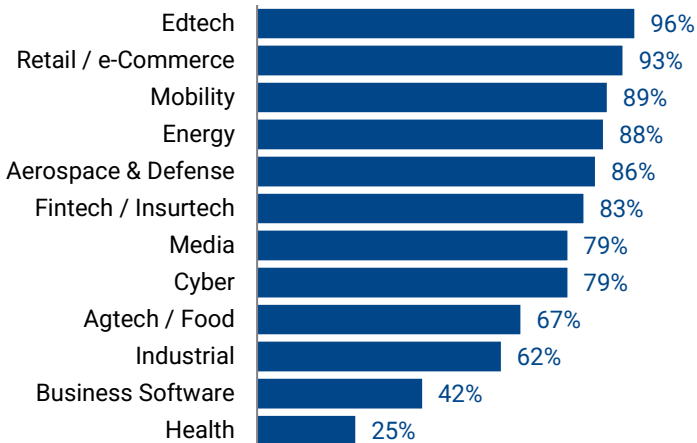
Israeli AI

Israel ranks third globally for Generative AI development and is continuing to invest to grow its position in the industry

AI Companies Across Key Sectors

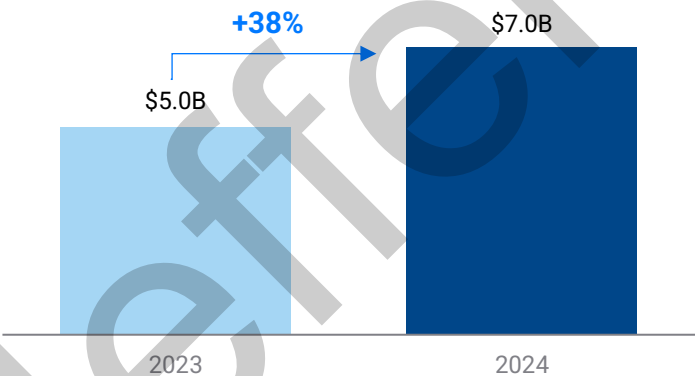
(%, Active companies developing AI products for a specific industry use)

There are over 2,000 Israeli AI-related companies offering various AI products across a vast array of sectors.



AI – Total Private Capital Raised

Israel's AI ecosystem excels in Applied AI with expertise across industries. Supported by government initiatives, multinational R&D centers, local VCs, and strong incubator programs, Israel's AI startups are poised for continued growth in 2025.



Israeli AI Ecosystem

In January 2025, Nvidia announced a \$500+ million investment in a new Israeli AI research data lab.

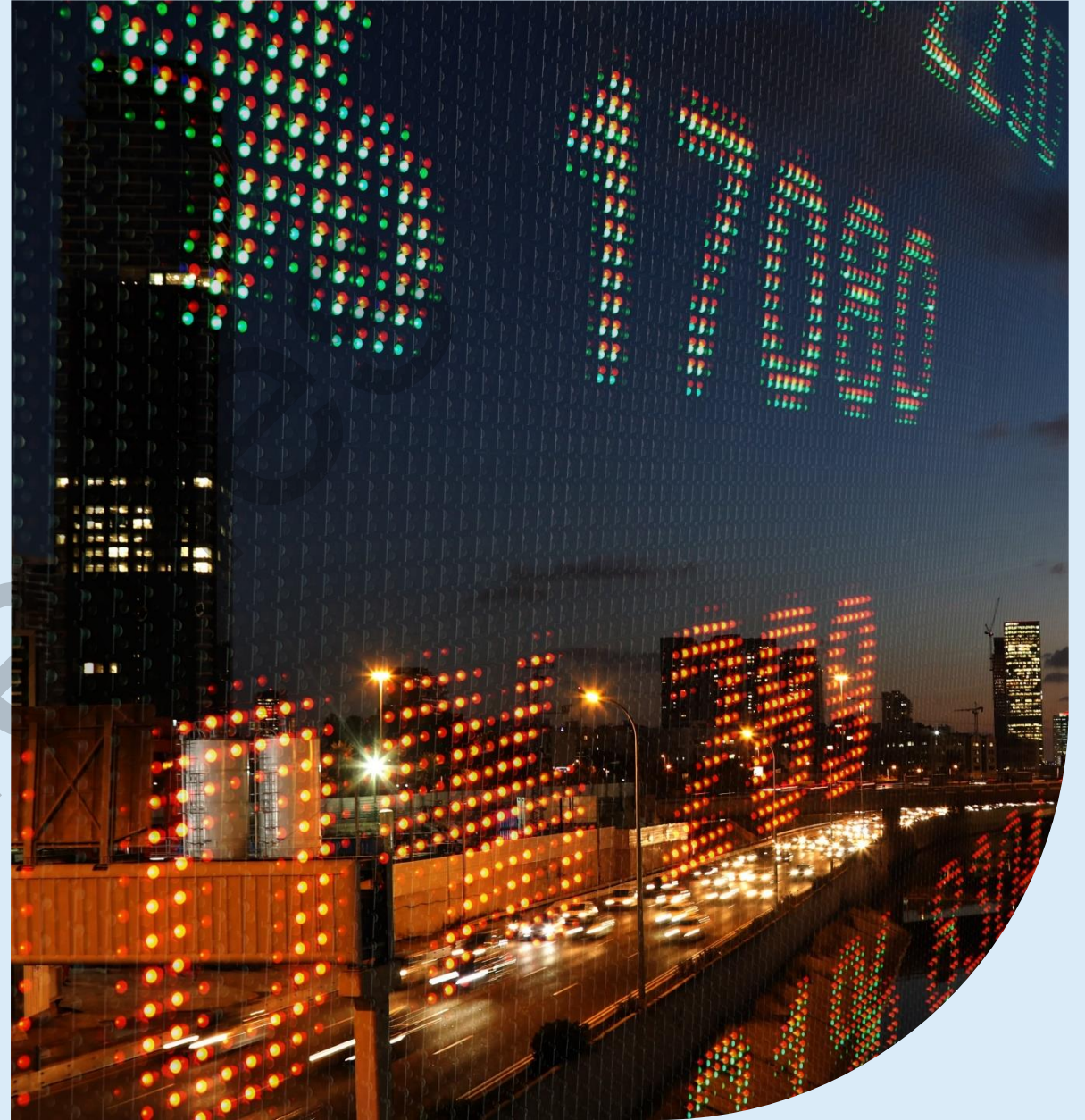
Startup Nation Central – “Since 2014, Israeli AI startups have demonstrated remarkable growth, experiencing over 170% increase in active companies compared to a 12% rise in non-AI startups. This surge has created a quantitative advantage, resulting in over 2,000 AI-driven companies and more than 400 leading multinational research centers operating within Israel.”

