BOLDER TECH
GREENER TOMORROW

NetZero's Take on
Innovation Policy and High-Tech Sector Challenges

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NetZero Tech Ventures

Israel's most active investor and venture builder in climate & energy deep-tech.

In collaboration with

רשות החדשנות
Israel Innovation Authority

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In 2024 we were recognized as **Israel’s most active early-stage investor** in climate-tech and more specifically in energy-tech.

NetZero Tech Ventures is a vehicle that **mitigates the risks** associated with investing in **early-stage climate deep tech ventures.**

NetZero Tech Ventures

Our investments focus on areas of **high global interest** as well as our stakeholders' core competencies:

Energy Tech

- Energy Generation
- Energy Storage & Transport
- Energy Management
- Alternative Fuels & Hydrogen

Chiral energies

Fost Sense

PYROH2 LOW CARBON HYDROGEN

CatAmmon

SolidT

WatAirGy

Sustainability Tech

- Circular Economy
- Water Tech
- Carbon Tech

GreenTidio

STARSTONE

CClean

DataPond

Delek US

OTHER SOURCES ENERGY GROUP

TotalEnergies

eren GROUPE

BGV

THE BLUE MINDS COMPANY

iP Innovative Power

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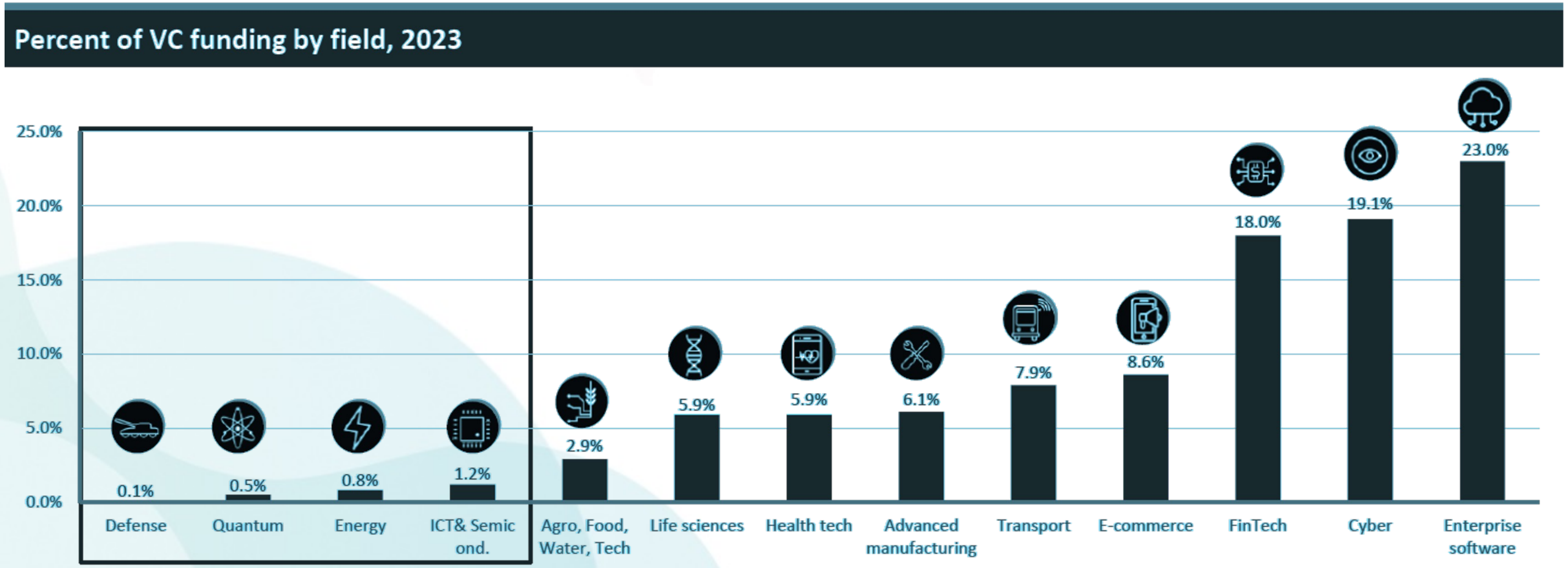
Are there indeed three sectors?

