Jefferies

JULY 2026

Rethinking The Israeli IPO

A MODERN PLAYBOOK FOR ISRAEL'S BEST TECHNOLOGY COMPANIES

Anchor Globally.

Activate Domestically.

De-Risk the U.S. Listing.

Rethinking
The Israeli IPO

A MODERN PLAYBOOK FOR ISRAEL'S
BEST TECHNOLOGY COMPANIES

Authors

Natti Ginor
Head of Israel Investment Banking

Jefferies Israel Group

Jefferies Equity Capital Markets

Contact

Israel.IB@jefferies.com

About Jefferies Israel Group

Jefferies is a leading global investment bank, offering a fully integrated platform that encompasses investment banking, capital markets, sales and trading, and equity research. Leveraging this franchise, the Jefferies Israel Group has become one of the most active and trusted advisors in Israel across capital markets and strategic transactions while consistently connecting Israeli issuers with a deep and diversified global institutional investor base. With team members strategically located in Tel Aviv, New York, and London, the group reflects the inherently global identity of Israeli companies.

In recent years, the team has been instrumental in elevating Israel's capital markets, driving landmark transactions, and fostering robust engagement with international institutional investors. These efforts have not only strengthened Israel's standing on the global investment stage but also earned the group the distinction of being ranked #1 in Israel for completed transactions in both 2024 and 2025. Additionally, in recognition of its execution in leading transactions on the Tel Aviv Stock Exchange (TASE), the Jefferies Israel Group was awarded Euromoney's 2025 Award for Excellence as Israel's Best ECM Investment Bank and most recently, the Euromoney's 2026 Award for Excellence as Israel's Best Investment Bank.

The Jefferies Israel Investment Banking team developed the *Modern Playbook,* reflecting Jefferies' direct experience executing IPOs in the U.S. and Europe and leading Global IPOs and follow-ons for TASE-listed companies in its role as an approved Foreign Underwriter by the Israel Securities Authority and a Remote Member of the TASE since 2019. Additionally, the content of this paper is informed by active, ongoing dialogue with many of the world's leading institutional equity investors.

Anchor Globally.

Activate Domestically.

De-Risk the U.S. Listing.

Executive Summary

For Israel's best growth technology companies, the smartest path to a successful U.S. listing may now begin at home. The *Modern Playbook* explains what has changed and why a different sequencing strategy now merits consideration.

For decades, Israeli technology companies, emerging from one of the world's most robust and export-oriented innovation ecosystems, have viewed a listing on U.S. exchanges as the natural first step in their journey in the public markets. Israel's leading technology sector consistently produces globally competitive companies from the outset. For many years, the U.S. capital markets represented the primary gateway to achieving scale, international visibility, and access to institutional capital.

Today's U.S. technology IPO market is increasingly optimized for scale. Average technology IPO valuations have risen significantly, and investor attention is now heavily concentrated on larger, later-stage issuers. Median U.S. technology IPO market capitalization is approximately $5.5 billion in 2025 and 2026 YTD, compared with approximately $3.6 billion during 2020–2021 and $1.6 billion during 2017–2019.[1] For earlier-stage growth companies, entering the U.S. market prematurely can come at a meaningful cost: limited investor attention, insufficient institutional sponsorship, elevated short interest, and heightened volatility that compounds in the early days when a company is most exposed.

At the same time, the TASE has undergone a quiet and consistent transformation of its own. Market structure, governance standards, trading depth, and global accessibility have all evolved materially. Research coverage, liquidity dynamics, and international participation have dramatically improved, positioning Tel Aviv as a more durable public-market home for high-quality growth companies earlier in their life cycle and, in many cases, as a strategic first step rather than an end point.

Against the backdrop of these changes in global capital markets, the *Modern Playbook* introduces the TASE Global Offering and flips the script on the Israeli technology IPO. For Israel's best growth companies, the question is not whether to list in the U.S. but whether to start there.

The TASE Global Offering is a capital markets strategy designed for Israel's leading technology companies considering a public listing. While this approach is not necessarily suitable for all growth companies, and some may pursue other paths, such as a SPAC or listings on alternative foreign exchanges, it offers a strategic and powerful framework for companies that meet the relevant criteria.

The *Modern Playbook* framework is built around strategic capital markets sequencing. A Global IPO in Tel Aviv, executed to standards similar to those of other developed markets, including the U.S. and Europe, and marketed internationally, allows Israeli companies to anchor their IPO with high-quality global institutional investors while activating powerful domestic demand. This strategy reflects the recognition that going public is no longer a single event but a staged process in which the initial listing establishes the foundation for a more successful global outcome. Listing first in Tel Aviv is not a compromise but rather the utilization of a structural advantage that de-risks and amplifies a subsequent U.S. listing.

Recent developments have materially strengthened the case for this approach. Outperformance of the TASE Indices, supported by structural reforms at the TASE, shifts in global capital allocation toward non-U.S. growth exposure, and the strength of Israel's domestic institutional investor base have collectively reshaped the exchange's role in the global capital markets ecosystem.

> What was once viewed as a local venue has evolved into a credible platform for globally relevant IPOs and a strategic starting point in the public market journey.

Table of Contents

Why This Conversation Matters Now

For many years, Israel's most ambitious growth technology companies have followed a consistent instinct: If you are ready to go public, go straight to the NASDAQ or the NYSE.

That instinct was rational in a world where the U.S. market was the only platform capable of delivering scale, liquidity, valuation credibility, and high-quality research coverage.

But markets evolve. Capital flows rotate. Investor strategies change. And companies must understand and adapt to these new dynamics, including by rethinking their IPO sequencing.

Several developments make this conversation particularly timely.

First, Israeli capital markets have proven remarkably resilient, and so has Israel's currency, the shekel, which has strengthened significantly. Most recently, following October 7, 2023, the TA-125 rose ~26% in 2024 and ~50% in 2025, materially outperforming major global indices.[2] Despite extraordinary macroeconomic, security, and geopolitical volatility, Israeli public markets have proven an ability to absorb shocks, reprice quickly, and recover durably. Global investors have taken notice, increasingly recognizing the Israeli market as highly investable and driving greater capital flows to the TASE.

Second, global capital allocation is shifting. The assets under management for dedicated international and global equity strategies have materially increased, and many global investors are actively seeking diversified growth and technology exposure outside the U.S. TASE-listed companies are direct beneficiaries of this trend, with foreign institutional holdings reaching an all-time high of $114.7 billion as of February 2026.[3]

Third, the TASE has implemented meaningful structural reforms in recent years. These include market-making initiatives, new indices, AI-enabled English translation, and improved clearing and settlement infrastructure. Most importantly, in January 2026, the TASE shifted to Monday-Friday trading, aligning the Israeli market more closely with global trading flows. This strategic shift has already driven trading volumes and international participation well beyond expectations.

Fourth, the U.S. IPO market has become more demanding. Median U.S. technology IPO market capitalization is approximately $5.5 billion since the beginning of 2025, up from ~$1.6 billion in 2017–2019.[4] The scale required for a successful NASDAQ or NYSE debut has increased, and smaller growth companies face a more difficult aftermarket environment.

Finally, Israel's regional and global position is evolving. The Abraham Accords, expanding regional normalization, deepening economic ties with India, and potential broader integration across the Middle East and Asia could strengthen Israel's position as a globally connected innovation hub. That said, current conflicts continue to drive volatility, and any improvement in the regional risk backdrop should be treated as potential upside rather than as certainty.

Taken together, these developments have created a fundamentally different environment. Markets have moved forward. The thinking around Israeli IPOs, largely, has not.

This is the right moment to rethink the Israeli technology IPO.

The Outdated Framework

Despite these shifts, three legacy assumptions continue to shape Israeli boardroom conversations:

- A TASE IPO means primarily Israeli investors.
- A TASE IPO implies local pricing or discounted multiples.
- Strong liquidity cannot be achieved with a TASE listing.

These assumptions were shaped by a market structure that made a U.S. IPO the default path for Israeli companies.

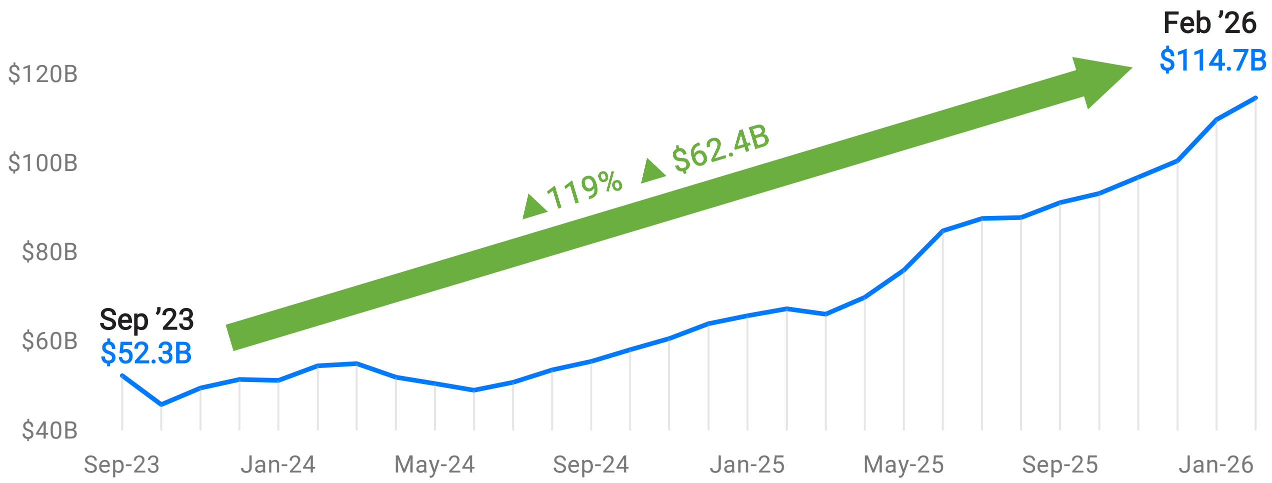
These assumptions are no longer inherently true.

