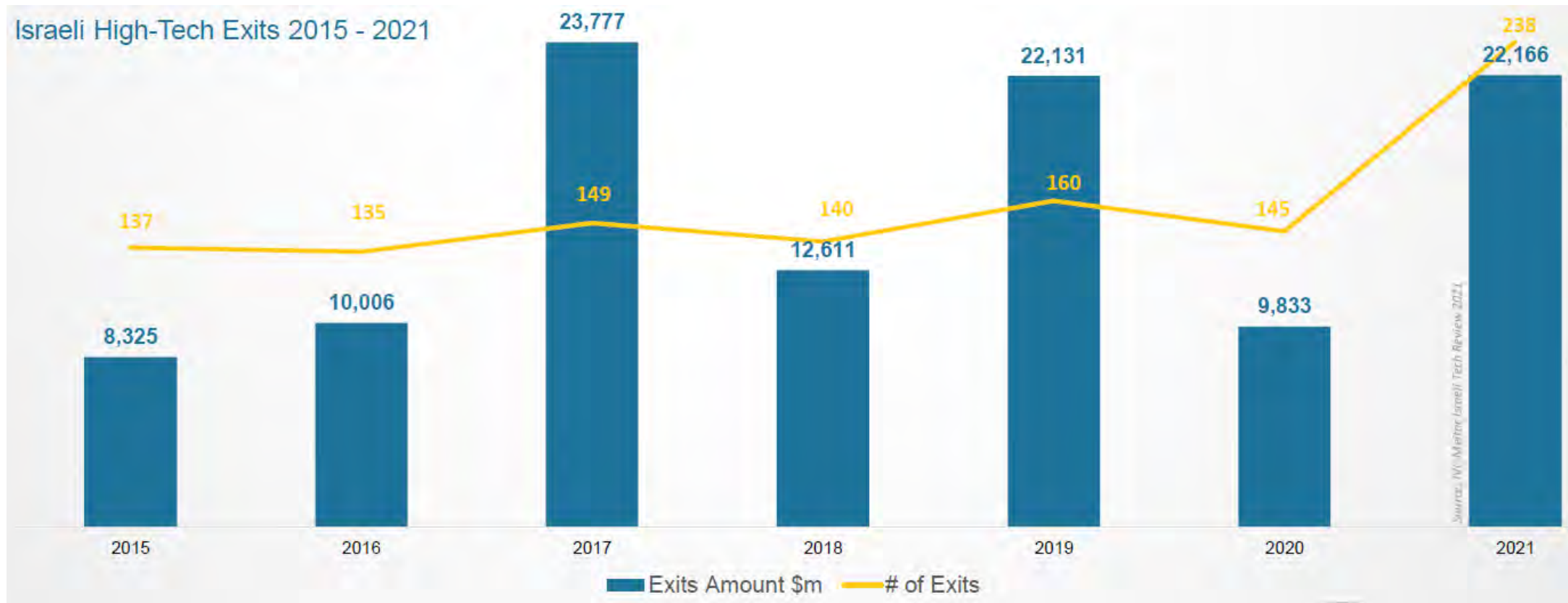


Israeli High-Tech Exits (M&As, BUYOUTS, IPOs) | 2015 - 2021



3

**Why Inbal was not so successful.
/ Bureaucracy problem**



Why Inbal (Government Guarantees) was not so successful

- The program was promoted by the treasury (Yozma by ministry of industry)
- Guarantee by State, normally followed by bureaucracy, restrictions & intervention
- Downside guarantees, which favor entry of nonprofessional investors
- Exposure to stock market without showing profit too long
- Running mostly by one major shareholder
- No mechanism to choose the right managers, experience investors and partners
- Critical mass of VC activity could not and was not achieved
- No trigger to invest immediately

Bureaucracy problem in using public money

- Public money needs more cautious than private
- Multi decision makers
- Political considerations
- Need of control
- No incentives for execution
- Fear from failure