High-Tech is diversified by many fields: but ~60% of VC funding concentrated in three sectors

Reichman University Aaron Institute for Economic Policy

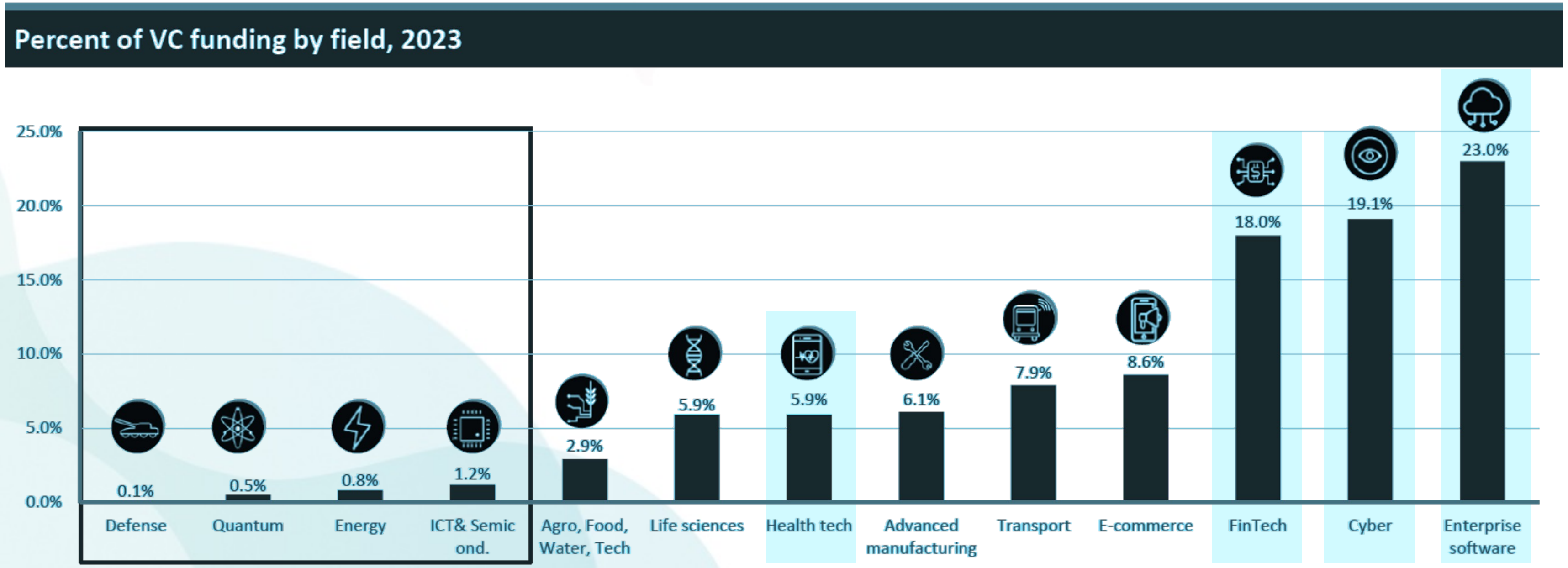


STARTUP NATION CENTRAL

Source: the Innovation Authority

Software Dominance:
75% to 85% of the VC backed High Tech Industry

High-Tech is diversified by many fields:
but ~60% of VC funding concentrated in three sectors



Source: the Innovation Authority

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Energy-tech (our segment) is only 0.8%
of the Israeli VC backed High Tech Industry

