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Israel Capital Markets

Early Summer 2021



OVERVIEW

In early 2021, Israel emerged as a global leader in the recovery from COVID-19 pandemic. Economically the Tel Aviv-125 index (TA-125) improved 13% year to date (YTD), and nominal GDP growth is forecasted to be ~5% for the full year 2021. Israeli unemployment is currently 6%, which is slightly higher than historical levels. The Israeli economic state will likely improve only as lockdown measures lessen and daily active cases substantially decline.

Israel's vaccination campaign is unmatched globally as ~83% of the population has been at least partially vaccinated. Israel has taken a tech-driven approach to managing the spread of COVID-19 by implementing a "Green Pass" or a mobile application that allows fully vaccinated people to display a QR code for access to services, events, restaurants and other leisure activities. The country's socialized healthcare system and strong existing digital infrastructure has greatly aided the rollout of this program.

The COVID-19 pandemic emphasized and, in some cases, accelerated the need for technological innovation, which has fueled Tel Aviv's thriving tech startup community. To further capture growth, the Tel Aviv stock market recently established rules for special purpose acquisition companies (SPACs) which is expected to attract more investment in Israeli technology companies.

Valuations of Israeli companies were stronger in May 2021 than in 2020 across many industries as business operations return to "normal" and restrictions on consumers are lifted.

In 2020, 128 M&A transactions were completed, which was down from 158 M&A transactions in the 2019 pre-pandemic period.

As of May 2021, there have been a total of 60 M&A transactions closed, with nearly half of all activity in the technology sector.

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Executive Summary

COVID-19 Impact

- As of May 2021, there have been 839,483 confirmed cases of COVID-19 in Israel, with 832,731 recoveries and 6,412 deaths.
- Israel has led the world with the fastest vaccination program rollout since becoming available in early 2021. As of May 31, 2021 Israel has fully vaccinated 5.1 million people or ~43% of the population.
- Following a series of substantial lockdowns in 2020, the Israeli Prime Minister's cabinet voted to open gyms, sports events, swimming pools, restaurants and event halls for those who have been fully vaccinated. This "Green Badge" system allows customers and attendees to display a certificate of vaccination with a QR code upon entrance.
- The Israeli equity market has largely recovered from the height of the COVID-19 pandemic; the TA-125 Index is up 13% YTD and 27% since May 2020.

Industry Performance

- Valuations and respective multiples have increased as of May 2021 compared to 2020 across many industries with median EV-to-EBITDA multiples of 12.7x in May 2021 YTD up from 11.8x in 2020.

M&A and Venture Capital Transactions

- As of May 2021, there have been 60 closed deals with a total deal value of approximately \$2.1 billion.
- Technology M&A represented nearly half the 2021 deal volume driven by increasing global technology usage from the uptick in e-learning, telehealth and remote working.
- 2021 has also been a very strong year for venture capital investments with 188 transactions completed to date with a total deal value of over \$4 billion.

Security Events–Spring 2021

- Israel experienced another round of military escalation vis-a-vis Hamas in Gaza over 11 days, which was amplified by Israeli protests.
- The limited military operation had a minor mid-to-long term impact on Israeli markets, including the TA-125 index. The international investment activity in Israel's innovative companies has continued to be strong even during the crisis, including several major IPOs.
- The Manufacturers Association of Israel estimated that the direct economic impact on Israel's economy during the total shutdown in Southern cities and industries was ~\$100 million excluding indirect damages, such as canceled transactions and reputational risk.

Political Developments–May and June 2021

- Following several election cycles and political deadlocks, a new government is emerging, bringing together many small to mid-size political parties from the political right and left.
- The new government will finally adopt a new national budget, which will improve Israel's rating and macroeconomic environment. Many key economic positions in the government that have been put "on hold" will be filled.
- Key economic reforms and policy changes are not likely to succeed in light of the substantial economic disagreements within the new Israeli government.

YTD Market Index Performance

Israel's index has followed U.S. stocks upward as investors regain confidence in the economy. As of May 31 2021, the TA-125 has outperformed every U.S. major index with a 13% YTD increase.

YTD Market Index Performance



Impact of COVID-19

“Israel offers lessons in how to vaccinate a population quickly, but it’s also starting to show the challenges—and how difficult global immunization efforts are going to be.

‘Israel is the canary in the coal mine.’ – Director of Smokler Center for Health Policy Research in Jerusalem, February 2021

“What the world will witness will be a correction, and not a turnaround. ... What this pandemic did is it **accelerated the changes** [in technology] that we thought would take five years into five months. Tech is on fire.” – **Barclays Israel Country Manager, May 2021**

“Funds are flowing, but **Israeli investors want more checks and balances** when serving their term sheets...Pre-COVID, you would see a majority of deals containing a standard list of restrictive provisions, or veto rights. However, in 2021 investors are seeking more active involvement in overseeing expenses and ongoing business activities, trying **to protect themselves in today’s uncertain market environment.**” – **Partner at Yigal Arnon & Co Law Firm, May 2021**

“Relative to other economies **our situation is quite good, but we have to take control over the large debt, and return unemployment to reasonable proportions...** This is definitely encouraging, with many challenges and problems, but relative to other Western economies, our situation is quite good, but it must be made excellent.” – **Israeli Prime Minister, April 2021**

“I think that if we all act correctly, we certainly can say that **due to vaccinations we will continue to live under the shadow of the coronavirus** for years to come. ...We haven’t won by a knockout, but we will certainly be able to say that crises of the kind we’ve experienced are behind us.” – **Israeli Health Minister, March 7, 2021**

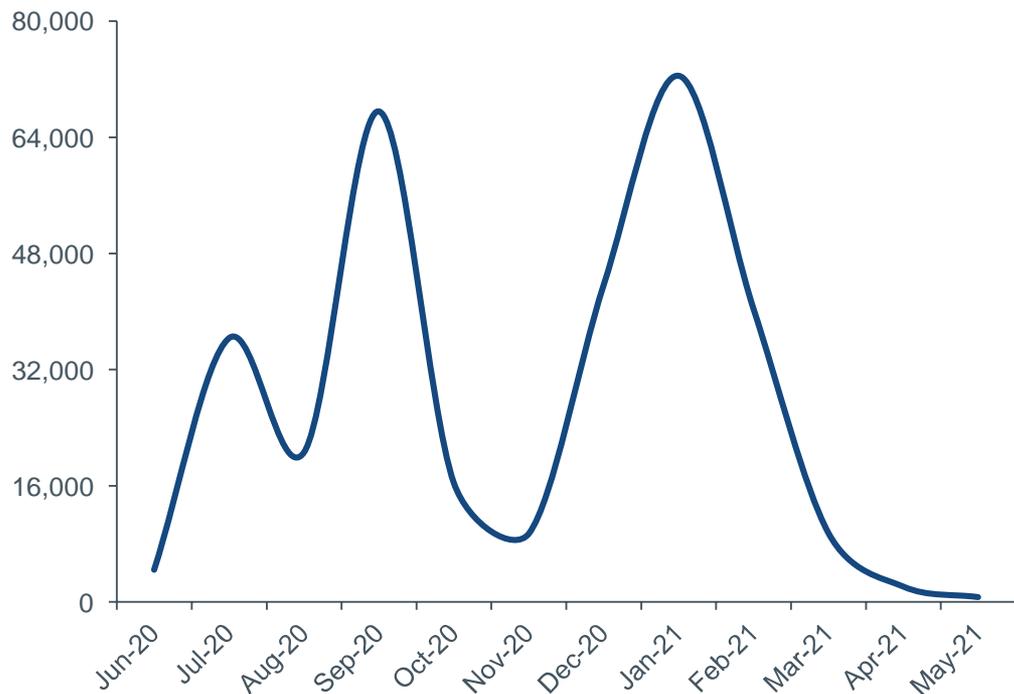
“According to the Bank of Israel’s assessment, had it not been for the economic safety net we deployed and the aid programs for corona, the contraction in GDP would have increased by another 2 to 2.5%. ... This is the result of a responsible economic policy. ... Now **we must continue to take the right actions to get the State of Israel out of the crisis and return the economy to a path of growth.**” – **Israeli Finance Minister, April 2021**

