



TEL AVIV TECH ECOSYSTEM REPORT

2022





Photo: Michal Michaeli



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and learn more about Tel Aviv Tech

Produced by Tel Aviv Global & Tourism, 2023
Data by IVC Research Center | Graphic Design
by Studio Touch | Cover Photo: Alon Shtamberger



Dear Tech Community,



I am proud to present the 2022 Tel Aviv-Yafo tech ecosystem report. The report reflects the achievements of the industry amid a challenging year both locally and globally. But even this year, Tel Aviv has continued its legacy as “a lighthouse and creative home for every noble idea”, as our first mayor, Meir Dizengoff proclaimed one hundred years ago.

In early 2022, we established “Tel Aviv Tech” to ensure the City’s tech community, comprised of over three thousand companies, investors, organizations and individuals, receives best-in-class urban infrastructure and support services. As we often say here at the municipality, we will do our best so you can do yours.

But, we did not stop there. Looking ahead, we launched training courses to help residents discover and join this dynamic industry. From students to mid-career professionals, we are committed to creating equitable access and a diverse, resilient talent community.

“Tel Aviv Tech” also provides important research insights for decision makers in Israel and abroad, and has expanded our collaboration with visiting delegations and international partners.

This initiative is still young, but it is growing every day as we continue to press into the potential of our creativity, community, and our city, achieving a higher quality of life for all residents.

Tel Aviv is ranked fifth among startup ecosystems worldwide according to Startup Genome. This ranking is not a fluke; it highlights the code deeply embedded in your DNA and that of our city. Democracy and pluralism, education and openness to the world - these are the building blocks of a flourishing, innovative tech ecosystem.

I know that you share my concern for the continued flourishing of these conditions in today's political and social reality. But, I assure you – and my Chief Product UX Content Programmer permitted this message – Tel Aviv will remain a stronghold of these values, and we will do everything to ensure that the State of Israel remains so, too.

**Best regards,
Ron Huldai
Mayor of Tel Aviv-Yafo**

Shalom,

I am happy to present the 2022 Tel Aviv tech ecosystem report that tells the story of the Tel Aviv ecosystem and reviews its strengths.



Tel Aviv developed rapidly and became the leading technological center in Israel. The true strength of the Tel Aviv ecosystem comes to bear precisely when transformations and changing winds blow from the world markets. In 2022, Tel Aviv remained a magnet for global investors and companies. This year, 17 multinational R&D centers were opened in Tel Aviv.

The surge in activity and growth over the last few years have brought the valuation of the Tel Aviv ecosystem to a record of 376 billion dollars, second place in Europe, after London. The significance of this ranking is, among other things, the fact that the companies have matured from startups to independent and established growth companies.

The year 2023 brings a change in trends and significant challenges for the technology industry and global innovation. Our talent remains a central engine of the ecosystem and provides a distinct competitive advantage in the global technology market, and we hope that thanks to the pursuit of excellence and the uncompromising nature of entrepreneurs, Tel Aviv will continue to be at the forefront of the industry in various fields such as: artificial intelligence, medical innovation, clean technologies and more. Moreover, the extraordinary concentration of entrepreneurs, companies, investors and supporting organizations in Tel Aviv has until now contributed to the success and stability of the industry in recent years, and will continue to do so in the future.

Team "Tel Aviv Tech", that produced this report, was established by the Municipality of Tel Aviv-Yafo and operates under the auspices of Tel Aviv Global and Tourism with the aim of creating a comprehensive support system for the local tech ecosystem. The team strengthens the position of Tel Aviv in the global arena through direct engagement with tech companies, investors, entrepreneurs and other parts of the local ecosystem.

Despite challenges across the local and global industry, Tel Aviv's innovation and creativity is at its peak. With the support and cooperation of the municipality, I believe with all my heart that the good days are still ahead.

Yael Andorn,
Chairman of the Board
Tel Aviv Global & Tourism

תל-אביב טק TEL AVIV TECH

— Tel Aviv Global & Tourism —

Tel Aviv Tech is a municipal economic development task force dedicated to strengthening the Tel Aviv tech ecosystem as an engine of innovation and opportunities in the local and global arena.

The team works directly with diverse stakeholders: local companies, municipal agencies, investors, and global partners to provide the support they need in order to thrive, and to encourage the continued growth of Tel Aviv as a world-leading tech hub.



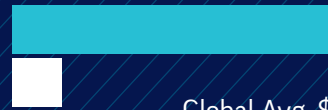
Photo: Michal Michaeli

#5

Global Startup Ecosystem

Ecosystem Value
(H2 2020-2022)

\$235 bn



Global Avg. \$34.6 bn

Ecosystem Value Growth
(H2 2020-2022 Vs H2 2018-2020)

58%



Global Avg. 47%

Time to Exit
(2018-2022)

