

## Why Samsung, SK, and Hyundai Motor are into Israeli startups

Jasmine Topor, founder of the Korea Israel Innovation Center, serving as a guide to investing



[Image source = Gettyimages Bank]

"As Israeli startups have recently emerged as an investment destination for global companies, many clients are showing interest in investing in. However, if you do not have a deep understanding and perspective on the Israeli start-up ecosystem, you will not be able to achieve your desired investment goals. Korea Israel Innovation Center (KIIC) is able to make your investment goals possible starting from due diligence to final investment decision in just two and a half months."

If you have any doubts about why we are talking about Israeli startups, you are already late on the bandwagon to startup trends as Israel is a leader in global startups. Thanks to fostering the development of startups and high-tech industries as growth engines at the national level, Israeli is #3 in NASDAQ listings after the US and China. Israel is a hot spot for investments from global venture capitals and global information technology (IT) companies are lined up to start their investments.

**Bio, autonomous vehicle, AI, mobility, etc.**

**Israel, a startup paradise**

**KIIC was established in 2018 and serves as a bridge between the two countries**

**Massive networks and rich experience**

**From due diligence to the final investment**

**Providing prompt consulting in less than 3 months**

Otonomo, an automotive data services platform listed on NASDAQ through a recent merger with SPAC, is also an Israeli startup. Otonomo is a company that collects car data, reprocesses it, and sells it. It has partnerships with 16 automakers, including Mitsubishi, Nissan, Daimler, BMW and Fiat Chrysler, and collects data from more than 40 million connected vehicles.

For this reason, Korean conglomerates are also showing great interest in Israeli startups. In regards to Otonomo, SK has made investments in the company. In August of last year, Nanox, a next-generation medical equipment technology company that SK Telecom invested in, was successfully listed on the NASDAQ. There are also Israeli startups like Nanox promoting Arc, a medical device that has superior price and performance compared to existing X-ray equipment based on semiconductor-based digital X-ray technology. To this end it could be that Israel envies Korea because there are no large companies in Israel. Global conglomerates such as Samsung Electronics, SK Hynix, and Hyundai Motors do not exist in Israel.

The company that connects the two countries is KIIC. Jasmine Topor, founder and general director of KIIC, is confident that KIIC can be the link between Korea's largest companies and Israeli startups and is the first company to do so. The Center offers members a high level of access, expertise, and long-term commitment to finding the next big leap from leading Israeli startups and technology.



With the Israeli startup database and the vast Israeli startup community information, KIIC consults with its Korean member companies towards high-growth investment and partnership opportunities. They quickly identify Israeli startups that meet the needs of member companies and provides smooth communication and professional consulting services that starts from due diligence and evaluation to a successful closing. KIIC is staffed with experts with expertise and network in Israeli startups' establishing, commercialization, international partnerships, and market strategies.

For more details on why KIIC considers collaboration with Korean companies so important, and how Israeli startups are attractive as an investment destination, let's hear from Jasmine Topor, founder & general director.

The following is a Q&A with Jasmine Topor.

— Can you please briefly talk about KIIC's business? What types of services do you offer and what goals did you have when you established KIIC?

▷ KIIC was established in 2018 to help Korean companies create or maintain a competitive edge through technology. KIIC is the first company of its kind and is headquartered in Tel Aviv, Israel.

Korean companies needed a way to access the Israeli startup and venture community and many of the companies who come to KIIC are mid-sized or large companies who have needs in innovation and technology. We help those companies find the right technology companies to grow their companies.

— What are some promising startups in Israel and what are some strong points that Israeli startups possess?

▷Up until now, many Israeli companies are undervalued in comparison to their US counterparts which has led to opportunities for Korean companies to secure innovative technology at cheaper prices. In some cases, this could be up to 30% less than US companies. It is also much easier to find and target companies in Israel as it is a much smaller country than the US. You can establish a relationship with Israeli companies through just a few visits which is much more convenient.

— What are some reasons why to invest in Israeli companies as an investor

▷Israeli is an ideal destination for Korean companies that wants to increase their influence in the market and establish new businesses with a high success rate.

Korean companies are constantly looking for new ways to expand their businesses and increase competitiveness in the global market, and Israel is high-tech mecca with the highest number of startups per capita in the world. There are many highly coveted startups in Israel that are sought after by global companies.

Israel is also a leader in many advanced technologies such as AI, Computer Vision, Cybersecurity, Communication, IoT, and Digital Healthcare. Israel is unique in its multidisciplinary capabilities which led to technology breakthroughs that led to creative solutions to innovative companies that are influential in the global market.

To mention a few statistics Israel is ranked first in R&D to GDP, #1 in Unicorn per GDP, and is ranked third on Nasdaq listing after US and China even though we are a nation of only about nine million people.

Israeli has invested the most in R&D when compared to its population and has a landmass of about the size of the Honam province but boasts many excellent opportunities to invest in promising startups.

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— What are some strong points about investing in Israeli startups?

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[사진 출처 = 게티이미지뱅크]

▷ Israeli startups have excellent adaptability and creativity in an ever-changing global market. Not only do they offer cutting-edge technology but also display the dedication needed to succeed.