“It is well understood, even by the Finance Ministry, that the **high-tech industry in Israel holds the key to pulling us out of the economic crisis following the coronavirus pandemic.**” – **CEO of the Israeli Innovation Authority**

Impact of COVID-19

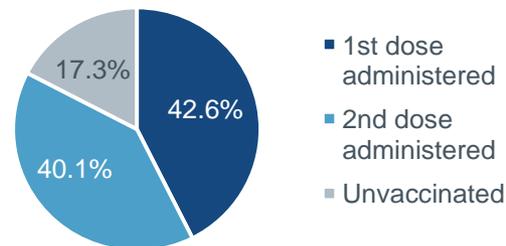
- Since the beginning of the COVID-19 pandemic, Israel witnessed two spikes with over 10,000 new daily cases during September 2020 and January 2021. As a result of Israel's regimented vaccination program and effective social distancing, new daily cases have decreased substantially in Israel.
- As of May 31, 2021, Israel had a total of 340 active cases and only 17 new daily cases.
- Overall, Israel has been leading the world in vaccinations due to the relatively small population, socialized healthcare system and existing digital-centric healthcare system.

Active Daily Cases

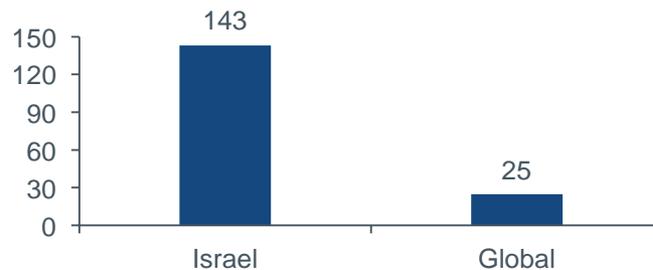


Vaccinations as of May 2021

Israel Population



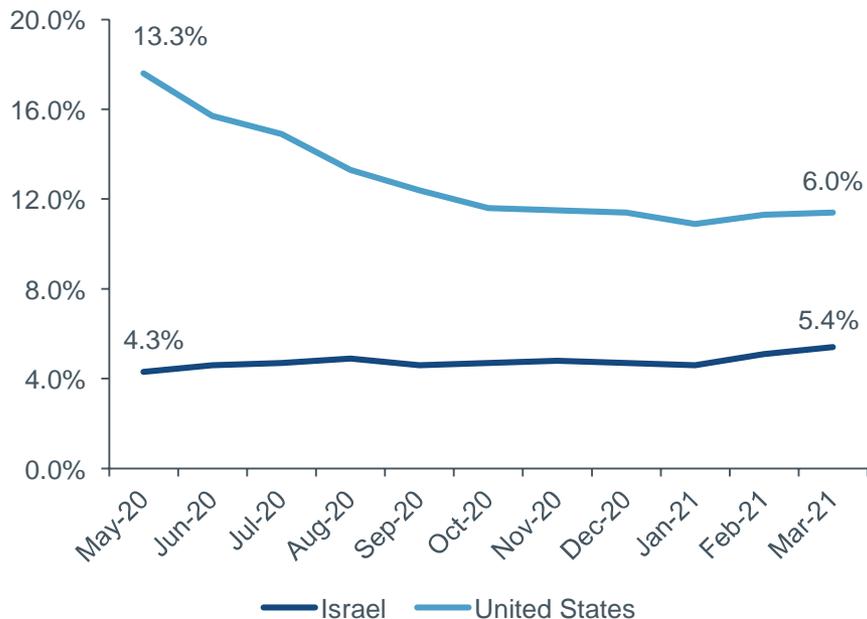
Vaccinations per 100 People



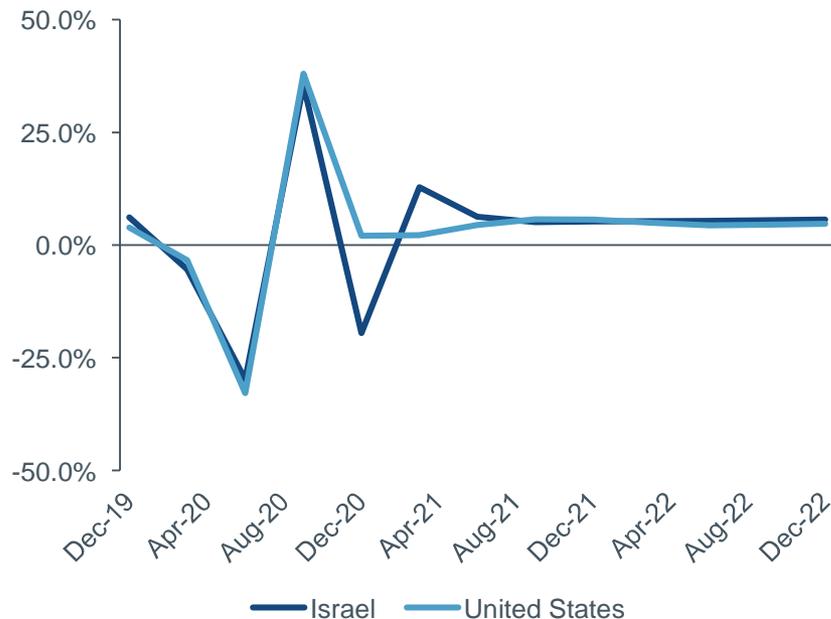
Impact of COVID-19

- The Finance Minister announced that, as of July 2021, Israelis under 28 without children will no longer be entitled to unemployment benefits, which is expected to encourage the younger workforce to return to work. It is estimated that vacant positions increased ~10% since the start of the pandemic.
- Relative to other OECD countries and globally, Israel's economy is expected to recover well as rapid vaccinations have slowed infection rates and restrictions are beginning to lift.
- Israel's well-diversified economy and strong focus on the technology sector has boosted the country's economic recovery outlook fueled by increased demand for tech-driven services and teleworking.

Israel and U.S. Historical Unemployment Rate



Nominal GDP Forecast



Impact of COVID-19

- Israel's equity market performance has reflected increased investor optimism as the rapid vaccination program continues and lockdown restrictions are totally lifted; Israel has implemented one of the most effective vaccination programs in the world.
- TA-125 Index consisting of 125 Israeli companies had a positive 13% YTD performance.
- The Tel Aviv Global Blue Tech Index has consistently outperformed the TA-125 Index as the technology sector surges.

