



# Dear Friends,

When Physics Nobel laureate Isidor Rabi was asked why he became a scientist, his response was: “My mother made me a scientist. Instead of asking me: ‘Did you learn anything today?’ when I got back from school every day, she asked: ‘Izzy, did you ask a good question today?’”

The importance of asking good questions and constantly challenging assumptions is also the guiding principle for SecuriThings, one of the leading Israeli startups in the Internet of Things space. In a world where practically every device is, or will be, connected to the internet, SecuriThings’ experts asked themselves the following: “How can we protect all these devices and services – from a simple video camera to entire smart cities – against cyber-attacks?”

In this edition of “Doing Business in Israel” Roy Dagan, the CEO of SecuriThings, tells us about the company’s groundbreaking solution to this question and about Israel’s prominent role in the global IoT market.

The current edition also includes a selection of new deals involving Israeli companies, a game-changing discovery for treating melanoma, and a virtual reality tour that brings biblical-era Jerusalem to life.

In the spirit of asking good questions, I leave you with another intriguing quote by Prof. Rabi: “There are questions which illuminate, and there are those that destroy. I was always taught to ask the first kind.”

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# Latest Updates

## Israel's Biggest Biotech Exit in History: Medtronic Buys Mazor for \$1.6B

Mazor Robotics is a pioneer in surgical robotics and spinal surgery. The company's core tech includes the Mazor Robotics Guidance System (Mazor X) and the Renaissance Surgical-Guidance System, which has transformed spinal surgery from a freehand procedure to an accurate, cutting-edge guided procedure using robotics.

## Israel Cybertech Firm Sygnia Sold to Singapore Investment Giant for \$250M

Sygnia works with businesses worldwide to build their cyber resilience and defeat attacks within their networks. Their platform connects to the networks of large companies when they come under cyberattack or experience a security breach.

## Perforce Acquires Israel's Perfecto Mobile for \$200M

The U.S software company bought Perfecto for its cloud-based automated mobile and web application test software for DevOps teams. Perfecto is the provider for large organizations that need to accelerate their digital transformation and provide their customers with the improved online mobile and web experiences.

## Israeli Pipe Components Maker Krausz Sold for \$140M

The buyer, Atlanta-based Mueller Water Products, is an Atlanta-based maker of water infrastructure equipment. Founded almost 100 years ago, Krausz has earned a worldwide reputation thanks to its patented Hymax coupler, which is used to connect pipes, including those of different diameters.

## India's Flipkart Acquires Israeli Retail Analytics Startup Upstream

Flipkart, India's leading e-commerce company, is owned by Walmart. Upstream Commerce's advanced data science-based intelligent solutions will allow Flipkart to offer real-time pricing and product analytics to its seller partners. The company did not disclose the deal size.

