

June 28, 2023

## Initial investments in Israeli startups dropped 90% in Q1 of 2023

### Publications

A new [report](#) says that the 10 most active VCs in Israeli high-tech made only three initial investments in the first quarter of 2023, compared to 30 such investments in the same period last year.

"The crisis in the world of technology investments in 2023 is expected to have several effects, some of which are already visible. The value of companies is expected to decrease and companies will become more attractive for acquisitions." said our partner and Head of the Technology Practice **Shlomo Landress**.

He added that "the SAFE mechanism, which enables capital investment without pre-determining a company's value, will continue to be a significant investment channel, especially after the Israel Tax Authority recently issued instructions regarding it. Large exit deals will disappear and, because of this, management in developed companies will be asked by their employees to allow a secondary market for their shares."

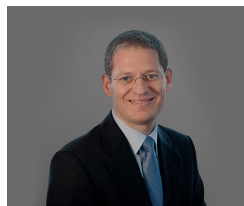
### Key Contacts



**Timor Belan**  
Partner



**Shlomo Landress**  
Head of Technology



**Dr. Eyal Raz**  
Partner



**Gila Ponte-Shlush**  
Partner