

## BDO US & ISRAEL DESK 2022, Q3 REPORT

US Consumer Sentiment improved to its highest in 5 months according to the University of Michigan's latest survey of consumers, while the **S&P 500** and **Nasdaq** reached their first three-quarter losing streak since 2009, losing **4%** and **2.7%**, respectively. By the closing of Q2, the Dow Jones is down 5.4% in the third quarter and is on pace to post a third-straight losing quarter for the first time since 2015, while also realizing its worst September since 2002. Meanwhile the **Tel Aviv 125** Index is down nearly **11%** from its high reached this January. Israeli inflation looks to be holding steady with the real estate and tech sectors seeing modest growth amidst looming concern of a recession. With that in mind, during the first half of 2022, Israeli startups still managed to raise **\$9.8 billion** in **395 deals**, with **\$4.12 billion** raised in Q2 alone.

From what it appears, the rising inflation and struggle in the capital markets do not majorly impact the Tech markets and they seem to be quite independent. The open questions we currently face are will the Tech markets assist the recovery of the global economy or will they decrease as a result of the growing recession. Give or take, it is a fact that major private capital was withdrawn from the public markets. This is a strong contributor to the poor reality, but it is also a proof that there are deep private pockets that seek alternative opportunities given the irrelevancy of the institutional market. Here are some of the main activities that took place in the USA and Israeli business arena during Q3.

### JULY 2022

American medical device giant **Medtronic** made a strategic investment of **\$75 million** into **CathWorks**, an Israeli developer of a non-invasive diagnostic alternative to catheters. As part of the deal CathWorks, which splits its workforce of **100 employees** between Israel and the US, will have the option of selling to Medtronic for **\$585 million** contingent on several milestones. This significant series E of funding will allow CathWorks to rely on Medtronic's vast global network to further expand its reach in the US, European and Japanese markets.

[For additional information click here.](#)

▶ **AI21 Labs**, cofounded by Professor Emeritus at Stanford Yoav Shoham and Professor Amnon Shashua - founder of **Mobileye**, which focuses on natural language processing technology tools, raised a successful series C of **\$64 million** at a valuation of **\$664 million**. The company's leading product Wordtune was selected by **Google** as a top browser extension of 2021. Looking to change how we all read and write, AI21 Labs has developed world leading artificial intelligence language models which already offer concise and effective writing recommendations, as well as expertly written text summaries and explanations.

[For additional information click here.](#)

### AUGUST 2022

▶ Arizona based proptech company **Stoa**, which developed a technology platform that helps real estate investors scale their fix-and-flip businesses, raised **\$136 million** in a successful series B underwritten by **Cantor Fitzgerald**. Israeli co-founders Or Agassi and Tom Sella began Stoa over 5 years with the goal of assisting single-family home investors with funding and tools to help renovate properties meant for sale.

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▶ **DriveNets** has reached standout unicorn status after completing a strong series C while receiving a valuation of **\$2.5 billion**. **Bessemer Venture Partners, D1 Capital Partners, Pitango** and additional strategic partners have invested **\$262 million** in this latest round. Headquartered in Ra'anana Israel, DriveNets is an open disaggregated networking solution that builds networks like clouds intended for large telecom and cloud providers.

[For additional information click here.](#)

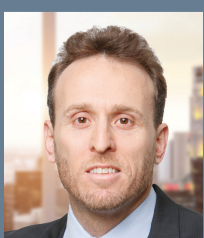
### SEPTEMBER 2022

▶ **TCT 2022** in Boston, the Transcatheter Cardiovascular Therapeutics conference is the annual scientific symposium held by the Cardiovascular Research Foundation (CRF) dedicated to interventional cardiovascular medicine. This year's conference included over **10,000 attendants** from over **100 countries**, notably from Israel were **Restore Medical** which develops a novel catheter-delivered implant meant for patients suffering from Congestive Heart Failure and the aforementioned **CathWorks**.

[For additional information click here.](#)

▶ The race to lead quantum computing continues to heat up with **Classiq Technologies**, an Israeli based developer of solutions for the quantum software market, securing **\$49 million** in its series B. Investors included **Hewlett Packard, Spike Ventures** - a Stanford University alumni investment fund and **Samsung Next**, in addition to Israeli **Team8** and **OurCrowd** among others. Classiq Technologies customers currently include academic institutions as well as technological giants such as **Amazon, Microsoft, IBM**, and Nvidia that are working to construct quantum computers.

[For additional information click here.](#)



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