Historically, TASE IPOs were executed through local distribution channels with limited global outreach, using Hebrew-language documentation and an outdated Dutch auction mechanism. The venue was not the issue. The structure was.

The structure has changed. Since 2019, Jefferies, together with Leader Capital Markets, has led 3 Global IPOs and 11 Global Follow-on offerings for TASE-listed companies, raising over $4.0 billion. Through these Jefferies-led offerings, approximately $2.7 billion was allocated to leading global investors, with more than 140 foreign institutional investors buying TASE-listed securities. The breadth of participation underscores both the capacity of a well-executed, internationally marketed TASE offering to attract high-quality institutional capital at scale and the strong global demand.[5]

As a result, the TASE's institutional shareholder base has become increasingly global. According to the latest data from the Bank of Israel, foreign institutional holdings in TASE equities soared to $114.7 billion as of February 2026, representing a remarkable 119% increase from the pre-October 7, 2023 level of $52.3 billion as of September 2023.[6] This figure is likely significantly higher today following the TASE's shift to Monday–Friday trading in January 2026, which aligned it with global markets and made it more accessible to foreign investors.

Holdings of Foreign Investors in TASE-listed Equities ($B)[6]



Note: Excluding dual-listed stocks.

The Reality of Today's U.S. IPO Market

While these misconceptions are being challenged, another critical dynamic has evolved in parallel. As Israeli companies and the TASE have become more accessible and relevant to global investors, the U.S. IPO market has become increasingly challenging for Israeli issuers. Despite this shift, many Israeli issuers and their boards have not yet adjusted their thinking to reflect the changing reality.

Since the beginning of 2025, there have been 28 technology IPOs in the U.S. The median market capitalization at IPO was approximately $5.5 billion, and the median capital raised was $840 million. From a financial perspective, the median revenue was over $800 million, and EBITDA was over $100 million at IPO.[7]

That is a very high threshold.

Importantly, the current IPO pipeline reinforces this dynamic. Even after the SpaceX IPO, which was the largest IPO in history, the upcoming U.S. IPO calendar is increasingly concentrated around a relatively small number of exceptionally large, high-profile issuers, including OpenAI, Anthropic, Stripe, Databricks, and others. These companies are attracting substantial investor attention and capital well ahead of listing, effectively shaping the new-issue narrative around mega-cap, category-leading platforms. In that environment, smaller growth companies are left competing for attention against a backdrop dominated by scale, further underscoring that today's U.S. IPO market has structurally evolved to optimize for larger issuers. For many Israeli growth companies, particularly those valued below $5 billion, this creates a dilemma.

The data is telling. Between 2022 and 2025, tech issuers' performance since IPO further illustrates the scale bias embedded in today's U.S. market. The median performance of technology IPOs with a market cap below $5 billion during that period shows a decline of nearly 20% in the 3- and 6-month periods following listing and approximately 30% to date. Larger issuers, by contrast, were modestly positive three months post-IPO and have seen materially less drawdown since listing, demonstrating significantly greater resilience.[8]

Sizing US Technology IPOs[7]

U.S. Technology IPOs	2017–2019	2020–2021	2022–2023	2024	2025–2026*
# of IPOs	114	165	6	9	28
Median Market Cap	$1.6B	$3.6B	$7.9B	$5.2B	**$5.5B**
Median IPO Offering Size	$224M	$431M	$659M	$664M	**$840M**
Median Revenue at IPO	$331M	$372M	$1,233M	$792M	**$811M**
Median EBITDA at IPO	($4M)	$11M	$102M	$17M	**$101M**

**Note: Excluding the SpaceX IPO.*

There is no doubt that the U.S. market is deep, but it can also be unforgiving.

This is not a theoretical concern. The experience of recent Israeli technology issuers demonstrates just how difficult the public-market journey can be.

Of the 19 Israeli technology companies that have gone public in the U.S. since 2020 and remain public today, only 3 currently trade above their IPO price, and 2 of them entered the public markets in 2020. The vast majority remain underwater, including many that have lost more than half of their value and several that have declined by more than 85%. The median company is down approximately 60% from its IPO price, highlighting just how challenging the public-market journey has been for many issuers. This is not a story of modest underperformance. For many companies, the public-market outcome has represented a severe and sustained reset in valuation.[8]

At the same time, the lesson is not that Israeli technology companies cannot succeed in the U.S. public markets. The strongest performers entered the public markets with greater business maturity, stronger operating fundamentals, and a clearer path to durable institutional sponsorship. However, many companies went public before reaching sufficient scale and found it increasingly difficult to attract ongoing investor attention.

Once public, weak aftermarket performance can become self-reinforcing. Declining share prices often reduce liquidity, narrow the potential investor base, diminish research and institutional attention, constrain access to capital, and make it increasingly difficult to rebuild momentum. In many cases, the consequences of going public too early can prove far more enduring than the IPO itself.

For high-quality companies that have not yet reached the scale required to attract ongoing interest from major U.S. institutional investors, the question is not one of ambition but rather of choosing the right sequence for accessing public markets.

A premature U.S. IPO can expose a company to unnecessary risk. A well-executed TASE Global Offering can instead provide a more stable entry into the public markets, build institutional sponsorship, expand research visibility, and lay the groundwork for a later U.S. listing from a position of strength.

There is a clear historical precedent in the emergence of the NASDAQ. Established in 1971 as the world's first electronic exchange, the NASDAQ was never built to displace the NYSE as the home for established industrial leaders. Instead, it was purpose-built for innovative, growth-oriented technology companies that fell outside the conventions. Intel, Apple, and Microsoft listed on the NASDAQ not because it conferred greater status, but because it offered a market structure suited to their stage of growth. Its success marked a fundamental shift in the organization of growth capital.

The TASE now occupies a similar position within Israel's technology ecosystem. Executed properly, a Global TASE IPO can serve as a credible and effective first public listing venue, analogous to the role the NASDAQ played in the early development of many leading technology companies.

The New Reality

In contrast to the increasingly scale-driven U.S. market, companies often list on their domestic exchanges as a natural first step across global markets.

European technology companies typically list on one of the major European exchanges, even when most of their revenues are generated abroad. Australian growth companies routinely begin their public-market journey on the ASX, despite operating globally. In Singapore and Taiwan, export-oriented economies like Israel, companies often establish their public presence locally before expanding internationally. Even Canadian technology companies generally choose to list on the Toronto Stock Exchange before a U.S. listing, despite their proximity to Wall Street.

In contrast, a perception has formed within the Israeli ecosystem that a TASE listing reflects an inability to access the NASDAQ or the NYSE. The narrative was further reinforced by the TASE's historical IPO mechanism, which focused on local distribution and limited global engagement, constraining both valuation potential and market liquidity. Over time, that perception became reality as founders, investors, and boards followed one another toward U.S.-first strategies.

This dynamic has not gone unnoticed by the global investment community. In our discussions with the leading global institutional investors, they openly question why a country with Israel's technological depth and global innovation footprint would see so few of its top growth companies choose their own exchange as the starting point for their public journey. The answer, in Israel's case, has largely been domestic skepticism rather than any inherent limitation of the local market. For these investors, the pattern is not only unusual but also a missed opportunity.

The anomaly is not a domestic listing. The anomaly has been Israelis' hesitation to treat its own exchange as the first stage of a global capital-markets journey. Every major innovation economy anchors many of the best companies in its home market. Israel has been the exception—until now.

Today, the conditions that created this exception are rapidly evolving, paving the way for a fundamentally new framework for Israeli technology IPOs.

The Israeli Market Resilience

For decades, the Israeli economy and public markets have demonstrated consistent resilience across macroeconomic and geopolitical shocks.

During the 2000 downturn, Israel faced a double shock—the dot.com collapse and the Second Intifada—resulting in two years of negative GDP growth. Yet by 2004, the economy had sharply rebounded to 4.7% growth as exports and investment recovered. Notably, the TASE proved resilient: While U.S. indices remained below 1999 levels even by the end of 2005, the TA-100 (the pre-cursor to today's TA-125 flagship index) delivered a strong 2003–2005 recovery and finished well above pre-downturn levels.[9]

In 2008, Israel entered the global financial crisis with strong fiscal discipline and a well-capitalized banking system. The downturn was comparatively mild and short-lived, supported by sound macro policy and diversified exports. Israel returned to positive GDP growth by 2009 and ended the decade with lower unemployment than most Western economies.

However, unlike prior crises driven by broad global dislocations, the current environment is defined by Israel-specific geopolitical risk. Rather than moving within a synchronized global cycle, Israel has been tested in isolation—under direct scrutiny and without the support of a broader recovery backdrop. As a result, 2023 marked a clear departure: Israel itself became the story, at the center of global investor attention.

Since October 7, 2023, and the subsequent regional escalation, international investors have closely observed Israel, tracking macro data, policy responses, and market behavior. Despite initial concern over prolonged disruption, the Israeli economy and capital markets performed well above expectations. The TASE absorbed the shock, stabilized quickly, and delivered one of the strongest global performances, with the TA-125 rising ~26% in 2024, on par with the S&P 500 and ahead of most global markets.[10]

2025 was even more extraordinary. During a period of continued acute geopolitical stress, the TA-125 surged 50%, outpacing the S&P 500 by a historic 17% margin and dramatically outperforming global benchmarks across the U.S., Europe, and Asia.[10]

At the same time, the Israeli shekel demonstrated notable resilience. After an initial depreciation following October 7, 2023, the currency stabilized and strengthened meaningfully through 2024 and 2025 against the U.S. dollar and a basket of major currencies,[11] supported by Israel's strong external balance, credible monetary policy, and continued capital inflows. This currency performance reinforced global investor confidence, serving as an additional signal of underlying macro stability and the durability of Israel's economic and capital market framework.

TA-125 and TA-35 Have Outperformed Leading Global Indices Since Pre-War[10]

Crucially, a key structural driver of this resilience is the strength and consistency of Israel's domestic institutional capital base. Built on a mandatory savings system and long-duration pension assets, these large and steadily growing pools of capital continue to deploy locally even in periods of heightened uncertainty. In doing so, they act as a stabilizing force—supporting liquidity, reducing volatility, and enabling the market to absorb and price risk more efficiently in real time.