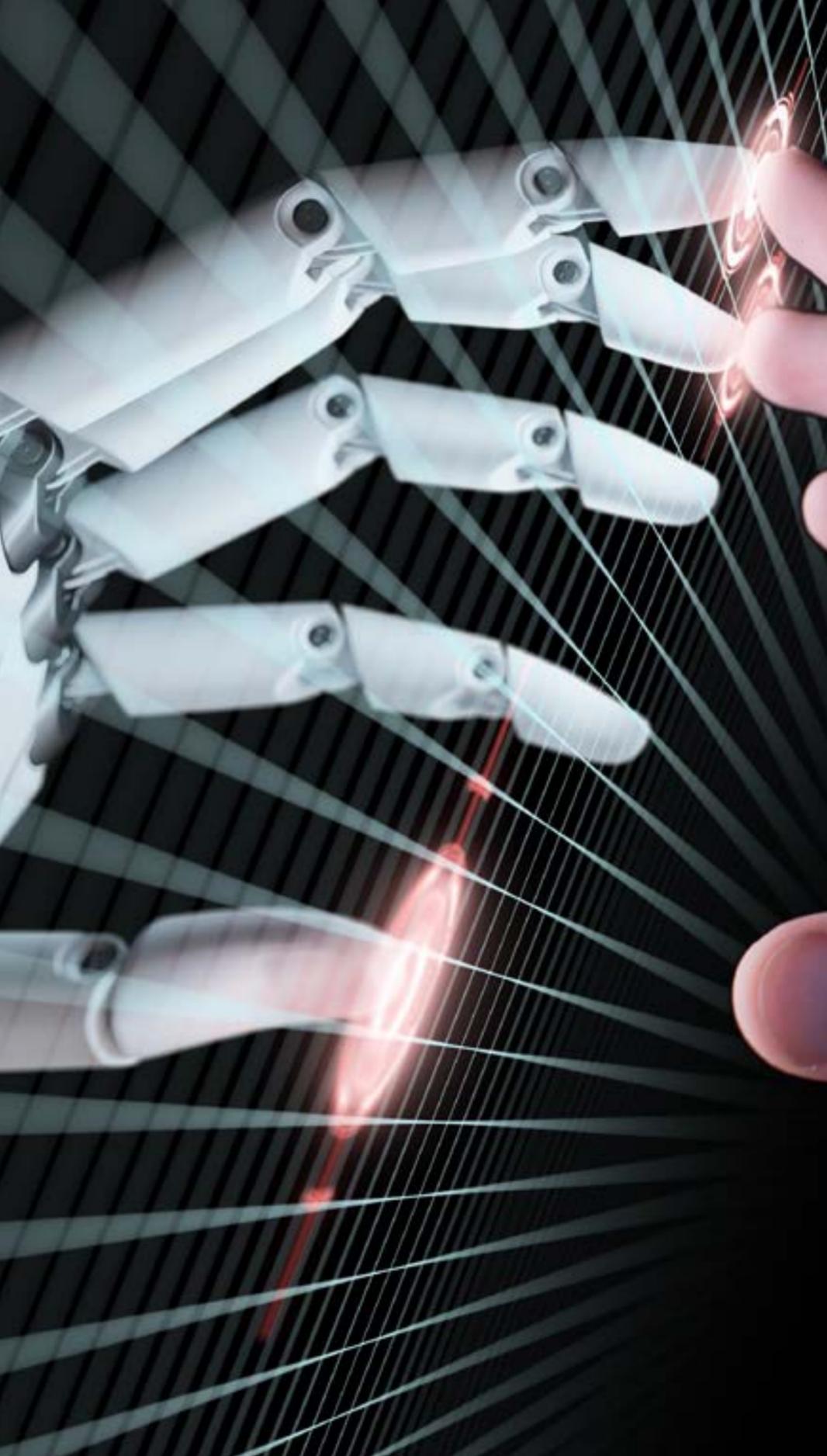
## GrubHub Pays \$150M for Israeli Tapingo

Founded in 2012, Tapingo is a location-specific web and mobile app that caters exclusively to students on 150 college campuses. The combination of Tapingo's network with GrubHub's restaurant marketplace and delivery capabilities will bring greater convenience to students and help campus restaurants in capitalizing on pickup and delivery orders.

## Canada's FSD Buys Israeli Medical Cannabis Company Therapix for \$48M

Clinical-stage Therapix Biosciences develops cannabinoid-based drugs for the treatment of neurological conditions, pain management, and infectious diseases. Its therapies are based on a cannabis compound called Dronabinol, a synthetic THC that has already been approved by FDA for the treatment of conditions such as chemotherapy-induced side-effects.





# 01 Focus Area

## Internet of Things

# "IoT Devices Are the Weakest Link in the Connected World"

As the Internet of Things (IoT) revolution is picking up speed, billions of Wi-Fi connected devices are extremely vulnerable to cyber-attacks. **Roy Dagan, CEO of Israeli startup SecuriThings**, explains how even the simplest camera can be protected, and why Israeli companies are so prominent in the trendy field of IoT

Connecting between the digital and physical worlds, Internet of Things (IoT) devices bring countless benefits and convenience to modern life: From telling the refrigerator to order more milk, to wearable devices equipped with sensors that collect biometric data, to running entire smart cities, IoT completely changes the way we engage with our surroundings. It can even save lives.

But this hyper-connectivity has a major drawback – security threats. Attacking many of today’s IoT devices is still unbearably easy and can cause severe damage to individual users as well as large organizations.

“Our working assumption is that every connected device is vulnerable”, says Roy Dagan, Co-Founder and CEO of the Israeli startup SecuriThings. “Most IoT devices include only a basic level of security, they are meant to be simple by nature and by design. Once these devices are ‘out there’, deployed in the field, they are exposed to increasingly sophisticated cyber-threats.”

## Smart Protection for Basic Devices

Just think about a self-driving car being hit by a cyber-attack, or the network of cameras inside a smart building being hacked. “Hackers always look for weak links, and IoT devices are exactly that,” says Dagan. “They also serve as potential channels for penetrating large organizations and execute massive attacks.”