4

Success Factors of Yozma



The important elements of Yozma's success

- Eco-system: A critical mass of entrepreneurs, ideas and smart capital.

creating the capacities for VC circle :

Fund Raising- Select Investment in Start Ups – Exits

- Government policy, mainly by setting goals and guidelines.
- Fast execution; minimum Bureaucracy
- Yozma and its partners are alike (except some veto rights)
- Cooperation with global players
- Timing

5

Ideas for developing VC in Japan



Some key factors for creating a successful VC industry



**Entrepreneurial
environment**



**Government
support**



**Professional
management**



**Professional
investors**



**Success
stories**



Luck

Ideas for developing VC in Japan

- “A small, limited growth-oriented start-up ecosystem with potential to produce startups to grow and compete at global scale
- Limited access to practical knowledge, know-how, talent, and funding to grow internationally
- Funding ecosystem dominated by domestic nongrowth specialized entities limiting entry of international competitive actors
- Highly domestic focus of skills programs with little exposure to global markets and resources “

(Table 6.1: Tokyo Ecosystem's Gaps, world bank report 2021)

Ideas for developing VC in Japan (Cont'd)

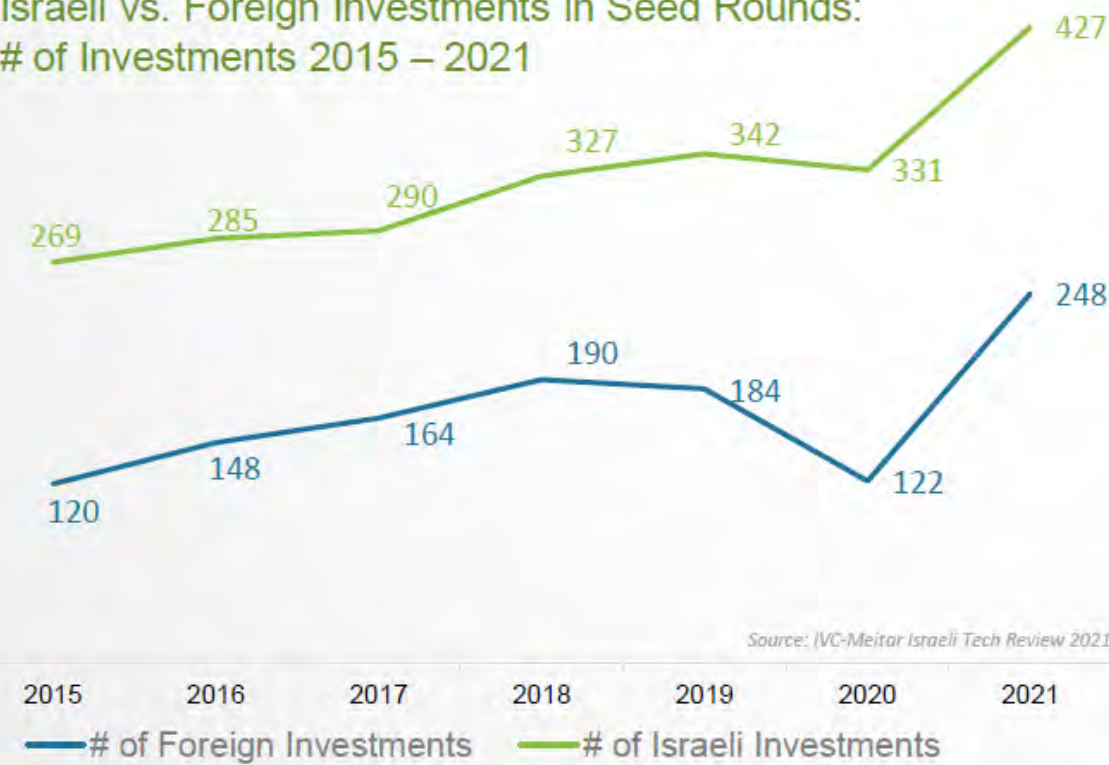
- Japan is a strong and leading technological nation
- Risk investments are often followed by failure
- Communication (language) is essential for start ups to go global
- Cultural gap can avoid the desire for global cooperation

Keep in Mind!

