ISRAEL HIGH-TECH & INVESTMENT REPORT

A MONTHLY REPORT COVERING NEWS AND INVESTMENT OPPORTUNITiES JOSEPH MORGENSTERN, PUBLISHER

July 2016 Vol. XXXI Issue No.7 You are invited to visit us at our website: http://ishitech.co.il

The Money Keeps on Flowing In

Israel's pharmaceuticals are booming. They are being led by Teva, who has acquired Allergan Generics for $40.5 billion. It will be the single largest transaction in the history of this country.

Perhaps one reason for this success is related to the high level of pharmaceutical education provided by the universities that have been known to give birth to pharmaceuticals. The best known of these is Copaxone which prevents the relapse of multiple sclerosis (MS). Copaxone is a blockbuster drug which has sold globally in the billions of dollars.

Teva and Microchips Biotech form partnership
Teva Pharmaceutical Industries Ltd. (NYSE: TEVA; TASE: TEVA) and Microchips Biotech, Inc. have entered into a partnership to explore innovative ways to apply Microchips Biotech's implantable drug delivery device to Teva's portfolio of products. The aim is to enhance clinical outcomes for patients on chronic drug therapies.

Microchips Biotech's electronic device is made up of microchip arrays that can store hundreds of therapeutic doses of drug for periods ranging from months to years and releases each dose at precise times. The device can be programmed to release the drug on a pre determined schedule and will have wireless control features.

Teva's President of Global R&D and Chief Scientific Officer Dr. Michael Hayden said: "The microchip-based implant is truly at the intersection of digital technology and medicine and the future of drug delivery for patients who cannot tolerate needles, require regular self-administered injections, or where compliance is critical to outcomes. At Teva we are leading innovators in medicine with promising new drugs and solutions for drug adherence, to improve patient outcomes and reduce

In this issue

Editorial Offices: P.O.Box 33633, Tel- Aviv 61336, Israel E-mail: htir_1@netvision.net.il

unnecessary healthcare complications."

New Internet tool combines genomics and informatics to enable investigators, physicians or patients to analyze genes according to their evolutionary profiles and find associated genes

Two major revolutions, one genomic and one in informatics, are completely changing the face of biomedical research. Every day all over the world, millions of genetic sequences - from disease-related genes to complete genomes of plants, animals, bacteria and viruses - are resolved, identified and dissected.

One of the most fascinating applications of the available information stemming from different organisms is the possibility to identify novel disease-related genes and predict their biological functions. The technique is simple and based on the fact that genes that work together or those that play an important role in biology will be present together in organisms that need them. Conversely, genes connected to a particular function like vision will disappear from species that have lost the power of sight, and may therefore be identified by a comparison to the genes in normal animals.

Dr. Yuval Tabach at the Hebrew University's Institute for Medical Research Israel-Canada has developed a new Internet tool that will allow any investigator, physician or patient to analyze a gene according to its evolutionary profile and find associated genes.

Dr. Tabach's application is a product of his continuing research, which he began as a Fellow at Harvard University in collaboration with researchers and physicians from all over the world. This research revealed the possibility of comparing the evolutionary profiles derived from multiple organisms to predict the biological functions and clinical relevance of given genes. One of the most important applications of this approach is the possibility to identify genes associated with genetic diseases and cancer.

One example of a known mutation which increases the likelihood of developing breast and ovarian cancers is in the BRCA1 gene. Interest in this gene was highlighted when, in 2013, Angelina Jolie, having discovered that she had inherited the dangerous mutation from her mother who died of cancer aged 56, decided to undergo a preventative double mastectomy. However in the majority of cases, both for breast cancer and other genetically transmitted diseases, the identity of the gene responsible is unknown.

By using the methods of genetic analysis developed by Dr. Tabach, researchers can now identify genes within the same network as the BRCA1 gene, or other associations of genes, simply by scanning the evolutionary profiles of tens of organisms with a single click. The number of organisms that can be scanned in this way is anticipated to increase to hundreds in the near future.

"The significance of this tool is that anyone, physician or researcher, can input results from genetic mapping studies concerning suspected

Israel High-Tech & Investment Report
Published monthly since January 1985

Publisher and Editor in Chief
Joseph Morgenstern, B.A. Chem.