7.4 years



Global Avg. 9 years

2023 Ranking

1. San Francisco
2. New York (tie)
3. London (tie)
4. Los Angeles
5. Tel Aviv
6. Boston
7. Beijing

TOP 10

Global Ecosystem
in Funding

TOP 10

Global Ecosystem
in Performance

TOP 15

Global Ecosystem in
Talent & Experience

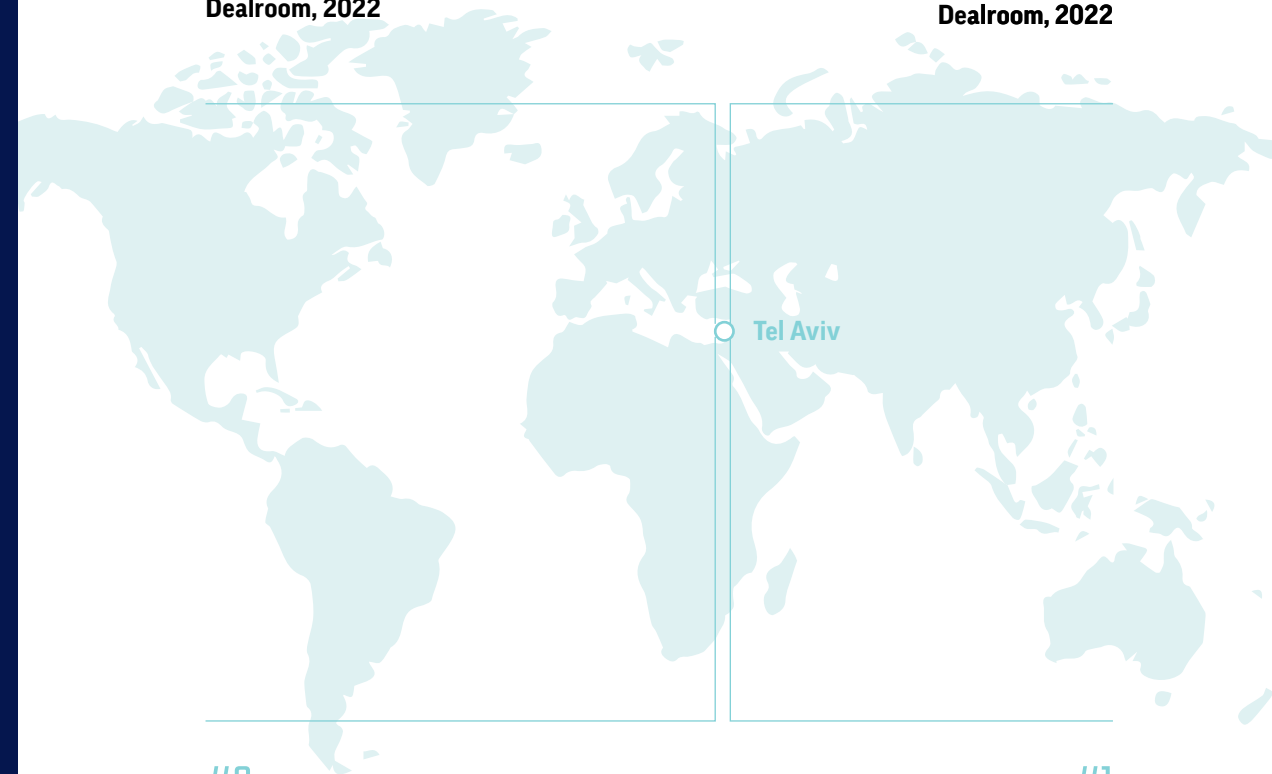
TEL AVIV IS A GLOBAL TECH POWERHOUSE

#8
Global Startup
Trailblazer

Dealroom, 2022

#2
Founder Factory
in Europe

Dealroom, 2022



#8
Tel Aviv University

Number of VC-backed
Alumni Entrepreneurs
Worldwide

Pitchbook, 2022

#1
Global Startup
Ecosystem in
MENA

Startup Genome, 2023

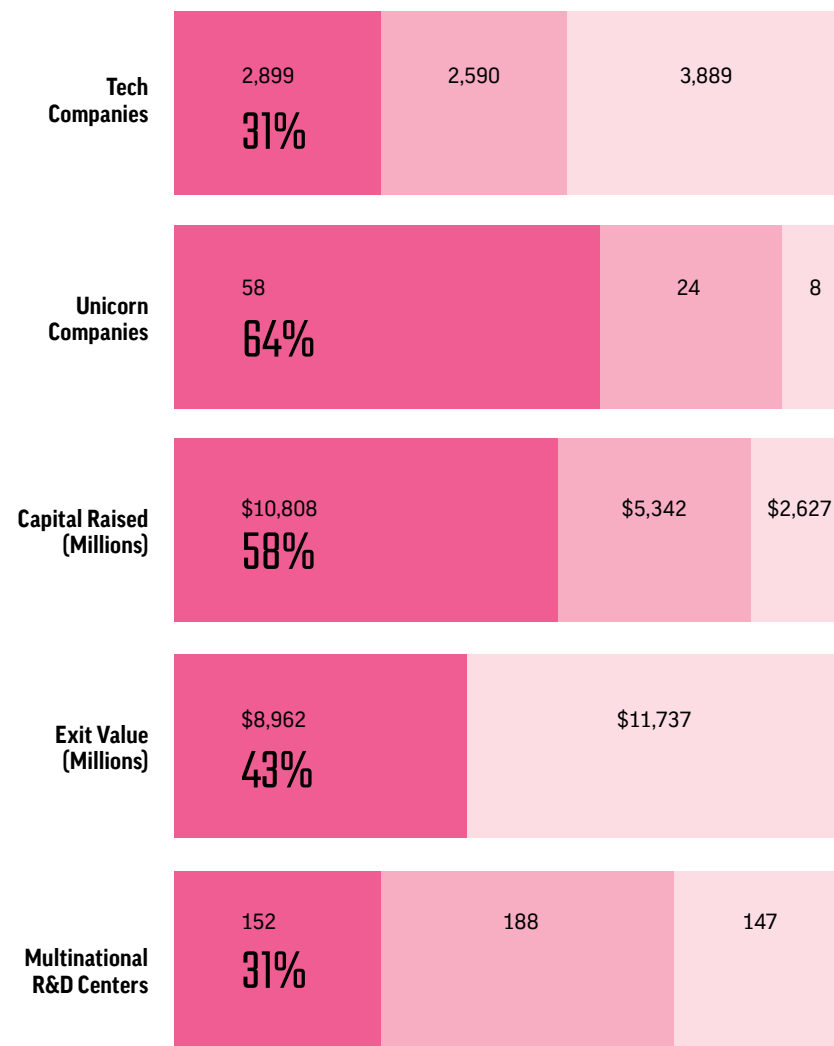


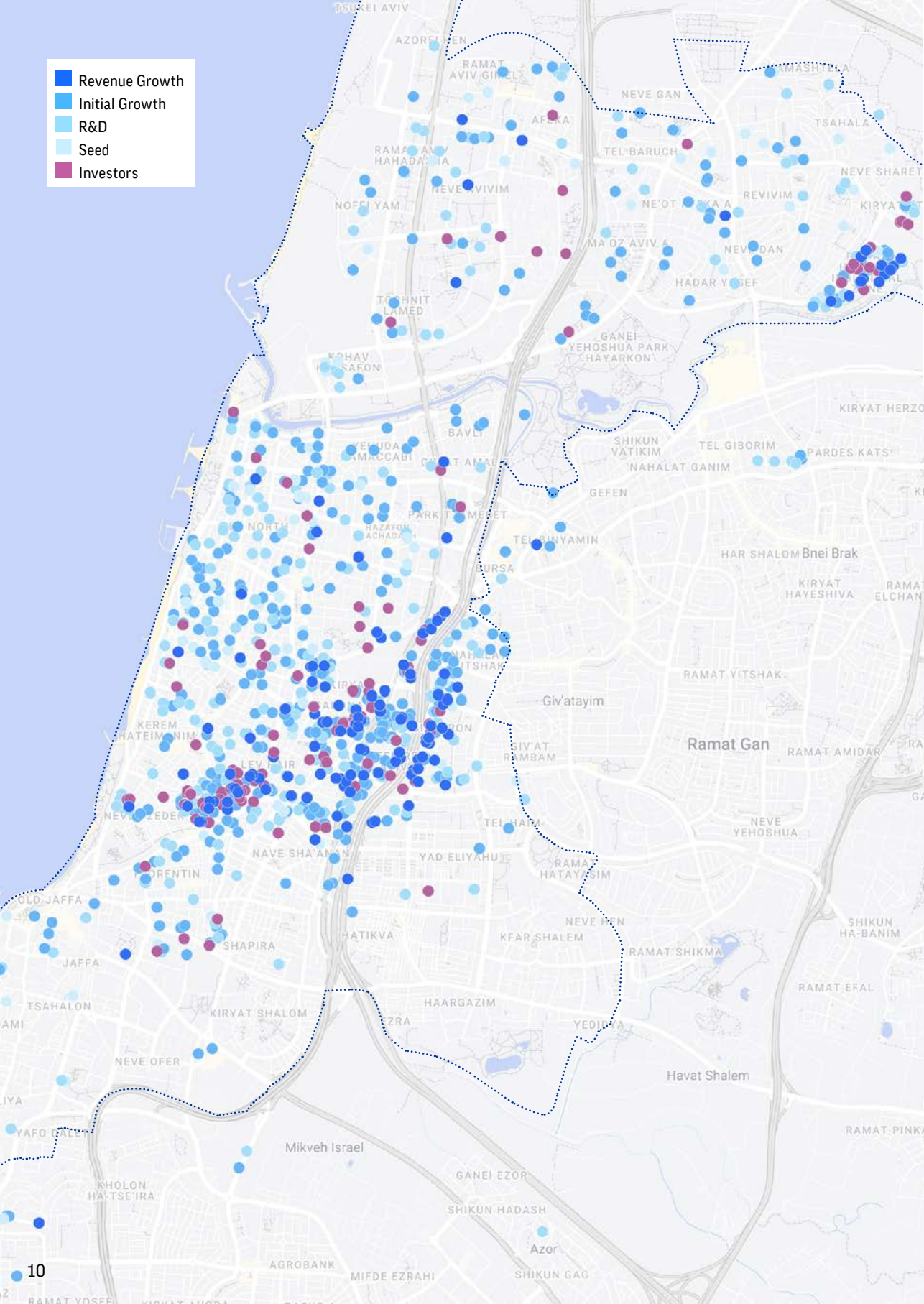
Photo: Michal Micheli

HEART OF THE STARTUP NATION

Regional Distribution in Israel

Tel Aviv Greater Tel Aviv Rest of Israel





A BUZZING HIVE OF INNOVATION

The unique density of Tel Aviv's tech ecosystem facilitates the community and continuous exchange of ideas that power innovation.

2,899
Tel Aviv Tech Companies



152

Multinational Corporations



11

Academic Institutions



346

Investor Offices



30

Coworking Spaces



174

Accelerators

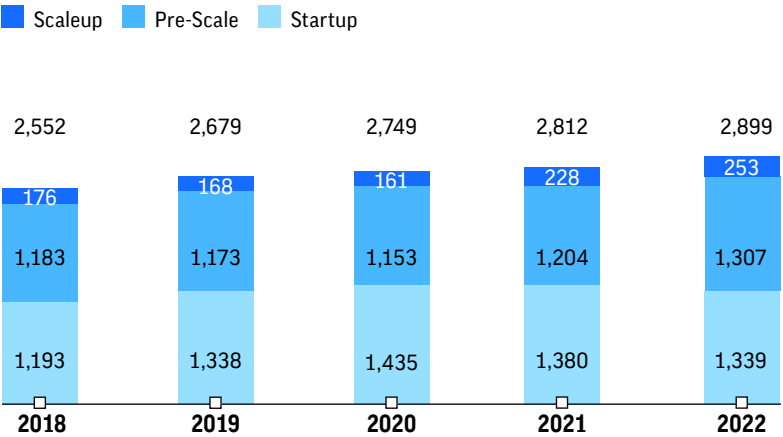


1000+

Tech Meetups in 2022

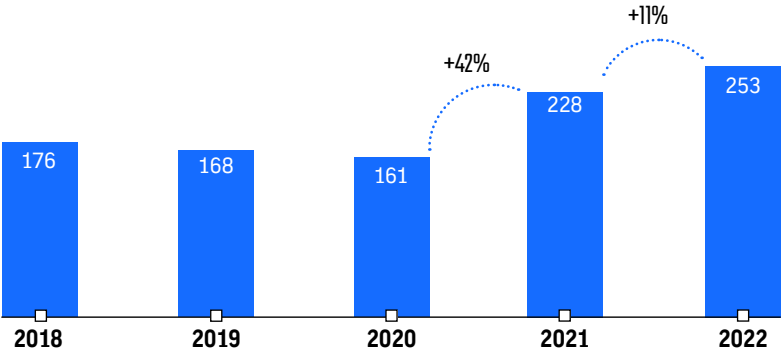
TEL AVIV IS HOME TO NEARLY 3,000 TECH COMPANIES