Israel Innovation Authority – “With the highest number of AI startups per-capita and third in the world for leading companies in the field of Gen AI, Israel is the home of world-leading AI startups, researchers and developers in the industry and in academia, creating the applications and technologies for the next wave of AI.”

CONTEXTUAL DEFINITIONS

- AI encompasses a range of technologies including machine learning, natural language processing, computer vision, and robotics. Its applications span numerous domains, from virtual assistants and recommendation systems to self-driving cars and advanced medical diagnostics.
- Applied AI focuses on solving specific problems with enhanced efficiency and accuracy, while Generative AI is known for creativity, producing original content across various applications.

Macroeconomic Backdrop



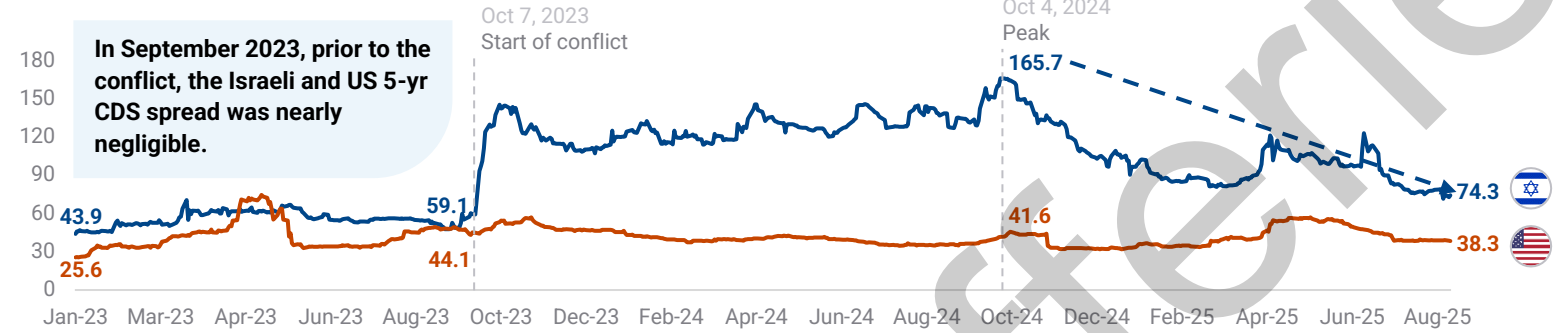
Sovereign Credit and Government Bond Yields

ISRAEL'S CREDIT RATING

A S&P	Baa1 Moody's ⁽¹⁾	A FITCH	A- Blended ⁽²⁾
-----------------	---------------------------------------	-------------------	-------------------------------------

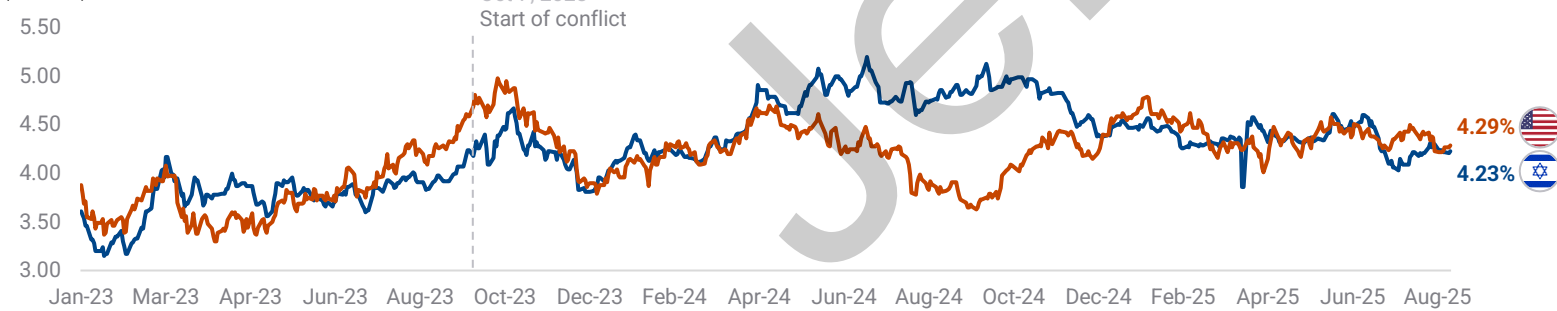
Israel 5yr Credit Default Swaps

(CDS Price, bps)



Israel vs. US 10yr Bonds

(Yield, %)



Source: CapIQ as of August 13, 2025.

- (1) January 21, 2025 – Moody's stated: "If adhered to and further progress is made, the ceasefire agreement reduces a protracted conflict's near-term downside risks to Israel's economy and public finances."
- (2) Bloomberg Issuer Composite Based Ratings provides a blend of an issuer's ratings. The rating agencies are evenly weighted when calculating the composite. It is calculated by taking the average of the existing ratings, rounded down to the lower rating in case the composite is between two ratings.

Key Highlights

Although Israel's risk premium remains higher compared to the pre-conflict period, it has decreased significantly since the ceasefire with Lebanon and general geopolitical improvements, as indicated by the 5-year Sovereign CDS which has decreased by ~91bps from its peak.

The 10-year yield on Shekel-denominated Israeli government bonds has fallen beneath the U.S. Treasury bonds. This gap reflects expectations that the Shekel will continue to strengthen over time or, at the very least, that major bond market participants are reluctant to bet against the Shekel, despite the ongoing state of conflict.

