

# ISRAEL HIGH-TECH & INVESTMENT REPORT

A MONTHLY REPORT COVERING NEWS AND INVESTMENT OPPORTUNITIES

JOSEPH MORGENSTERN, PUBLISHER

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## The Boom Continues

### Why Israel is automotive tech's global engine

Leading carmakers realize Tel Aviv's mobility tech hub is here to stay

Legend has it that the fiberglass shell of Autocars' Sussita, the symbol of Israel's brief flirtation with automotive manufacturing during the 1960s and 1970s, was considered a delicacy by the country's camels.

While the story of hungry camels gnawing on cars was just a rumor, the first "blue and white" carmaker shuttered its manufacturing operations in 1981. Today, the modest Israeli vehicle manufacturing industry serves primarily military purposes.

If local manufacturing failed to live up to carmakers' aspirations, Israel's emergence as a global engine of automotive technology has surpassed all expectations.

Home to more than 500 transportation start-ups; innovation hubs established by many of the world's leading automobile manufacturers; and soaring investment, Israel has truly secured its place as a veritable driving force of automotive innovation.

It has been a bumpy ride at times. Ill-fated Better Place, the electric vehicle start-up that promised to revolutionize the worldwide automotive industry, was liquidated in 2013 despite \$850 million in investment

Yet just as the story of Better Place showcased

the potential misfortune of Israel's automotive pioneering spirit, Intel's acquisition of Jerusalem-based vision technology start-up Mobileye for \$15.3 billion in 2017 demonstrated the country's potential to succeed. The deal remains the largest "exit" by an Israeli start-up to date.

According to Start-Up Nation Central, Israeli start-ups raised more than \$750 million in



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funding last year, more than double the amount raised in 2014. Excelling in fields including autonomous mobility, e-mobility, smart mobility and vehicle technology, entrepreneurs have attracted the attention of the world's leading original equipment manufacturers (OEMs) and tier-one automotive suppliers.

With no signs of Israeli innovation and foreign interest slowing down, what is the secret of Israel's automotive technology success?

"The best way to exemplify Israeli culture – or any country's culture – is to simply drive on its roads," Erez Dagan, executive vice-president of product and strategy at Mobileye, told The Jerusalem Post.

"You can imagine the very socially aware and effective German driving culture, for example," Dagan said. "That's something that can operate on a large scale, allowing for very organized road travel. In Israel, the high energy is such that you feel something that is more assertive and direct in nature."

"When it comes to having multiple and independent attempts to create economical value, which is the start-up culture, that's where you need greater energy and greater competition," he said. "That's what I think makes Israel fit to be the spearhead of innovation in the automotive industry."

Dagan, who joined Mobileye in 2003, is one of many Hebrew University of Jerusalem graduates currently working at the company, who all studied under Mobileye's celebrated founder Prof. Amnon Shashua. Santa Clara-headquartered Intel, Dagan said, is eager to maintain Mobileye's strong Jerusalem DNA.

"We receive a huge amount of horsepower from Intel, setting us up when it comes to software and hardware resources – the bread and butter of Intel," said Dagan. "There is a huge amount of autonomy in Professor

Shashua's decision-making, leading the autonomous efforts inside of Intel."

As the global automotive industry increasingly focuses on data and communication technologies, traditional areas of strength for Israeli hi-tech, it is not surprising that the world's leading manufacturers have established a permanent presence in the country as they seek to secure early access to cutting-edge innovation.

**MANUFACTURERS WITH** Tel Aviv-based innovation labs and research centers include American giants General Motors and the Ford Motor Company, the French-Japanese Renault-Nissan-Mitsubishi Alliance, South Korea's Hyundai Motors, German multinationals Daimler and Volkswagen, Sweden's Volvo, Michigan-based General Motors and high-performance car manufacturer Porsche.

The Renault-Nissan-Mitsubishi Alliance, a strategic alliance between three manufacturers responsible for approximately one-in-nine car

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sales worldwide, inaugurated a joint innovation lab in June at Tel Aviv's Atidim Business Park.

The 20-acre gated business area is home to CityZone, a smart city experiment zone established by the Tel Aviv Municipality, Atidim Business Park and Tel Aviv University, enabling early-stage start-ups to develop technologies and solutions relevant to the real needs of the modern city.