While the headline performance in 2024–2025 drew significant attention, the underlying strength of Israel's capital markets was most clearly demonstrated by their continued functionality during periods of heightened uncertainty. In March 2026, during the conflict with Iran, the Israel Securities Authority and the TASE processed 165 IPO and equity issuance applications, an increase of 57% compared to March 2025.[12] Equity issuance activity not only persisted but accelerated, supported by sustained institutional demand and ample liquidity.

The market's ability to absorb this elevated level of activity under such challenging circumstances reflects not only investor confidence in individual companies but also the maturity and robustness of Israel's capital market infrastructure. It has proven capable of remaining rational, forward-looking, and fully operational when resilience matters most, stabilizing and regaining momentum even in the face of significant challenges.

This trajectory has conveyed an important message to the international investment community: For global allocators, such demonstrated durability and adaptability are the fundamental characteristics of an investable market.

Israeli markets absorb shocks, reprice quickly, and recover with structural durability.

The Monday–Friday Shift: Structural Inflection Point

Building on this resilience, the TASE's move to Monday–Friday trading represented a major structural inflection point.

In recent years, the TASE has implemented a series of capital market reforms designed to align the exchange more closely with global standards. These reforms include market-making programs, new indices, AI-enabled translation of Hebrew reports into English, advanced technology for clearing and settlement, and the Trading at Last phase to support closing-price equilibrium. These initiatives laid the foundation for the transition to Monday–Friday trading in January 2026.

By adopting Monday–Friday trading, Israel has decisively aligned its markets with global flows, catalyzing a surge in foreign investor engagement and setting new trading volume records. Critically, Friday trading now overlaps with both European and U.S. market hours, meaning Israeli equities trade alongside the world's major financial centers for the first time. This bold move not only reduces structural friction but also signals Israel's commitment to global best practices, empowering its markets to attract and retain international capital. As a result, Israeli equities are now more accessible, liquid, and investable than ever, commanding attention on the world stage.

Another area with significant long-term potential is retail investor activity. While retail trading on the TASE has increased meaningfully in absolute terms in recent years, retail investors still account for less than 10% of total trading volume. This remains well below levels seen in many developed markets, such as the U.S. and the UK, where retail investors represent more than 20% of trading activity.

Recent trends point to growing engagement from individual investors, including more than 200,000 new retail trading accounts opened in Israel in 2025. The TASE has identified this opportunity and continues to pursue initiatives aimed at improving accessibility, broadening investor engagement, and enhancing the overall investor experience. As retail participation continues to develop, it has the potential to become an additional driver of liquidity, trading activity, and capital formation.[13]

The impact is already evident.

Early data from 2026 YTD demonstrates an extraordinary market response and tremendously strong trading activity following the Monday–Friday shift.[14]

191%

In 2026 YTD, average Friday trading volume reached approximately $1.7 billion, **191% higher** than Sundays in 2025.

34%

Foreign investor participation averaged approximately **34% on Fridays** in 2026 YTD, up from only 12% on Sundays in 2025.

65%

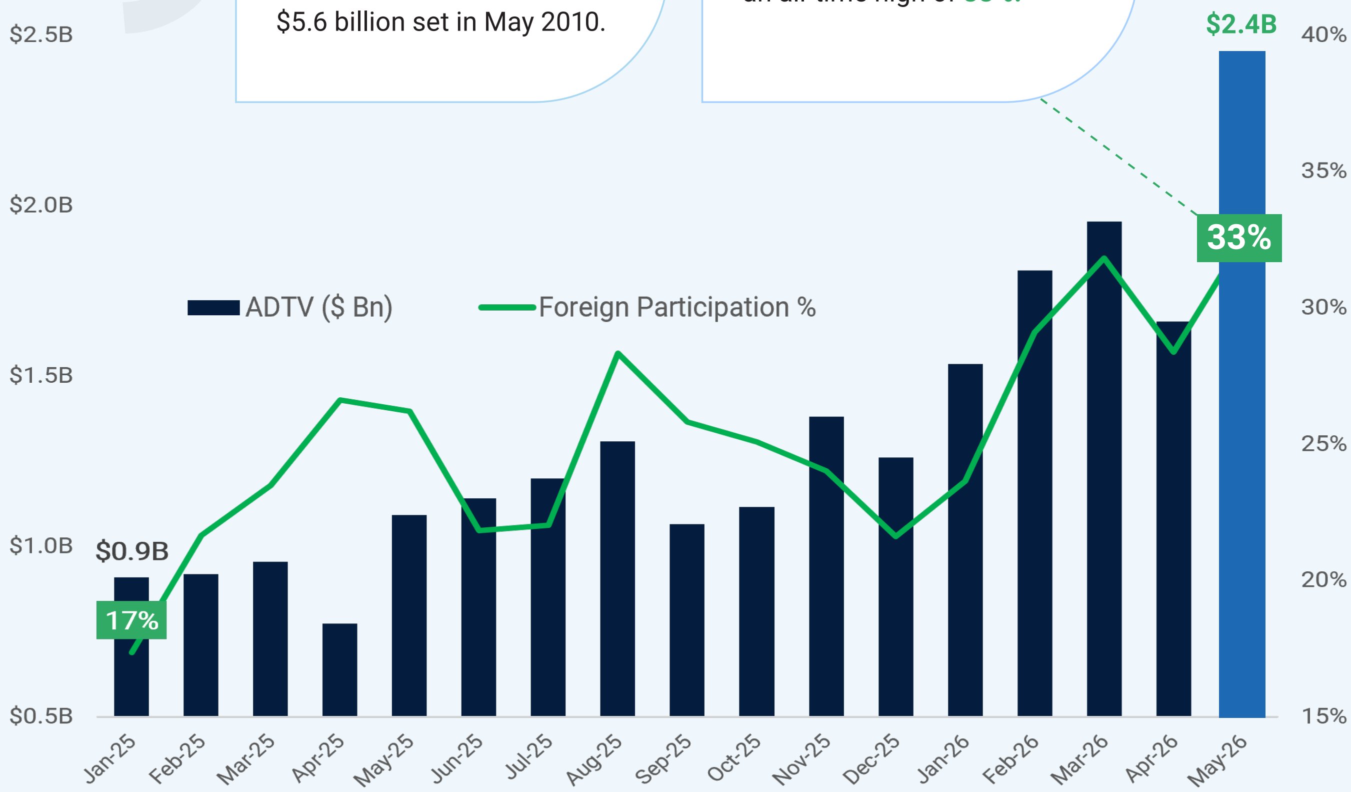
Average daily trading volume in 2026 YTD was approximately $2.0 billion, representing a **65% increase** compared to the full-year 2025 average.

$8.2B

On May 7, 2026, the TASE rebalanced its indices, driving trading volume to a record **$8.2 billion**—shattering the previous liquidity high of $5.6 billion set in May 2010.

$2.4B

In May 2026, average daily trading volume climbed to **$2.4 billion,** with foreign investor participation hitting an all-time high of **33%.**



The Global Offering Framework

Against this backdrop of structural improvement and increasing global integration, a TASE Global IPO offers a unique framework for Israel's best companies. This is a fundamentally different framework from the traditional local offering.

Historically, TASE IPOs were characterized by:

- Execution by local firms that primarily targeted domestic investors.
- Public filings and offering materials were generally prepared in Hebrew.
- Offerings were conducted through Dutch auction mechanisms.
- There was limited engagement with global institutional investors.
- Local firms functioned more as distributors than as true underwriters.

Local firms often prioritized distributing shares over conducting the comprehensive legal, financial, and business due diligence required by international investors. Those constraints fundamentally limited global participation, and Israeli companies listing in Tel Aviv sacrificed access to global institutional capital and the benefits of international best practices.

By contrast, a TASE Global IPO is intentionally structured to meet international institutional standards from the outset, supporting broader participation and aligning the process more closely with global market expectations:

- Global institutional roadshows targeting foreign investors.
- Institutional bookbuilding aligned with global standards.
- Valuation and pricing determined by global peers.
- Legal, financial, and business due diligence by top-tier advisors.
- English filings and disclosures.
- Post transaction research coverage from internationally recognized senior analysts.

In practice, Jefferies-led global offerings have seen approximately 75% of shares allocated to global investors, reflecting a meaningful shift in the composition of demand and the depth of international engagement.

Sophisticated global investors focus first on fundamentals. They look at the company's quality, the credibility of the management team, the scale and relevance of the market opportunity, governance standards, the caliber of advisors, and the potential depth and durability of institutional sponsorship.

A Global TASE IPO is not a local offering with global aspirations. It is a global offering executed on a local exchange. This is a defining distinction that shifts the narrative.

Global Institutions Are Increasingly Invested in TASE-Listed Companies

Each institution below has established or increased positions in TASE-listed securities in recent years.[15]

1832 Asset Management · abrdn · ADG Abu Dhabi Growth Fund · ADIA · Acadian · Adage Capital Management · aegon asset management · Affinity Partners

AllianceBernstein · Allianz · Alpine Global · American Century Investments · Amundi Asset Management · Anavio · ARK Invest · Arrowstreet Capital

Artemis The Profit Hunter · Artisan Partners · assenagon · Azimut · Baillie Gifford · Balyasny · Baron Funds · Bedford Ridge Capital

BlackRock · Blackstone · BlueCrest · BNP Paribas Asset Management · BNY Mellon Asset Management · Boston Partners · Brooklands Fund Management · BrownCapital

btg pactual · Burkehill Global Management · CIBC · Capital Group · capstone · Centiva Capital · Charles Schwab · Cheyne Capital

Citadel · Columbia Threadneedle Investments · CPP Investments · DE Shaw & Co · Danske Bank · Dimensional · DLD Asset Management · Driehaus Capital Management

DWS · Dynamic · Eaton Vance · Eurizon Asset Management · ExodusPoint · Federated Hermes · Fidelity · Franklin Templeton Investments

Geode Capital Management · Ghisallo · GIC · glg · Goldman Sachs Asset Management · GQG Partners · GSA Capital · Guggenheim

GW&K · Harris Associates · Hood River Capital Management · Hudson Bay Capital · Hunters Moon Capital · ibex investors · Invesco · J.P.Morgan Asset Management

Jane Street · Janus Henderson Investors · Jennison Associates · Kayne Anderson · K · Kernel · Keyridge Asset Management · truefriend Korea Investment Management Co., Ltd.