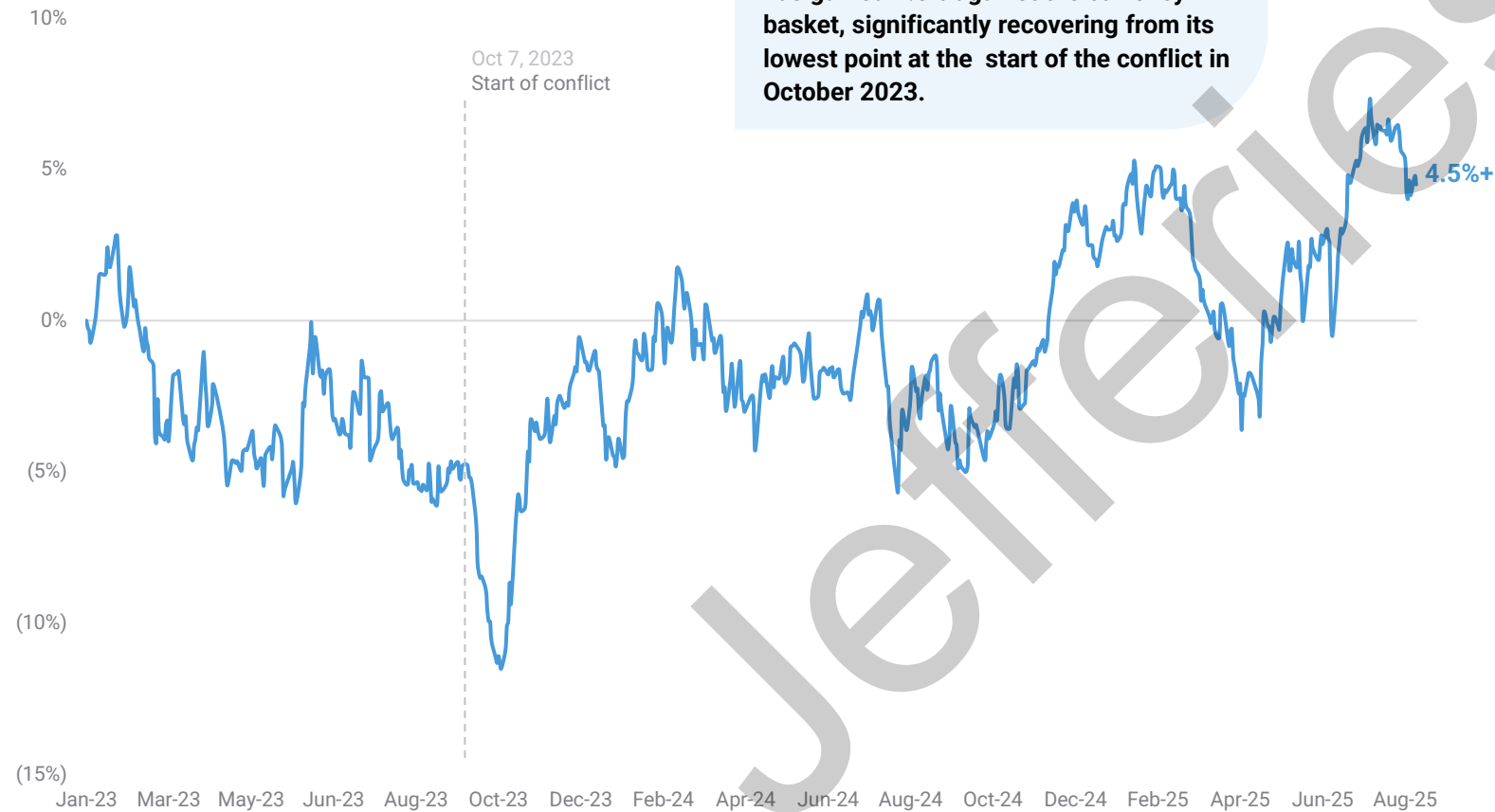
The Bank of Israel expects the average interest rate in 2Q'26 to be 3.75%.

The interest rate forecast assumes that a ceasefire agreement will be reached in Gaza by the end of 2025. Following this, GDP is expected to gradually align with its pre-conflict trend. It is anticipated that existing supply-side constraints will gradually ease, while domestic demand is projected to recover at a slightly faster pace.

The Shekel's Performance and the Bank of Israel's Economic Forecast

Shekel Nominal Effective Rate Index⁽²⁾

(Cumulative rate of change since January 1, 2022, %)



Source: Bank of Israel Data and Processing as of August 13, 2025.

(1) Source: Bank of Israel's Research Department Staff Forecast Report (July 2025).

(2) The effective exchange rates reflect the weighted geometric average of the Shekel against a basket of currencies, in which the weight of each currency reflects its importance in Israel's foreign trade; Currencies included: Canadian Dollar, Euro, Japanese Yen, Swiss Franc, UK Pound Sterling, and US Dollar.

(3) Fixed Capital Formation, also called "investment indicates how much of the new value added in an economy is invested rather than consumed excluding ships and aircrafts.

(4) Excluding diamonds and startups.

Bank of Israel's Forecast⁽¹⁾

This forecast was based on the projection that the conflict in Gaza will decrease in intensity at the beginning of Q3'25 and that job supply will keep increasing, while taking into account the potential effects of US tariffs and global macroeconomic conditions on Israel's exports and economic stability.

The growth forecast for 2026 reflects continued economic recovery from the conflict.

	2025E	2026E
GDP Growth	3.3%	4.6%
Private Consumption Growth	3.5%	7.0%
Total Investments Growth ⁽³⁾	9.5%	13.5%
Total Exports Growth ⁽⁴⁾	4.0%	3.0%
Unemployment Rate	2.9%	3.3%
Gov. Deficit / GDP	4.9%	4.2%
Public Debt / GDP	70.0%	71.0%
Inflation Rate	2.6%	2.0%

The Israeli Consumer Appetite Continues to Grow

KEY HIGHLIGHTS

The Bank of Israel expects private consumption to continue to grow by 3.5% and 7.0% in 2025 and 2026, respectively.

In 2024, ~61% of private consumption expenditure was conducted via Israeli credit card transactions.