"The automotive industry is moving away from classical cars and facing new challenges. Those challenges are mainly that cars are becoming increasingly electric, increasingly connected and increasingly autonomous," Antoine Basseville, director of the Alliance Innovation Lab, told the Post. "All the carmakers, including the Alliance, are looking for new solutions.

After early expeditions to the Israeli ecosystem, it was obvious that Israel is at the highest level regarding open innovation. Our minds should be open, too."

The innovation lab, currently testing and working on over 10 joint prototyping projects and Proof of Concepts (POCs) with Israeli start-ups, focuses on sensors for autonomous driving, cyber security and big data. The facility is the Alliance's third of its kind, complementing existing labs in Silicon Valley and Shanghai, and evaluates solutions on 10 test vehicles located in Israel.

"Due to the large size of the Alliance – almost half a million employees in total – and the culture of the industry, it is difficult to be agile and to be ready to fail. Failing is maybe even considered a disaster. That's not at all the case in Israel," said Basseville.

"In addition to the technology, we need to train our minds so that we are not afraid to start from a small pitch deck, a few pictures or a dream. That's really helpful for us so that we can be more agile and be more open-minded."

In May 2018, the Volkswagen Group established Konnect, a Tel Aviv co-working campus providing dozens of local partners and start-ups direct access to the German multinational and its many subsidiaries.

Stephanie Vox, the managing director of Konnect, told the Post that the automotive industry's transformation from a pure hardware manufacturer into a hardware, software and service provider requires finding both "the right technologies" and the "right skills with the right mindset."

The Israeli market, Vox said, offers both elements and is a driver of the Volkswagen Group's innovation efforts.

"For us, in order to be continuously looking for new technologies and to be innovative, it is no doubt that we need to be in the center of the Start-up Nation," said Vox. "OEMs are looking to learn from the Israeli start-up culture: find technology partners for testing, implementation and scaling."

"In order to achieve that, it is necessary to be on the ground with an Israeli team, to quickly identify new trends, speak to start-ups and be easily accessible for the Israeli ecosystem," she said. "As a group representing 12 different brands, it is important to speak in one voice, align and learn from each other to be better coordinated and scale innovation topics."

In addition to establishing a permanent foothold offering early access to potential solutions, hardly a day goes by without Israeli entrepreneurs securing additional investment from the world's leading manufacturers.

The Tel Aviv-based start-up TriEye announced that it had secured the backing of Porsche Ventures, the corporate venture capital unit of the German car manufacturer, for its short-wave infrared (SWIR) sensor technology. Toyota, Volvo and Japanese automotive

components manufacturer Denso have all secured investments in recent weeks.

Last month, Israeli mobility venture fund Maniv Mobility secured \$100m. in commitments to invest in early-stage start-ups in Israel and around the world, all working to accelerate the digitization of transportation. Among the strategic investors were 12 automotive and transportation industry corporates, including Alliance Ventures, BMW i Ventures, Hyundai Motor Group and Deutsche Bahn Digital Ventures.

Danielle Holtz, head of business development at Maniv Mobility, told the Post that the unprecedented disruption currently affecting the automotive industry aligns very well with Israel's "core technology strengths."

"What's happening is that the vehicle is turning from a piece of metal on wheels to a digital platform. There's a huge shift from industrial production at scale to a digital platform," said Holtz. "Israel's strengths are now relevant, and take a key part in this huge transformation that is happening in the global industry."

For giant carmakers lacking experience in developing in-house innovation, Holtz said, building alliances with large technology companies and partnering with start-ups enables them to remain at the cutting-edge of mobility developments.

The development of Mobility-as-a-Service (MaaS) technologies, including Moovit, have accelerated in recent years as they do not require integration into vehicles.

"There has been a lot of talk about whether the Israeli scene is a bubble, but we're over the hype now," said Holtz. "Once you're over that hype, it is probably the best place that the sector can be. The real technologies are emerging and the stronger companies are surviving."

### Stage Fund buys Israeli cybersecurity co Cymmetria

Tel Aviv-based Cymmetria has developed a range of products using deception technology to defeat cyberattacks and provide defenders with the upper hand.