SecuriThings was founded in 2015 by veterans of the Israeli Intelligence Corps and cybersecurity industry professionals. The company developed an end-to-end solution to keep deployments of IoT devices secure by using Artificial Intelligence to detect anomalies, signal unauthorized infiltrations and mitigate these threats. SecuriThings’ platform works across multiple IoT verticals, such as physical security, consumer devices, building automation, smart cities and industrial systems. Today it is one of the most prominent companies in the burgeoning IoT technology market in Israel.

With hundreds of high-quality startups and companies in dozens of verticals and sub-verticals, Israel is also gaining a leading spot in the global IoT space. Israeli entrepreneurs bring so much innovation to the IoT arena due to the combination of mastering core competencies like machine learning, predictive analytics and data mining (ingrained in the military intelligence units), alongside the strength of industries such as healthcare, agriculture and cyber-security.





Roy Dagan, CEO SecuriThings

// **The partnerships we have formed alongside our unique AI based technology and proven success stories, position SecuriThings as the leading IoT security platform in the world.** //

## Bringing Artificial Intelligence to the IoT Security World

SecuriThings' system is seamlessly deployed via device management platforms. "Our product is comprised of several layers," explains Dagan. "The first layer monitors all the devices, users and activities by collecting data and analyzing it in real time. The data is collected, either by using a super-light agent deployed on the device itself, or going 'agentless'.

"The second layer is detection: we use advanced machine learning to form real-time risk models while creating a unique fingerprint for each user or device, allowing identification of irregularities and threats.

"The third layer is mitigation once threats are identified – by providing actionable intelligence. Customers can set immediate responses based on customizable

layers of policies to block the attacks. It can be done by customers through the SecuriThings dashboard or as a managed service, provided by Security Operations Centers (SOCs) operated by our strategic partners."

Dagan emphasizes that although their solution targets the IoT market, their team consists of experts in every cyber-security discipline you can think of. "We basically integrate a number of cyber technologies into a system that accommodates IoT. This blend allows us to create unique solutions and progress quickly".

SecuriThings is headquartered in Tel Aviv and has offices in New York. Its go-to-market strategy is through channel partners such as system integrators and service providers. SecuriThings has already partnered with major global system integrators and IoT providers, is a Microsoft Co-sell partner and is part of Johnson Controls global innovation program. Bezeq, Israel's largest telecommunications operator has been a SecuriThings customer for a couple of years.

SecuriThings is already monitoring over a hundred million devices and keeps strengthening its partnerships with world leading IoT providers and system integrators. SecuriThings is also certified with a growing number of physical security vendors, enabling a seamless deployment within its growing install base.



# The IoT Ecosystem in Israel

**330+**

Active startups



**\$214M**

Funding for Israeli IoT companies during Q2/2018



**72**

Are in IoT Security (representing **17%** of cybersecurity sector)