	As of 05/31/2021 <i>(Units in ILS)</i>	Performance Since 03/31/2021	YTD Performance	1-Year Performance	3-Year Performance	5-Year Performance
Indices						
TA-125 Index	1,772.19	▲ 6.5%	▲ 13.0%	▲ 27.1%	▲ 29.8%	▲ 41.3%
S&P 500	4,204.11	▲ 5.8%	▲ 11.9%	▲ 38.1%	▲ 55.4%	▲ 100.5%
NASDAQ Composite Index	13,748.74	▲ 3.8%	▲ 6.7%	▲ 44.9%	▲ 84.7%	▲ 177.9%
Dow Jones Industrial Average	34,529.45	▲ 4.7%	▲ 12.8%	▲ 36.0%	▲ 41.4%	▲ 94.1%
Tel Aviv Global Blue Tech Index	479.20	▲ 43.4%	▲ 20.3%	▲ 30.8%	▲ 27.7%	▲ 46.1%
Top 10 Companies By Market Capitalization						
NICE Ltd.	710.00	▼ 1.7%	▼ 21.1%	▲ 11.1%	▲ 89.8%	▲ 187.1%
Bank Leumi le- Israel B.M.	25.40	▲ 15.5%	▲ 34.4%	▲ 39.6%	▲ 14.3%	▲ 79.6%
Bank Hapoalim B.M.	27.56	▲ 6.1%	▲ 25.3%	▲ 32.1%	▲ 12.0%	▲ 38.5%
ICL Group Ltd	23.55	▲ 20.3%	▲ 43.9%	▲ 100.1%	▲ 42.5%	▲ 48.6%
Azrieli Group Ltd	247.70	▲ 20.2%	▲ 21.4%	▲ 41.1%	▲ 42.5%	▲ 51.5%
Mizrahi-Tefahot Bank Ltd.	96.80	▲ 11.1%	▲ 30.4%	▲ 41.2%	▲ 42.1%	▲ 113.4%
Israel Discount Bank Ltd.	16.14	▲ 16.2%	▲ 30.6%	▲ 51.3%	▲ 50.1%	▲ 152.2%
Elbit Systems Ltd.	422.50	▼ 10.6%	▼ 0.1%	▼ 13.7%	▼ 1.3%	▲ 16.5%
Strauss Group Ltd.	93.80	▲ 4.2%	▼ 2.7%	▼ 1.3%	▲ 23.4%	▲ 52.3%
Melisron Ltd.	224.00	▲ 20.2%	▲ 28.4%	▲ 78.6%	▲ 47.2%	▲ 45.5%
Israeli Shekel FX Rate						
British Pound (GBP/ILS)	4.61	▼ 0.2%	▼ 4.9%	▼ 6.6%	▲ 2.8%	▲ 17.8%
Euro (EUR/ILS)	3.97	▼ 1.2%	▼ 1.1%	▼ 1.8%	▲ 4.6%	▲ 7.4%
Swiss Franc (CHF/ILS)	3.61	▼ 1.9%	▲ 0.5%	▲ 1.0%	▲ 0.4%	▲ 6.8%
United States Dollar (USD/ILS)	3.25	▲ 2.8%	▼ 1.0%	▲ 7.4%	▲ 9.1%	▲ 15.7%
Canadian Dollar (CAD/ILS)	2.69	▼ 1.2%	▼ 6.4%	▼ 5.8%	▲ 2.3%	▲ 8.7%
Australian Dollar (AUD/ILS)	2.51	▲ 1.2%	▼ 1.5%	▼ 7.9%	▲ 7.0%	▲ 10.0%
New Zealand Dollar (NZD/ILS)	2.36	▼ 1.2%	▼ 2.3%	▼ 8.8%	▲ 5.5%	▲ 9.3%
Chinese Renminbi (Yuan) (CNY/ILS)	0.51	▲ 0.0%	▼ 3.5%	▼ 3.7%	▲ 8.5%	▲ 13.0%
Hong Kong Dollar (HKD/ILS)	0.42	▲ 2.6%	▼ 0.9%	▲ 7.5%	▲ 8.1%	▲ 15.7%

Note: Percentage change reflects strengthening and weakening of ILS

Impact of COVID-19

- BEV to LTM EBITDA multiples are at 21.8x (median) as of May 31, 2021, an increase from 16.5x (median) as of May 31, 2020.
- EBITDA multiple changes by industry sector are available on page 12.

	Industry	Market Cap	BEV	LTM Revenue	LTM EBITDA	Net Debt	Net Debt/BEV	Net Debt/LTM EBITDA	BEV/LTM EBITDA	BEV/LTM Revenue
<i>(ILS in millions)</i>										
Top 25 Companies by Enterprise Value										
NICE Ltd.	Technology	ILS 44,816	ILS 42,336	ILS 5,655	ILS 1,446	ILS 844	2.0x	0.6x	29.3x	7.5x
Azrieli Group Ltd	Real Estate	30,039	39,185	1,678	908	9,196	23.5	10.1	43.2	23.4
ICL Group Ltd	Industrials	30,242	39,082	17,487	2,669	8,710	22.3	3.3	14.6	2.2
Norstar Holdings Inc.	Real Estate	854	34,462	2,315	1,162	24,206	70.2	20.8	29.7	14.9
Gazit Globe Ltd	Real Estate	3,686	34,058	2,315	1,168	23,281	68.4	19.9	29.2	14.7
Israel Corporation Ltd	Industrials	7,829	27,902	17,487	2,893	13,411	48.1	4.6	9.6	1.6
Delek Group Ltd.	Energy	2,964	25,188	6,701	4,507	25,020	99.3	5.6	5.6	3.8
Alony-Hetz Properties & Investments Ltd	Real Estate	8,321	24,412	1,361	1,120	12,087	49.5	10.8	21.8	17.9
Fattal Holdings (1998) Ltd	Industrials	5,515	22,308	1,904	(312)	16,175	72.5	-51.9	-71.6	11.7
Elbit Systems Ltd.	Consumer	18,675	22,135	15,735	1,617	3,062	13.8	1.9	13.7	1.4
Melison Ltd.	Real Estate	10,630	20,457	1,010	638	10,103	49.4	15.8	32.1	20.3
Bezeq The Israel Telecommunication Corp. Ltd	Services	10,111	18,560	8,757	2,969	10,180	54.9	3.4	6.3	2.1
Shikun & Binui Ltd.	Industrials	9,262	16,830	6,393	728	6,658	39.6	9.1	23.1	2.6
Delek Drilling - Limited Partnership	Energy	6,170	15,751	2,768	2,396	11,208	71.2	4.7	6.6	5.7
BIG Shopping Centers Ltd	Real Estate	8,156	24,926	847	479	6,561	26.3	13.7	52.1	29.4
Amot Investment Ltd	Real Estate	9,248	15,215	745	638	6,086	40.0	9.5	23.9	20.4
Equital Ltd.	Energy	3,328	15,637	2,238	1,631	6,933	44.3	4.3	9.6	7.0
Ashtrom Group Ltd.	Industrials	7,741	14,130	4,559	595	7,198	50.9	12.1	23.7	3.1
Mivne Real Estate (K.D) Ltd	Consumer	8,141	12,980	1,059	543	5,093	39.2	9.4	23.9	12.3
Shapir Engineering and Industry Ltd	Consumer	8,928	12,529	3,564	675	4,091	32.6	6.1	18.6	3.5
Strauss Group Ltd.	Industrials	10,894	12,714	5,837	836	1,900	14.9	2.3	15.2	2.2
Shufersal Ltd.	Real Estate	7,057	12,568	15,266	1,144	6,432	51.2	5.6	11.0	0.8
AFI Properties Ltd	Real Estate	5,225	12,697	1,019	434	5,097	40.1	11.7	29.2	12.5
Bayside Land Coproation Ltd.	Industrials	6,547	11,795	592	482	3,827	32.4	7.9	24.5	19.9
Discount Investment Corporation Ltd.	Services	1,504	10,927	5,877	951	9,974	91.3	10.5	11.5	1.9
Average							0.5x	6.1x	17.4x	9.7x
Median							0.4x	7.9x	21.8x	7.0x