US private equity growth firm Stage Fund has announced the acquisition of Israeli cybersecurity startup Cymmetria. With offices in Tel Aviv and Denver, Cymmetria has developed a range of products using deception technology to defeat cyberattacks and provide defenders with the upper hand. No financial details about the deal were disclosed although according to Start Up Central, Cymmetria has raised \$10.6 million since it was founded in 2014 by Gadi Evron, Dean Sysman, Ran Harel and Imri Goldberg.

Evron said, "We are thrilled with the opportunity to work with Stage Fund. They have already made a positive impact, and as a team, we are now poised for the long haul. Cyber deception is a growing market and we're well-positioned to make our mark." Cymmetria's deception products provide organizations with the ability to hunt attackers, detect lateral movement inside the perimeter, automate incident response, and mitigate attacks. The company also offers deception as a service, enabling organizations to customize deception technologies for their business environment..

Stage Fund has appointed its CEO Daniel Frydenlund as Cymmetria's chairman. CEO of Stage Fund, has been appointed as Chairman. He said, "This company has enormous potential to change the game in cybersecurity by giving defenders the upper hand. Cymmetria's technology is the best in the market. With the combination of Stage Fund's expertise in growth strategy and this impressive tech, Cymmetria will quickly become the leader in Cyber Deception."

### This Israeli Firm Uses Lasers, Computer Vision To Track Pesky Mosquitos

We have all experienced the itchy annoyance of mosquitos. Whether they are buzzing in your ear while you're sleeping or eating away at your ankles at a cookout, they are one of summer's biggest nuisance — a species many of us would like to see gone forever. Beyond being a source of irritation, both literally and figuratively, mosquitos can also be deadly. Through the diseases they carry and transmit, mosquitos cause the deaths of approximately 750,000 people every year, making them the world's deadliest animal.

There are plenty of preventative products on the market — bug zappers, chemical- and oil-based repellants, mosquito nets, citronella plants, LED lamps, and mosquito trapping systems. And some work relatively well. But the real challenge is finding the pesky little insects in the first place — before nabbing them.

Israeli startup Bzigo developed an indoor solution that does just that — using computer vision and AI-powered tech to pinpoint the location of the bug. An outdoor solution from the company is also in the works. The firm is currently testing its autonomous prototype at its research hub in Tel Aviv, where I had the chance to visit and interview CEO and co-founder Nadav Benedek.

The device, about the size of an apple, uses infrared lighting and a camera to track the movements of the mosquito or another insect. The laser scans and finds the pest, marking its location on the ceiling or wall and then sends a notification to an app on a mobile phone. The system has been tested and works in both dark and light settings, the company says. It can detect insects up to eight meters away from the device.

Benedek was friendly and eager to show me

the device in action. His confidence is something of a trend amongst inventors and tech geniuses in Israel; it was clear in his ability to break it down and explain the device.

Benedek, alongside the company's co-founder and main investor, Saar Wilf, has been working on Bzigo for three years. Benedek is a former engineer at Sun Systems (SanDisk) and other companies. Both founders served in the elite IDF intelligence unit 8200. They met through mutual friends and began brainstorming on how to deal with these annoying bugs.

"We understood the importance and impact of this device," Benedek explained.

The need is clear, and so is the potential. For example, those zappers don't work, Benedek says. Less than 0.2 percent of the insects they kill are mosquitos. "It works on psychology. You hear the buzz/zap, you think it's working. It doesn't have an effect, particularly on the spread of disease," he explains.

The company has an ambitious goal: to create an entirely pest-free world.

"One of the reasons we made this device is to find a solution for the negative effects of mosquitos, like allergies and disease. Mosquitos kill more people in the world than all animals and human beings combined," Benedek explains. "Many are affected by horrible diseases, such as Zika, malaria, yellow fever, chikungunya, dengue fever, and many others."

In the first nine months of development, Bzigo's research centered on ultrasounds, creating a phased array sonar of ultrasound which led to detection ranges of around two to three meters. The company then switched to computer vision, which was its "big breakthrough," allowing it to increase the range of the device.

"It took three years to make the current

prototype, and in the past few weeks, the company has started to tell its story," says Benedek.