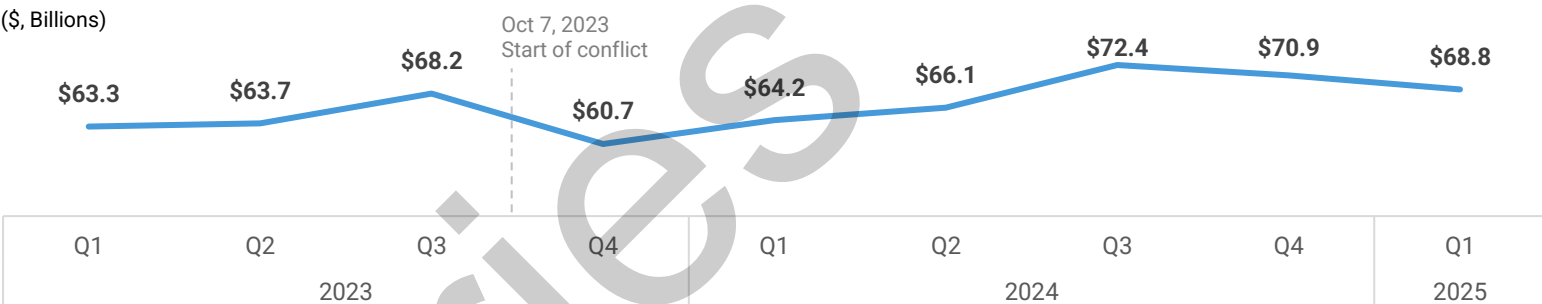
Israel's credit card transaction volume experienced a slight decrease at the beginning of the conflict but soon returned to previous levels. Although the latest data indicate a minor decline in nominal credit card expenditures, they remain consistent with long-term trends.

The lower number of soldiers serving in the reserves in 2025 will ease the supply limitations in the labor market and will support a recovery in the volume of employment.

In the housing market, the annual rate of increase in housing prices continued to rise, to 3.9% year over year. Activity in the construction industry remains lower than the pre-conflict period, mainly affected by manpower limitations that remain significant.

Total Israeli household debt remains relatively low compared to most developed economies at only ~42% of GDP compared to ~62% in the US.

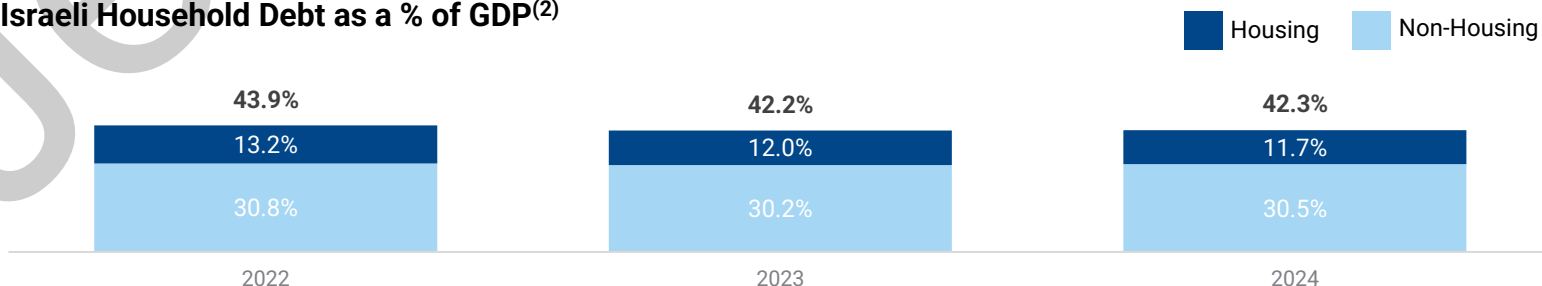
Private Consumption Expenditure – Significant Growth Engine in the Economy⁽¹⁾



Credit Card Transaction Volume Has Recovered from the Conflict with Iran and October 7th⁽¹⁾



Israeli Household Debt as a % of GDP⁽²⁾



Source: Bank of Israel, Jonathan Katz's Weekly Macroeconomic Report.

(1) Amounts have been converted to USD using a constant FX rate of 0.28 NIS/USD.

(2) The Bank of Israel classifies housing debt as loans for home purchases, whereas non-housing debt encompasses loans for other types of purchases.

Leading Global Investors are Focusing on TASE-Listed Securities

Select Global Investors Who Have Purchased TASE-Listed Securities



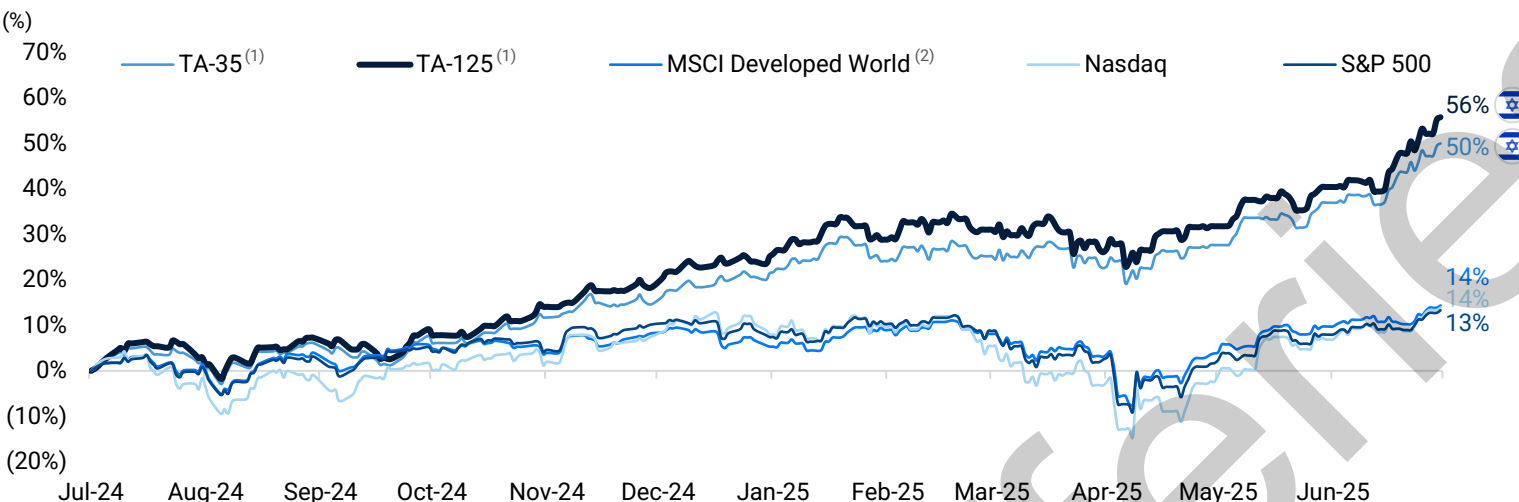
TASE Sector & Indices Performance EoY 2024