Number of Active Tel Aviv Companies by Growth Stage



A GROWING NUMBER OF COMPANIES SCALE TO MATURITY, SHIFTING THE ECOSYSTEM BALANCE

Number of Tel Aviv Scaleup Companies

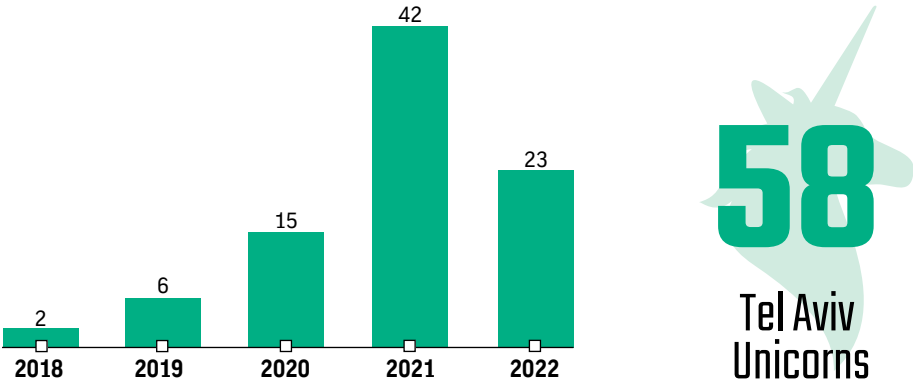


Average Company Profiles by Growth Stage

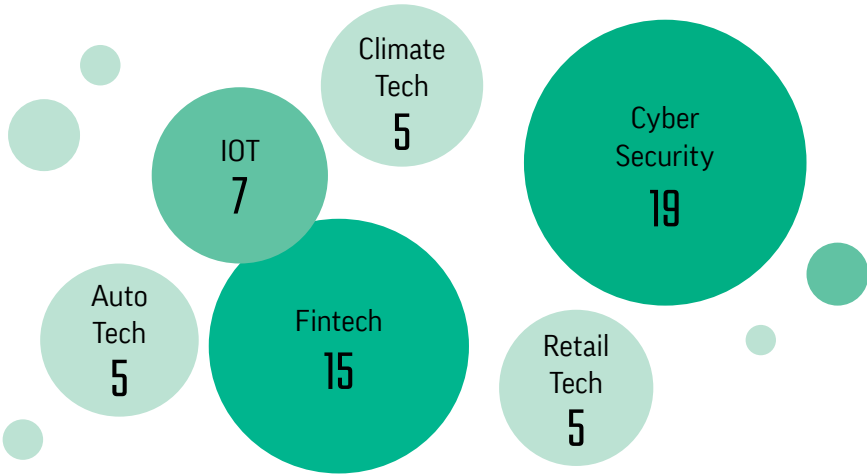
	Seed	R&D	Initial Growth	Revenue Growth
 Capital Raised (Billions)	\$0.1	\$7.7	\$15.4	\$176.4
 Age (Years)	2	4	7	8
 Global Employees	5	10	21	433
 Global Branches	1	1.2	1.7	4

COMPANIES FROM INCREASINGLY DIVERSE INDUSTRIES ACHIEVE \$1B+ UNICORN STATUS

New Tel Aviv Unicorns by Year



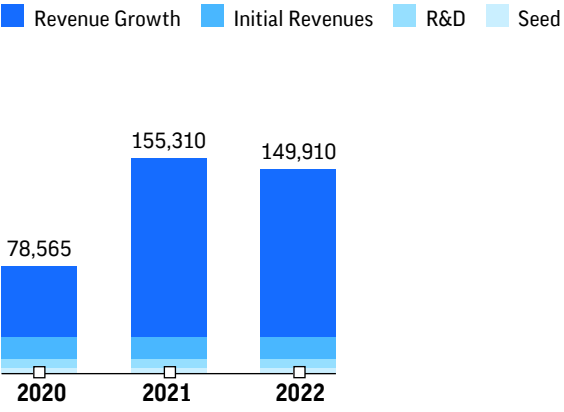
Leading Unicorn Verticals



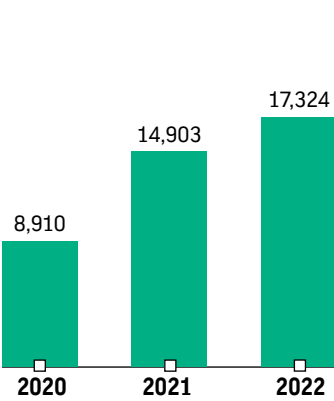
*Companies may be tagged under multiple verticals