Israel has a unique ecosystem due to its persistence in innovation, R&D capabilities, talented professionals, start-up incentivized policies and venture capital. According to the IVC research center, there are over 369 accelerators, 24 incubators, 185 CVC (corporate-led venture capital) in Israel. On top of this, there are also more than 2,300 companies investing in Israeli startups around the world. There is high potential in Israeli startups as more than 200 leading global companies have established an R&D center in Israel. One major reason why Israel has such an extensive startup network is because of the mandatory military service for both men and women. Israelis cultivate their creative thinking skills through military service and possess a high sense of responsibility and entrepreneurship. When discharged, many give back by utilizing what they learned in the military by starting startups or going into academia. I have served in the research intelligence core of the Israeli Defense Forces and a colleague of mine even served in the Psychotechnical Diagnostic Unit of the Israeli Defense Forces.

—Could you please talk a bit more about some promising companies in Israel?

**Government funded Israeli ecosystem that includes 24 incubators and 185 CVCs.  
All men and women have the responsibility to attend the military**

## **Opened the door for many Korean companies in the fields of mobility and smart factories**

▷ There is an abundance of promising startups in Israel including autonomous driving company (LiDAR), sensor development company (Innoviz), fintech company eToro which are some firms that KIIC has been involved in helping link together with Korean companies. As covid-19 has been accelerating the digital transformation of many sectors cybersecurity platform companies such as SentinelOne and AI-drive insurance companies such as Lemonade are potential companies that could be of great interest to Korean companies and investors. There are more than 30 unicorn companies in Israel worth more than USD1 billion and 98 companies registered on Nasdaq.

— Why should Korean companies be interested in Israeli startups?

▷ There are many technologies that Korean companies could be interested in as Israeli's technology is considered world-class in many aspects. This includes the AI space in the mobility sectors such as radars, computer vision and its algorithms. In Smart factory technology – inspection technologies, predictive maintenance, robots and autonomous vehicles are seen as attractive investments and can potentially increase profits

— What can services can KIIC offer to Korean investors that make it distinguishable to other companies?

▷ KIIC understands the needs of its clients and ensures all parties get the value they need to continuously grow. We are their dedicated team on the ground and KIIC acts on behalf of our clients in Israel, like an extension, not a third party. We have heard from clients that other services can share endless unorganized info that leaves the clients confused and with more work. Clients also found that just investing in a VC fund in hope that they will help them did not work, in addition to the issue of needing to invest and lock up money. That's where KIIC comes in, we offer a deep understanding of the Israeli startup ecosystem. The experience of our staff combined is more than 100 years and we have a database of the Israeli startup community that has been expanding for many than 30 years now.

—Can you provide a case study with a Korean investor?

▷ Korean investors have been very active in Israel and increased their activity substantially in the last five years with 161 deals, 34 of them were done in the last 12 months. 20% of the active investors in Israel are headquartered in Asia. There are also over 40 Korean companies who are active in Israel, among those are Samsung, Hyundai, Naver, NHN Investment and KBI. We only work with selected clients that were highly eager to capture a competitive edge in Israeli tech. We worked with them in their main pain point and area they needed to advance in as their R&D teams reached their limits. There was a great fit and for example, one of our clients then went on and did an investment. From due diligence to the final investment process only took 2.5 months, which was completed with no physical contact during the covid-19 pandemic. The investment was such a good strategic fit that they knew very quickly that they wanted to invest. The number of investment opportunities and fits with Korean companies continue to increase as they are realizing that Israel is a key R&D hub for multi-national companies. Many of our clients are meeting global leaders through us and in the due diligence data room.

—Is there a case study between a global company and an Israeli company?



▷KIIC has helped link global heavy machinery Korean subsidiary to Otonomo an automotive connectivity leader in Israel. Clients were very interested in connectivity and digital transformation of cars. The company was able to gain a vast amount of data through its partnership with Otonomo which led to the creation of new services and revenue sources. The connection with Otonomo was made after extensive research and scouting by KIIC. Another case that we are proud of is an investment that was made 100% remotely. The investment was made by one of our biotech investors in an oncology related company. In this case, KIIC sourced the best opportunities, using our close relationships with leaders in the industry. It included top pharma leaders, which provided a good strategic position for our members.

— What are your plans for KIIC and for Korean companies?

▷We have helped Korean firms identify opportunities with smart factory technology companies and helped Korean pharmaceutical companies identify Israeli biotech companies. Even companies that have no experience investing in new technologies can easily find new opportunities in Israel through KIIC. Some services that KIIC offers include dedicated and tailored scouting of relevant tech companies, market research, analysis of competitors' innovation activities and hosting delegations in Israel. We hosted about 10 tailor made delegations in 2019 and hold dedicated webinars due to covid-19. Once travel restrictions are eased, we plan to continue our tailored delegations.

▶▶ She is...

Jasmine Topor is the Founder and Director of the Korea Israel Innovation Center. Jasmine brings 17 years of investing experience, being based out of Tel Aviv, Palo Alto and London.

Growing up in a family business of VC – Jasmine lived a “VC and tech Investment” life since my childhood. While working at Star Ventures which managed USD1 billion AUM with 180 investments and 80 exits she has been involved in investing in startup companies. She also has experience in the research group of Poalim bank, a leading bank in Israel, analyzing investment opportunities. Some of the recent investments include: Trieye, Hailo, eToro, Laminate Medical amongst many others. She also served in the research intelligence core of the Israeli Defense Forces and holds a B.Sc. in Electrical Engineering from Tel Aviv University in Israel. Ohad Topor of TCK Investments (the first independent multi-family office in Korea) is her husband.

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