During our interview, I saw the device in action when a fly landed on the ceiling and it cast a laser that moved around it. Benedek then picked up an extendable zapper, killed the fly and sat back down. It all took just a few seconds.

Bzigo was just introduced to the public in June, having been deemed fully compliant with safety standards and regulations for home usage, Benedek says.

"All questions have been answered. There are no risks, everything has been tested and approved," he says.

The next phase is, of course, funding. While Wilf has already provided a seed round, the company now has to move from prototype to a final product. "To make the final product, it takes a few million dollars of funds. We are working on raising this," Benedek says. The process will focus on industrial design, making the product smaller and more efficient. He estimates another 18 months.

The plan is to also kill mosquitos, not just track them. The company is currently experimenting with safe and autonomous methods to completely eliminate mosquitos. While the research is still in its early stages, it expects that future versions of Bzigo will both detect and eliminate the pests without human intervention.

Bzigo expects the device to be available on the market in early 2021, with a price tag of about \$170.

While Bzigo is focusing on mosquitos for the time being, the intent is to find solutions for pigeons, flies, and rodents, which also spread disease.

The company says it plans to create an agri- tech product for industrial use to kill crop- destroying pests on farms.

"Between 1 and 5 am, no one is in greenhouses," Benedek explains, "You could use lasers instead of pesticides. When you work outdoors, there are more possibilities for eliminating bugs."

Now, can we also get a laser device to track and kill cockroaches?

### Israel's 10 'Hottest' Startups In 2019, According to WIRED Magazine

The UK edition of the renowned American tech magazine WIRED published its yearly round-up of Europe's 100 "hottest startups" for 2019, featured in the August/September issue out on newsstands (and airports!) this month. This edition's cover features Demis Habassis, CEO of London-based company DeepMind on which WIRED does a deep dive.

Among those 100 companies are 10 "hottest startups" from Tel Aviv (and Israel generally). In an article highlighting "success stories" from the Startup Nation, WIRED UK's business editor Katia Moskvitch emphasizes that Israel's tech capital – Tel Aviv – has "the highest number of startups per capita in the world with more than 6,000, of which 18 are unicorns more than 100 venture capital funds, plus hundreds of accelerators and co-working places."

The article cites Amit Gilon, an investor at Kaedan Capital VC fund, as saying that "Israel is not just about successful B2B [business-to-business] companies anymore, such as Checkpoint, Nice and Amdocs, but also about 'big B2C [business-to-consumer] success stories like Playtika, Wix, Fiverr and others."

WIRED has slowly been rolling out its top 10 lists from cities across Europe (and Israel,

which is technically in Asia) this past month. The “hottest startups” in London, Berlin, Dublin and Helsinki, are already available online.

Here are the top 10 from Israel:

### AppsFlyer

Founded in 2011 by Oren Kaniel and Reshef Mann, AppsFlyer is a mobile attribution and marketing analytics firm headquartered in Herzliya with offices in the US, Europe, Latin America, and Asia. The company develops software products that help marketers and developers measure and analyze ad spending and maximize marketing investments.

AppsFlyer's platforms are integrated with major social media companies such as Facebook, Google, Twitter, Pinterest, and Snap and its clients include major companies like HBO, Waze, and Alibaba. AppsFlyer says it works with over 12,000 brands worldwide. The company recently announced the rollout of a new feature and protection layer aimed at combatting global app install ad fraud.

The AppsFlyer 2019 State of Mobile Fraud Report found that \$2.3 billion in ad spend was exposed to app install fraud in the first half of the year.

“We often refer to fraud as a game of cat and mouse, and after massive bot attacks in the summer of 2018, protection solutions found ways to counter the attacks,” said Mann, serving as CTO, in a statement. “But in April 2019, the wave surged again as app install fraud evolved from device farms with physical devices to device emulators and other sophisticated bots and schemes capable of unlimited scale. The speed at which fraudsters adapt is also accelerating, from one to two months in 2018 to as little as two to three days today.”

“Effectively combating fraud in this high-stakes

arms race demands constant attention, innovation and the ability to crunch massive data sets across machine learning algorithms,” he added.

AppsFlyer has raised close to \$85 million in funding to date.

### Arbe Robotics

Arbe Robotics is an award-winning Tel Aviv company said to be the world's first to demonstrate 4D high-resolution imaging radar for the automotive industry.