TEL AVIV COMPANIES EMPLOY OVER 150,000 PEOPLE AROUND THE WORLD, AND THE WORLD CONTINUES TO SEEK OUT TEL AVIV TALENT

Global Employees of Tel Aviv Companies

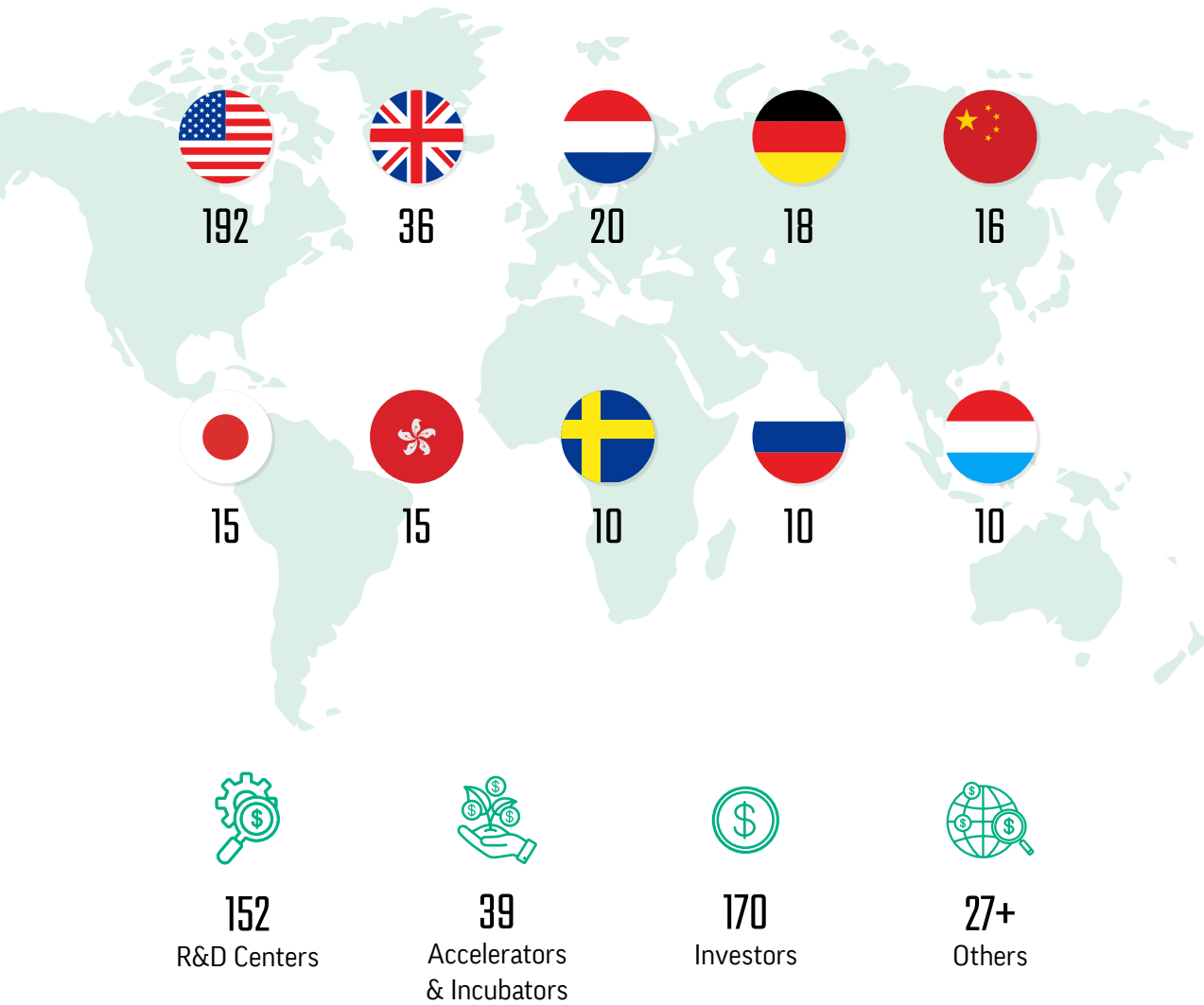


Headcount of Multinational R&D Centers in Tel Aviv



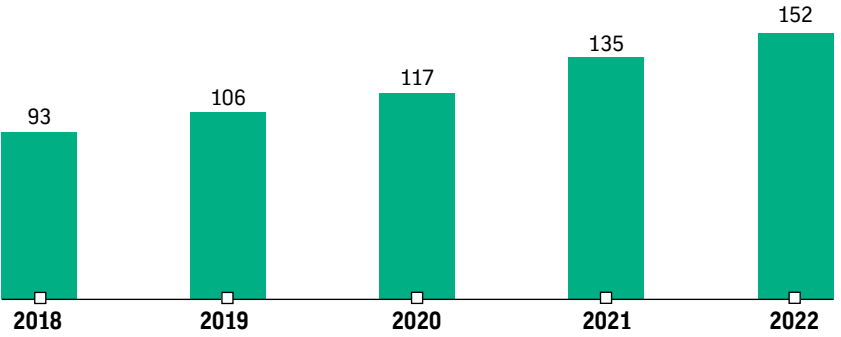
THE WORLD'S LEADING MULTINATIONAL COMPANIES AND INVESTORS HAVE JOINED THE TEL AVIV TECH COMMUNITY

Leading Countries with Multinational Presence in Tel Aviv

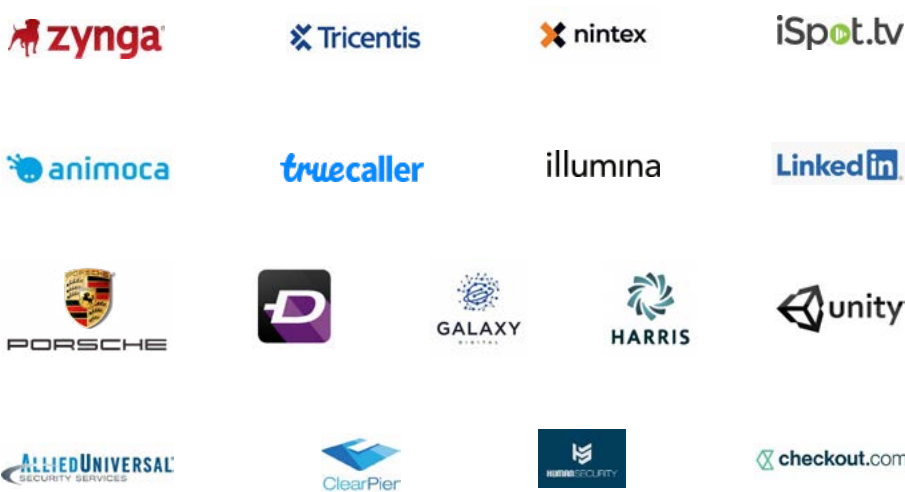


17 MNCs LAUNCHED R&D CENTERS IN TEL AVIV IN 2022, MANY THROUGH ACQUISITIONS OF ACTIVE LOCAL COMPANIES

Number of Multinational R&D Centers in Tel Aviv



New R&D Centers in Tel Aviv



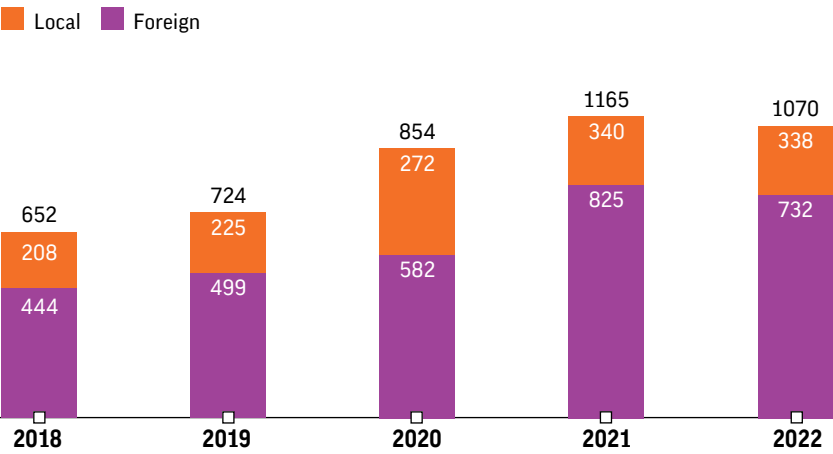
31 FOREIGN INVESTORS OPENED OFFICES IN
TEL AVIV IN 2022 TO BE CLOSE TO THE ACTION