**17**

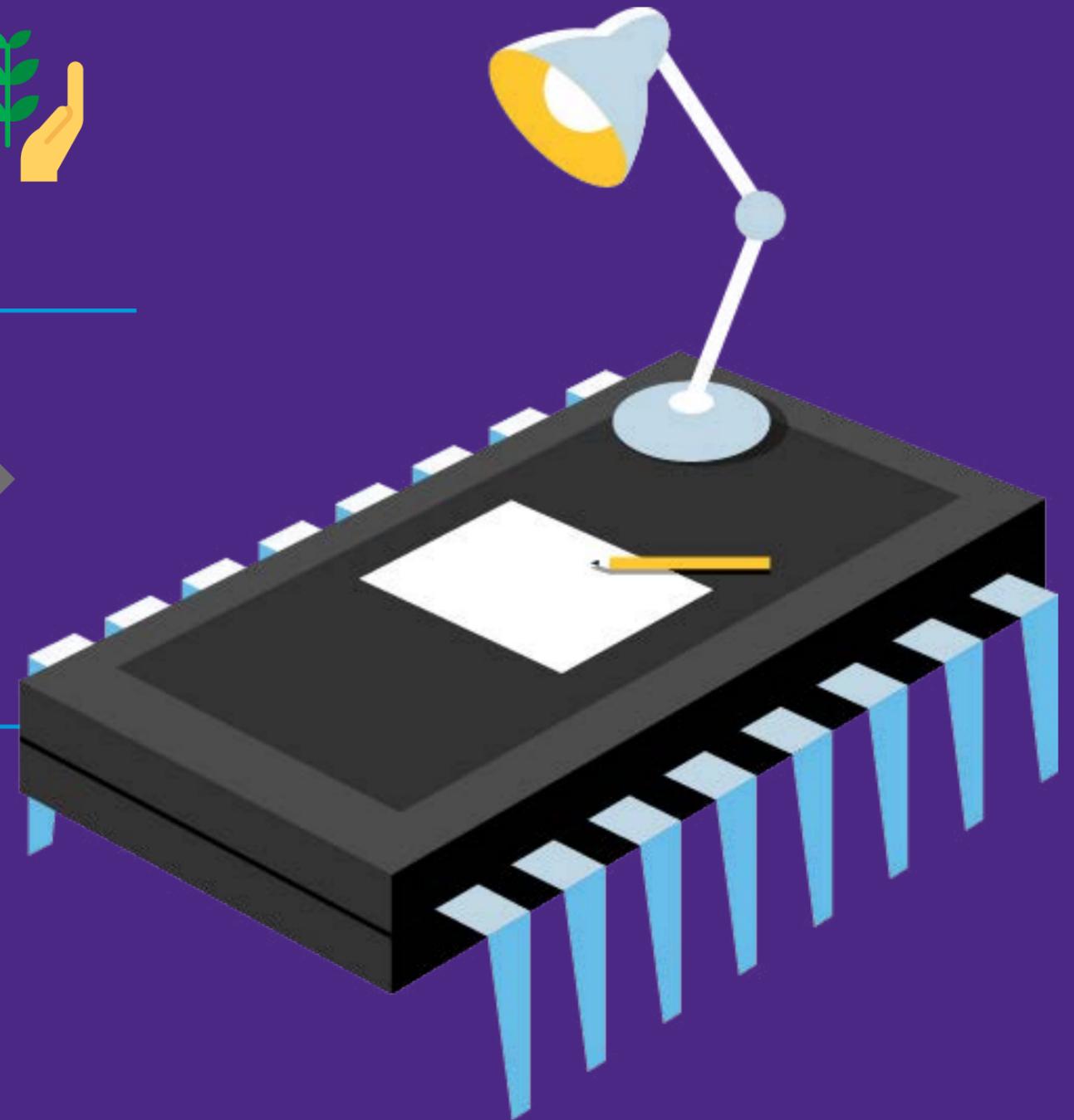
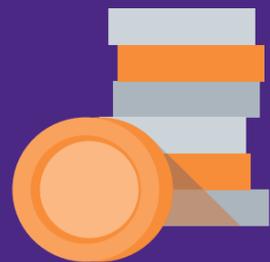
Investment deals in IoT security during 2017



**30%**

(=20 companies)

Of newly-founded startups in Israel in 2017 were in IoT Security





# 02 Israeli Innovation

## A New Treatment Dramatically Increases Melanoma Recovery Rate

A new study led by researchers at the Weizmann Institute of Science reveals a new “ultra-personalized” approach to treating melanoma more effectively than ever. Although recovery rates have risen dramatically thanks to new immunotherapy treatments for melanoma, in some cases to around 50%, with this new approach they could be dramatically higher.

The Weizmann Institute’s Prof. Yardena Samuels uses a “tumor bank” - a database of over 500 samples from melanoma patients - providing her with information to figure out how mutations drive cancer.

Today’s immunotherapies (which ‘turn on’ the immune system and empower it to attack tumors) cannot kill cancer if they do not recognize the cancer cells as foreign. With the new treatment, the immune cells

identify “signposts” that mark cancer cells as foreign and kill them. Identifying these “signposts”, also known as neo-antigens, can help develop personalized cancer vaccines based on neo-antigen profiles. The development of personalized drugs is crucial because almost all neo-antigens detected in patients are unique to the particular cancerous tissue.

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[Read the full study](#)



# 03 Cultural Bite

## **'Step into History': A Virtual Reality Tour in Old Jerusalem**

'Step into History' is a new virtual reality (VR) tour, bringing the ancient city back to life through technology.

The Tower of David Museum and its Innovation Lab teamed up with Australia's Lithodomos VR, a virtual reality startup founded by archeologists and artists. Together they created this unique cutting-edge experience, allowing visitors to immerse themselves in the time of the Second Temple 2,000 years ago, during the time of King Herod.

By simply putting on the headset in the right location, the high-tech expedition offers 360-degree simulations of what Jerusalem's citadel, palaces, streets and ancient Jewish temple looked like. It also shows different aspects of ancient Jerusalem including religious life and commercial activities. With this technology, images of the past are superimposed onto present-day historical sites, adding context and explanation.

Accompanied by a guide, the tours are offered in English and Hebrew and last between 2.5 to 3 hours.

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**The tour website**