Founded in 2015 by Kobi Marenko, Noam Arkind and Oz Fixman, Arbe Robotics' 4D imaging technology provides Advanced driver- assistance systems (ADAS), level 4, and 5 fully= autonomous cars with high-resolution imaging radar that enables them to “see” the environment in any weather and lighting condition; in essence the future car's “eyes and brain.”

The technology “can actually separate a child from a car, ‘see’ a bicycle near a track, and a motorcycle merging into the vehicle's lane,” Marenko was cited by WIRED as saying.

According to the report, Arbe Robotics has “started shipping beta products to customers and expects to be delivering to car companies by the end of 2019.”

Arbe has offices in the US and China and recently raised \$10 million, bringing its total funding to date to over \$22 million.

### Aurora Labs

Founded in 2016, Aurora Labs is an Israeli-founded startup that developed automotive software fixes and predictive maintenance for connected vehicles, dubbed “self-healing software.” Aurora says its machine learning algorithms uniquely address all three stages of

an automotive maintenance system to detect, repair, and seamlessly implement over-the-air (OTA) updates to faults in the software.

"Our technology fills a crucial role, enabling innovation without compromising on safety in the increasingly software-reliant automotive industry," said Aurora Labs CEO Zohar Fox in a statement last year when the company announced an \$8 million funding round.

Aurora Labs has offices in Tel Aviv and Munich.

### Boom25

Boom25 is an e-commerce startup that looks to game-ify online shopping by disrupting the cash-back customer reward scene. With its nontraditional cashback opportunities, Boom25 offers the 25th customer a full refund on their purchase for shopping through the site.

Founded in 2017 by Giora Mendel and Zachi Zach, the company is headquartered in Tel Aviv with an office in London.

According to WIRED, "Mandel had the idea when he overheard his children play a game called '7-Boom,' a counting game where players say 'boom' instead of seven or its multiples."

Boom25 says it works with over 700 retailers. According to a CTech report last year, "the company's business model is based on revenue from affiliations from online payment companies such as PayPal and per-purchase commission from online retailers." The lottery-based system makes Boom25's activities a challenge in certain markets, including Israel, where there are strong anti-gambling regulations.

Boom25's website is inaccessible in Israel.

### Deep Instinct

Tel Aviv's Deep Instinct claims to be the world's

first cybersecurity firm to apply Artificial Intelligence's deep learning to its solutions for endpoint and mobile, raising some \$65 million in funding since it was founded in 2015.

The award-winning startup developed security solutions that protect against zero-day threats and APT (advanced persistent threat) attacks, and says it is able to identify malware from any data source in real-time.

Deep Instinct was named by US data processing chip maker Nvidia as the "most disruptive AI startup" out of over 800 ventures at the 2017 Inception Awards and a "Technology Pioneer" by the World Economic Forum.

The company has offices in Tel Aviv and New York.

### Givingway

GivingWay is a socially minded, for-profit tech company looking to reestablish traditional volunteering and travel in the digital era. With GivingWay's free social platform, people and non-profits from all over the world can easily connect to work together toward a cause. Potential volunteers can find the right opportunity by following three easy steps: using search filters to narrow down a cause and location, applying to work with interesting organizations generated by the search, and finalizing their plans.

GivingWay does not work with intermediaries and provides a free service to help create a mutually beneficial volunteering experience.

Based in Tel Aviv, was founded in 2015 by Israeli entrepreneurs Gigi Levy-Weiss, Alon Elish, and Orit Strauss Raz.

### Gloat

Tel Aviv-based company Gloat, formerly known



as Workey, developed a career development platform that anonymously matches job seekers with personalized career opportunities.

Founded in 2014, Gloat “provides smart recommendations on what an individual’s next career steps could be by using advanced AI to analyze their unique and complex career history while simultaneously comparing the user’s information to the career paths of millions of other people,” according to its company description. Like Tinder for ambitious career people.

“The initial idea focused more on the anonymity aspect of allowing companies and candidates to match completely blind to race, gender, ethnicity, or socioeconomic status, purely based on merit,” Ben Reuveni, a Gloat co-founder told WIRED.