Technology Review Board
Prof. S.J. Joel-Cohen, MD, FRCS. FRCOG (1996-2002)
Prof. Hylton Miller, M.B. Ch.B.

Copy Chief
Debbie Mor
Web Master
Marty vonBokel
Graphics Consultant
Daniel Morgenstern

Subscription Inquiries
E-mail: htir_1@netvision.net.il
Annual subscription $95.- per year, for 12 issues,
Israeli residents add 17% VAT

Web Edition and Achives
http://ishitech.co.il

genes, and the tool will identify evolutionary, and probably functional, connections to known genes with association to diseases" explains Dr. Tabach. "The process is rapid, without cost or time wasted, and enables the identification of genes responsible for diseases."

An interesting example of a gene that could be identified using this phylogenetic profiling approach is the so-called "Vampire's Disease," more professionally termed porphyria. Representing a family of genetic diseases characterized by abdominal pain, sensitivity to sunlight, purple urine, and psychotic episodes, porphyria probably forms the basis for the prevalent myths of vampires. These diseases are rare, but there is evidence for hereditary porphyria in European royal families, and it may have been responsible for the madness of King George III as well as for the psychotic behavior of the painter Vincent Van Gogh, misdiagnosed as a depressive schizophrenic. Dr. Tabach demonstrated how, with one click, it is possible to identify essentially all the genes known to be associated with porphyria as well as other genes that, based on their phylogenetic profile, are very likely to be involved.

The bioinformatics methods developed by Dr. Tabach have formed the basis for the establishment of a company dealing with computational pharmaceutics which will identify new indications for existing therapeutic agents. This could dramatically decrease the time and expense required to bring a new drug to market, and facilitate the development of treatments for rare orphan diseases.

In the coming years, Dr. Tabach's laboratory intends to focus on the identification of genes that prevent aging and protect against cancer, by consideration of the genes of some fascinating species of organisms with increased longevity and an almost complete resistance to cancer. In addition the laboratory is working with a model which describes almost 40 neurological diseases with a related etiology including Huntington's disease, ataxia, and fragile X-syndrome.

The research paper, co-authored with collaborators from Massachusetts General Hospital and Harvard Medical School in Boston, appears in the journal Nucleic Acids Research as "PhyloGene server for identification and visualization of coevolving proteins using normalized phylogenetic profiles".

Israeli private high-tech firms raised $930 million

Israeli private high-tech firms raised $930 million in venture capital in the second quarter, the highest quarterly amount since 2000, the Israel Venture Capital (IVC) Research Center reported. This is up 38 percent from the amount raised in the first quarter and 109 percent above the year-ago quarter, IVC, in cooperation with the Israeli office of consultancy KPMG, said in a report.

The quarterly figure included a $135 million investment in Landa Digital Printing by German specialty chemicals group Altana.

In the first half of 2014, 335 Israeli high-tech companies raised $1.6 billion, an increase of 81 percent from a year earlier, making it the strongest capital raising period on record for Israel's high-tech industry.

"Mature, revenue growth companies are continuing to raise significant capital," said Ofer Sela, a partner at KPMG's technology group. "While in the past, venture capital funds saw the M&A (mergers and acquisitions) route as providing the best opportunity for revenue growth company exits, potential Nasdaq IPOs (initial public offerings) are now a major driver of VC investment."

Israeli high-tech companies are key drivers of the economy, helping to spur growth of

3.3 percent in 2013. High-tech firms raised $2.3 billion in 2013, the highest amount in a decade.

Israeli VC fund investments amounted to $153 million in the second quarter, up 40 percent from a year earlier, IVC said.

"In the first six months of 2014, we counted 15 deals above $20 million, nearly equal to the number of such deals for the entire 2013," said Koby Simana, chief executive of the IVC Research Center.

In the second quarter, the life sciences sector attracted the largest share of funds at 27 percent.

Israeli innovation transforms phone camera imaging

Tel Aviv-based photography startup Corephotonics aims to raise smartphone shots to compact-camera quality - yes, selfies too

An Israeli startup based in Tel Aviv aims to transform smartphone camera imaging by bringing photo quality up to par with that of compact zoom-lens digital cameras.