Lansdowne Partners · Lazard · Legal & General · lmr partners · Lombard Odier · Longaeva Partners · Lord Abbett · Mackenzie Investments

Manulife Investment Management · MarbleBar · Marshall Wace · Maven · Mercer · MFS · millennium · Mirae Asset

MUFG · Monashee Investment Management · Moore Capital Management, LP · Morgan Stanley Investment Management · Mubadala · MYDA Advisors, LLC · Needham · Neuberger

Nomura · North Rock · Northern Trust · nuveen · OMERS · Ophir · OppenheimerFunds The Right Way to Invest · Ovata Capital

Pelham Capital · Pentwater Capital Management LP · Philadelphia Financial · Pictet 1805 · PIMCO · Point72 · Polymer · Principal

Putnam Investments · QRT · Redwood Investments, LLC · Resona · Robeco · Royal London · Royce Investment Partners · Russell Investments

Samlyn Capital · schonfeld · Schroders · sei · Senvest · 7G · Shannon River · SEB

Soros Fund Management LLC · State Street · 三井住友信託銀行 Sumitomo Mitsui Trust Bank · Swiss Life Asset Managers · SNB BNS · T.RowePrice · Tabor · TD

TRS Teacher Retirement System of Texas · Third Point · thrivent · TIAA · TimesSquare Capital Management, LLC · Toscafund · Tudor · UBS Global Asset Management

OConnor · VanEck · Vanguard · Verition Fund Management · Voya Financial · Walleye · Wasatch Global Investors

WCM Investment Management · Weiss Asset Management · Wellington Management · William Blair · Wilmington Trust

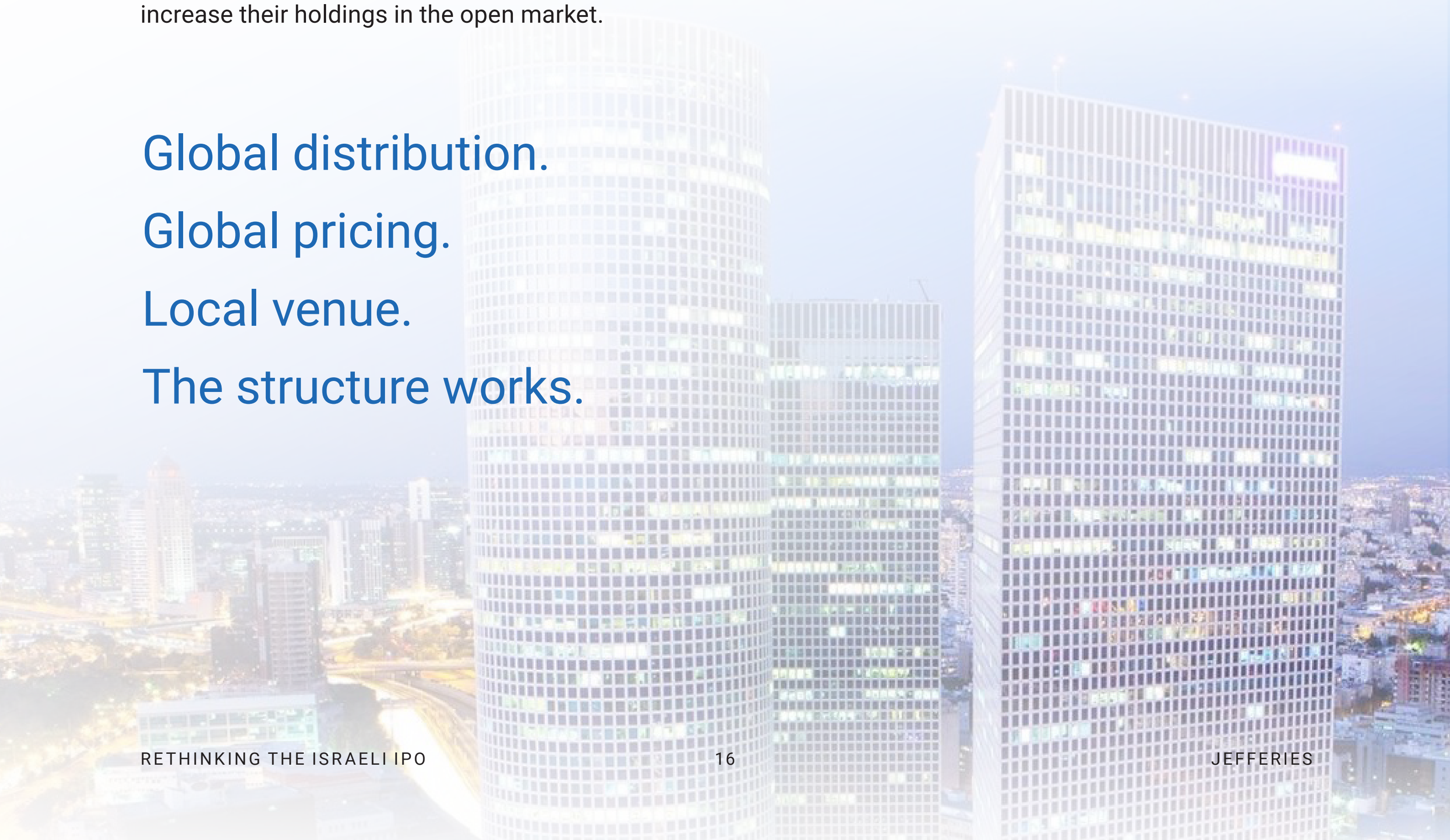
Beyond that, a set of secondary considerations shapes how they engage. These include a thoughtful valuation framework, transaction execution, liquidity establishment, and the long-term composition of the shareholder base. In that context, listing venue is simply one of several secondary factors. It may play a role at the margin, but it is rarely the driver of institutional interest.

Building on this distinction, a TASE Global IPO can fundamentally change the landscape for Israeli growth companies when executed through the lens of the *Modern Playbook*. This strategy not only broadens access to global capital but also enhances credibility, visibility, and long-term success in the public markets.

Importantly, this shift is not just theoretical. In recent years, Jefferies' Global TASE offerings have attracted participation from many of the world's most established and sophisticated institutional investors, including long-only asset managers, global SMID-cap specialists, leading fundamental hedge funds, and global sector-focused funds. For several of these investors, these transactions marked their first time purchasing TASE-listed securities, and many have continued to increase their holdings in the open market.

In most cases, their participation has been driven by direct engagement with high-quality Israeli companies—businesses that demonstrate strong fundamentals, exceptional management teams, and compelling market dynamics. This has led to a meaningful transformation in the shareholder base of several of Israel's leading public companies, with global institutions that typically anchor U.S. and European listings becoming active participants in transactions and significant owners of TASE-listed equities.

As global investors have deepened their engagement with TASE-listed companies, they have been clear and consistent in expressing a desire for greater exposure to Israeli technology, with particular interest in Israeli tech IPOs. Yet, despite this clear and growing demand from global and international small-cap funds and global sector-dedicated hedge funds, many of Israel's leading technology companies remain focused on reaching the scale required by large U.S. fund managers (often within the very same fund families), overlooking the significant appetite for earlier-stage Israeli tech opportunities among these international / globally-focused investors.



Global distribution.
Global pricing.
Local venue.
The structure works.

The argument that the perception gap no longer applies is reinforced by Palo Alto Networks' recent decision to dual list on the TASE.

As a $250+ billion global cybersecurity leader with deep liquidity and a broad institutional shareholder base on the NASDAQ, the company did not need to "fix" access to capital or trading volume—yet chose to add a TASE listing nonetheless. The decision to list without a concurrent capital raise reflects that the TASE listing was driven not by capital needs but, rather, by a deliberate strategic choice to access the structural and strategic benefits offered by the TASE.

In the seven trading days between Palo Alto's dual-listing announcement and its effective TASE listing, the company's ADTV increased by more than 170% versus the prior 90-day period. While this was partly driven by the closing of the CyberArk transaction and a volatile tech market backdrop, our discussions with Israeli institutional investors indicate that demand from local investors—buying shares in the U.S. ahead of expected TASE index inclusion—was a meaningful contributor.

Although trading activity normalized after the initial spike, combined ADTV across the NASDAQ and the TASE from the listing through the end of Q1'26 remained approximately 15% above the pre-announcement 90-day period. In May, amid rising stock and a strengthening shekel, Palo Alto became the first company on the TASE with a market cap of half a trillion shekels, with further upside in demand and liquidity expected once the company is formally added to the TASE indices. Since listing on the TASE, Palo Alto's stock has gone up by over 100%.[16]

Notably, recent media reports and private discussions we held with companies and investors suggest that several other multibillion-dollar Israeli tech companies currently listed only in the U.S. are actively evaluating a similar dual-listing strategy, underscoring the growing strategic relevance of the TASE for leading global Israeli companies.

paloalto NETWORKS

TASE: CYBR

The Three-Stage Path: How the *Modern Playbook* Strategy Works

The Global TASE IPO strategy is a purpose-built road map for bringing Israel's leading technology companies to the public markets in the right way.

Rather than concentrating risk into a single event, it breaks the process into three stages, each designed to progressively strengthen valuation, ownership, and market positioning.

STAGE ONE

The Global IPO

Stage One is the execution of that strategy in its first and most important form: a globally oriented IPO conducted in Tel Aviv. From the outset, the objective is to build the right shareholder base, not simply to complete a transaction. The offering is structured to attract a targeted mix of investors, including:

- International small- and mid-cap equity fund managers with global mandates.
- Global technology-dedicated fundamental hedge funds.
- A limited number of Israel's leading institutional investors.