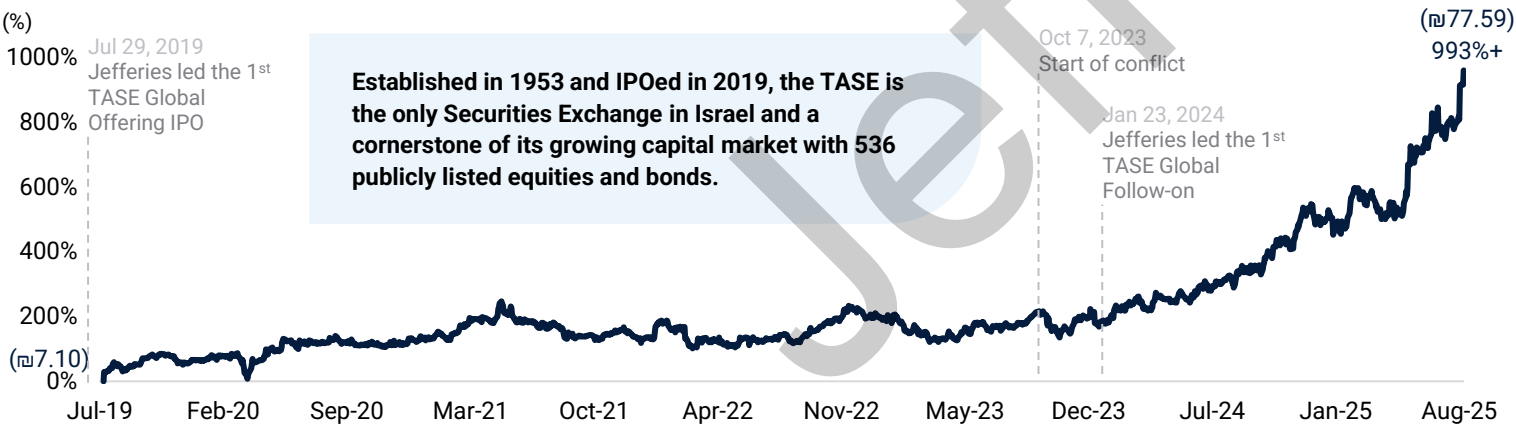
Source: CapIQ as of December 31, 2024.

Finance & Capital Markets Performance

Capital Markets – Indices Performance 2Q'25 LTM



Tel Aviv Stock Exchange (TASE) – Share Performance Since IPO



Source: CapIQ, Tel Aviv Stock Exchange as of August 13, 2025.

(1) The largest 35 and 125 companies listed on the Tel Aviv Stock Exchange by market cap.

(2) Developed markets from the following 24 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The index constituents are weighted on the basis of free float market capitalization. MSCI World Index is reviewed on a quarterly basis.

(3) Based on Q2'25 Investor Presentation and using a NIS/USD FX rate of 0.28.

Tel Aviv Stock Exchange (TASE) Trading Statistics 2Q'25⁽³⁾

TOTAL MARKET CAP (YoY Growth)

Equities \$465B (+53%)	Government Bonds \$229B (+24%)
Corporate Bonds \$165B (+23%)	Mutual Funds \$136B (+29%)

AVERAGE DAILY TURNOVER (YoY Growth)

Equities \$884M (+46%)	Government Bonds \$1,036M (+14%)
Corporate Bonds \$308M (+1%)	Mutual Funds \$664M (+30%)

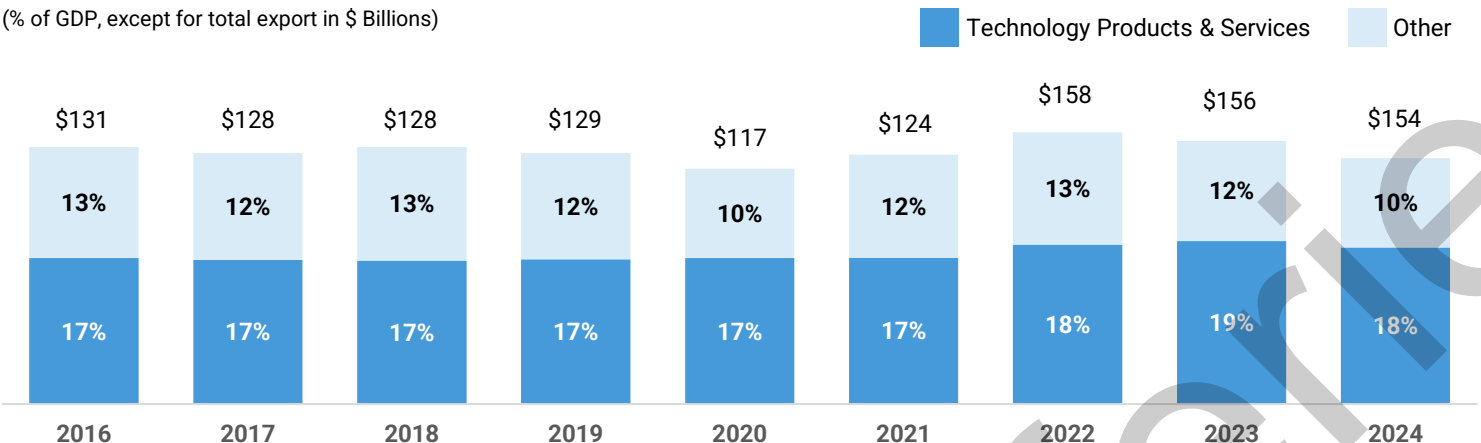
Since its IPO, the TASE has been at the forefront of innovation and adaptation to global investors needs:

- Changing the trading days to Monday – Friday, starting January 2026.
- The use of AI to translate immediate reports into English allowing foreign investors to receive reports in English in real time.
- Launched futures contracts on three leading indices: TA-35, TA-90 and TA-Banks 5.
- Appointed a market maker to ensure liquidity and trade volume in the market at a competitive price.
- In January 2025 TASE published for public comments on the allowance of digital asset ETFs, such as Bitcoin.