The company, Corephotonics, has developed a dual-lens phone camera that can produce crystal-clear images even when the zoom function is used. Because the parallel 13-megapixel lenses also have their own sensors, the camera boasts improved low-light performance, producing cleaner images with less noise.

According to a review on Engadget, which awarded the technology 9.2 points out of 10, the use of two lenses also provides "a degree of depth analysis," meaning that the camera can automatically blur backgrounds in portrait shots and autofocus more quickly.

The dual-lens system uses a platform manufactured by American semiconductor company Qualcomm.

Some tech experts say Corephotonics' zoom technology is particularly innovative, so much so that it could revolutionize phone photography and make the "megapixel war" - the rush to produce phone cameras boasting higher image quality than the competition - obsolete.

A review on CNET said the startup, which is just two years old, may change the way we take pictures with phones - although it has yet to announce any involvement with major smartphone manufacturers

According to the company's website, its zoom technology is based on a "hybrid approach" wherein a dual aperture camera is combined with an "image fusion library."

Essentially, by using two lenses with two different focal lengths, the phone camera is able to combine two simultaneous images into a high-quality image - much clearer and crisper than images produced with the digital zoom technology used in most smartphone cameras today.

In other words, when a user takes a photo, the phone camera actually takes two shots: one with a wide angle lens, and one with a fixed-focus telephoto lens, both designed by Corephotonics. Using an algorithm developed by the company, the images are then fused into one crisp, clear photo that could well have been taken with a higher-end 20-megapixel smartphone camera - or even a compact digital camera.

An image showing a photo taken without the zoom technology developed by Corephotonics, left, and with it, right.

"Corephotonics' Image Fusion Library is a cutting edge processing solution which

produces superb image quality. The effective resolution at all magnifications transcends even that of mechanical optical zoom," read a statement on the company's website.

Mechanical optical zoom, as opposed to digital zoom, is a feature not available on most smartphone cameras today, as it requires the bulky addition of a moving part - a zoom lens - to phone bodies that are constantly getting slimmer and sleeker. While mobile phone cameras do have a digital zoom option, zoomed images usually come out blurry.

"The absence of optical zoom in compact camera is a major photographic handicap when comparing camera phones to digital stills cameras. During recent years, true optical zoom had not become widely available due the cost, size, volatility and quality of existing solutions. Therefore a truly viable optical zoom will have great importance for camera phone photography," the company said.

The technology developed by the Corephotonics to address this problem not only promises to generate high-quality zoomed images, but also to improve their resolution beyond that of mechanical optical zoom cameras - in other words, allowing smartphone users to take zoomed photos that are of an even higher quality than photos taken with point-and-shoot digital cameras.

This may mean that rather than carrying both a smartphone and a camera when traveling, vacationers may opt to carry just the phone, revolutionizing the pocket camera market and providing serious competition for the popular brands that manufacture such cameras.

Israeli entrepreneur Avi Brenmiller says he was coaxed by investors into selling Solel

Israeli entrepreneur Avi Brenmiller says he was coaxed by investors into selling Solel, his solar-thermal power firm, to Germany's Siemens for $418 million in 2009. Today, little is left of it after Siemens pulled out of the business.

From a thriving company that employed over 500 people, Solel has been reduced to a factory with 50 workers.

Brenmiller's experience is one of a growing number of cases illustrating the double-edged nature of Israel's high-tech boom. While many entrepreneurs and investors have made lots of money from Israel's start-ups over the past two decades, increasingly firms acquired by foreign buyers are then either shut down, with their intellectual property moving abroad, or turned into R&D centres for the parent company.

Israel's high tech industry is a major growth engine and investment magnet, attracting multinationals like Apple , Intel and Google, who have been eager to snap up local start-ups.

High-tech goods and services account for 12.5 percent of Israel's gross domestic product (GDP) and half of its industrial exports, government data shows. Israel leads the OECD when it comes to R&D, spending 4.3 percent of GDP on it, nearly twice the OECD average, according to Ernst & Young.

Companies often tap into the skills of workers trained in the military or intelligence sectors and start-ups benefit from tax breaks and government funding.

But Karin Mayer Rubinstein, head of the Israel Advanced Technology Industry association, said that while M&A brought money into Israel, patents were being "vacuumed" out.

"In the last few years, most of the companies being bought don't stay here as a separate entity," she said.