This composition is deliberate. It aligns demand across key investor types, supports optimal pricing, and establishes a high-quality shareholder base with the depth and credibility required for the aftermarket. The goal is to establish the right public-market foundation: global valuation, strong institutional sponsorship, and an investor base capable of supporting the company beyond the transaction. This is not a local offering with global aspirations but a global offering executed on a local exchange.

STAGE TWO

The First Year

The twelve months following the IPO are among the most consequential in a company's transition to public markets. This phase is defined not by access to capital, but by execution.

The focus is clear:

- Delivering on the financial commitments made during the roadshow.
- Building consistent dialogue with the global shareholder base.
- Developing relationships with research analysts.
- Expanding investor awareness through non-deal roadshows and conferences.
- Establishing a track record of transparent public-company communication.

At the same time, several structural forces help support the share price during this period.

Research coverage is typically initiated and distributed globally within 60 days of the IPO, raising the company's profile with investors who did not participate in the offering, while providing existing shareholders with thoughtful, independent analysis. Analyst estimates also begin to appear on major market data platforms, enabling investors to build models and track the company more effectively.

Domestic Israeli institutional investors, who may find themselves under-allocated as a result of strong international demand, are expected to remain a significant source of residual demand and are likely to build substantial positions in the aftermarket. Israel's pension, asset management, and insurance capital are naturally predisposed toward Israeli equities yet constrained by the limited supply of high-quality TASE-listed growth companies.

Index inclusion creates incremental passive and active demand. Inclusion in the TASE indices, such as the TA-125, TA-Technology, and TA-Tech Elite, increases structural ownership and deepens liquidity.

This period is also the right moment for management to expand U.S. and European investor relationships through targeted non-deal roadshows, participation in bank-hosted technology investor conferences, and ongoing introductions facilitated by sales and research teams. At this stage, Investor Relations becomes a strategic function, not just a communication channel. Proactive engagement, clear messaging, and disciplined follow-up help build investor trust, support valuation, and position the company for broadened ownership ahead of a future global listing.

These efforts take place in a more constructive environment than a U.S. IPO process and are more effective than approaching global investors without an established public track record. Companies that execute this phase well enter Stage Three with a recognized name, a demonstrated track record, and a developed institutional investor base.

The goal of Stage Two is not maximum volume, but price stability, institutional sponsorship, and time to build a credible public-market track record in a more constructive environment.

STAGE THREE

U.S. Dual-listing From a Position of Strength

Having established a track record, a global investor base, and sustained institutional support in the aftermarket, the company is no longer approaching the U.S. from a standing start.

At that point, the case for a U.S. listing tends to emerge organically. When it does, the path is materially more straightforward. Global research coverage is already in place, and the shareholder base typically includes fund families with U.S.-focused technology mandates alongside their international allocations. The company has an established cadence of public reporting, a demonstrated track record of execution, and a share price supported by institutional confidence. The U.S. listing is no longer a leap of faith. It becomes a natural extension from a position of strength. That distinction underpins the entire sequencing strategy. Companies that enter the U.S. having already proven themselves are perceived differently from those that do so out of necessity.

Having progressed through each stage, the result is not just a transaction or a listing path but a structure that begins to generate its own momentum.

The Global TASE IPO strategy is not a single transaction. It is a purpose-built three-step strategy for Israel's best technology companies.

The Two-Engine Model: Global Foundation + Domestic Amplifier

At its core, the Global TASE IPO model is driven by two reinforcing sources of demand: global institutional investors anchoring the IPO and domestic institutional capital that builds in the aftermarket.

ENGINE ONE

Global Foundation

A core source of demand for TASE-listed technology companies comes from the global and international equity universe. Capital allocated to international and global equity strategies has expanded significantly over the past two decades, with many of these funds operating under mandates that limit exposure to U.S.-listed securities.

At the same time, demand for diversified growth and technology exposure outside the U.S. has increased across sovereign wealth funds, pension institutions, and active global managers. This shift is already visible in capital flows, with monthly inflows to these strategies accelerating since late 2024 as global portfolios rebalance away from U.S. concentration. At the end of 2025, total AUM of global SMID-cap strategy funds surpassed $1 trillion, more than doubling since 2015, and in January 2026 alone, investors allocated a net $51.6 billion to international equity ETFs.[17]

The constraint for investors with a global and international mandate has been supply, not demand. International equity benchmarks remain dominated by financials, industrials, and consumer sectors, offering few natural entry points into scalable, high-growth technology companies outside the U.S.

As a result, international portfolios remain structurally underweight in global technology, leaving a clear gap between rising demand for non-U.S. exposure and actual access to global innovation.

This dynamic creates a clear opportunity for the TASE.

Israel combines a deep, proven technology ecosystem with a sophisticated regulatory framework and an exchange that is increasingly aligned with global institutional standards. As a result, the gap between what global investors are seeking and what the TASE can offer is rapidly narrowing.

For Israeli companies, this is meaningful. The global demand for non-U.S. technology exposure is real, and the constraint investors face is access, not appetite. The TASE sits at the intersection of that imbalance. With a deep technology ecosystem and a market structure increasingly aligned with global standards, it provides a viable path for high-quality companies to access international capital without defaulting to a U.S. listing. When the company is credible, the valuation framework is sound, and the offering is well distributed, global investors can and will participate.

ENGINE TWO

Domestic Amplifier

Israel's mandatory pension and long-term savings system represents a powerful domestic demand base, with over $1 trillion in assets under management concentrated among a relatively small number of insurance companies, pension funds, and asset managers. A significant portion of this capital is consistently allocated to domestic equities.

This capital is long-duration, domestically focused, and meaningfully underexposed to high-growth Israeli technology companies. Consistently rising AUM, combined with home-bias considerations and a limited domestic supply of scalable growth assets, reinforces sustained aftermarket demand and contributes to a durable valuation floor for newly listed companies in Tel Aviv.

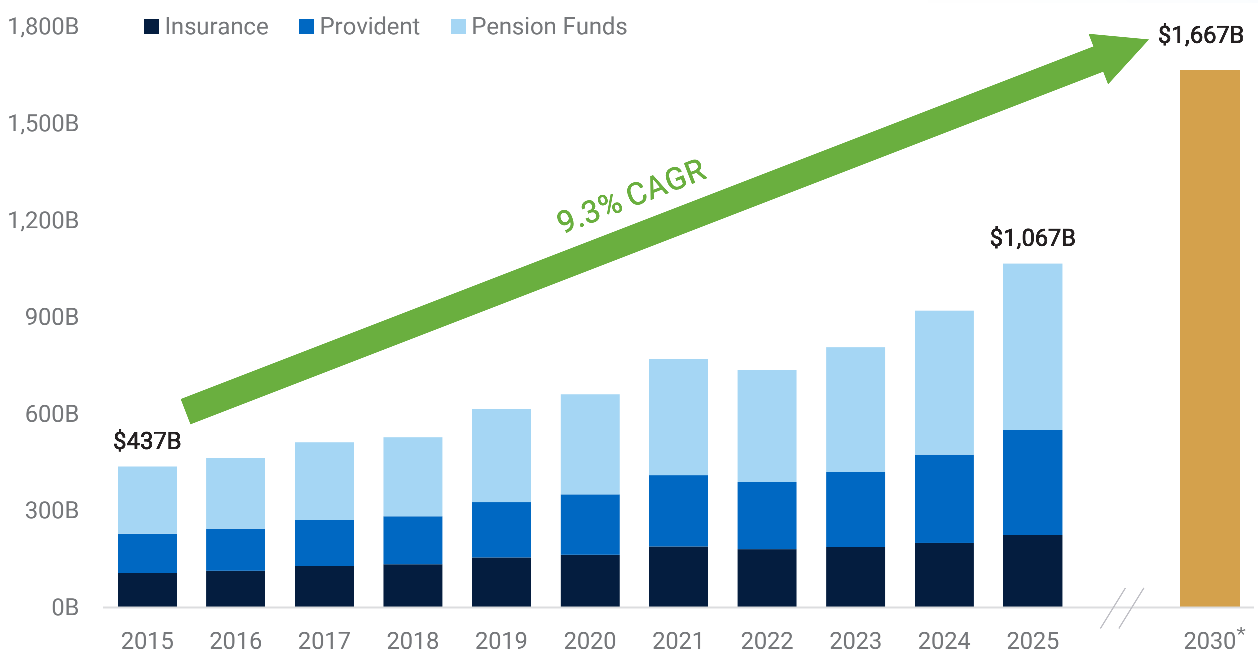
A properly structured Global IPO in Tel Aviv, priced by and predominantly allocated to international institutional investors, can achieve global valuation while activating strong domestic demand. Across all of the transactions we have executed in partnership with Leader Capital Markets, we have consistently seen meaningful domestic demand alongside the strong demand from global institutional investors. This combination helps establish institutional sponsorship and stabilizes early trading, materially strengthening a company's transition into public markets and reducing both IPO execution risk and aftermarket volatility.

Anchor globally.

Activate domestically.

De-risk the U.S. listing.

Israel's Total Institutional AUM[18]



**Note: Assumption is based on historical data: 9.3% AUM CAGR between 2015 and 2025.*

Aligning With Global Standards From Day One

A common concern among Israeli technology companies considering listing in Tel Aviv is the perceived administrative and compliance burden of operating under an unfamiliar regime. In practice, this burden is more limited than often assumed. Israeli securities regulations allow issuers to report in English from the prospectus onward, covering ongoing filings, earnings reports, and immediate disclosures.

For technology companies, the accounting framework is also supportive. Under the securities regulations, technology companies whose revenues are derived predominantly from outside Israel are permitted to prepare and file their financial statements in accordance with U.S. GAAP (subject to applicable conditions, including ownership requirements) with only a straightforward IFRS reconciliation required.[19]

While the regulatory path is not effortless, many internationally-backed Israeli growth companies can structure a Tel Aviv listing around the same language and standards used by global investors, reducing friction and preserving a clear path to a future U.S. listing.