New Venture Capital Offices in Tel Aviv

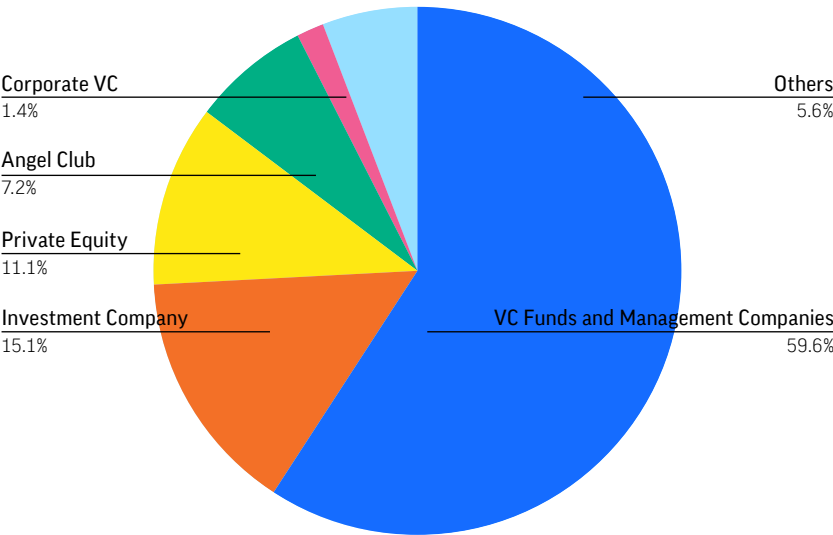


BOTH FOREIGN AND LOCAL INVESTORS CONTINUE
TO SEE OPPORTUNITIES IN TEL AVIV TECH

Number of Foreign and Local Investors in Tel Aviv Companies

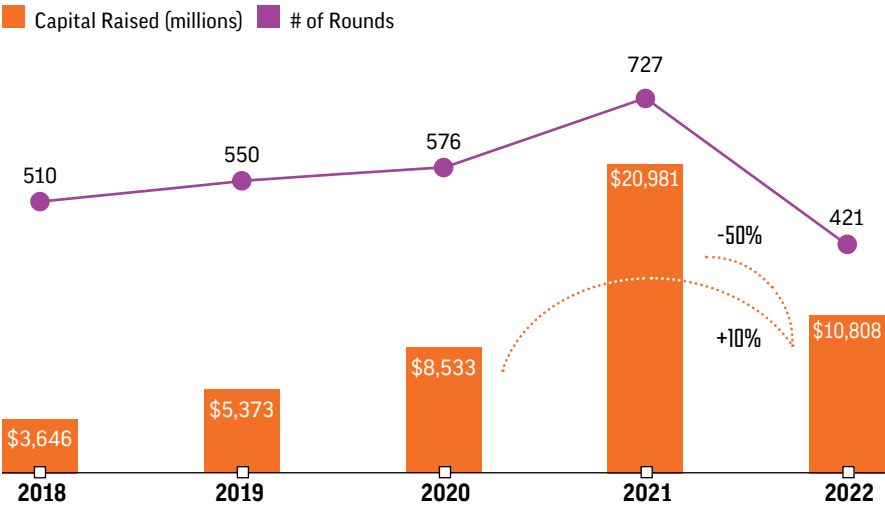


Number of Active Local Investors by Type



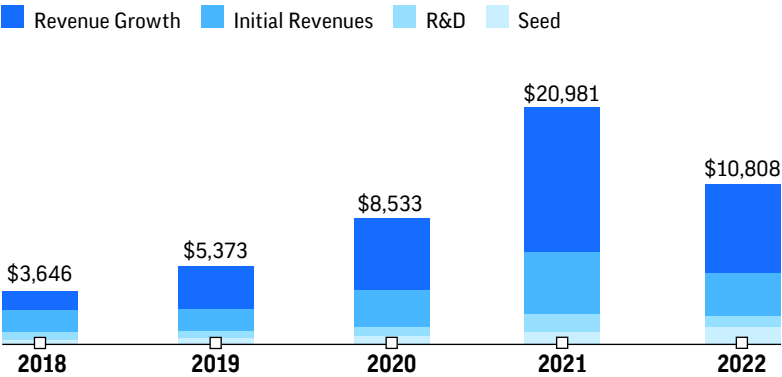
AFTER AN EXCEPTIONAL 2021, TEL AVIV COMPANIES RAISED NEARLY \$11B IN 2022

Capital Raised by Tel Aviv Companies

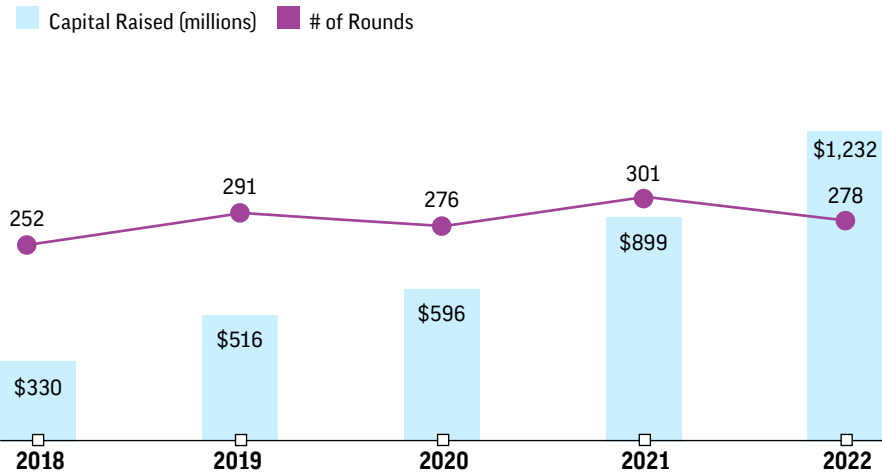


SCALEUP FUNDING LEVELED OFF, WHILE SEED-STAGE COMPANIES ATTRACTED MORE CAPITAL THAN EVER

Capital Raised by Tel Aviv Companies by Growth Stage (Millions)



Capital Raised by Tel Aviv Seed-Stage Startups



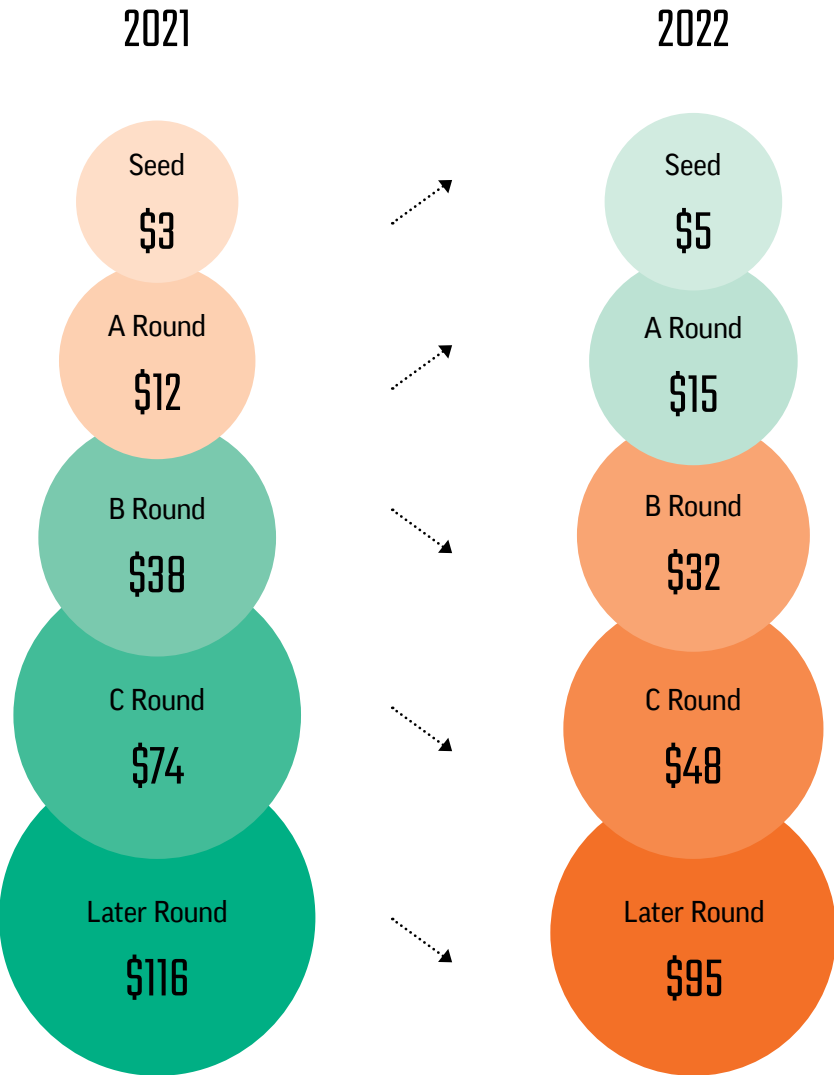
*Historically, there is a lag in seed stage round reporting, suggesting that recent figures may be higher than reported here.

Photo: Michal Sela



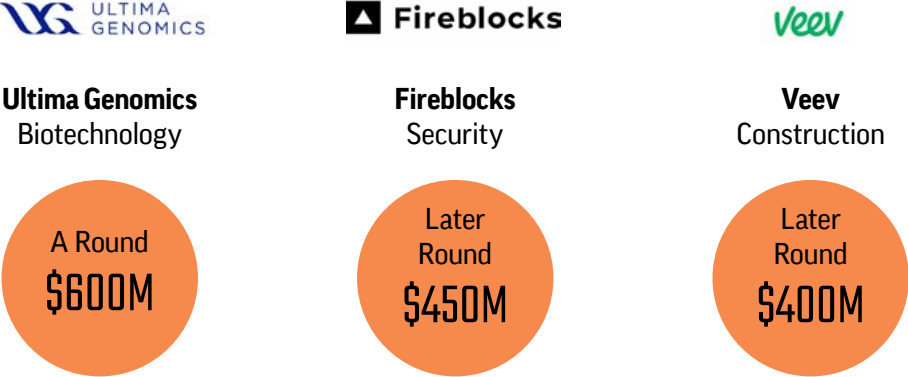
AVERAGE ROUND SIZE SHRANK IN LATER STAGES,
BUT GREW ACROSS THE EARLIEST STAGES

Average Round Size 2021-2022 (Millions)