Many Israeli companies are not growing into

global players that acquire others rather than being acquired. This trend is creating an economic problem, said tech pioneer Dov Moran, who sold his firm M-Systems - which developed the USB flash drive - to SanDisk for $1.6 billion.

He said some companies should be sold because they would not be successful on their own. He pointed to Google's $1 billion acquisition of mapping start-up Waze as one such case.

"But the fact that companies are sold is not really great for the country. Only R&D is kept in Israel, not sales, not logistics," Moran said. "We need companies that are creating jobs not just for talented engineers and programmers."

After job creation in the high-tech sector grew an average of 2.5 percent annually from 2004-2012, it has started to shrink, contracting nearly 2 percent in total in the past two years, government figures show, even as the overall jobless rate fell.

Looking back, Moran said that had he stayed the course, M-Systems could have grown to a company with $3-$4 billion a year in sales. Today it operates as a SanDisk R&D centre and its workforce has fallen to 700 from 1,000 before the sale in 2006.

There are 282 R&D centers in Israel, most owned by foreign firms Eight out of 10 Israeli technology firms bought by multinationals become a foreign R&D center in Israel, or are integrated in existing foreign R&D centres, said the Israel Venture Capital (IVC) Research Center.

Entrepreneurs say investors are often looking for high returns as quickly as possible.

"To build a long-term success story takes hard work, many years and lots of patience," Brenmiller said.

Patience is not a strong point in Israel's start-up culture, where entrepreneurs like to move from one idea to the next.

Israeli venture capital-backed companies take an average of 3.95 years from the first round of funding to acquisition, compared with 6.41 years in Britain and 6.66 in France, according to third-quarter 2014 figures from Dow Jones VentureSource.

Solel is not alone in its experience. Chromatis Networks was one of the biggest acquisitions ever of an Israeli company when it was bought by Lucent in 2000, but was shut down about a year later. IBM closed XIV in 2008 about a year after it paid $300 million for the storage technology firm, according to IVC.

There are some signs the sector is starting to mature as more companies are willing to wait longer before selling, aiming to build themselves up to a stand-alone size.

In 2014 there were 70 Israeli "exits" - stake sales from mergers, acquisitions or initial public offerings (IPOs) - valued at nearly $15 billion, according to PriceWaterhouseCoopers (PwC). But of that, $9.8 billion was in IPOs - up from $1.2 billion in 2013 - while the value of M&A fell to $5 billion from $6.5 billion.

This can partly be attributed to the fact many successful entrepreneurs are on their second or third company, said Rubi Suliman, head of high-tech at PwC Israel.

Brenmiller is one such case. He poured $20 million from the sale of Solel into establishing Brenmiller Energy, which has developed a more efficient way to store heat from the sun.

To keep more companies, the Israeli government needs a long-term plan for incentives and support rather than simply early-stage aid, Rubinstein said.

With wealthier entrepreneurs and less pressure to sell, some believe Israel could begin producing more large companies such as network security provider Check Point Software.

"It is very understandable that a second-time entrepreneur with a large bank account patient in his next venture and much more willing to take risks," said Suliman.

FIMI buys control of Hadera Paper

FIMI Opportunity Funds is paying NIS 354 million for Clal Industries 59% Hadera Paper stake.

FIMI Opportunity Funds has bought Clal Industries' 59% stake in Hadera Paper Ltd. (TASE: AIP; Pink Sheets: AIP) for NIS 354 million, or NIS 117.88 per share. This represents a 31% premium on the opening price of Hadera Paper stock on the Tel Aviv Stock Exchange this morning, and reflects a valuation of NIS 600 million for the company. In response, Hadera Paper's share price rose 7% to NIS 97.5.

Completion of the deal between FIMI, owned by Ishay Davidi, and Clal Industries, owned by Len Blavatnik, is subject to approval by the Antitrust Authority and the Minister of Energy, Infrastructures and Water, and to there being no material worsening of the condition of the company, among other conditions.

Hadera Paper was founded in 1951, and deals in the manufacture and sale of paper for packing and printing, and the processing of waste paper and plastic. The company has a manufacturing plant in Hadera, and employs about 1,700 people.