This "global-ready" framework extends to corporate governance. Governance on the TASE is anchored in the Israeli Companies Law and the Israel Securities Authority (ISA) regime. Companies operate under a one-tier board structure with a clear separation between the CEO and the chairman. They are required to appoint at least two external (independent) directors, as well as audit and compensation committees that meet defined independence criteria. Boards must collectively demonstrate financial and accounting expertise to ensure effective oversight and strong minority shareholder protections. While market practice often favors higher levels of board independence, the formal legal requirements allow flexibility for founder-led structures while maintaining a clear governance baseline.[20]

In practice, these standards are broadly comparable to U.S. governance frameworks, with a similar emphasis on independence, committee oversight, and disclosure discipline. The ISA approach is more principles-based than the prescriptive rules of the NASDAQ and the NYSE, offering flexibility while maintaining clear expectations around expertise and accountability. At the same time, features such as external director requirements and governance structures tied to control considerations provide safeguards not always mandated in the U.S., while the overall regime is generally viewed as involving a lower level of litigation risk.

Importantly, the framework is designed to be forward-compatible with a future U.S. listing. Companies can elect to report in English from day one and, when appropriately structured at IPO, transition to a dual-listing reporting regime without additional shareholder approval. In addition, Israeli law provides relief from certain corporate governance provisions once a company is U.S.-listed, allowing it to align more closely with U.S. public company standards over time. For Israeli issuers, this creates a governance model that meets global institutional expectations while remaining flexible and adaptable, reinforcing the TASE as a practical and credible starting point for broader international capital market engagement.[19]

It is important to note that certain aspects of Israel's framework are more similar to those in Europe but still differ from those in the U.S. On the TASE, issuers are subject to immediate reporting obligations, generally requiring disclosure of material events within 24 hours, compared to the four-business-day window for Form 8-K in the U.S. This creates a more real-time disclosure environment, which can require tighter internal coordination and decision-making processes. At the same time, it reinforces a culture of transparency and can help build investor confidence early in the company's public life cycle. The TASE and the ISA are aware of the burden this framework may impose on issuers and are actively working to improve it.

Additionally, executive compensation in Israel follows a more structured and defined framework. Compensation policies must be approved by the compensation committee, the board, and, in certain cases, shareholders, and are typically anchored in a formal policy that sets performance metrics, the balance between fixed and variable pay, and appropriate caps on incentives. This is more prescriptive than in the U.S., where compensation decisions are more flexible and primarily driven by the board.[19]

While this introduces an additional layer to the process, in practice, it often works to the company's advantage. The framework provides clarity and consistency early on, helps pre-empt governance-related questions from investors, and reduces the risk of misalignment as the shareholder base expands. Particularly for founder-led or controlled companies, it creates a clear structure for engaging minority investors while preserving flexibility to design thoughtful, performance-driven compensation plans. As a result, companies can build credibility with international investors at an earlier stage, without materially constraining their ability to attract and retain senior talent.

The standards are largely familiar. The sequencing is what differs.

Index Inclusion and Structural Demand

Index inclusion can be particularly meaningful for technology companies in the early years of public trading.

The TA-125 is a float-adjusted market capitalization index whose inclusion thresholds shift with market conditions. Today, the lower bound of the index is approximately $1 billion in market capitalization. For comparison, companies typically require a minimum market capitalization of approximately $5 billion to be included in the S&P 500 and approximately $2 billion for the Russell 1000, creating a significantly higher bar for many Israeli technology companies seeking to go public on U.S. exchanges.[21]

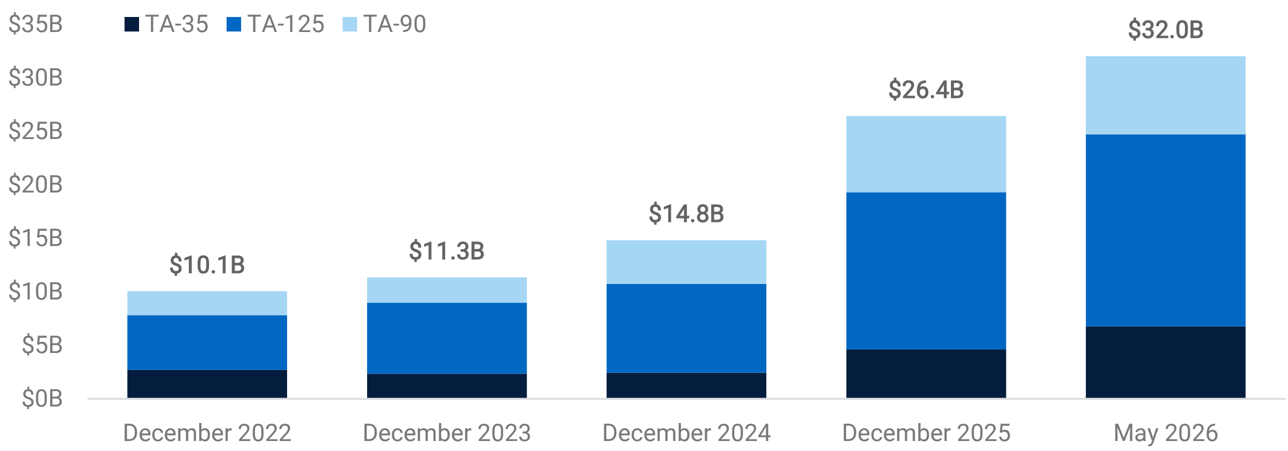
As previously discussed, the TASE has delivered strong and resilient performance in recent years, with its flagship indices consistently outperforming many global peers. This track record has materially increased investor confidence and visibility, driving a sharp rise in both domestic and international capital allocations to the TASE.

As a result, assets under management in funds that invest in and track the TASE's flagship indices have grown significantly, reinforcing a virtuous cycle of performance, liquidity, and demand. For companies, index inclusion creates structural demand: Passive funds tracking the index must purchase shares, active managers benchmarked to the index often increase exposure, and institutional ownership becomes embedded. This helps institutionalize liquidity during the formative public years.

For technology companies in the early stages of their public-market lives, inclusion in the TA-35 or TA-90 and in relevant sector indices, such as TA-Technology, TA-Tech Elite, or TA-Defense, can be particularly impactful. The incremental institutional demand and improved liquidity support share price stability, enhance aftermarket performance, and enable a more efficient transition into the public markets.

Structural demand creates early institutionalization of trading and liquidity.

AUM in Funds Tracking the TASE Flagship Indices[22]



Short Selling: Stability by Design

One of the more nuanced structural differences between Israel and the U.S. lies in short-selling architecture.

U.S. markets permit short sales under a locate-based regime, allowing brokers to execute trades based on a reasonable belief that shares can be borrowed. When combined with securities lending, rehypothecation, derivatives, swaps, and synthetic exposures, aggregate short interest can build up quickly.

Israel operates mostly under a stricter pre-borrow framework. The TASE rules permit intentional short selling only when a securities lending or borrowing arrangement is secured prior to trade execution. Absent such an arrangement, any resulting short position must be closed out no later than the end of the next trading day, reinforcing disciplined settlement and limiting uncovered short exposure.

In practice, the securities lending ecosystem is more limited in scale, and it operates without a fully standardized framework such as the Global Master Securities Lending Agreement (GMSLA). Activity is largely driven by a bank-led market structure, which can result in additional execution steps and somewhat higher costs. With lending capacity concentrated among a relatively small number of banks and more limited incentives for institutional lenders, borrowing availability can be more selective, and execution may require greater coordination.[21]

Israel's regulatory framework reflects a balanced and intentional approach. The ISA and the TASE recognize that short selling plays a legitimate role in price discovery and liquidity formation but have embedded guardrails within the market structure to reduce the risk of excessive or highly technical short activity. This creates a more measured environment for the development of short interest. While short interest levels can vary across markets due to structural differences, lower levels, particularly in the early stages of a public listing, can support more stable trading and more orderly price discovery. This does not eliminate short selling. Nor should it. But it can moderate the speed and scale at which short interest builds, reducing the likelihood that technical flows overwhelm fundamental capital.

The composition of the local investor base further reinforces the structural impact. Israel is dominated by long-only institutional investors—pension funds, insurance companies, and mutual funds—which manage the vast majority of domestic capital, with a relatively very small hedge fund ecosystem. This imbalance reduces the natural supply of active short sellers and speculative capital, further constraining the prevalence and persistence of short interest on the TASE.

As a result, companies in the TA-Technology index—the TASE's flagship technology benchmark, which represents a broad basket of technology companies across sub-sectors—exhibit an average short interest of approximately **0.4%**, well below the **5.6%** average for Israeli technology companies listed exclusively on a U.S. exchange. Dual-listed tech companies average approximately **2.8%**, highlighting the strategic benefit that a TASE listing alongside a U.S. listing can have on short positioning.[23]

The relevant comparison is not whether the TASE has the same absolute liquidity as the NASDAQ or the NYSE. It does not. The more relevant comparison is whether a high-quality growth company is better served in its first public year by a more stable technical environment, stronger domestic institutional support, and a lower-risk path to building credibility in the public markets.

For growth companies in their early public phase, that difference can have a meaningful impact on long-term public-market success.

Dual Listing: Strategic Stage Three

As the final stage of this sequencing strategy, a U.S. dual listing is best positioned as a deliberate next phase rather than the initial point of entry. It can be achieved through a traditional direct listing or by creating an American Depositary Receipt (ADR).

One underappreciated benefit of sequencing relates to disclosure cadence and investor expectations.

U.S.-listed technology companies operate under an informal but highly binding set of expectations. Metrics such as quarterly revenue guidance, annual recurring revenue, net revenue retention, net dollar retention, gross margin trajectory, and Rule of 40 positioning are not always legally required, but they are effectively standard. Analysts model to them, and investors react to them.

This dynamic, combined with the quarterly reporting cycle, amplifies market sensitivity to incremental changes in performance. Stock price reactions have become increasingly asymmetric, with modest rewards for outperformance but sharper penalties for even narrow misses. Missing guidance, even slightly, can trigger outsized price moves. Research increasingly suggests that frequent reporting and forward guidance can heighten volatility and reinforce a short-term focus among investors.