Israeli Exports and Trade Balance

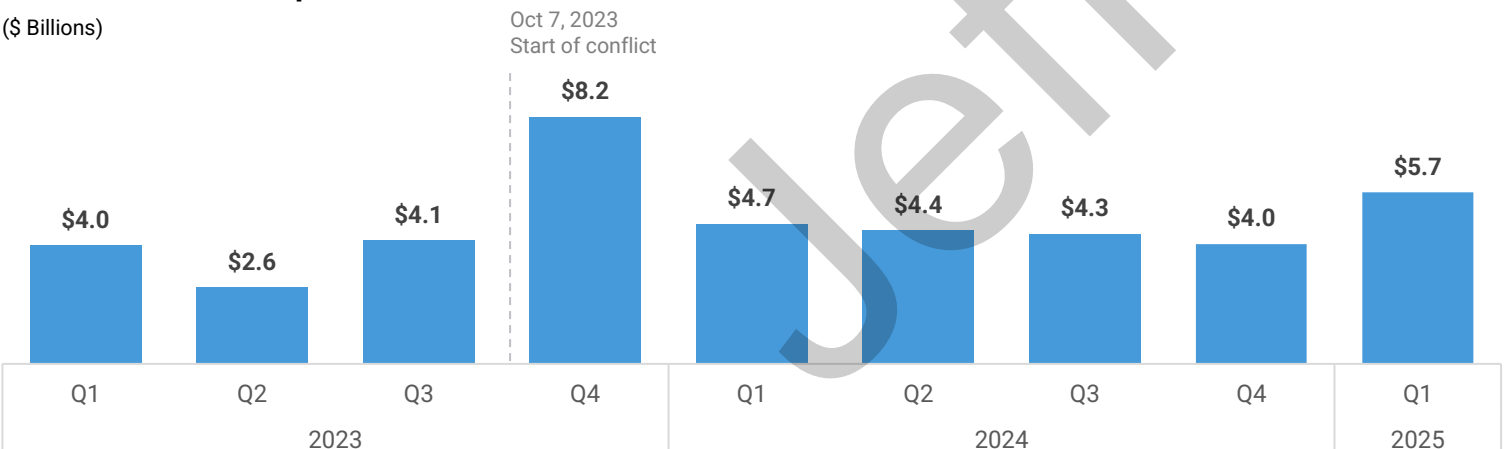
Total Exports by Category as a % of GDP

(% of GDP, except for total export in \$ Billions)



Current Account Surplus⁽¹⁾

(\$ Billions)



Source: Bank of Israel.

Note: All export and trade statistics exclude diamonds.

(1) Defined as Israeli exports minus imports.

KEY HIGHLIGHTS

The high-tech exports continues to thrive during the conflict, despite army reserves mobilization, and are nearly a quarter of GDP and ~64% of total exports.

In 2024, the countries with the most substantial increases in imports from Israel included Hong Kong, Romania, Ukraine, Malta, and Lithuania. Conversely, Turkey, the UK, Slovenia, South Korea, Canada, and Russia experienced the largest decreases.

In 2024, imports of goods to Israel increased from Brazil, the UAE, Greece, Thailand, Romania, and Hong Kong. In contrast, Turkey, Sweden, Australia, and Venezuela experienced the largest decreases.

In 2024, Israel's largest trade surpluses were with the USA, Ireland, India, Brazil, and Cyprus. Meanwhile, the largest trade deficits were with China, Switzerland, Germany, Italy, and UAE.

Exports are expected to continue to expand by 4.0% in 2025 and 3.0% in 2026, on the back of robust high-tech exports. This upward trend was already pronounced in 2024 and is expected to continue.

Israel enjoys a steady trade account surplus. Its Net Export Account and Foreign Direct Investment remained strong during the conflict.


Appendix



Jefferies Israel Group

Dedicated Team with a differentiated approach to Israel coverage with local connectivity, coupled with senior institutional support and global sector expert partners

Senior Support and Commitment from the Top of the House



Rich Handler
Chairman & CEO



Brian Friedman
President



Raphael Bejarano
Global Head of
Investment Banking
and Capital Markets

Investment Banking



 **Natti Ginor**
Managing Director,
Head of Israel
Coverage Group




 **Elad Narkiss**
Managing Director




 **Omer Geller**
Senior Vice President



 **Yosef Angster**
Vice President



 **Shoshana Oster**
Vice President



 **Nadav Raziel**
Associate



 **Shani Amram**
Associate



 **Ido Petel**
Analyst



 **Rami Fischberger**
Analyst



 **Gil Shimoni**
Analyst



 **Noy Shidlovsky-Schorr**
Business Manager

Additional Capabilities



 **Yoash Zabary**
Managing Director,
Head of Israel Fixed
Income



 **Lior Shimonovich**
Senior Vice President,
Head of Israel Equity
Sales



 **Nimrod Tevet**
Associate,
Israel Equity Sales



 **Bob Constant**
Managing Director,
Wealth Management

#1 Investment Bank in Israel in 2024, leading the market in total fees and number of transactions⁽¹⁾. Successfully advised on 22 Israeli transactions in 2024, mostly cross border, representing a total value of \$12B across Capital Markets and M&A

Team members **strategically located in Tel Aviv, New York, and London**, embodying the global identity that Israeli companies hold by nature

Remote member of the Tel Aviv Stock Exchange and an approved foreign underwriter by the Israel Securities Authority, enabling the globalization of TASE-listed companies and optimizing valuation through increased liquidity

Jefferies Equity Research **covers more Israeli public companies than any other global investment bank**: 45+ Israeli and Israeli-related public stocks, 10 of which are listed only on the Tel Aviv Stock Exchange

Jefferies TechTrek — **the largest annual institutional investor tech conference in Israel**, which in 2023 featured 100 leading Israeli companies and hundreds of investors representing \$19T in AUM

Global Listings (NASDAQ, NYSE, LSE)	Sales & Trading	Global M&A (Sell-side / Buy- side)
TASE Listings (Equity / Debt)	Jefferies Israel Group	Equity Research on Israeli Listed Security
Advise Companies on Growth Strategies	Private Placements	Events, Conferences, Non-Deal Roadshows

(1) Dealogic Data for Israel-based Fee Payer.