Hadera Paper chairman Johanan Locker said, "FIMI's investment in Hadera Paper represents a vote of confidence in the company's path and in its workers, in its latent potential, and in the contribution of the measures that have been carried out at the company to adapt the structure of its business to the current era and to focus on its core activities."

Davidi said, "Hadera Paper is one of the foundation stones of Israeli industry. The investment stems from FIMI's desire to strengthen and enhance the company and improve its capabilities in the face of growing imports in its area of business. FIMI sees a significant challenge in the purchase of the company. I believe that FIMI's broad, proven know-how in enhancing companies, together with the experience and know-how of the company's workers and management, will lead Hadera Paper to growth and profitability, generating added value for its employees, customers and shareholders."

Israeli cyber sector exports soar to $3 billion

The Israel Export Institute estimates that the revenue of nearly 250 Israeli firms in the sector will increase at a rate of 10% per year.

Israel sold some $2.5 billion of cyber technology to the US in 2014, according to the Israel Export & International Cooperation Institute (IEI), which claimed the â€˜startup nation' totaled $3 billion in cyber exports for the past year.

The institute estimates that the revenue of nearly 250 Israeli firms in the sector will ncrease at a rate of 10% per year with their primary target still the US. "Most of the Israeli companies working in the cyber sector aim for the American market because it is the most active and has the highest demand for systems in this field," said Deputy Director-General Lior Konitzki of IEI's Technology Industries Division.

"The majority of the sales in the sector are among the leading Israeli firms, those considered giants in their field, like Check Point

Software Technologies Ltd. (Nasdaq: CHKP) Radware Ltd. (Nasdaq: RDWR), Imperva, and CyberArk Software Inc.(Nasdaq:CYBR). Additionally, the well-known defense firms, like Israel Aerospace Industries Ltd. (TASE: ARSP.B1), Rafael Advanced Defense Systems Ltd., and Elbit, have joined the bandwagon," he explained.

"These companies invest more and more resources towards the cyber sector. And, unlike the export figures from traditional industry sources, the cyber sector is far more difficult to track," he added.

Some of the figures on the scale of the Israeli industry in the cyber sector were prepared for a conference hosted by the IEI, in an attempt to expose local companies working in cyber to the fast-growing US market.

Last year, 30 Israeli cyber firms raised some $200 million nearly 50% more than in 2013. The IEI reported that in the first quarter of this year, some 10 companies received investments totaling more than $90 million 40% more than in the respective quarter of the previous year.

According to estimates, there are between 250 and 300 Israeli firms in the sector, while more than 25 international corporations operate within Israel.

Last year, two Israeli firms CyberArk and Varonis started trading on the NASDAQ, raising $200 million and selling shares worth some $2 billion. The IEI estimates that the total value of the cyber firms currently trading in the US is approximately $20 billion.

The head of the cyber branch at IEI, Ahiad Alter, said that "according to some of the forecasts up to 2020, some 75% of the largest companies in the US will allocate significant funds from their budgets over the next two years to locate cyber threats and incorporate a variety of means to deal with them".

He emphasized that "for American companies and organizations, the cyber threat is at the top of the agenda, and thus the Israeli firms in the field spend significant efforts to learn how to properly integrate into this market while maximizing their potential business."

Among the attendees of the conference which the IEI hosted were founder and executive of Palo Alto Networks, Nir Zuk, as well as the founder and former CEO of Trusteer, Micky Boodaei.

The pair tried to expose the representatives of various Israeli firms to proper approaches and marketing for products in the American market: "The world recognizes Israel's potential in the cyber sector and this in part because of the threat it is under it is a public secret that Israel is the country most challenged by cyber attacks; out of these challenges, we breed many solutions here," added Konitzki.

Emerson Electric unit buys fire sensor co Spectronix

The $100 million price tag represents a 31% premium on the closing share price.

Israeli company Spectronix Ltd. (TASE: SPCT), founded in the 1970s, which develops fire detection systems, will be sold to Emerson Electric (NYSE: EMR) for $99 million, therefore proving that old industrial companies can also produce exits. The price consists of $79 million in cash and $20 million to be distributed to the shareholders as a dividend. The share price for the deal is $11.67 ($9.31 without the dividend). At the current exchange rate, the share price amounts to NIS 44.23, a 31% premium on theclosing price on the TASE. Following the news of the impending sale, the Spectronix share jumped 23%.