Operating within this cadence requires infrastructure, internal discipline, and a level of forecasting precision that typically takes time to develop. A newly public company, without a trading history, established investor relationships, or a tested reporting rhythm, is not well positioned to navigate that environment from day one.

By contrast, companies listed in Tel Aviv operate in a materially different cadence. While many TASE-listed companies engaging with global investors choose to provide forward-looking commentary, disclosure expectations are less prescriptive. International SMID-cap investors that anchor Global TASE IPOs tend to focus on business quality, management credibility, competitive positioning, and long-term growth trajectory. They generally do not expect companies to defend near-term guidance ranges or explain short-term movements in operating metrics in real time.

That difference is not a limitation of the Israeli market but rather a structural advantage. It creates a valuable runway for companies to build public-market discipline, develop investor relationships, and refine financial planning and forecasting processes before stepping into the precision and intensity that define life on a U.S. exchange.

Importantly, the TASE also offers technology companies a degree of regulatory flexibility that can further support this sequencing strategy. Many issuers who qualify under applicable frameworks benefit from regulatory relief for up to 5 years following their IPO, including reduced comparative financial disclosure, the option to report semiannually rather than quarterly, higher materiality thresholds for valuation reports in the prospectus, and an exemption from Israeli SOX requirements. There is also flexibility in the preparation of valuation materials and prospectus disclosure, where, in appropriate cases, materiality thresholds and disclosure depth can be more accommodating than in the U.S. market.[24]

While the precise application depends on the company's profile and classification, the overall effect is to create a more adaptable regulatory environment in the early years of being public. This provides companies with additional space to build internal reporting infrastructure, refine controls, and align with global best practices over time. This is helpful before transitioning into the more standardized and rigorous requirements associated with a U.S. listing.

From an execution standpoint, much of the work required for a U.S. listing is already completed through the TASE Global IPO process. The prospectus, diligence materials, governance framework, and, in many cases, U.S. GAAP reporting can be carried forward, shortening timelines, reducing costs, and lowering execution risk.

The TASE rules also provide flexibility: Companies may disclose an intention to pursue a future U.S. dual listing, and, when the time comes, the listing itself does not necessarily require a new domestic regulatory process or shareholder approval.[24]

Once a company has established institutional sponsorship, liquidity, research visibility, and a credible public-market track record on the TASE, a U.S. dual listing becomes an expansion from strength rather than a leap of faith.

A U.S. dual listing with a concurrent capital raise can:

- Expand access to a broader shareholder base.
- Improve liquidity.
- Increase research coverage.
- Support the share price during periods of heightened volatility.
- Raise the company's profile with U.S.-focused investors.

From a U.S. regulatory standpoint, many Israeli technology companies listing in the U.S. may qualify as Foreign Private Issuers, which generally entails lighter reporting and governance obligations than those applicable to U.S. domestic issuers. However, transitioning to SEC reporting remains a significant undertaking and should not be minimized.

The point is not that the TASE eliminates the burden of a U.S. listing. The point is that it helps prepare the company for it.

TASE-first does not replace a U.S. listing. It prepares a company for it.

Venture Capital and Founder Dynamics

Beyond market structure, IPO sequencing also has important implications for venture capital dynamics and founder decision-making.

Historically, Israeli venture capital has largely operated within a binary exit framework: a strategic sale or a U.S.-scale IPO. Yet in practice, these outcomes are not always optimal. A significant cohort of companies may lack the scale required for a successful U.S. IPO but are nevertheless mature, high-quality, and strategically important businesses. For these companies, maintaining independence can be more compelling than either a premature exit or a delay of several additional years to reach U.S. IPO readiness.

Prolonged private-market duration, however, introduces increasingly complex structural pressures. Over time, cap tables often become misaligned: Early investors seek liquidity and DPI, while later-stage investors remain focused on long-term value creation; founders aim to preserve independence but face growing personal financial concentration; and boards must balance delivering realizations with maximizing long-term equity value. These competing priorities can create friction, slow decision-making, and ultimately constrain strategic flexibility.

Against this backdrop, private secondary transactions have emerged as a more prevalent tool to address liquidity needs. The secondary market for venture-backed companies is now real, active, and expanding. In certain situations, it can provide a pragmatic, targeted solution for specific shareholders seeking partial liquidity without a full public process.

However, private secondaries are inherently limited as a structural solution for leading growth companies. These transactions are typically negotiated bilaterally among a small group of participants rather than through a broad, competitive process. As a result, they often take place at a discount to the most recent primary round and do not provide true price discovery or market-based validation of the company's value. Liquidity is narrow and episodic, benefiting only participating sellers and creating no ongoing trading market or broadening institutional ownership.

In addition, the structures used to facilitate secondary transactions, such as special purpose vehicles, transfer restrictions, and layered approval mechanisms, can introduce legal, operational, and tax complexity without meaningfully enhancing the company's long-term capital markets positioning. Importantly, these transactions do not inject new capital into the business and, therefore, do not support growth, strengthen the balance sheet, or expand strategic optionality.

A Global TASE IPO addresses these limitations by introducing a structured, transparent, and scalable intermediate pathway between remaining private and pursuing a U.S. IPO. It enables companies to proactively manage stakeholder alignment while establishing a public-market foundation. Specifically, it provides:

- Partial liquidity for early investors, founders, and employees.
- Primary capital infusion to fund continued growth.
- Transparent, market-driven price discovery and valuation credibility.
- A diversified, high-quality institutional shareholder base, including global investors.
- Alignment across stakeholders, reducing boardroom tension and cap table friction.
- Earlier mark-to-market and improved DPI for venture investors.
- A liquid, ongoing trading environment, rather than a one-off transaction.
- Preserved independence with forward optionality toward a future U.S. listing.

Crucially, it replaces negotiated, fragmented outcomes with an open, fully visible market mechanism accessible to all stakeholders.

From an investor perspective, this facilitates capital recycling, improves fund-level return dynamics, and introduces a credible liquidity pathway that does not rely on binary exit timing. From a founder's perspective, it enables partial de-risking while maintaining long-term vision. From a board perspective, it provides a clear, actionable solution to balancing short-term liquidity demands with long-term value creation.

In a market environment where sequencing has become increasingly important, private secondary transactions can serve as a useful tactical tool. However, for companies capable of executing a high-quality Global TASE IPO, such an IPO is typically a partial and temporary solution. In contrast, a public listing represents a structural step toward building a durable, institutionally supported equity story.

From binary outcomes to flexible, market-based capital pathways.

Geopolitical Transformation

In addition to capital markets dynamics, the evolving geopolitical backdrop may indicate long-term upside for the Israeli economy and capital markets. However, this section should be framed with appropriate caution.

The Abraham Accords marked a historic shift in Israel's regional position by transforming decades of political isolation into formal economic integration with key regional partners. Since their signing, normalization with the UAE, Bahrain, and Morocco has created new trade corridors, cross-border investment opportunities, financial cooperation, and technology partnerships.

Israel's deepening ties with India further reinforce these dynamics. In early 2026, Prime Minister Narendra Modi made a high-profile visit to Israel, during which the countries elevated their relationship to a "special strategic partnership" and signed agreements across technology, agriculture, innovation, energy, and security. This alignment with one of the world's fastest-growing major economies could open meaningful market access for Israeli companies while driving greater engagement from Indian capital, corporates, and institutions.

Potential future normalization with additional countries, including Saudi Arabia and Indonesia, could further support this trajectory. Such developments would expand Israel's access to regional and Asian markets and strengthen its role in global trade and technology networks.

At the same time, the current geopolitical environment remains complex. Conflict and regional instability continue to drive volatility. The potential for greater regional stability should be viewed as upside, not as a base-case assumption.

From regional isolation to global integration.

Addressing the Counterarguments

Despite the strength of the framework outlined above, several common counterarguments continue to surface among boards, founders, and investors when evaluating IPO sequencing. Each is valid on the surface. However, most reflect assumptions formed under a prior market structure rather than the environment companies face today. The more relevant question is not which market is superior in absolute terms but how to position the company for the strongest possible long-term outcome.

1. Liquidity on the TASE remains meaningfully lower than on the NASDAQ or the NYSE.

The most frequently cited concern is liquidity. In practice, recent data points to a meaningful shift on the TASE following the Monday–Friday transition: Trading volumes have increased significantly, and institutional participation has deepened.[25] While the TASE does not match the absolute trading volumes of U.S. exchanges, this comparison can be misleading when applied to earlier-stage growth companies.

The relevant question is not where the highest theoretical liquidity exists but where a company of a given size is likely to achieve consistent institutional trading and sponsorship in the first 6 to 12 months after listing. In many cases, sub-scale U.S. IPOs face fragmented ownership, limited analyst attention, and episodic trading, which can result in elevated volatility and weak post-IPO performance.

A well-executed TASE Global Offering, anchored by high-quality institutional investors and supported by both international and domestic demand, can produce a more stable trading environment in the early stages of being public. Liquidity builds over time as ownership deepens and participation broadens. The practical trade-off is not Tel Aviv versus U.S. liquidity in absolute terms but whether a company enters the market in a position to build durable liquidity from day one.

2. A TASE listing signals to U.S. investors that the company could not IPO in the U.S.

Another common concern is that a TASE-first listing may signal an inability to access the U.S. market. This is a persistent concern, but it is increasingly disconnected from current market reality. To the extent that signal risk exists, it is largely a function of execution quality, not listing venue. A transaction led by top-tier international advisors, anchored by recognizable global institutional investors, and priced at a credible valuation sends a fundamentally different signal than a domestically distributed offering priced at a discount. The stigma, to the extent it ever existed, was associated with the structure and quality of the transaction, not with the TASE listing itself.

In practice, this perception is far stronger within the local ecosystem than among global investors. International investors do not assess companies primarily by where they were first listed. They focus on business quality, management credibility, growth trajectory, governance, and the strength of the shareholder base. The more relevant question is whether the company has a stable share price, a credible institutional investor base, a track record of transparent disclosure, and a management team that has demonstrated the discipline of operating as a public company. A well-executed TASE Global IPO helps build all four.