Gloat works with over 300 companies, including big names such as WeWork and Dell. Last year, Gloat was named to Fast Company’s “World’s Most Innovative Companies” for 2018.

### JoyTunes

Founded in 2010, JoyTunes is a music education startup that develops music learning solutions and apps for those who want to learn how to play music. It aims to be the “Netflix of the world of music,” JoyTunes CEO and co-founder Yuval Kaminka has said.

It is currently known for three apps: Simply Piano, a mobile app released in 2015 that helps people with little to no experience learn how to play the piano; Piano Maestro, an iPad app for piano practice motivation released in 2013 that includes piano methods and ways to build up music sheet-reading skills; and Piano Dust Buster, a gamified introduction to piano released in 2012.

Kaminka “created the startup after watching his nephew play tennis on his Nintendo Wii while

avoiding music lessons – so he decided to make music learning fun,” according to WIRED.

Last year, JoyTunes raised \$10 million in a funding round.

### Upstream Security

Founded in 2017, Upstream Security offers the world’s first cloud-based security solution for connected and autonomous fleets. Using data analytics and powerful machine learning algorithms, Upstream’s Automotive Cybersecurity system is said to detect and prevent both cyber attacks and policy infringements.

The system provides fleet operators with a high-visibility platform security management platform for monitoring fleet and policy health and improving overall fleet performance.

Upstream has raised \$11 million for its beta-stage services. It is based in Herzliya with an office in San Mateo, California.

### Zebra Medical Vision

Zebra Medical Vision, founded in 2014 by Eyal Toledano, Eyal Gura, and Elad Benjamin, uses AI to read medical scans and automatically detect anomalies. Through its innovative development and use of 11 different algorithms, Zebra Medical can identify visual symptoms for diseases such as breast cancer, osteoporosis, fatty liver, and conditions such as vertebral fractures, aneurysms, and brain bleeds.

Zebra Medical has seven CE marks for its various algorithms and 510(k) FDA clearance for three of. It has raised over \$50 million in venture funding since it was established five years ago.

In 2017, Zebra Medical partnered with multinational tech giant Google to provide its algorithms on Google Cloud, so hospitals and

medical professionals in the US can access the service for \$1 per scan. The company says its data and research platform has already yielded AI imaging insights for millions of scans.

The award-winning company has also been recognized as particularly innovative by Business Insider, Forbes, and Fast Company.

### AppsVillage raises A\$5m on ASX

The Israel-founded company has developed a service cloud computing (SaaS) platform that enables small and medium-sized businesses to launch and manage mobile phone apps.

AppsVillage recently raised A\$5 million in its IPO on the Australian Securities Exchange (ASX) at a A\$13.3 million (NIS 32 million) valuation. Demand for the offering was strong. The share price in the IPO was A\$0.20. Following fluctuations in the share price in the subsequent days, it closed today at the same price as in the IPO.

AppsVillage, founded in 2015 in Israel, has developed a software as a service (SaaS) platform on the cloud that allows small and medium-sized businesses to launch and manage mobile phone apps as part of their business promotion. An Australian company founded in 2018 in effect acquired the Israeli company, and has now held its IPO. The company generates its revenue by selling licenses to use its platform at \$19.99 for a one-month subscription or \$14.99 per month for a one-year subscription. The company also charges commissions on purchases through the app and on social media advertising by its customers. According to AppsVillage's prospectus, its revenue totaled \$373,000 in 2018, compared with \$78,000 in 2017. AppsVillage's also posted a \$1.5 million net loss in 2018, compared with a \$555,000 loss in 2017. In a report published following the IPO, AppsVillage said that its revenue reached \$631,000 in the first half of 2019. The company

was recently added to a plan in which Facebook helps promising startups.

Cofounder Max Bluvband, AppsVillage's CEO, owns 4.6% of its shares following the IPO. Bluvband is the son of Tel Aviv Stock Exchange-listed company ALD controlling shareholder and CEO Dr. Zigmund Bluvband. ALD recently announced a plan to hold an IPO for a subsidiary on ASX. The largest shareholder in AppsVillage is VP business development Moshe Cohen with 8.3% of the shares. AppsVillage's chairman is former Amdocs VP Yoav Ziv.