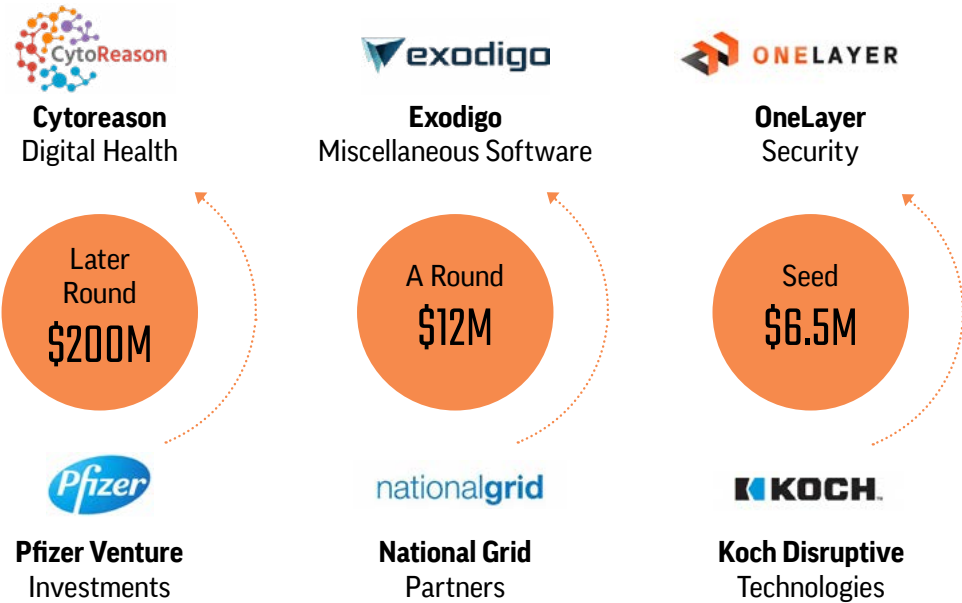


BIOTECH AND DIGITAL HEALTH COMPANIES
ATTRACTED SOME OF THE LARGEST
INVESTMENTS IN 2022

Largest Deals by Capital Raised



Largest Deals by Capital Raised - Corporate Venture Capital



CYBER AND FINTECH LEAD OVERALL, WHILE DIVERSE VERTICALS SHOW RESILIENCE AND GROWTH

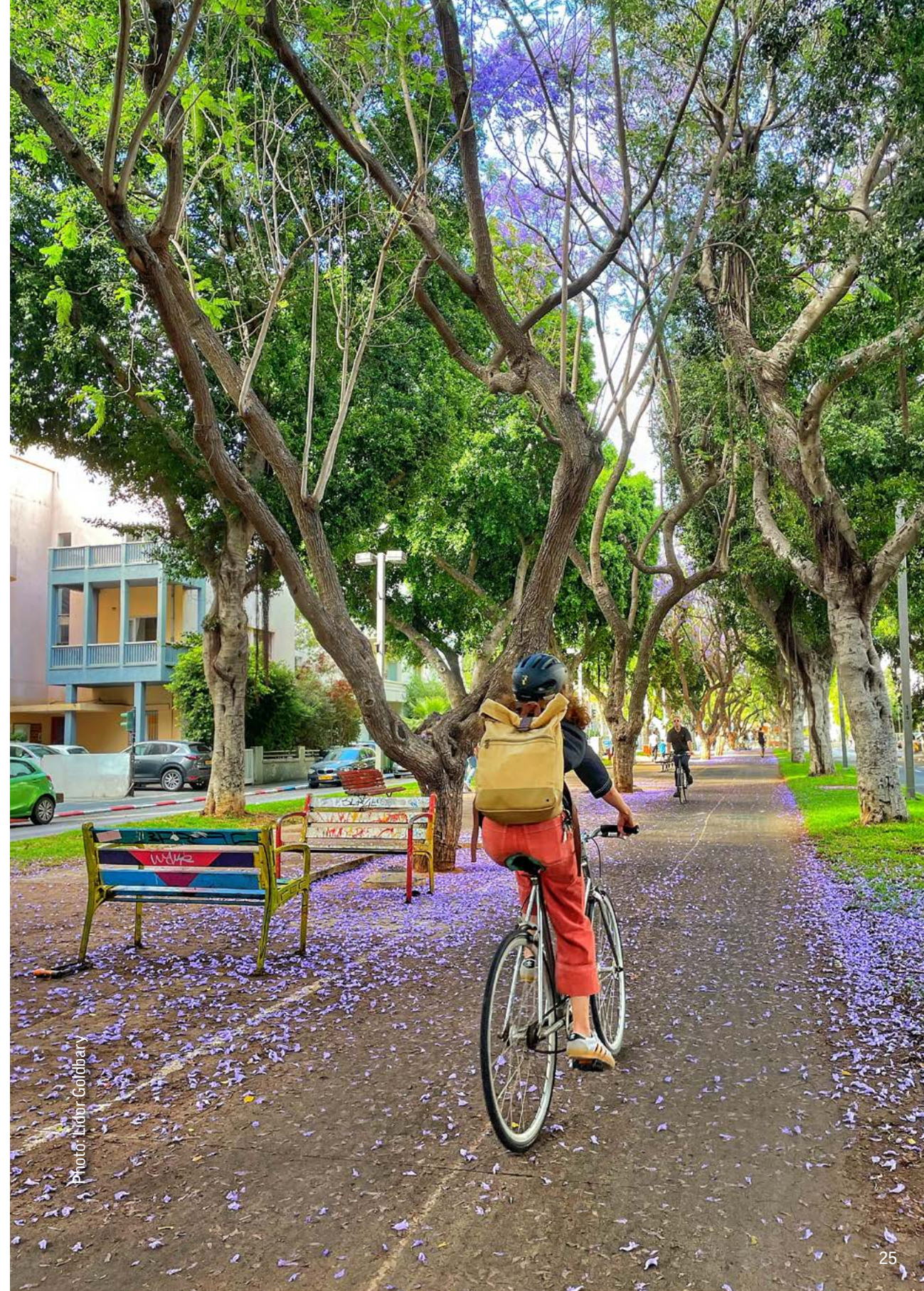
Leading Verticals by Capital Raised

Vertical	2022 Capital (Millions)	3YR Growth	1YR Growth
Cyber Security	\$3,994	47%	-46%
FinTech	\$2,948	41%	-59%
Climate Tech	\$1,574	268%	-36%
IoT	\$1,244	15%	-63%
DevOps	\$1,120	281%	61%
FoodTech	\$1,069	245%	4%
Digital Health	\$1,054	44%	-23%
Automotive	\$1,054	-61%	-17%
PropTech	\$1,052	15%	97%
Web3	\$960	-15%	99%

Most Growth in Capital Raised 2021-2022

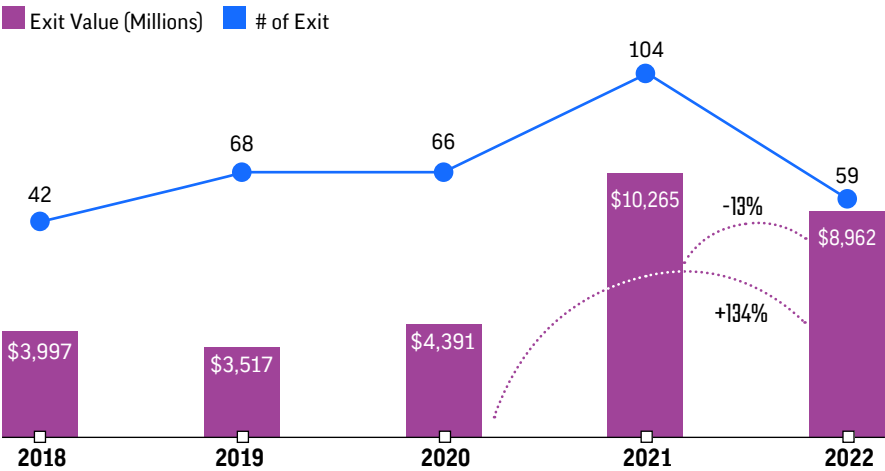
Vertical	2022 Capital (Millions)	3YR Growth	1YR Growth
Virtual Reality	\$525	204%	103%
Impact	\$302	490%	93%
SportsTech	\$520	129%	82%
DevOps	\$1,244	281%	61%
Travel Tech	\$256	51%	38%
FemTech	\$234	202%	35%