The critical factor is execution and positioning. When a company presents to the market in a familiar format, establishes a credible public company profile, and attracts long-term institutional sponsorship, the listing venue becomes secondary. At that point, it is perceived not as a compromise but as disciplined and well positioned.

The real risk is not listing in Tel Aviv. It is entering the U.S. market before the company is ready to meet its expectations.

3. Many venture investors have structural or contractual preferences for U.S. listings.

It is well understood that many venture investors are accustomed to U.S.-first IPOs and, in some cases, explicitly prefer them. This reflects historical norms and liquidity expectations rather than a structural limitation of alternative paths.

In practice, the primary constraint for venture investors is often timing. Fund life cycles, liquidity needs, and the pressure to demonstrate realizations can outweigh venue preferences, particularly in periods when U.S. IPO windows are uncertain or selective.

A TASE-first listing can accelerate the transition from private to public ownership, establish a transparent market valuation, and create opportunities for measured liquidity over time. Importantly, it does so without precluding a future U.S. listing. The relevant decision is not whether to enter the U.S. market but how to do so in a way that maximizes optionality and minimizes execution risk.

4. Listing in Tel Aviv limits global research coverage.

Research coverage is frequently raised as a perceived constraint. It is correct that TASE-listed companies may not receive the same immediate breadth of U.S. sell-side coverage as companies that list directly in the U.S., and that coverage from global banks remains an important component of institutional investor engagement.

However, the Global TASE IPO model is designed to accelerate that process. International bookrunners such as Jefferies that lead these transactions bring established equity capital markets platforms, deep institutional relationships across the U.S. and Europe, and dedicated equity sales and corporate access teams. Together, these resources help ensure that newly public companies are introduced to the right global investor audience from the outset. Research coverage that is later initiated by these banks, combined with ongoing investor engagement, helps create a meaningful bridge between a local listing and participation in global capital markets.

This model has already been applied in practice. Jefferies currently has 27 equity research analysts across the U.S. and Europe covering 47 Israeli companies in English, including 24 companies listed in Tel Aviv.[26] Analysts also host in-person and virtual non-deal roadshows, creating ongoing dialogue with global investors and educating institutional investors about the companies and their sectors, which can help expand institutional ownership over time.

Additionally, this argument often overstates the role of coverage from day one and understates how coverage actually develops in practice. Research coverage does not create demand. Demand drives coverage. As companies build a credible institutional shareholder base, establish consistent trading activity, and demonstrate transparency as public companies, analyst coverage follows.

The more relevant question is not how many analysts cover the stock immediately after listing but whether the company is building the foundation for sustained investor interest and, over time, expanded coverage.

The practical implication is clear. Research coverage is not a gating factor at the point of listing. It is an outcome that develops alongside liquidity, investor quality, and market engagement. A well-executed TASE-first strategy positions companies to build toward that outcome in a structured and credible way.

5. The U.S. listing should happen first because it is the ultimate goal.

For many Israeli technology companies, a U.S. listing may indeed remain the ultimate destination. That is a rational and often appropriate goal. But the ultimate destination and the first step are not the same thing. The question is not whether the company should eventually access the NASDAQ or the NYSE; it is when and from what position.

Entering the U.S. market from a position of scale, institutional sponsorship, and trading history is fundamentally different from doing so from a standing start. In the former case, the company arrives with a defined investor base, a proven public track record, and established credibility with both analysts and global investors. In the latter, it must build all of those elements simultaneously under significantly higher scrutiny.

Real-world outcomes reflect this distinction. Companies such as Nayax illustrate a pathway where an initial TASE listing supported the development of institutional ownership, trading liquidity, and public-market credibility before pursuing a U.S. dual listing from a position of strength.

Therefore, the sequence is critical. A TASE-first approach does not change the final destination. It improves the path by allowing companies to build the foundation needed to enter the U.S. market on their terms rather than being forced to establish it under pressure.

Strategic Conclusion

The question is not whether Israeli growth companies should list on the NASDAQ or the NYSE.

The question is in what sequence and at what cost.

For a generation, the default was to bypass Tel Aviv entirely. The rationale was understandable: The domestic market was smaller, distribution was local, and the prevailing perception, however inaccurate, was that a TASE listing signaled reduced global ambition.

That logic became self-reinforcing—companies avoided the TASE, institutional infrastructure around Israeli growth equities developed more slowly, and the cycle perpetuated itself.

That cycle is now breaking.

The structural conditions have changed. The TASE has moved to a Monday–Friday trading week, a transition that has already proven to be a clear inflection point, driving a surge in trading volumes, record market levels, and materially stronger engagement from international investors. The alignment with global trading hours has exceeded early expectations and is emerging as a fundamental enabler for global fund managers to participate meaningfully in Israeli equities. Bookbuilding has replaced Dutch auction mechanisms. English disclosure is standard. Foreign institutional participation has increased materially. Global IPOs and follow-on transactions have been executed at scale, demonstrating that international capital will follow high-quality Israeli companies into their home market.

The perception gap was always more internal than external. It is now closing.

At the same time, the U.S. IPO market has evolved in the opposite direction. The scale required for a successful NASDAQ or NYSE debut has increased, and the technical environment for smaller growth companies, including short interest, limited research sponsorship, and fragmented attention, has made aftermarket outcomes more uncertain and more difficult to sustain.

In that context, sequencing is no longer a secondary consideration. It is the core strategic decision.

A TASE-first approach is not a deviation from the global path. It is a structured way to engage with global capital at the right stage of a company's development. It allows companies to build institutional sponsorship, establish liquidity, develop a public-market track record, and align with global investor expectations before entering the world's most demanding capital markets environment.

Israel's leading technology companies will continue to build, compete, and raise capital globally. But the starting point matters more than ever. For many companies, a U.S. listing remains the long-term objective. The question is how to get there from a position of strength. For high-quality companies that are not yet optimally scaled for a U.S. IPO, a Global TASE IPO provides the foundation by anchoring valuation, establishing institutional ownership, introducing public-market discipline, and building credibility with global investors. A successful TASE listing can then directly support and enable a U.S. dual listing for those that choose to pursue that path. What has fundamentally changed is the nature of the TASE. It is no longer a local market entry point but a global one. That shift is redefining how Israel's most promising private companies establish global public enterprises.

The Broader Implications

The strategic case in this paper is directed at founders, boards, and investors. But the implications extend well beyond any individual transaction.

When Israel's best growth companies list domestically before listing abroad, the effects compound across the economy. Headquarters remain in Israel; R&D investment stays onshore; senior leadership and technical talent remain rather than relocating following a U.S. IPO or foreign acquisition; and employee equity is realized, taxed, and reinvested in Israel. Additionally, venture funds receive liquidity earlier, recycle capital faster, and fund the next generation of companies sooner. The innovation cycle does not just continue—it compounds.

There is also a dimension that rarely appears in capital markets discussions but belongs here—sovereignty. A country whose most significant technology companies are owned, governed, and taxed abroad is more exposed, economically and geopolitically, than one that has built the domestic institutional capacity to hold and develop those assets at home. A deep public market for Israeli technology is not only a financial objective. It is a form of national resilience.

The alternative is not catastrophic for any single company. But in aggregate, decades of early acquisitions and direct U.S. listings have resulted in a sustained transfer of Israel's most valuable economic assets to foreign ownership. Israel has been exceptional at building but less effective at keeping.

The conditions to change that now exist. The TASE has evolved in structure, global connectivity, institutional participation, and credibility to support world-class companies at scale. What remains is a shift in mindset. Founders, boards, and investors need to treat the domestic market not as a fallback but as a deliberate first step.

If that choice is made consistently, over time, the effects are multiplicative. Not only for individual companies, but for the depth of Israel's capital markets, the retention of its economic value, and the long-term trajectory of its economy.

For many of Israel's leading growth companies, the most effective path to global markets may now begin at home.

Sources

1 Dealogic (as of May 2026); Note: IPOs over $100M, excluding Chinese ADRs.

2 S&P Capital IQ.

3 Bank of Israel.

4 Dealogic (as of May 2026); Note: IPOs over $100M, excluding Chinese ADRs.

5 Jefferies data.

6 Bank of Israel.

7 Dealogic, Bloomberg, S&P Capital IQ (as of May 2026); Note: IPOs over $100M, excluding Chinese ADRs.

8 S&P Capital IQ (as of June 4, 2026).

9 Bank of Israel, S&P Capital IQ.

10 S&P Capital IQ (as of June 30, 2026).

11 Bank of Israel.

12 Tel Aviv Stock Exchange.

13 World Economic Forum, Tel Aviv Stock Exchange.

14 Tel Aviv Stock Exchange.

15 Bloomberg, S&P Capital IQ, Refinitiv.

16 Tel Aviv Stock Exchange, S&P Capital IQ (as of June 30, 2026).

17 Morningstar, Wall Street Journal.

18 Bank of Israel.

19 Israel Securities Authority.

20 Israeli Companies Law and the Israel Securities Authority.

21 Tel Aviv Stock Exchange, S&P Capital IQ.

22 Tel Aviv Stock Exchange.

23 Tel Aviv Stock Exchange, Bloomberg, S&P Capital IQ (as of May 2026).

24 Israel Securities Authority.

25 Tel Aviv Stock Exchange.

26 Jefferies data.

Jefferies

Rethinking The Israeli IPO

A MODERN PLAYBOOK FOR ISRAEL'S BEST TECHNOLOGY COMPANIES

Authors

Natti Ginor
Head of Israel Investment Banking

Jefferies Israel Group

Jefferies Equity Capital Markets

Contact

Israel.IB@jefferies.com

Principal Executive Office

520 Madison Avenue
New York, NY 10022

Israel Office

14 A Leonardo Da Vinci St.
Floor 3 Office No. 13
Tel Aviv 6473118
Israel

Jefferies.com

Please see important disclosures here.