Spectronix develops sensors and fire and gas detection systems for the civilian market and

systems for detecting and containing explosions in military vehicles. In its 2014 financial statements, the company said that one the characteristics of business in the civilian market was the merging of companies in the sector into major international companies, and also listed several parties in contact with Yechiel Spector, its controlling shareholder, who were considering buying shares for investment and to change the company's ownership structure.

Spectronix's 2014 revenue totaled $40.1 million, up 15% compared with 2013, and about the same as in 2012. Net profit was $5.3 million, double that of 2013, while the company posted a $1.8 million net loss in 2012.

Spector, 71, owned 35.5% of Spectronix before the acquisition, and will receive $35 million for his holdings (including the dividend). He has also been company CEO since 1979. Other prominent shareholders are Sky Fund with 16.5%, which will receive $16.3 million, and Yoel Carasso with nearly a 10% stake, who will receive $9.9 million. The investment institutions holding shares in Spectronix include The Phoenix Holdings Ltd. (TASE: PHOE1;PHOE5) with 5.9% and Psagot Investment House Ltd. with 5.8%. A 75% majority of the shareholders at the meeting convened by company is needed to approve the deal. The chances that it will go through are good, because Spector, Sky Fund and Carasso, who jointly hold 62.2% of the shares, have promised to vote in favor of the acquisition.

The structure of the deal with Emerson is a triple reverse merger. Emerson Process Management Asia Pacific, through which Emerson is making the acquisition, will merge into itself Vulcan, a fully owned subsidiary of Spectronix. When the merger is completed, Spectronix will become a private company fully owned by the acquiring company. Emerson Process provides measurement, analysis, and management solutions for energy, chemical, mining, and other companies. It is part of the Emerson group, whose market cap is $37.8 billion.

If Spectronix calls the deal off because it is not approved at the shareholders meeting, or because a different acquisition offer is accepted, Spectronix will pay Emerson $4 million in compensation (about 5% of the value of the deal, excluding the dividend). The agreement with Emerson also includes clauses establishing the acquiring company's obligation to continue its business in Sderot.

Kibbutz pool-cleaning robot co Maytronics worth NIS 1b

The Israeli maker of pool-cleaning robots from Kibbutz Yizre'el reported a 26% growth in revenue in the second quarter. A searing summer and a new line of robots helped Maytronics Ltd. (TASE:MTRN) reach NIS 180 million in revenue a 26% jump. The manufacturer of robotic pool cleaners from Kibbutz Yizre'el near Afula - finished the second quarter of 2015 with a 7.5% increase in net profit, up to NIS 33 million.

These results are the last to be reported under CEO Yuval Beeri, who will step down next month after seven years in the role. Addressing the financial reports, Beeri said, "the pool season in the northern hemisphere opened very positively and it is possible we will see a prolonged season due to the warm weather in Europe and the He added: "We are experiencing significant growth in these territories, partly as a result of the very successful launch of a new line of robots which are in high demand." The value of shares in Maytronics, which is controlled by Kibbutz Yizre'el, rose 7% in response to the report reaching a 50% increase within a year and 340% over the last 3 years. The increasing worth of its stocks has pushed Maytronics'

value to NIS 1.1 billion.

The company said Beeri's replacement, Eyal Tryber, will take charge shortly, after serving as vice president of sales marketing for the last seven years. Maytronics has called for a shareholders' meeting next month to approve the terms of Beeri's retirement package and the employment terms for Tryber.

Ahead of the meeting, the Maytronics board presented the advances made under the leadership of Beeri, including a doubling of its revenue, a 66% increase in profits, and a 40% growth in equity capital.

Under Beeri, the company distributed dividends of some NIS 160 million and was added to the TA 100 index.

StoreDot raises $18m for 5-minute car battery charger

Investors in this round in the Israeli company include Roman Abramovich and Samsung Ventures. Israeli specialty materials innovator StoreDot has raised $18 million for its new Electric Vehicle (EV) business unit. Investors in this round include existing investors such as Norma Investments Limited, representing Roman Abramovich, Samsung Ventures, and Moshe Hogeg's Israeli Singulariteam fund. Although the Tel Aviv based company is best known for its attempts to develop a battery that can fully charge a smartphone in 30-90 seconds, this latest financing is focused on the development and commercialization of the EV business unit. One of the company's immediate goals is to build the first ever instantly-charging car prototype. This funding will also allow new hiring and additional labs for the new business unit.