LTM: Latest Twelve Months

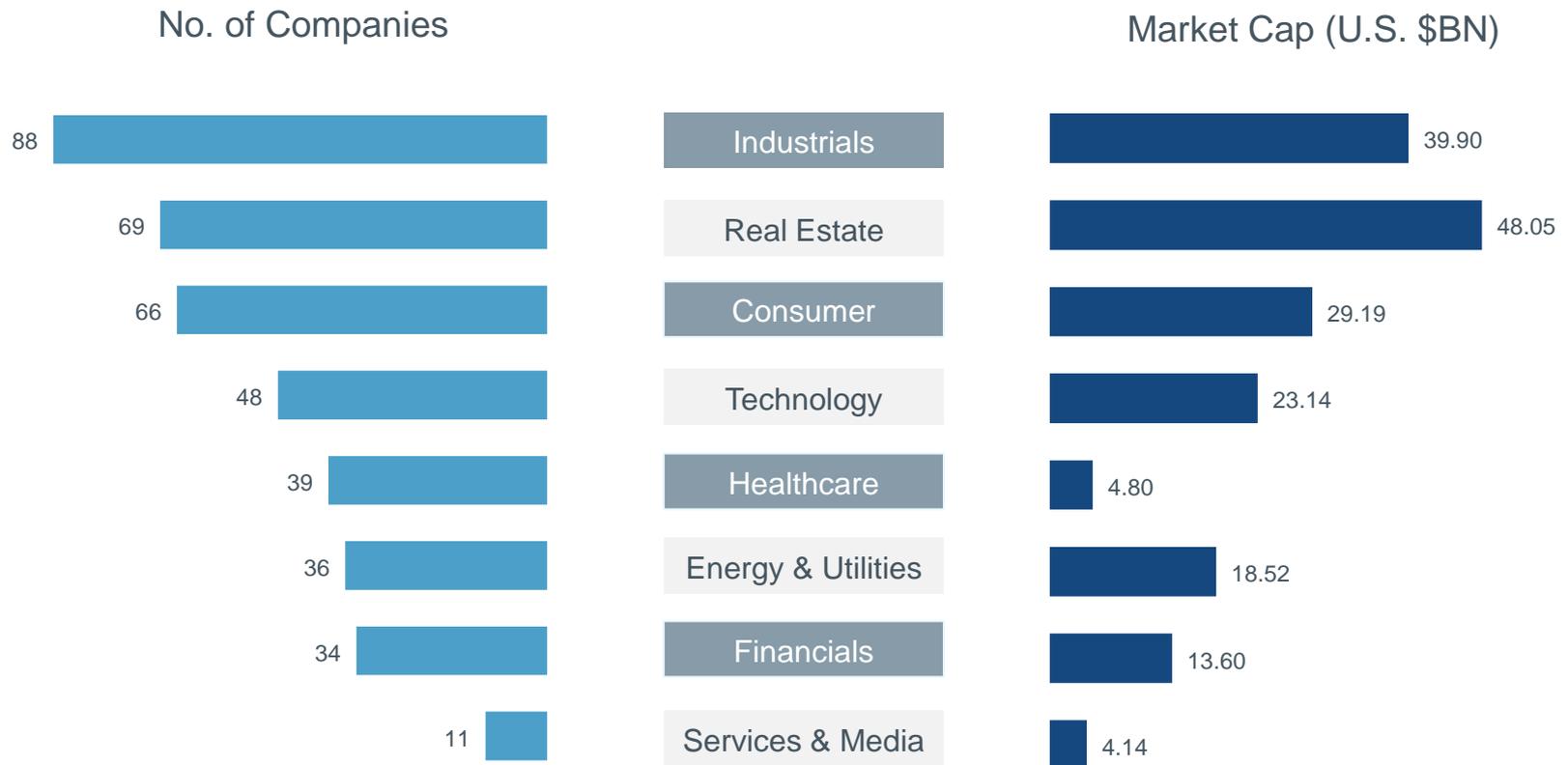
BEV: Business Enterprise Value

Note: LTM as of 5/31/2021

Listed Companies

- More than 400 companies are listed on the Tel Aviv Stock Exchange (TASE), with an aggregate equity value of over \$190 billion.
- Most listed companies are in the industrial and real estate sectors, with real estate sector companies representing the largest market capitalization.
- While technology companies are ranked fourth by market capitalization, many are dual-listed on U.S. exchanges.

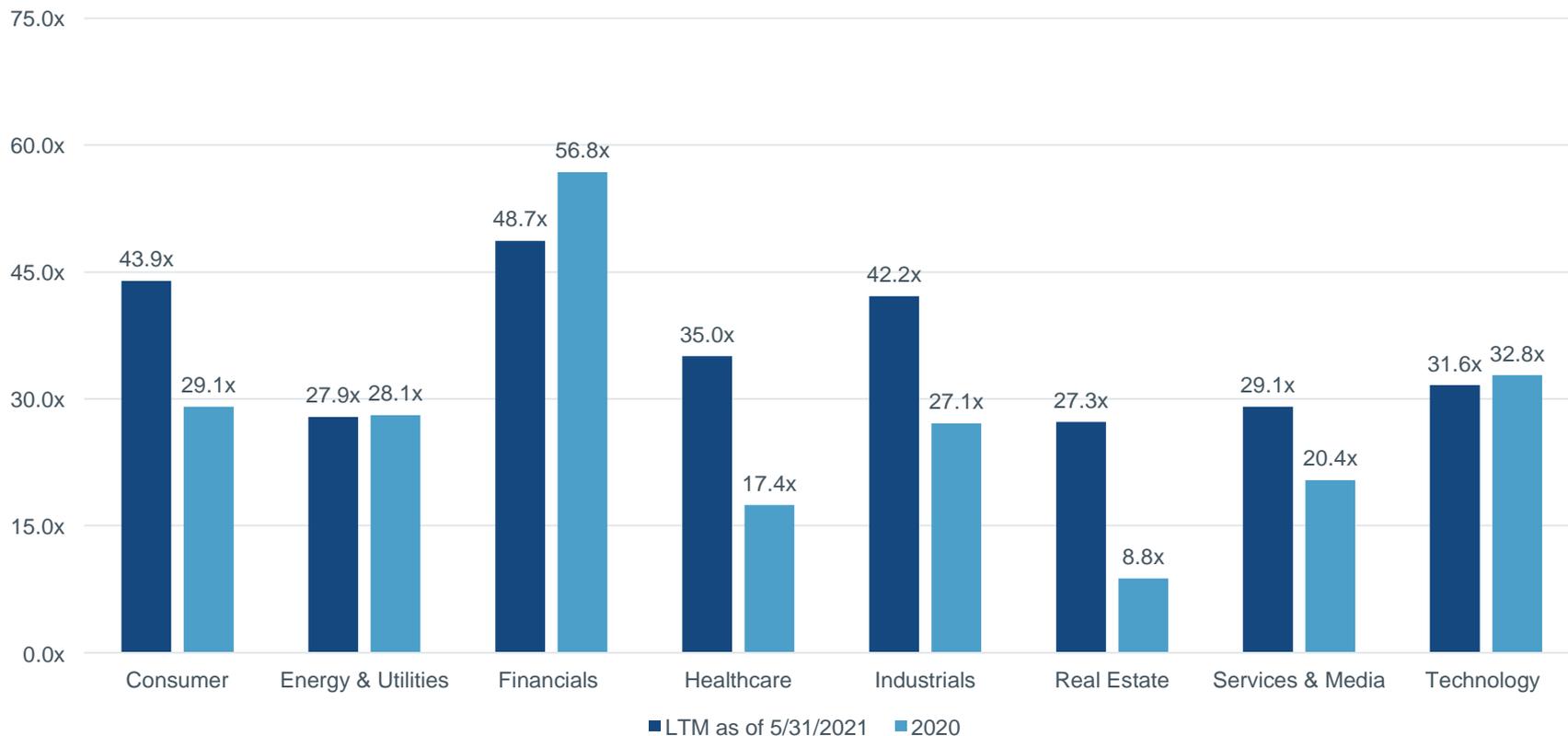
Summary of Listed Companies



Industry Sector Performance

- Overall LTM earnings multiples as of May 31, 2021, greatly exceeded last year with median values for 42.4x for May 2021 LTM and 27.6x for 2020.
- Industries including healthcare and technology showed strong earnings growth in the May 31, 2021, LTM period.