Our Expertise And Commitment Has Established Jefferies As The Advisor Of Choice In Israel

<p>September 2025</p> <p>NextVision</p> <p>\$414,000,000</p> <p>Common Stock Offering Sole Global Coordinator</p>	<p>September 2025</p> <p>Camtek</p> <p>\$425,000,000</p> <p>Convertible Notes Offering Joint Bookrunner</p>	<p>September 2025</p> <p>NOVA</p> <p>\$750,000,000</p> <p>Convertible Notes Offering Joint Bookrunner</p>	<p>August 2025 Pending</p> <p>VERINT</p> <p>\$2,000,000,000</p> <p>Sale to Thoma Bravo and combination with portfolio company Calabrio Sole Financial Advisor</p>	<p>July 2025 Pending</p> <p>NiCE</p> <p>\$955,000,000</p> <p>Acquisition of Cognigy Sole Financial Advisor</p>	<p>March 2024 – July 2025</p> <p>PAGAYA</p> <p>\$4,500,000,000</p> <p>Capital Raised Across Convertible, Notes, Equity Follow On, Credit Facility, ABS Left / Sole Bookrunner</p>	<p>May 2025</p> <p>Elbit Systems</p> <p>\$590,000,000</p> <p>Common Stock Offering Joint Bookrunner</p>
<p>May 2025</p> <p>eToro</p> <p>\$713,000,000</p> <p>Initial Public Offering Lead Bookrunner</p>	<p>April 2025</p> <p>playtech</p> <p>€2,300,000,000</p> <p>Sale of Snaitech S.p.A. to Flutter Entertainment Joint Financial Advisor</p>	<p>March 2025</p> <p>Bezeq</p> <p>\$250,000,000</p> <p>Common Stock Offering on behalf of B Communication Ltd. (Searchlight Capital) Sole Global Coordinator and Joint Bookrunner</p>	<p>March 2025 Pending</p> <p>matrix</p> <p>\$3,000,000,000</p> <p>MOU for Merger with Magic Software Enterprises Ltd. Sole Financial Advisor</p>	<p>February 2025</p> <p>Outbrain</p> <p>\$900,000,000</p> <p>Acquisition of Teads Joint Financial Advisor \$638,000,000 Financing for Acquisition Joint Bookrunner</p>	<p>November 2024</p> <p>SHARON PERSONAL CARE</p> <p>Undisclosed</p> <p>Sale to Etemis Fine Chemicals Sole Financial Advisor</p>	<p>July – November 2024</p> <p>Phoenix</p> <p>\$850,000,000</p> <p>Placing of shares on behalf of: Centerbridge & Gallatin Point Common Stock Offering Sole Global Coordinator</p>
<p>November 2024</p> <p>IDB BANK ISRAEL DISCOUNT BANK</p> <p>\$150,000,000</p> <p>Minority Sale Sole Financial Advisor</p>	<p>June 2024</p> <p>Pershing Square Capital Management</p> <p>\$1,050,000,000</p> <p>Sale of 10% Common Equity Interest to Strategic Investors Joint Placement Agent</p>	<p>April 2024</p> <p>ITHACA ENERGY</p> <p>A subsidiary of Delek Group £754,000,000</p> <p>Business Combination with Eni S.p.A. Sole Financial Advisor</p>	<p>January 2024</p> <p>תל אביב תעודות סחורה TEL AVIV STOCK EXCHANGE</p> <p>\$94,200,000</p> <p>Common Stock Offering Sole Global Coordinator</p>	<p>December 2023</p> <p>Perion</p> <p>\$125,000,000</p> <p>Acquisition of Hivestack Inc. Sole Financial Advisor</p>	<p>June 2022 – June 2023</p> <p>לומי leumi</p> <p>\$1,800,000,000</p> <p>Capital Raises across Notes and Equity Follow Ons Joint Bookrunner</p>	<p>January 2023</p> <p>Cloudify</p> <p>Undisclosed</p> <p>Sale to Dell Technologies Sole Financial Advisor</p>
<p>January 2023</p> <p>ISRAEL DISCOUNT BANK</p> <p>\$800,000,000</p> <p>Senior Notes Offering Joint Bookrunner</p>	<p>November 2022</p> <p>ITHACA ENERGY</p> <p>\$304,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>November 2022</p> <p>ironSource</p> <p>\$17,580,000,000</p> <p>Merger with Unity Software Sole Financial Advisor</p>	<p>July 2022</p> <p>Berkshire Partners</p> <p>Undisclosed</p> <p>Minority Acquisition of MedOne Sole Financial Advisor</p>	<p>January 2022</p> <p>vertex VENTURES ISRAEL</p> <p>\$160,000,000</p> <p>Multi-Asset Strip Sale Sole Financial Advisor</p>	<p>September 2021 May 2021</p> <p>Global e</p> <p>\$431,250,000 Initial Public Offering Joint Bookrunner \$883,000,000 Common Stock Offering Joint Bookrunner</p>	<p>August 2021</p> <p>GLOBAL DATA CENTER</p> <p>Undisclosed</p> <p>Sale to EdgeConnX Sole Financial Advisor</p>
<p>July 2021 July 2021</p> <p>Outbrain</p> <p>\$200,000,000 Senior Secured Notes Offering Joint Placement Agent \$160,000,000 Initial Public Offering Joint Bookrunner</p>	<p>June 2021</p> <p>SentinelOne</p> <p>\$1,408,750,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>June 2021</p> <p>monday.com</p> <p>\$631,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>June 2021 January 2021</p> <p>ZIM</p> <p>\$225,000,000 Initial Public Offering Joint Bookrunner \$321,000,000 Common Stock Offering Joint Bookrunner</p>	<p>May 2021</p> <p>similarweb</p> <p>\$176,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>May 2021</p> <p>Nayax</p> <p>\$206,000,000</p> <p>Initial Public Offering Sole Global Coordinator</p>	<p>March 2021</p> <p>ironSource</p> <p>\$11,100,000,000 Merger with Thoma Bravo Advantage Joint Financial Advisor \$1,300,000,000 Private Placement of Equity Joint Placement Agent</p>



Leading the market in total fees, market share, and number of transactions



Since January 2023, **Jefferies Israel Group** has advised on **38 transactions** with a **total value over \$23B** across Capital Markets and M&A

Despite the recent conflict and challenging geopolitical environment in Israel, since October 7th, **Jefferies has led 7 global follow-on offerings** for TASE-listed companies **totaling ~\$2.2B**, providing companies with an enhanced global investor shareholder base while improving overall liquidity in the market

(1) 2024 ranking based on total fees, market share, and number of transactions (Dealogic Data for Israel-based Fee Payer).