*Companies may be tagged under multiple verticals

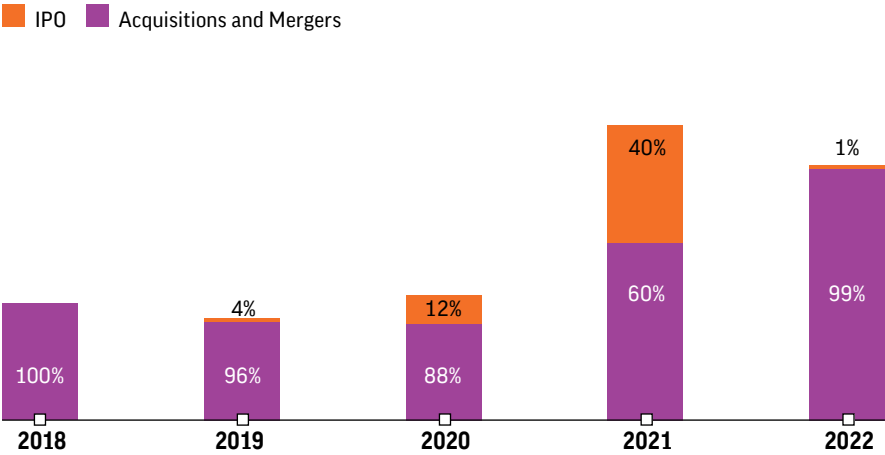


THE TOTAL NUMBER OF EXITS DECREASED IN 2022, ALTHOUGH LARGER DEALS KEPT TOTAL EXIT VALUE HIGH

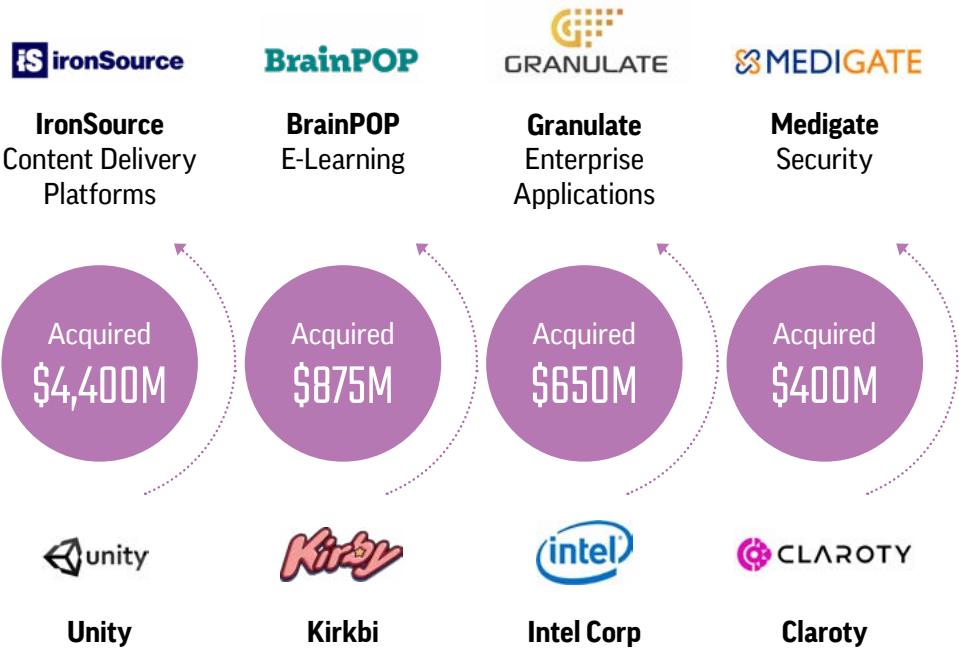
Number and Value of Tel Aviv Company Exits by Year



Value of Tel Aviv Company Exits by Type



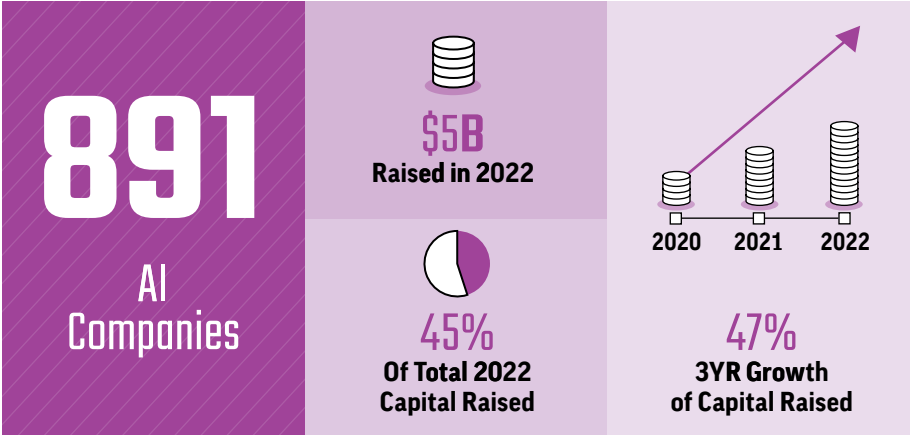
Largest Company Acquisitions and Mergers



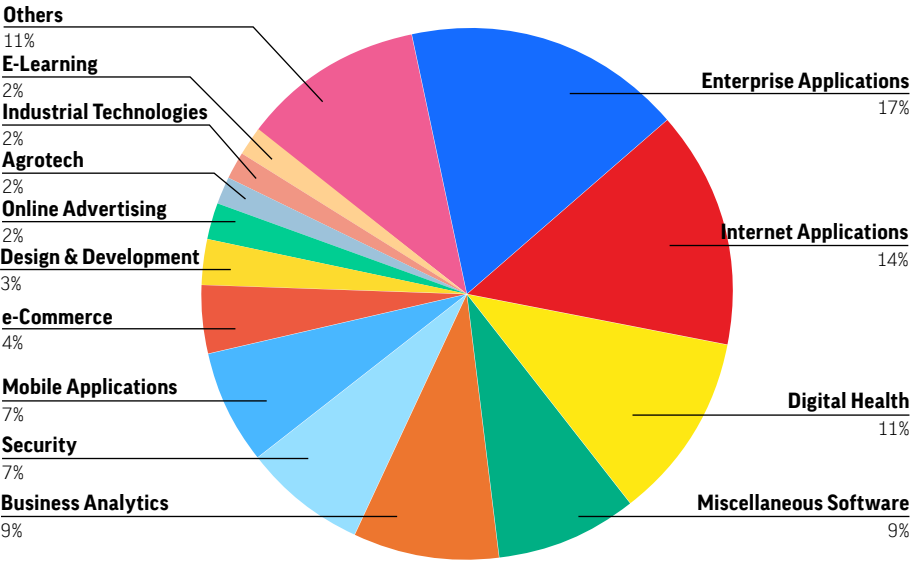
Leading Verticals and Technologies by Total Exit Value (Millions)



SPOTLIGHT ON ARTIFICIAL INTELLIGENCE

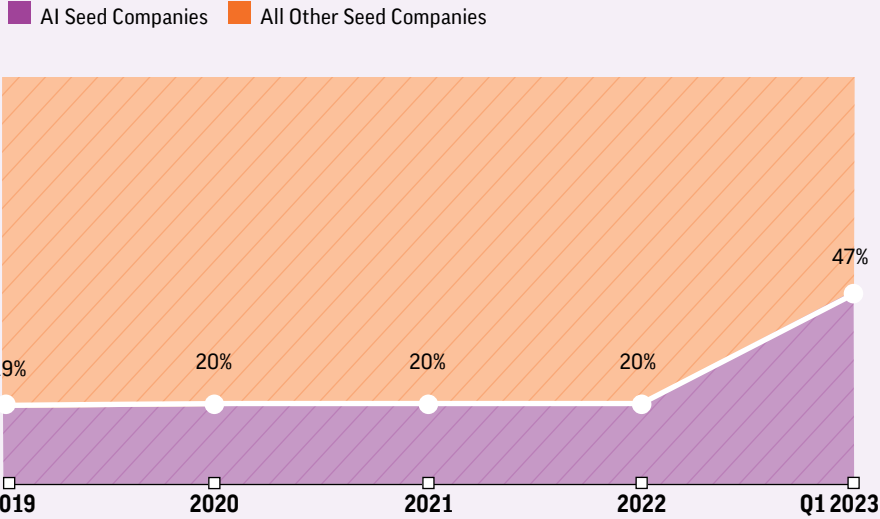


Leading AI Tech Sub-Sectors by Share of Companies



Sneak peek at 2023!