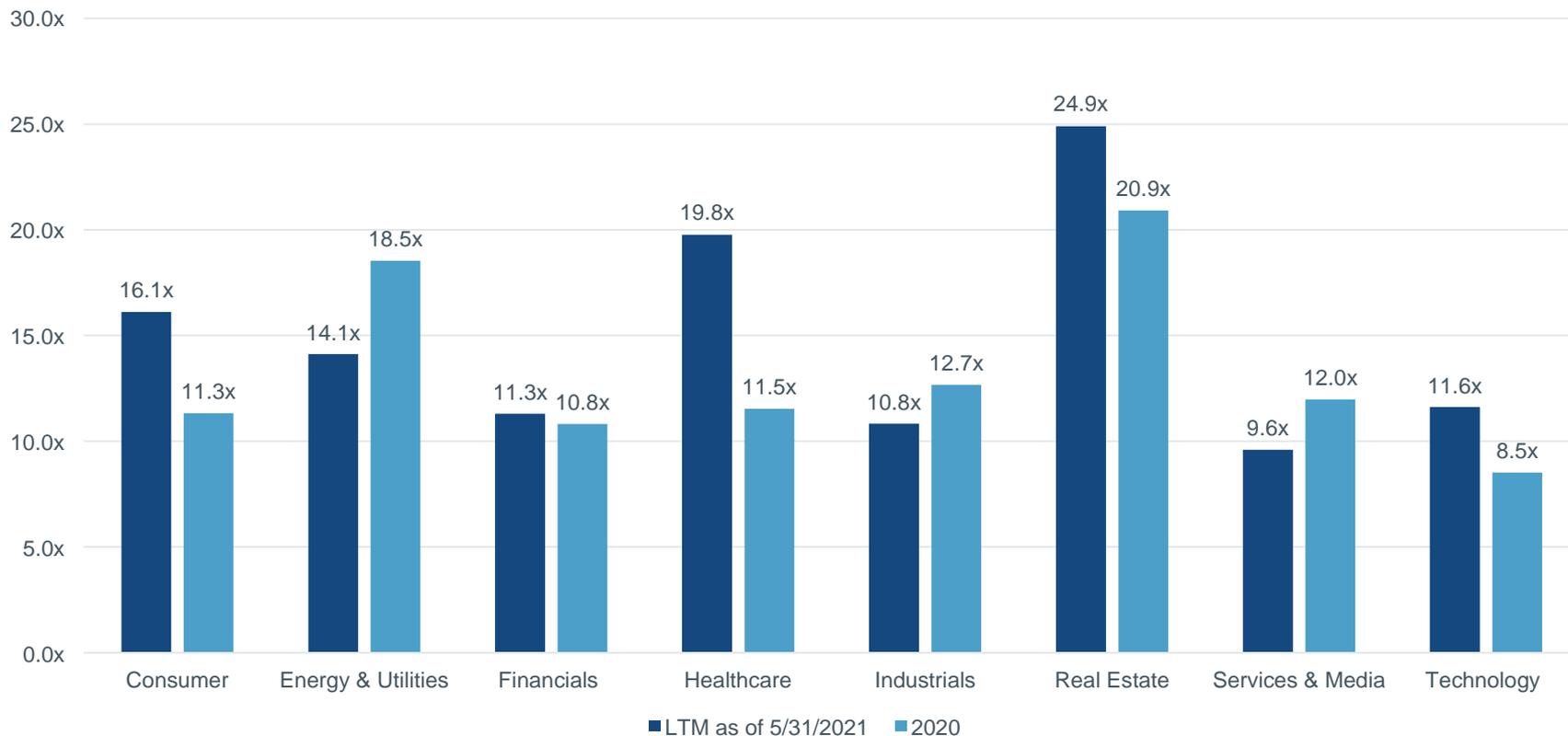
Israel Industry Sectors: Adjusted Average Price/LTM Earnings Multiples



Industry Sector Performance

- Median EV-to-EBITDA multiples increased from 11.8x in 2020 to 12.7x in May 2021. The largest increases were in healthcare and technology as these industries performed well during the COVID-19 pandemic.
- Consumer valuations have greatly improved over 2020 levels driven by a pivot to e-commerce. Alternatively, services and media suffered due to limits on in-person gatherings.

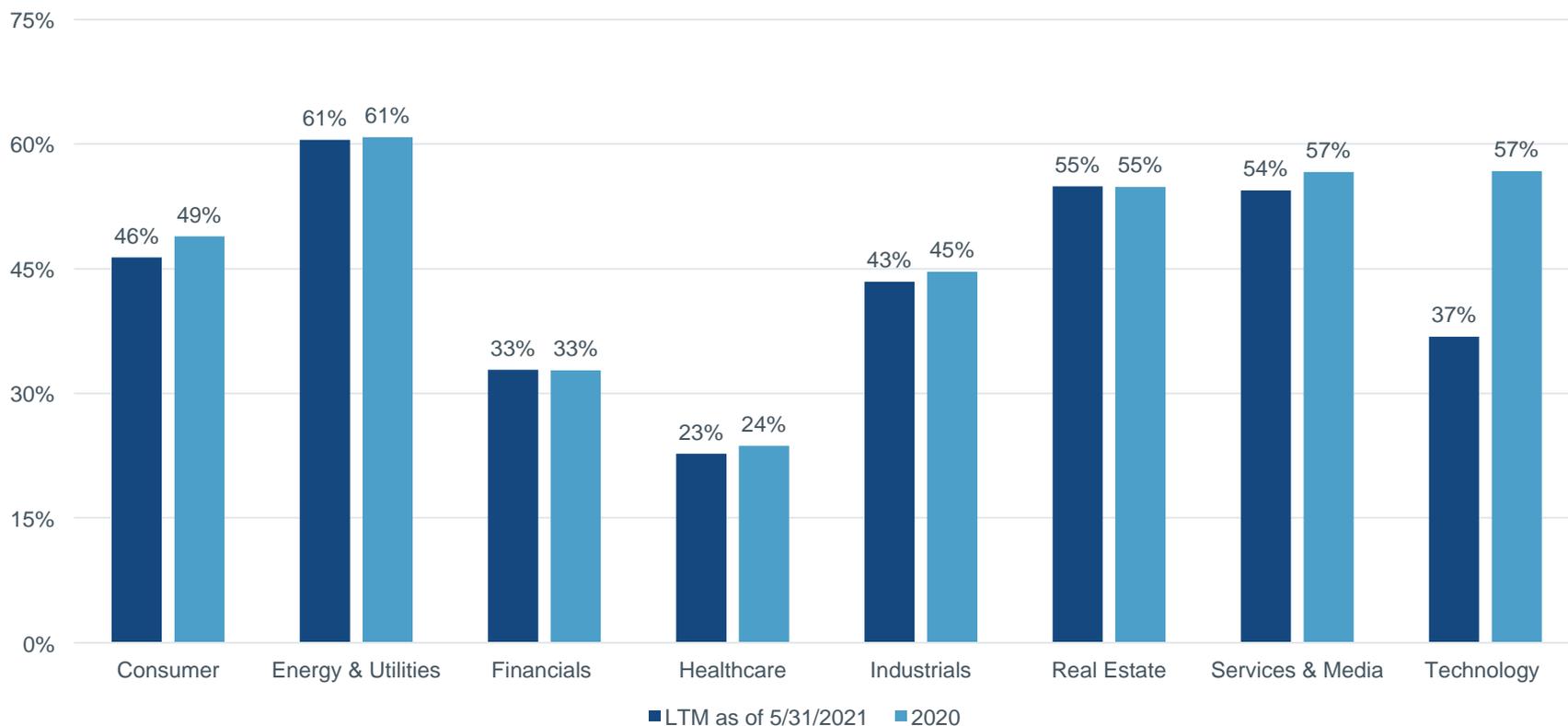
Israel Industry Sectors: Adjusted Enterprise Value/LTM EBITDA Multiples



Industry Sector Performance

- Leverage declined for May 31, 2021 as compared to 2020 levels in most sectors excluding real estate and industrials.
- The leverage decrease is primarily driven by increased valuations from improving market sentiment.
- The two sectors with higher leverage, real estate and industrials have had a slower recovery from COVID-19-related operational and industry challenges.