Jefferies' Demonstrated Commitment to Israel



Annual TechTrek Conference
The Largest Annual Institutional Investor Tech Conference in Israel



Annual Israeli Financials Day in London
Global investor meetings with the leading banks and insurance companies



Senior Commitment
"There is an influx of innovation here that makes Israel an important place for investors"

W

170+

Visits since 2022

Major Destination
MDs and senior Jefferies bankers visiting Israel on a regular basis



Leading Israeli Equity Research Franchise
Jefferies Equity Research covers 45+ Israeli public companies, more than any other global investment bank



Supporting the Government and Regulator
Closely working with government bodies and agencies, such as the Ministry of Finance and Israel Securities Authority, to help develop the Israeli Economy



Globalizing the Local Capital Markets
Jefferies is a remote member of the Tel Aviv Stock Exchange and an approved foreign underwriter by the Israel Securities Authority



Support of Israel Following October 7th
\$13M donated to provide humanitarian aid in Israel on October 10, 2023

Jefferies is committed to Israel, has built a preeminent franchise, and goes above and beyond for the Israeli Ecosystem

Jefferies Israel Economic Research in Collaboration with Leader Capital Markets

Jefferies and Leader Capital Markets' Weekly Israel Macroeconomic Report:

- Offers key insights regarding Israel's macroeconomic trends, public and private capital markets, fiscal policy, and fixed income securities
- A source of thoughtful expertise around geopolitical nuances and local market complexities as it relates to the Israeli ecosystem



Jonathan Katz, Israel Macroeconomist

A leading authority on Israel's macroeconomics and financial markets, Jonathan has been involved with macro economic forecasting of the Israeli economy since 1989, specializing in inflation forecasting, the Shekel and the bond market.

Jonathan authors a regular macroeconomic newsletter for institutional clients. He served for seven years as Chief Economist of the Budget Department at Israel's Ministry of Finance, then establishing his own private macroeconomic forecasting firm. Jonathan's years at the Budget Department provided him with a thorough understanding of fiscal policy. He specializes in the analysis of overall government accounts and in the cost-benefit analysis of government departments. Previously, he was an economic consultant to the HSBC EMEA research team.

Israel Economic Overview and Outlook

JANUARY 21, 2025

Jefferies | **LEADER**
CAPITAL MARKETS

If you wish to subscribe to this content going forward, please email Israel.lib@jefferies.com and you will be subscribed

Strong Fundamentals Help Weather the Storm

— Jonathan Katz, Israel Macroeconomist

The Main Points

Geopolitics: Israel has been embroiled in prolonged warfare on multiple fronts since the October 7th 2023 tragedy. There are optimistic signs that hostilities are winding down and Israel's geopolitical reality has greatly improved. A ceasefire with Hezbollah is being maintained, Syria's collapse has weakened Iranian influence in the region, and cessation of hostilities in Gaza appear imminent with the recent ceasefire agreement

Strong economic fundamentals will support recovery

- Israel is a developed economy with a GDP/capita of \$53.7k.
- Israel has a strong growth potential supported by positive demographics and a vibrant high-tech sector.
- Israel entered the war with a low fiscal deficit and manageable Debt/GDP.
- The fiscal deficit will be reduced in 2025 by fiscal adjustments of nearly 2% of GDP.
- Growth in 2025 will be fueled by investment spending and exports.
- Israel's strong external position including a Current Account Surplus and Foreign Direct Investment helps support a strong shekel.
- A tight fiscal policy, shekel appreciation and a weakening of supply constraints will support lower inflation towards mid-year.
- We expect three rate cuts this year from the Bank of Israel.
- Looking ahead, the major risks revolve around internal politics and division.
- On the upside, we could see an opening up of relations with Saudia Arabia.

This report is intended for Israel.lib@jefferies.com. Unauthorized distribution is prohibited.

POLICY RATES

Current	4.50%
Q225	4.25%
Q425	3.75%

INFLATION

12 y-o-y	3.2%
Jan-Mar	1.0%
NTM	2.5%
2026	2.3%

FX	USD	EURO
ILS	3.602	3.7074
Last week	-1.7%	-1.8%
YTD	-1.2%	-2.3%
NTM	3.57	3.67
2025	3.57	3.67

GOV. BONDS

	JAN 25
Redemptions	1.3
Issuance (tradable)	15.0
Net redemption	-13.7

Please see important disclosure at the back of this report:
Produced by: Leader Capital Markets
Distributed by: Jefferies Group LLC, including Jefferies LLC in the U.S. and Jefferies Hong Kong Limited in Hong Kong

1

Disclaimer

Important Disclosures

This material has been prepared by Jefferies LLC, a U.S.-registered broker-dealer, employing appropriate expertise, and in the belief that it is fair and not misleading. The information upon which this material is based was obtained from sources believed to be reliable, but has not been independently verified, therefore, we do not guarantee its accuracy. It may be based on subjective assessments and assumptions and may utilize one among alternative methodologies that produce differing results; accordingly, it should not be relied upon as an accurate representation of future events. This is not an offer or solicitation of an offer to buy or sell any security or investment. Any opinion or estimates constitute our best judgment as of this date, and are subject to change without notice. Jefferies LLC and Jefferies International Limited and their affiliates (collectively, “Jefferies”) and their respective directors, officers and employees may buy or sell securities mentioned herein as agent or principal for their own account.

This communication is being provided strictly for informational purposes only. Any views or opinions expressed herein are solely those of the institutions identified, not Jefferies. This information is not a solicitation or recommendation to purchase securities of Jefferies and should not be construed as such. No responsibility is accepted, and no representation, undertaking or warranty is made or given, in either case, expressly or impliedly, by Jefferies as to the accuracy, reliability or completeness of the information contained herein or as to the reasonableness of any assumptions on which any of the same is based or the use of any of the same. Accordingly, neither Jefferies nor any of its officers, directors, employees, agents or representatives will be liable for any direct, indirect or consequential loss or damage suffered by any person resulting from the use of the information contained herein, or for any opinions expressed by any such person, or any errors, omissions or misstatements made by any of them.

The information provided in this document, including valuation discussions, represents the views of Jefferies Investment Banking. There is no assurance that the views expressed herein will be consistent with the views expressed by Jefferies Research or its Analysts. Nothing in this document should be understood as a promise or offer of favorable research coverage.

Reproduction without written permission of Jefferies is expressly forbidden. All Jefferies logos, trademarks and service marks appearing herein are property of Jefferies LLC.

Member SIPC • © 2025 Jefferies LLC.

Jefferies