The new business unit will allow future electric vehicles to fully charge in only five minutes as opposed to the long hours it currently takes. With StoreDot's proprietary FlashBattery technology, drivers will be able recharge in five-minutes which could make a dramatic impact on global EV adoption. In addition to perfecting the FlashBattery itself, the funding will support the development of a powerful charging station, a fast charging standard, and an integrated FlashBattery management system.

StoreDot charges smartphones in 30 seconds

StoreDot CEO Dr. Doron Myersdorf said, "This new EV division is a natural extension of our proprietary FlashBattery technology originally developed for the smartphone domain. This funding brings StoreDot closer to fulfill its vision of a care-free fast-charging future. Together with our strategic partners, StoreDot will accelerate the process of delivering our FlashBattery technology to the EV market." This latest financing was in fact first revealed by Myersdorf in January. He said, "We have no electric car prototype but we have a number of investors wanting to develop a venture that will be involved in this field. I'm not prepared to make it part of the company because this might hurt our smartphone activities. For that reason, the investors said they would put $20 million dedicated only to electric vehicles."

Myersdorf explained that, "The fastest battery today for electric cars belongs to Tesla and that takes 30 minutes to fully charge the battery and that suffices for 160 kilometers. We can do that in several minutes and double the distance to 320 kilometers"

On the smartphone battery, he said, "What we have done new at StoreDot is to say right, we don't know how to improve the density of the energy but we know how to do it faster. The battery will perhaps run down more quickly but I suggest charging it quickly wherever possible, perhaps at Starbucks or McDonald's branches while you're waiting to pay at the cash till."

Bank Leumi (TASE: LUMI) has distributed to institutional organizations a 5% stake in Israel Corporation (TASE: ILCO) worth NIS 380-475 million

Bank Leumi (TASE: LUMI) has distributed to institutional organizations a 5% stake in Israel Corporation (TASE: ILCO) worth NIS 380-475 million. The move is part of its effort to adhere to a government decision barring financial firms from holding more than 10% of non-financial institutions. Leumi held close to 11% of Israel Corp shares before today. After the announcement, the latter's shares tumbled while the former noted a modest gain.

The second-largest Israeli bank began selling off its stake in the company earlier this year. In February, the bank sold some 5% of its Israel Corp holdings to institutional investors at 5% under the market price - for a total of NIS 450-500 million. In March, Leumi announced that it would relinquish its place on the board of Israel Corp, as well as its right to appoint board members, in accordance with a directive from the Bank of Israel. Leumi will a so not include Israel Corp's performance on its income statement starting from the fourth quarter - to be published this month. However, it will record the profits from its sale of Israel Corp shares. Israel Corp had announced in December 2014 that its shareholders approved a split, by a 99% majority, in which a spin-off firm called Kenon Holdings received its stakes in Tower Semiconductors, IC Power, IC Green Energy, Qoros, and Zim, among others.

China's Hebang buys 51% of Israeli agrichemicals co Stockton

Sichuan Hebang Corp is paying $90 million for the stake in Stockton.

Chinese company Sichuan Hebang Corporpation, listed on the Shanghai Stock Exchange at a $3.6 billion market cap, is acquiring control of private Israeli agrichemicals company Stockton. Hebang will invest $90 million for 51% of Stockton's shares, reflecting a $177 million company value. Hebang, which deals in materials and agrichemicals, is making its first investment outside China. Closing of the deal is expected within 90 days, subject to regulatory approval in China.

Stockton, whose headquarters are located in Petah Tikva, was founded in 1994 by former Makhteshim Agan executive Peter Tirosh. It is currently managed by CEO Ziv Tirosh. Stockton has developed an environmentally friendly vegetable extract-based pesticide, Timorex Gold, which kills fungi. The product, sold in 20 countries, is used as a pesticide for a large number of crops, including rice, coffee, tomatoes, bananas, etc. The company also recently received a license to sell the product in the US.