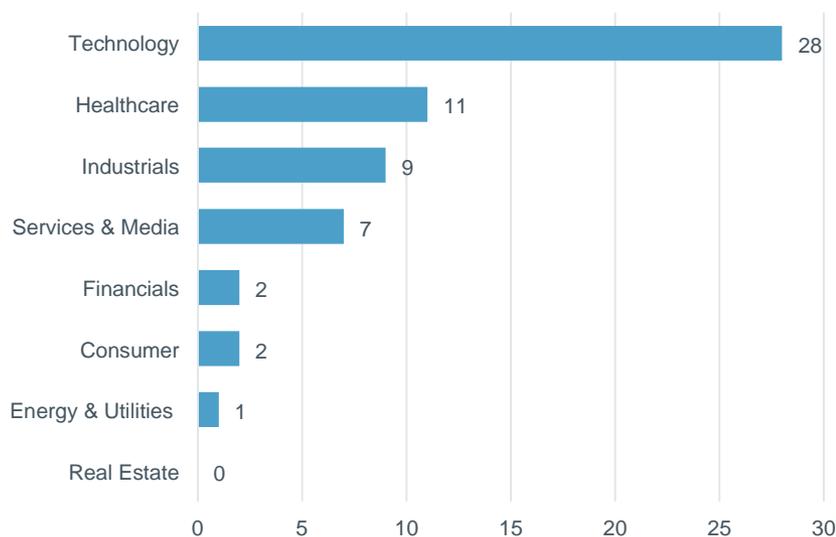
Israel Industry Sectors: Adjusted Total Debt/Enterprise Value Leverage



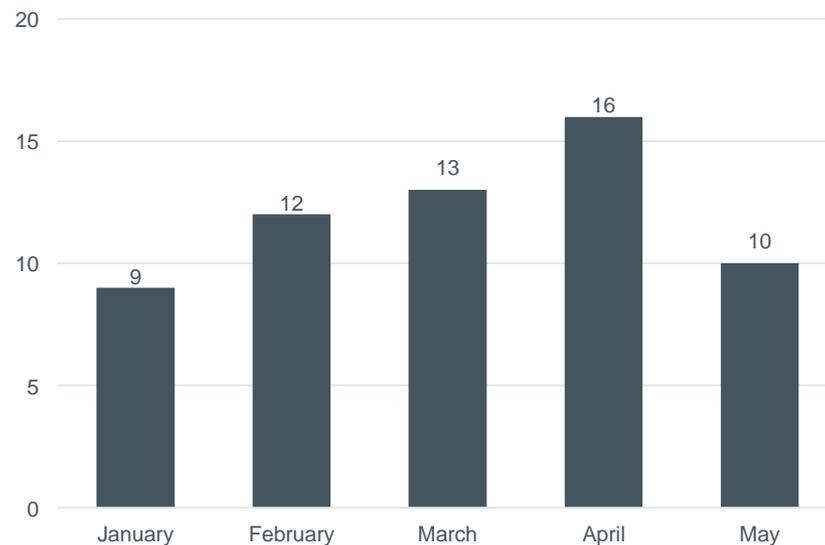
YTD 2021 M&A Transactions

- As of May 31, 2021 there have been a total of 60 closed transactions YTD across multiple industries. Technology M&A transactions represented almost half of the overall activity.
- During the early days of COVID-19, investing activity went on hold leaving an abundance of capital available in 2021 for in-demand products and services that are well-insulated from pandemic-related disruption, which has driven the decline in real estate and increase in technology and healthcare.
- Activity in May 2021 dropped slightly as a result of the heightened economic uncertainty and political tension, which has since calmed.

YTD 2021 Deals by Industry



YTD 2021 Deals by Month



YTD 2021 M&A Transactions

Through May 31, 2021, there have been 60 closed transactions with a total deal value of approximately \$2.1 billion, compared to 61 transactions with a total deal value of approximately \$2.9 billion in the same period in 2020. Deal activity in 2020 was highest in January and February and declined with the onset of the COVID-19 lockdowns in March.

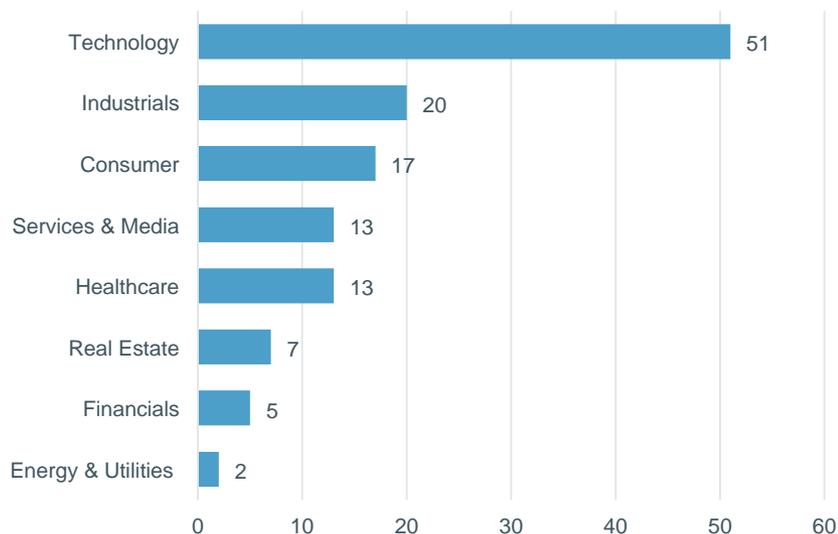
YTD 2021 Largest Transactions by Deal Value

Close Date	Target Name	Incorporation	Industry Sector	Target Business Description	Acquirer Name	Enterprise Value USD (\$M)	EV / Revenue	EV / EBITDA
5/27/2021	Medi-Tate Ltd.	Israel	Healthcare	Manufactures and sells medical and implanted devices	Olympus Winter & Ibe GmbH	\$266	NA	NA
3/24/2021	E & M Computing, Ltd.	Israel	Technology	Provides cloud, information systems and data-center technologies	First Israel Mezzanine Investors Ltd.	\$208	0.6x	8.9x
3/8/2021	Webselenese Ltd.	Israel	Services & Media	Operates a digital security review website that provides consumer privacy and security content via review sites	Kape Technologies Plc	\$149	2.3x	4.8x
4/1/2021	European OTC brand portfolio of Actavis Group PTC ehf.	Israel	Healthcare	Over-the-counter brand portfolio of healthcare and pharmaceutical products	Karo Pharma AB	\$101	2.4x	NA

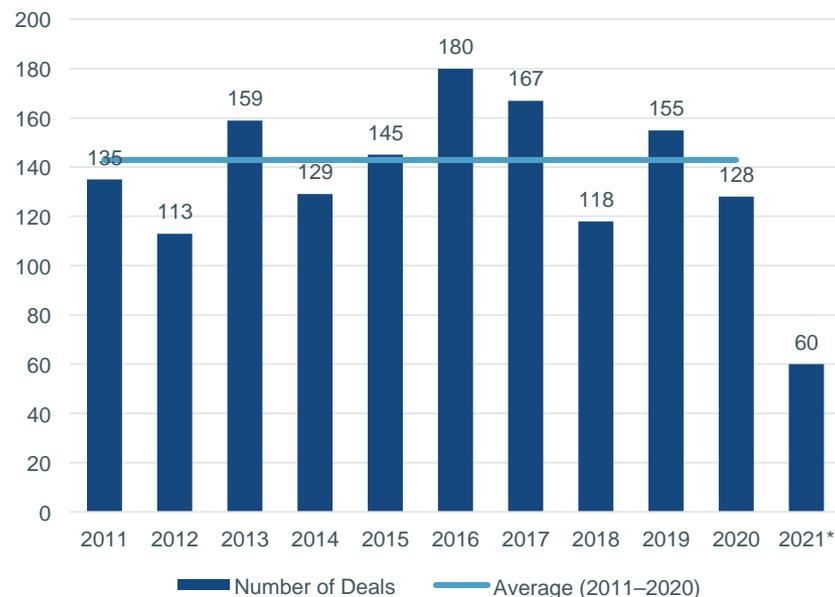
2020 M&A Transactions

- There were 128 M&A transactions in 2020, a decrease of -19.0% from 2019. 2020 deal volumes were below the ten-year average of 142 deals largely related to increased risk-aversion of investors which improved in early 2021.
- In 2020, 40% of the deals closed were in the technology industry signaling that Israel remains a strong market for investment and technology startups. Technology deals contributed \$1.8 billion to the total deal value in 2020 followed by healthcare with \$1.4 billion in total deal value in 2020.

2020 Deals by Industry



Number of Transactions—Ten-Year Trend



2020 M&A Transactions

In 2020, a total of 128 transactions closed for Israel-based companies, with a total deal value of over \$4.8 billion. While deal volumes were only slightly down compared to 158 in 2019, the total transaction value declined -437% or from \$25 billion in 2019. As a result of the COVID-19 pandemic, many larger businesses pursuing megadeals shifted focuses to operations and put deals on hold.