AppsVillage was advised in its IPO by RM Corporate Finance and Pearl Cohen Zedek Latzer Baratz senior partner Adv. Anna Moshe, and by A-Labs in its pre-IPO roadshow.

"Many small and medium-sized businesses lack experience in digital marketing, and can't afford the cost of using the tools in this sphere," Max Bluvband explains. "AppsVillage addresses one of the most important things that businesses need today in order to grow in a digital environment by equipping them with a smart marketing tool that requires no knowledge or large expenses. We're seeing large-scale demand for our solutions, and expect to continue growing at a rapid pace." Bluvband adds that the company has a stable model for rapid growth, and that the ASX is a marvelous way of raising money.

20 Israeli companies in various fields, including Audio Pixels (a A\$481 million market cap), Fluence (A\$225 million) and Splitit (A\$169 million) are currently listed on the ASX.

### Ralco to invest NIS 20m in cannabis co Together

Together's share price is up 6% in today's trading, following the announcement, reflecting a NIS 180 million market cap.

Israeli electrical appliances company Ralco

Agencies (TASE: RCLO) will invest at least NIS 20 million and a NIS 5.5 million bridging loan in medical cannabis company Together Pharma (TASE: TGDR), the companies have announced. Together's share price in this agreement is NIS 2.975, 10% lower than this morning's market price.

Together's share price is up 6% in today's trading, following the announcement, reflecting a NIS 180 million market cap. The deal also includes free options, so the actual discount on the market price is even greater. Ralco's share price also rose 6% following the announcement, boosting its market cap to NIS 109 million; Ralco may have more cash than Together, but the latter's market cap is higher. The deal will give Ralco an 11% stake in Together.

This investment indicates that interest in the cannabis sector is beginning to resume, after a period of declining share prices on both the TASE and global markets, resulting in falling off of the media buzz and the pace of deals in the sector. Ralco's activity is not synergetic to that of Together, but it appears that the electrical appliances company has found itself an instrument for diversifying its activity and adding some spice to its risk/opportunity profile.

"We are delighted with the expression of confidence by Ralco, a veteran and well-established public company, which is making a substantial investment after recently considering an entry into the cannabis field through a number of companies and eventually choosing us," Together chairman Yochanan Danino said. "We have found excellent partners with proven business capabilities who will join the company board of directors and management team.

"The proceeds from the financing round ensure that Together's strategic business plans will be carried out, including building a facility in Israel

and obtaining GMP authorization for it, completion and EU-GMP authorization of the plant in Uganda, and promotion of additional commercial agreements."

Together is interested in beginning actual growing and marketing of cannabis in the coming months from both its plant in Ashkelon and the plant in Uganda. It is also conducting research and development of its medical and cosmetics products, and has acquired R&D company Cannabliss for NIS 14 million.

Together, which had NIS 4.9 million in cash as of the end of the second quarter, still has no revenue, and this investment is therefore very significant for the company.

### Clermont buys Israeli electric aircraft co Eviation

Eviation, which unveiled its aircraft at the Paris Air Show, is striving to become the first-to-market manufacturer of an all-electric propulsion aircraft.

Singapore-based Clermont Group has completed the acquisition of a 70% equity stake in Israeli electric aircraft development company Eviation. Eviation is being merged into Clermont Aerospace. No financial details about the acquisition were disclosed but "Forbes" reported in February that Clermont was investing a convertible loan of \$76 million for its 70% stake, which would give Eviation a company valuation of \$108.5 million.

Eviation is striving to become the first-to-market manufacturer of an all-electric propulsion aircraft, named Alice. Alice, which targets middle-mile commutes of up to 650 miles, was unveiled at the Paris Air Show in June this year.

Eviation seeks to provide a sustainable mobility option which radically rethinks the cost, experience and environmental impact of

regional travel. At the Air Show, Eviation also announced its first commercial contract with US regional carrier Cape Air, and expects to begin shipping the aircraft for commercial use in 2022.

The company was founded in 2016 by CEO Omer Bar-Yohay, Omri Regev and chairman Aviv Tzidon. Based in Kadima Tzoren in Israel, the company had 35 employees last February, according to "Forbes."

Clermont Aerospace also owns magniX, a Canadian electric engine company whose magni250 motors will power Eviation's Alice.