Share of New Tel Aviv Seed Companies with AI Focus

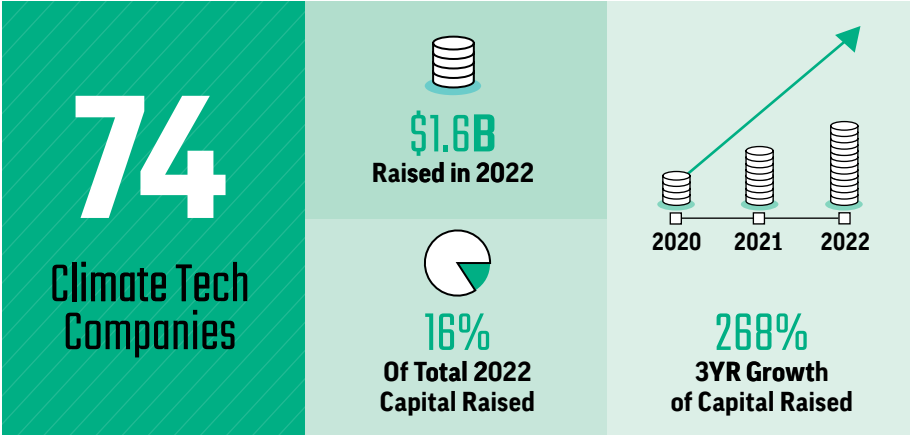


OpenAI Leadership at Tel Aviv University

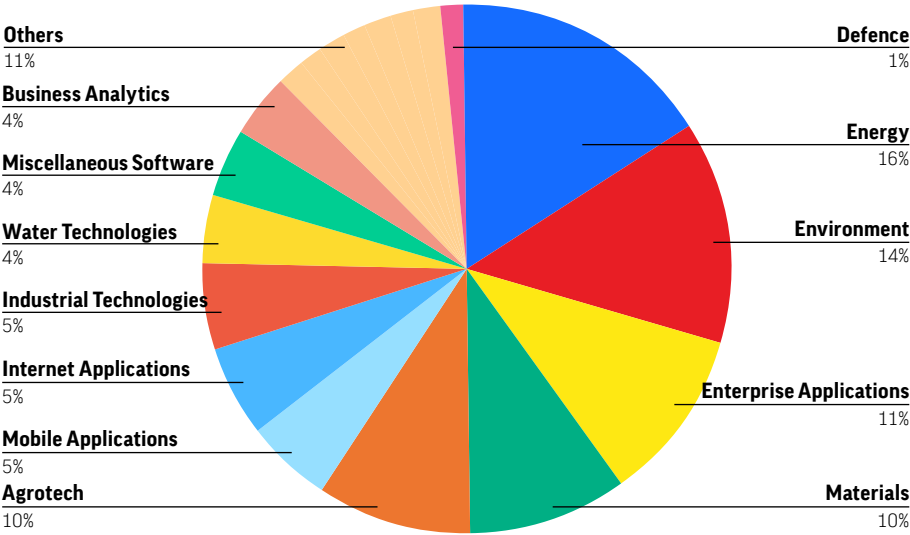


Sam Altman, CEO of OpenAI (center) and Ilya Sutskever, Co-founder and Chief Scientist (right), join Dr. Nadav Cohen of the School of Computer Science at Tel Aviv University in June 2023

SPOTLIGHT ON CLIMATE TECH



Leading Climate Tech Sub-Sectors by Share of Companies



Tel Aviv Unicorns Promoting a More Sustainable Future



*Company selection represents all unicorn companies categorized as Climatetech Unicorns by IVC

Working towards shared goals

Tel Aviv Tech promotes collaboration between the municipality and Tel Aviv-based tech companies of all sizes to support sustainability goals for the company, the city, and the world.

City-Business Climate Alliance



Photo: Guy Yechiely

Launched in 2022 with an initial cohort of 13 leading scaleup and multinational companies, alongside municipal leaders, developing local, actionable solutions to three key urban climate challenges.

ShuttleTech Pilot



Photo: Barak Brinker

The pilot offers shared rides from Tel Aviv suburbs to offices in the city, reducing reliance on private vehicles and improving employee experience.



Municipal Liaison



Traffic optimization



Recycling Support



Local Vendors



Corporate Responsibility

Access to the Cutting Edge

Tel Aviv Tech operates “The Platform”- an entrepreneurship center in the heart of South Tel Aviv that brings access to cutting edge training, professional meetups, and resources beyond the central business district, to all city residents.

Open Source AI Workshops

Photo: Cigale Ferdman



A highly subsidized series of hands-on training sessions focused on navigating free open-source AI tools, including ChatGPT for marketing, writing, and research

Women4Climate

Photo: Tel Aviv Tech



An Accelerator for women climate entrepreneurs in early startup stages. The program is part of the global C40 Climate initiative



Cultivating Tech Talent

Tel Aviv Tech partners with local tech companies of all sizes, alongside municipal and private employment resource centers, bootcamps, and local schools to encourage entrepreneurship, tech up-skilling, and inclusion across the industry.

Workforce Training

Photo: Astar Nati



Discounted training courses in essential skills and tech industry job functions for Tel Aviv residents at all stages of their careers

Early Equitable Exposure

Photo: Tel Aviv Tech



Tech CEOs and leaders meet with students from diverse backgrounds, opening their eyes to new opportunities



Building a Global Network

Tel Aviv Tech has joined the global tech conversation, working with global partners, data providers, and ecosystem players to promote growth opportunities for Tel Aviv companies at home and abroad.

Local and Global Tech Conferences

Photo: Ricky Reichman



From the annual DLD festival hosted in Tel Aviv to global summits in Barcelona, Tokyo, and more, Tel Aviv is there

Visiting Delegations

Photo: Tel Aviv Tech

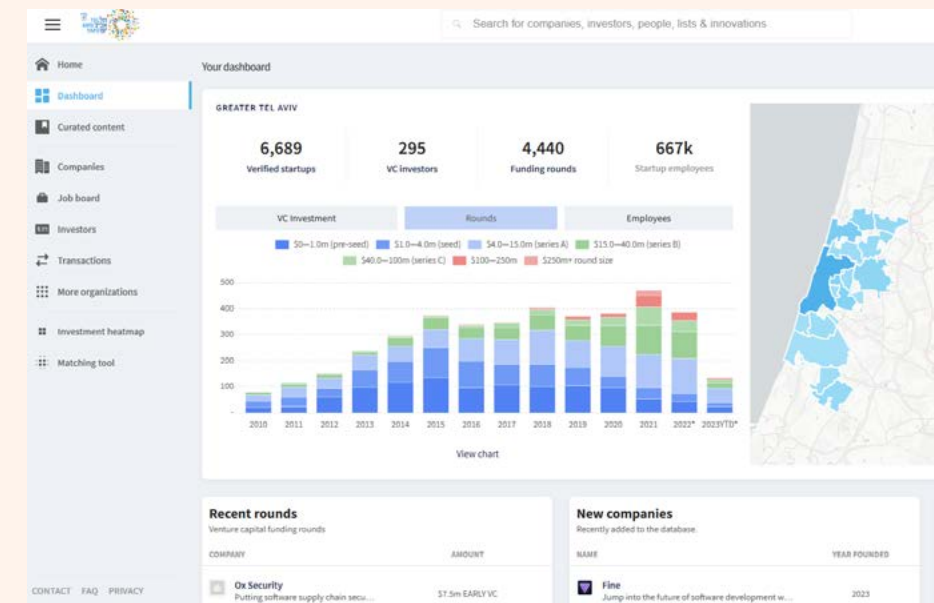


Public and private sector leaders from around the world seek to understand Tel Aviv's secret to success in the dynamic innovation arena. Pictured: Delegation of US mayors

Turning Insights into Opportunities

Tel Aviv Tech launched a data and content partnership with Dealroom, a leading data provider and platform for startup ecosystems worldwide. A custom dashboard for exploring trends, generating insights, and detailed research into the Tel Aviv tech ecosystem is now available to the public..

Tel Aviv Dealroom Dashboard



METHODOLOGY

- 1. **The data in the report is updated to April 15, 2023.**
- 2. **Definition of Tel Aviv tech company:**
 - The headquarters of the company is located in Tel Aviv
 - The company manages a branch office in Tel Aviv
- 3. **Definition of Greater Tel Aviv company:**
 - The headquarters of the company is located in one of the cities and towns near Tel Aviv
 - The company manages a branch office in one of the cities and towns near Tel Aviv
 - List of cities and towns included in Greater Tel Aviv: Azur, Bat-Yam, Bnei Brak, Ganey Tikva, Givat Savion, Givat Shmuel, Givatayim, Herzliya, Holon, Kibbutz Glil-Yam, Kiryat Ono, Or Yehuda, Petach Tikva, Ramat Efal, Ramat Gan, Ramat Hasharon, Savyon-Gani Yehuda, Yehud
- 4. **Definition of Tel Aviv investors:**
 - The headquarters of the investors are located in Tel Aviv
 - The investor manages a branch office in Tel Aviv
- 5. **The companies included** in this report are tagged as high-tech companies in the IVC database
- 6. **Company Stage:** Each Company is classified according to one of four development stages as follows





Startup		Seed	Early stage of product development and fundraising
		R&D	Improvement of the product/process/service and their adaptation to market needs
Pre-Scale		Initial Growth	A company whose Yearly revenue does not exceed \$10M
Scaleup		Revenue Growth	A company whose Yearly revenue exceeds \$10M AND has a double-digit annual growth rate



Photo: Yonatan Honig



Photo: Barak Brinker