2020 Largest Transactions by Deal Value

Close Date	Target Name	Incorporation	Industry Sector	Target Business Description	Acquirer Name	Enterprise Value USD (\$M)	EV / Revenue	EV / EBITDA
2/19/2020	Lumenis Ltd.	Israel	Healthcare	Develops and commercializes energy-based medical systems for use in surgeries and procedures	Baring Private Equity Asia	\$1,000	NA	NA
5/4/2020	Moovit App Global Ltd.	Israel	Technology	Develops and markets a public transportation application for both iPhone and Android	Mobileye Vision Technologies Limited.	\$900	NA	NA
3/31/2020	Ham-Let (Israel-Canada) Ltd.	Israel	Industrials	Leading manufacturer of the advanced instrumentation solutions for wide range of industries	Ultra Clean Holdings, Inc.	\$273	2.0x	16.6x
7/9/2020	Spotinst, Ltd.	Israel	Technology	Develops a cluster software and prediction purchasing algorithm for Amazon's EC2 and Google's GCE resources	NetApp, Inc.	\$450	NA	NA

2020 Largest Transactions by Deal Value (Continued)

Close Date	Target Name	Incorporation	Industry Sector	Target Business Description	Acquirer Name	Enterprise Value USD (\$M)	EV / Revenue	EV / EBITDA
7/2/2020	OptimalPlus Ltd.	Israel	Technology	Provides analytic solutions for automotive, semiconductor and electronics companies	National Instruments Israel Ltd.	\$365	7.2x	NA
12/29/2020	IR-MED, Ltd.	Israel	Healthcare	Develops infrared light-based diagnostics systems	International Display Advertising, Inc.	\$248	NA	NA
8/26/2020	Golan Telecom, Ltd.	Israel	Services & Media	Operates a mobile network including calling, SMS, internet, international roaming / calling, and SIM cards	Dynamica Communications Chain Stores, Ltd.	\$180	NA	NA
2/12/2020	Oxygen & Argon Works Ltd.	Israel	Industrials	Manufactures and supplies industrial gases including high-quality oxygen, nitrogen, and argon	Air Products and Chemicals, Inc.	\$168	NA	NA
10/18/2020	Delek The Israel Fuel Corporation Ltd.	Israel	Energy & Utilities	Offers lubricants, coolants, water-based paints and other products for vehicle maintenance	Lahav LR Real Estate Ltd.	\$155	NA	NA
6/7/2020	A.R.I. Flow Control Accessories Ltd	Israel	Industrials	Manufactures and sells industrial valves and faucets	Dorot Management Control Valves Ltd.	\$100	NA	NA

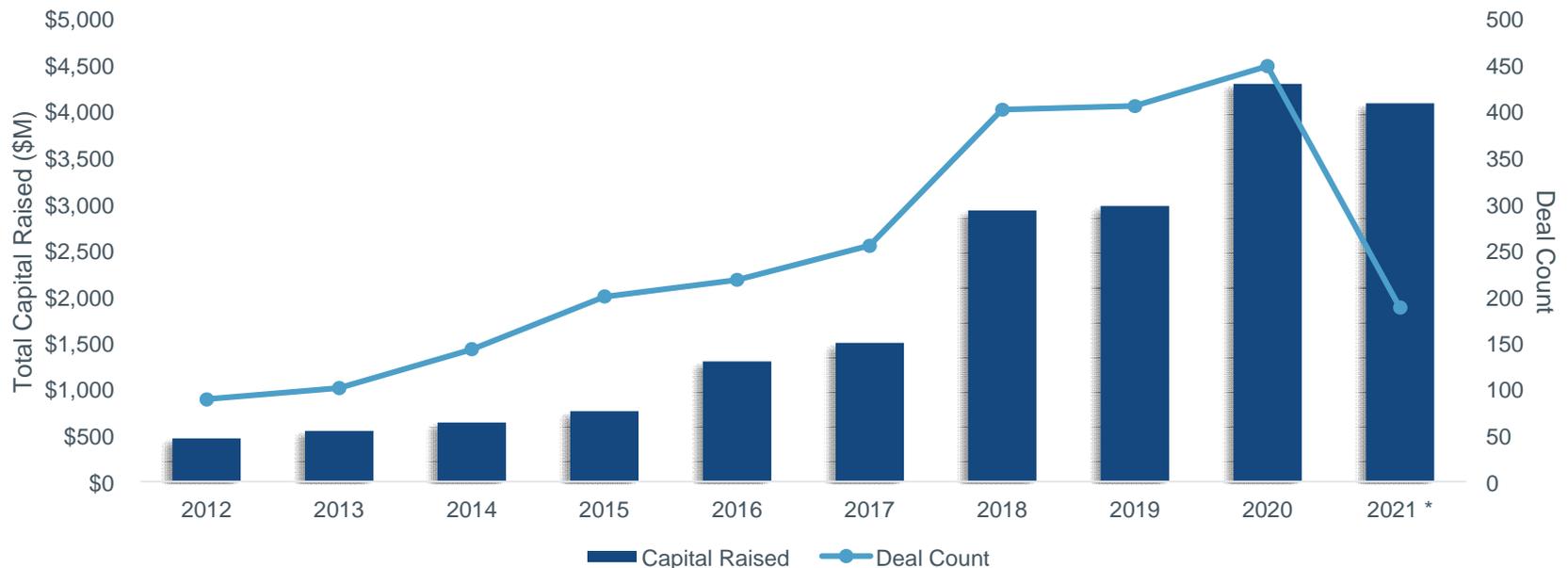
Israel Venture Capital

- Over the past decade, deal counts and venture capital investment have dramatically increased. 2021 has been a record year for capital raised for Israeli venture capital with \$4 billion raised to date, nearly reaching 2020 levels.
- In 2019, Tel Aviv was home to the most start-ups per capita globally, even surpassing Silicon Valley.

“Israelis are defined by their **entrepreneurial spirit**. From a young age ... they’re exposed to a different kind of thinking: ‘They face challenges where there’s no box at all.’”

- Senior Director of Business Development, Israel Innovation Authority’s Startup Division

Israeli Venture Capital Investments



Note: Deals represent targets are headquartered in Israel; 2021* transactions as of May 31, 2021
Sources: Pitchbook, IEEE Spectrum

Israeli Unicorns

- As of May 31, 2021, there were 17 unicorns headquartered in Israel with an average enterprise value of \$4.6 billion.
- Of the 17 unicorns, 7 operate in the technology industry with many specializing in software development.