Clermont Aerospace says it is committed to transforming Eviation's vision of electric flight into a commercial reality, and is looking forward to Alice's successful test flight and certification in the US.

Clermont Group chairman Richard F. Chandler said, "Today marks an exciting new chapter for Clermont Aerospace. Eviation and magniX are two highly complementary platforms both focused on making the dream of sustainable flight a reality. Electric airplanes will shape the future of the aviation and transportation industries making air travel cleaner, cheaper and more efficient. We are at the dawn of a new era in aviation and Clermont is investing in innovation to lead this transformation."

Bar-Yohay said, "Eviation is delighted to be joining the Clermont Aerospace family. 2019 has been a pivotal year for everyone at the company - we debuted our first electric aeroplane Alice, announced a partnership with magniX and secured our first commercial contract with Cape Air. Clermont's investment and expertise in business-building will enable us to accelerate our growth and take Eviation to new heights. As part of the Clermont Aerospace division, we are working together to realize our shared vision of a new era for air travel."

### Israeli martech co Zoomd raises \$7m on TSX

Based in Herzliya, Zoomd has developed a martech platform for mobile user-acquisition and site-search.

Israeli martech platform Zoomd has successfully completed a public offering raising \$7 million (C\$9.27 million) at CA \$1 per share and has commenced trading today on the Toronto Stock Exchange Ventures (TSXv) under the ticker ZOMD.

The offering was managed by A-Labs Finance & Advisory and co-led by Canadian bankers including Haywood Securities Inc., Eight Capital and Paradigm Capital Inc.

Based in Herzliya, Zoomd has developed a martech platform for mobile user-acquisition and site-search. The company was founded by chairman Amit Bohensky, CEO Ofer Eitan, CMO Omri Argaman and CTO Niv Sharoni.

Bohensky said, "Our market expertise and understanding of the needs of both publishers and advertisers enabled us to build an unparalleled platform focusing on maximizing content monetization. Since we're working towards international expansion, both organically and via strategic acquisition, going public just comes naturally as the next step for our continuous growth."

Eitan added, "Our quality customers and commercial growth are a result of advanced technology and unique approach to content monetization and mobile app distribution. We are now ready to take the company to the next level, and the TSXV builds a strong foundation for our global expansion, attracting more partners, customers, investors, and talents to team up with our journey."

Zoomd is the first-of-its-kind site search, mobile user-acquisition and retention platform offering

one solution for both online publishers and advertisers looking to increase content monetization via higher user engagement.

Since merging with Moblin in 2017, the company has demonstrated aggressive growth, tripling its revenues and profitability. Zoomd is currently working with clients in more than 80 countries, including major worldwide companies such as Poker Stars Group, Shein, bWin (GVC Group), FoxNews, 90Min, Alibaba Group, Wowcher, TikTok, ComScore, NHN and many more. Zoomd's SaaS (Software as a Service) site search-engine capabilities with its mobile user-acquisition platform empowers customers with insightful actionable data, relevant content, and advanced technologies to deliver result-driven campaigns.

Zoomd's technology utilizes Natural Language Processing (NLP) coupled with machine learning, its proprietary search algorithm, to deliver highly accurate results. Zoomd has also been recognized by Microsoft as one of its top eight global cloud services (Azure Data Explorer) clients, and a true data-based = MarTech industry leader.

### Israel's budget deficit remains unchanged at 3.8%

Ministry of Finance Budget Department head Shaul Meridor said that the deficit for 2019 will be 3.6% of GDP as forecast by the government at the beginning of the year.

Israel's budget deficit remains unchanged at 3.8% of GDP over the past 12 months, the Ministry of Finance announced this evening. The data show that the Ministry of Finance has succeeded in halting the rise in expenditure by government ministries, due to the transition government, which is not allowed to raise budgets. On the other hand, there has been a

continued weakness in government revenues, which did not rise in August compared with August 2018. The flat state of revenues comes after a consistent 5% annual rise in state income in recent years.

The deficit over the past 12 months is NIS 28.7 billion compared with NIS 15.4 billion over the previous 12 months.

Ministry of Finance Budget Department head Shaul Meridor said that the deficit for 2019 will be 3.6% as forecast by the government at the beginning of the year.



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