Under Stockton's agreement with the Chinese company, the investment is designed to support Stockton's growth as a leading global company in environmentally friendly pesticides. Ziv Tirosh said that among other things, the company is in regulatory approval processes in China, and cooperation with Hebang has added value for penetration of the Asian market in general. Under the agreement Stockton will continue to operate as an Israeli company, without any management changes.

Playtech buys Israeli co Ava Trade for $105m

Ava Trade is a contract-for-difference foreign exchange broker.

Playtech Cyprus Ltd. (LSE:PTEC), controlled by Teddy Sagi, announced today that its subsidiary TradeFX will buy Israeli company Ava Trade for $105 million.

Ava Trade is a contract-for-difference (CFD)

Israeli startups raise record $1.4b in Q2

The highest-ever amount raised by the country's startups in a single quarter included $300 million raised by Gett from Volkswagen.

Israeli companies raised an all-time record $1.4 billion in the second quarter of the year, compared with $1 billion in the first quarter (according to "Globes" figures) and $1.1 billion in the second quarter of 2015 (according to the IVC). The figures for the second quarter of 2016 include a $300 million investment in Israeli company Gett (formerly GetTaxi) by Volkswagen. This extraordinarily large investment was not strictly speaking a venture capital investment, and if subtracted it provides a slightly more precise picture of venture capital investments in Israeli technology companies.

Even after this investment is subtracted, however, the figures still show no real slowdown: $1.1 billion is similar to the first quarter of 2016 and almost identical to the second quarter of 2015, thereby maintaining the record pace. $2.4 billion was raised in the first half of 2016, compared with $2.1 billion in the corresponding period last year. Now that the second quarter has come to an end and we have taken a deeper look at the figures, an analysis yields the following results:

The average amount raised per company in the second quarter was $27.9 million, or $12.1 million if the Gett investment is subtracted, $500,000 less than the average in the first quarter. This is more or less the amount of capital an earlier stage company already making initial revenue needs to keep going for 12-18 months. For the first half of the year, the average amount raised per company was $14.1 million, or $12.4 million excluding Gett.

13% of the companies raising money since the beginning of the year were biomedical companies, meaning companies developing drugs or medical equipment or a different medical solution. This means that the majority of available capital for investment is still going to technology companies, because their risk profile is naturally lower. The biomedical companies account for only 10% of the amount raised since the beginning of the year.

Three companies raised over $50 million in the second quarter, compared with four companies in the first quarter - almost the same, but only two compared with four if the Gett investment is excluded. This makes a total of seven companies since the beginning of the year - only 4.2% of all companies raising capital. This figure may indicate a slowdown in the number of potential unicorns - a company value of over $1 billion, which are often successful at raising this amount of money. Gett, which raised $300 million, and Via, which raised $100 million, may be valued in the hundreds of millions of dollars, but they are still far away from $1 billion - at least as of now.

The companies that raised over $50 million jointly accounted for 22% of the total raised in the second quarter and 29% of the amount raised in the first half of the year - in other words, 4% of the companies raised 29% of the total, showing that a very small number of companies receive a substantial proportion of the venture capital funds' investment budget.

86% of the companies raised up to $25 million in the second quarter, meaning that most of the companies that raised capital were just starting out (initial revenue). The proportion was the same for the first half of the year. These companies raised 45% of the total in the second quarter.

The Israeli defense electronics company will supply advanced thermal-imaging observation systems to a country in Europe. Israeli defense electronics company Elbit Systems Ltd. (Nasdaq: ESLT; TASE: ESLT) announced today that it has been awarded contracts worth $30 million to supply advanced thermal-imaging

observation systems to a country in Europe. The systems will serve all army command levels, from the dismounted soldier to the headquarters command and will be supplied over a one-year period.

Among the systems that are being provided are Long View CR (LVCR) observation systems- (dismounted soldier long-range observation systems that are well suited for target acquisition with day and night capabilities), LOROSS systems- (fixed installation long-range observation systems) and XACT observation systems for dismounted soldier applications. Elbit Systems ISTAR Division general manager Elad Aharonson said, "Observation systems are a vital component of the Intelligence, Surveillance and Reconnaissance ("ISR") field. They enable day and night operations under all weather conditions. We are proud to have won these contracts, reaffirming Elbit Systems' position as one of the leading providers of advanced ISR solutions, which are highly adaptable to the needs of the contemporary battlefield."