Top Israeli Unicorns as of May 2021

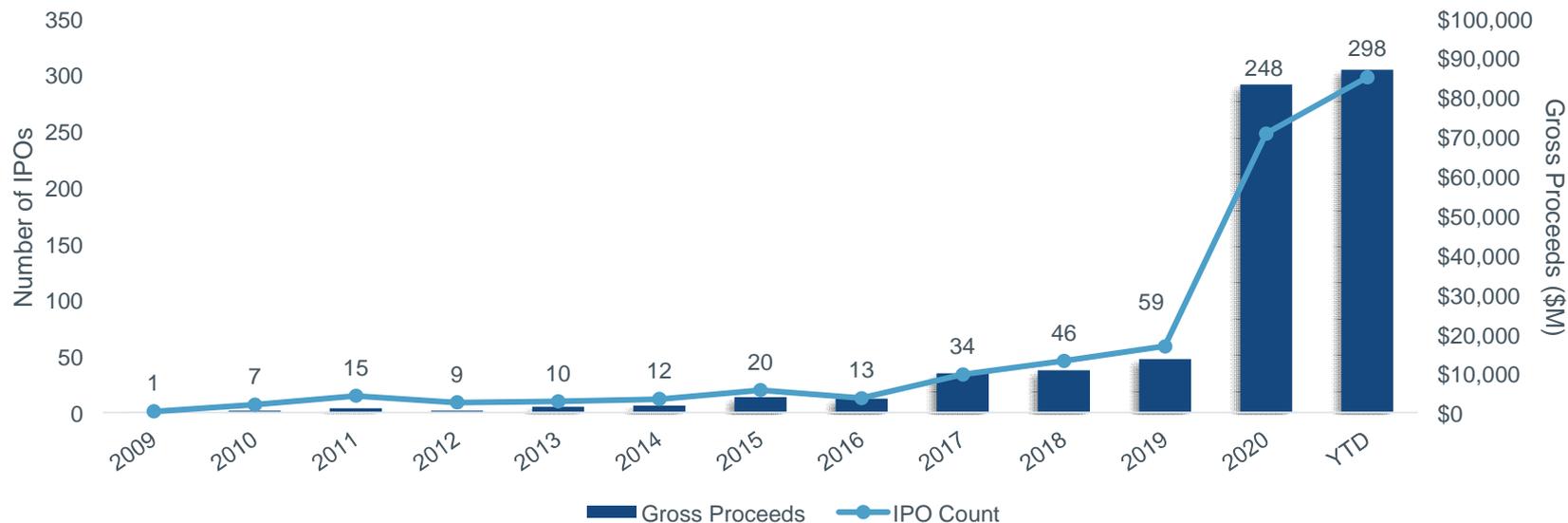
Company Name	Industry Sector	Business Description	Enterprise Value USD (\$M)
Wix.com, Inc.	Technology	Cloud-based development platform provider for millions of registered users worldwide	\$15,645
SolarEdge Technologies, Inc.	Energy & Utilities	Designs, develops and sells direct current optimized inverter systems for solar photovoltaic installations	\$14,458
Check Point Software Technologies Ltd.	Technology	Pure-play cyber security vendor	\$14,010
Fiverr International Ltd.	Technology	Operates as a digital marketplace built with a comprehensive SKU-like services catalog and a search, finds and order process	\$7,668
Kornit Digital Ltd.	Technology	Offers digital printing solutions for the printed textile industry	\$4,226
Enlight Renewable Energy Ltd.	Energy & Utilities	Green energy company specializing in all aspects of electricity production projects	\$2,905
Tower Semiconductor Ltd.	Industrials	Pure-play specialty foundry that manufactures semiconductors	\$2,682
Shufersal Ltd.	Consumer	Supermarket chain operator	\$2,182
Formula Systems Ltd.	Technology	Provides information technology services	\$2,090
Blue Square Groupe SAS	Real Estate	Engaged in the development and rental of real estate properties	\$1,833

Israeli Market and SPACs

- In early May 2021, Israel established rules for the Tel Aviv stock market to list SPACs and capture the growth these investment vehicles have seen globally. It will attract both local and global investment groups.
- As technology has been a prime industry for SPACs globally and remains a core focus in Israel and TASE, the combination is expected to fuel a strong momentum for Israeli SPAC IPOs.

“It will likely take time for our [SPACs] market to become more sophisticated and reach a place where deals are of a similar profile to Wall Street, and we didn't want to expose our investors to any harm that without a doubt would be inherent in the learning process. ... So **we decided to open the [SPACs] market** with minimum requirements that are relatively high.” – **Head of Israel Securities Authority**

Global SPAC IPOs, March 2021



Israel IPO Activity

As of May 31, 2021, YTD, there have been 23 initial public offers with a transaction value of \$849 million.

Notable 2021 IPOs of Israeli Companies

Announced Date	Company Name	Incorporation	Industry Sector	Business Description	Gross Proceeds USD (\$M)	Offer Price USD
4/28/2021	Nayax Ltd.	Israel	Technology	Operates as a fintech company that provides cashless payment solutions worldwide	\$205	\$3.22
1/26/2021	Danya Cebus Ltd	Israel	Industrials	Engages in the planning and execution of construction projects internationally	\$109	\$17.51
2/26/2021	Delta Israel Brands Ltd	Israel	Consumer	Designs, markets and sells clothing including lingerie, sleepwear and leisure garments	\$79	\$15.73
1/18/2021	Razor Labs	Israel	Technology	Develops products in the artificial intelligence with products including an industrial optimization platform and a video analytics platform	\$36	\$3.87

U.S. / Israeli IPO Activity

In the May 31, 2021, LTM period, there have been 11 initial public offers of Israeli companies on major U.S. stock exchanges with an average transaction value of \$358 million.

Notable 2020 & 2021 U.S. IPOs of Israeli Companies

Announced Date	Company Name	Incorporation	Industry Sector	Business Description	Gross Proceeds USD (\$M)	Offer Price USD
12/18/2020	Playtika Holdings Corp	Israel	Technology	Develops casual and casino-themed mobile games internationally	\$1,877	\$27.00
5/17/2021 <i>Pending Completion</i>	monday.com Ltd.	Israel	Technology	Develops and markets a team management platform for organizations and businesses	\$518	\$125.00– \$140.00
5/8/2021	Global-e Online Ltd.	Israel	Technology	Provides a platform to enable and accelerate direct-to-consumer cross-border e-commerce in Israel, the UK, and internationally	\$375	\$25.00
12/30/2020	ZIM Integrated Shipping Services Ltd.	Israel	Services & Media	Provides container shipping and related services in Israel and internationally	\$218	\$15.00

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GLOBAL CORPORATE FINANCE PRACTICE

Ranked No. 1 for Announced U.S. and Global Fairness Opinions over the past ten years.¹

Ranked No. 5 for Announced U.S. Middle Market M&A over the past five years.²

ANNOUNCED U.S. FAIRNESS OPINIONS RANKINGS

	Ranking	Number of Credited Deals
Five Years: 2016–2020	#1	210
Ten Years: 2011–2020	#1	403

Source: Thomson Reuters.

ANNOUNCED GLOBAL FAIRNESS OPINIONS RANKINGS

	Ranking	Number of Credited Deals
Five Years: 2016–2020	#1	295
Ten Years: 2011–2020	#1	540

Source: Thomson Reuters.

1. According to Thomas Reuters' cumulative data 2011–2020.

2. According to Thomson Financial Securities Data (U.S. deals \$10M < \$150M, including deals without a disclosed value). Full years 2011 through 2020.

Duff & Phelps, A Kroll Business, Differentiators

Global expertise, with **more than 70 offices around the world**, including in Madrid, Paris, Frankfurt, Beijing, Hong Kong, Tokyo, London and New York

Extensive experience advising public company boards of directors and special committees on **going-private and related-party transactions**

Strong **global M&A practice** with significant experience advising on cross-border transactions and negotiating M&A transactions with buyers on behalf of special committees

Independent and free of conflicts of interest

FOCUSED EXPERTISE FOR SPAC TRANSACTIONS

We continue to work with clients to help navigate the ongoing challenges and complexities associated with SPAC transactions.

TRANSACTION ADVISORY/ DUE DILIGENCE SERVICES

- Financial Due Diligence on de-SPAC targets
- Buy-side Due Diligence on the target acquisition company including key management
- Sell-side Due Diligence on SPAC sponsors/founders
- Audit and analysis of reasonableness of the financial projections of the SPAC target

VALUATION ADVISORY SERVICES

- Valuations for financial reporting (business combinations ASC 805 and IFRS 3, warrants valuation) as well as tax strategy and defense of positions taken
- Valuations of interests in SPACs (including founders interests, PIPES and restricted shares)
- Assisting in response to questions from auditors, stakeholders involved in SPAC transactions and regulatory bodies
- Practical insights into key valuation issues of concern to clients, auditors, investors and regulators

TRANSACTION OPINIONS

- Fairness Opinions rendered to the Board of Directors of the SPAC on de-SPAC transactions

GOVERNANCE, RISK AND COMPLIANCE

- Extracting and reviewing contract clauses for potential risks in legal agreements
- Assessing security and privacy compliance
- Analyzing sponsor incentives, conflict of interest disclosures, and sponsor fiduciary obligations to SPAC and to other clients
- Reviewing controls surrounding the receipt of material non-public information
- Evaluating SPAC's corporate governance and reporting

For more information, please contact one of our professionals below.

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About Duff & Phelps, A Kroll Business

For nearly 100 years, Duff & Phelps has helped clients make confident decisions in the areas of valuation, real estate, taxation and transfer pricing, disputes, M&A advisory and other corporate transactions. For more information, visit www.duffandphelps.com.

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