High-Tech is diversified by many fields:
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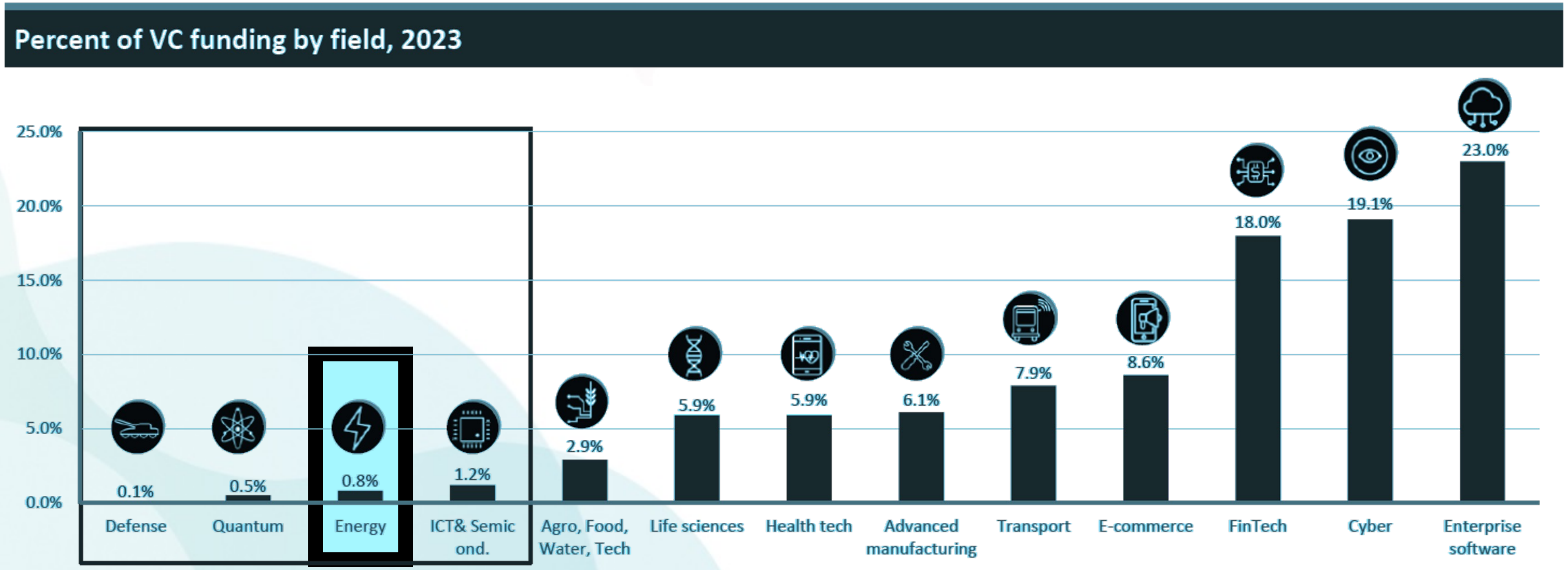
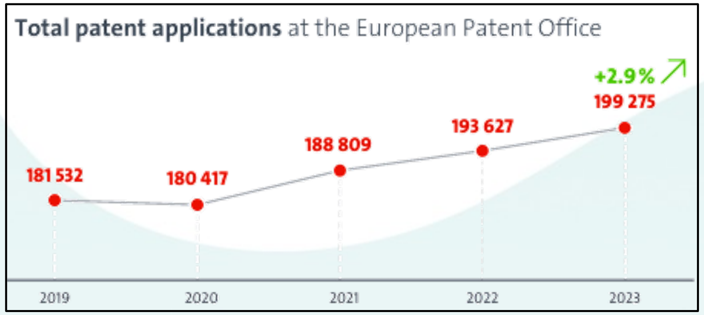