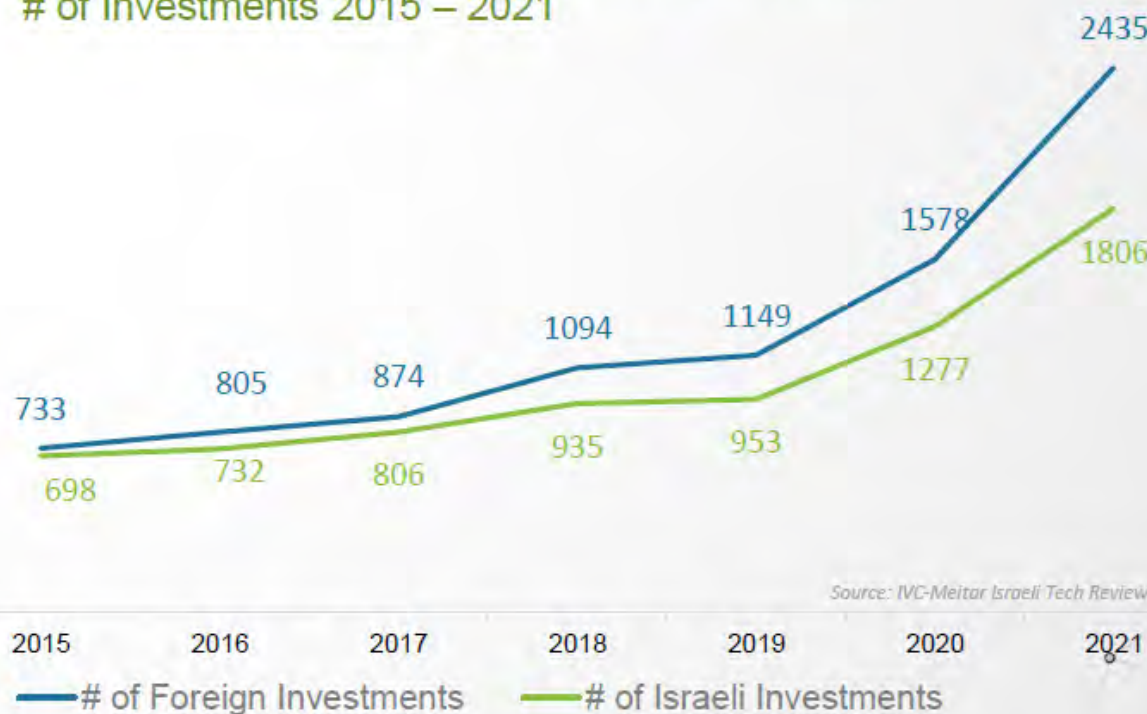
Israeli vs. Foreign Investments by Round Type* | 2015-2021

Following a brief slowdown in seed investments in 2020, seed investors have not only recovered their activity, but increased their investments, especially Israeli investors. Investments in later rounds didn't experience any slowdown as well in 2021, showing a stable trend of continued growth in the number of investments by both Israeli and foreign investors.

Israeli vs. Foreign Investments in Seed Rounds:
of Investments 2015 – 2021



Israeli vs. Foreign Investments in Later Rounds:
of Investments 2015 – 2021



6

Yozma Group Korea



Korea & Israel – Synergistic Opportunities

Korea is good at..

- Manufacturing capability
- Globally recognized conglomerates
- Applied science

Lack of Global Network & Investment Activities

Israel is good at...

- Innovative technology
- Global network
- High start-ups investment activities

Lack of R&D Capacity & Brand Power



Synergetic Opportunities

Yozma Group Korea Performance (2018-Feb. 2022)