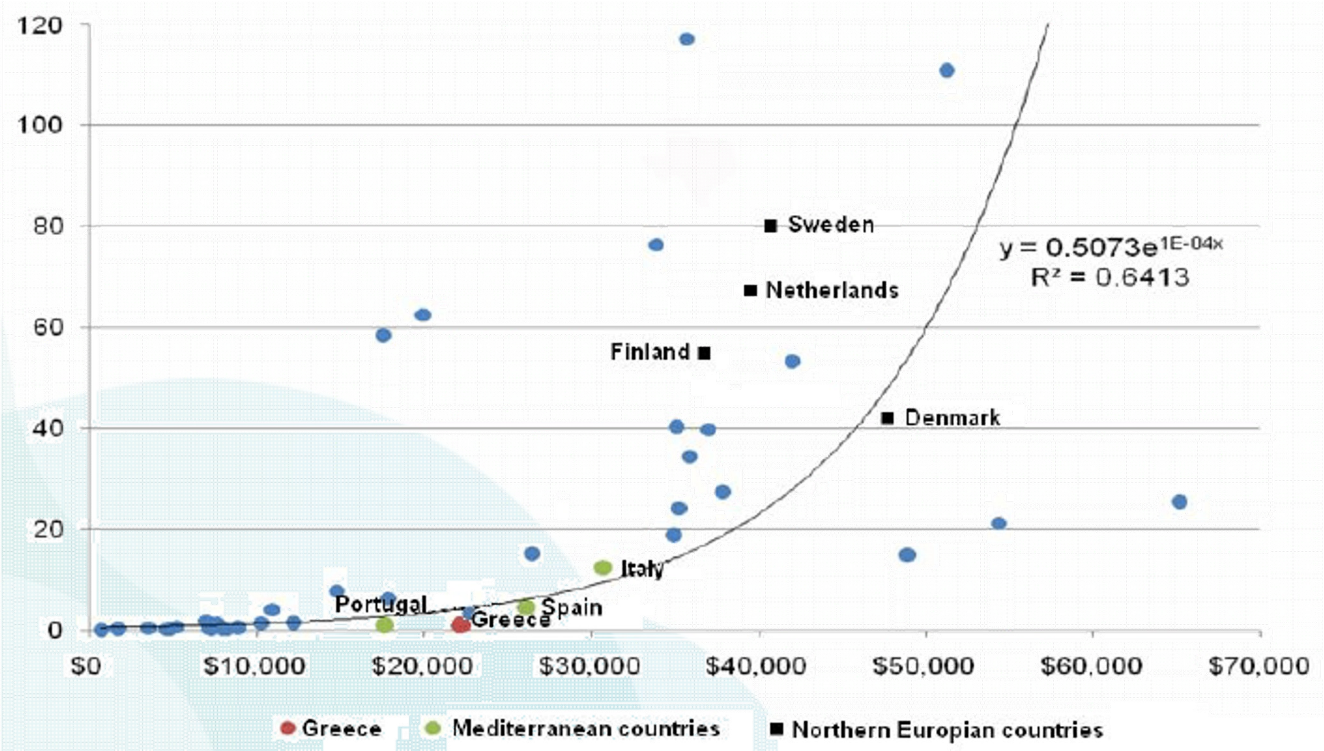
Source: the Innovation Authority

Source: European Patent Office

The only field that showed two-digit growth reported by the European Patent Office is **Electrical Machinery, Apparatus, Energy** (ranked #4; approx. **8% of the total number of patent applications**)



The Impact of Monitored Innovation: Strong Correlation Between Patent Applications and GDP Growth



Relation between GDP per capita (horizontal axis) and number of patents per one million of population

Source: OECD, Science Technology and Industry Scoreboard, IMF World Economic

Diversifying Key Industries

Science-Driven Innovation: A Catalyst and an Indicator of Economic Growth

- Addressing critical global challenges and developing sectors like **medical device, pharma, climate tech, and defense** will ensure long-term stability and sustainable economic growth.

- Software development drives short-term gains but relying solely on it, is insufficient for sustaining long-term economic growth and resilience.

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High-tech vs. Deep-tech: Ventures and Entrepreneurs' Characters

Aspect	High-Tech	Deep-Tech
Nature of Innovation	User-centric (no IP protection)	IP protected Breakthrough
Time to Market	Short	Long
Funding Needs	Moderate, VC-focused	High, R&D-heavy
Risk Focus	Market execution	Technical and market feasibility
Education	Undergraduate	PhDs
Average Age	Mid to late 20s	Over 50
Team Expertise	Product and business skills	Scientific and technical depth
Market Impact	Consumer-oriented	Disruptive and foundational

Where to go from here?

- **Strengthening Israeli academic research** –
  - Funding – access to research grants
  - Access to infrastructure/equipment/labs (Bar Ilan Energy Hub)
  - Collaborations with industry players (Boeing-Technion SAF collaboration; Chevron Studio model)
- **Rethinking the VC model for deep-tech –**
  - Long fund life span (over 12 yrs) with smaller management fees
  - Next Gen Incubators as a start point – soomther collaboration with IIA Reviewers System, incentives for funding & programming

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Holistic approach, emphasizing innovation in diverse science-driven industries alongside software, is vital for building a robust and future-proof economy.

NetZero Tech Ventures is building Israel's premier climate deep tech hub, **alongside its multinational and local partners.**

Building bolder tech for a greener tomorrow?

We'd love to build it with you.

NetZero

www.net-zero.vc