

# Israel Innovation Authority Picks Deep Tech Incubators to Launch Startups with 5-year Investment of Hundreds of Millions

*New incubators to drive innovation in energy, infrastructure, and medical technology —shaping the next wave of Israeli deep tech success stories*

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[/EINPresswire.com/](https://www.einpresswire.com/) -- The Israel Innovation Authority announced today the selection of two new technology incubators—Square One Labs Build and Edge Medical Ventures— to establish, invest in, and support dozens of Deep Tech startups in Israel as part of an innovative Venture Creation & Building Studio model.

Each incubator will receive a total budget of up to NIS 40 million over five years and will independently invest tens of millions of dollars in startups within their respective fields. The incubators are expected to establish and grow dozens of groundbreaking companies in areas such as energy, industry, data center infrastructure, medical devices, and Bio-convergence—the integration of technological, biological, and engineering domains.

Gila Gamliel, Minister of Innovation, Science and Technology: “The new incubators, backed by investments of hundreds of millions of shekels, position Israel at the forefront of global Deep Tech. The innovative model we’ve created connects public and private capital, significantly shortens the path from idea to global product, and strengthens our economic and security resilience. Accelerating the pace of innovation during such a challenging time is a clear expression of the determination and strength of the Israeli economy.”



Alon Stopel, Ph.D., Chairman Israel Innovation Authority (Credit: Hanna Teib)

Dr. Alon Stopel, Chairman of the Israel Innovation Authority: "This is a groundbreaking strategic move, based on insights and experience accumulated over years of operating previous incubator programs in Israel, combined with lessons learned from advanced global models—particularly from the United States. The process of designing the new program took many months and included precise adaptation to the evolving reality of the Israeli high-tech sector.

The tender's outcome announced today reflects our vision for incubators that operate as entrepreneurial accelerators—composed of corporations, VC funds, entrepreneurs, and academics—providing founders with a full support system—technological, business, and financial—from the earliest stages. We see this as another significant step in building a strong Israeli Deep Tech industry that will tackle the major engineering challenges of the next decade, including energy, sophisticated infrastructure, medical devices, and more. In the future, we will consider expanding into areas such as semiconductors and additional technologies."

Dror Bin, CEO of the Israel Innovation Authority: "We are proud to announce today the results of one of the most significant initiatives to advance the Deep Tech sector in Israel. This was a rigorous, highly qualitative, and competitive process that attracted outstanding proposals from top-tier Israeli and international players—including industrial entities, investment funds, medical institutions, and academic leaders—who joined forces to build the next generation of breakthrough startups.

The selected incubators will serve as active creation engines, enabling the establishment of innovative companies from ideation or early research stage and supporting them throughout all stages of development—from inception to market entry and global growth. This model not only reduces the risk for entrepreneurs but also provides them with everything they need to truly succeed—access to advanced laboratories, strategic partnerships, expertise from leading institutions, and substantial government investment. We believe in the power of Deep Tech to be a game-changer in fields such as health, infrastructure, energy, and science—and the platforms selected today will serve as the launchpad for the next great Israeli success stories."

The incubators were selected through a new competitive process launched in 2024, parallel to the establishment of a Startup Fund that enables the Authority to participate in funding rounds of Israeli Deep Tech companies from ideation all the way to Round A funding —without taking equity or diluting the founders.

The new model emphasizes deep and broad investment—covering business, regulatory, technological, and financial aspects intending to build companies rooted in real needs and with the potential to break into global markets.

#### Square One Labs Build – Incubator for Energy, Industry, and Data Center Infrastructure

Square One Labs Build was selected to establish a Venture Creation incubator in the critical fields of energy, advanced industry, and infrastructure for data centers. The incubator was formed as a consortium with a synergy of leading corporations, including Doral Energy-Tech

Ventures, Afcon Control & Automation, RAD Group, Bazan Group, Square One Fund, Enlight's Elements Fund, and academic and business partners.

The incubator will establish companies using an Entrepreneur in Residence model, where entrepreneurs develop solutions for problems defined or validated by strategic partners. To support this, a network of four specialized labs will be established in key fields: materials science, power electronics, thermodynamics, and robotics.

The leadership team includes top industry figures Amir Fishlov and Yoav Galin (co-founders of SolarEdge), Yonatan Bik (CTO), and Miki Hefetz (VP of Business Development).

Edge Medical Ventures – Incubator Specializing in Medical Devices and Bio-convergence

Edge Medical Ventures will establish a cutting-edge incubator focused on medical devices, emphasizing Deep Tech and interdisciplinary solutions that combine hardware, software, biology, and materials engineering.

Partners in the incubator include Boston Scientific, one of the world's largest medical device companies; the investment funds Edge Medical Partners and Issec Capital (CBG); Hadassah, Sheba, and Wolfson medical centers; Cornell University Medical Center; and Hadasit, Hadassah University Medical Center's technology transfer and innovation company.

The incubator team developed a comprehensive Venture Creation methodology, including defining clinical needs in collaboration with strategic partners, deep market and competition validation, and commercializing knowledge from leading medical institutions in Israel and abroad.

The companies established will benefit from one of the most advanced testing infrastructures in Israel, including a prototype development lab, in-vivo testing, early-stage manufacturing capabilities, validation and regulatory support for FDA submissions, and more.

Edge Medical is built on proven experience - MEDX, its previous incubator, launched in 2017 has established 20 companies, of which 13 have raised approximately \$50 million from the private market.

The leadership team includes Shay Poliker (CEO), Gal Atarot (CTO), Noam Teichler (CFO), and Eileen Kee (VP of Commercialization).

A New Investment Model: A Unique Blend of Public and Private Funding

Formulated in 2024, the new model encourages the proactive creation of Deep Tech companies by leveraging institutional and industrial knowledge, with significant early-stage involvement by the Innovation Authority.

The model is tailored to the needs of Deep Tech ventures, which require significant investment and long maturation periods—unlike classic tech startups.

The Innovation Authority will act as a strategic partner without taking equity, based on excellence and a thorough evaluation of each investment.

Key model highlights:

- Up to NIS 40 million in cumulative grants per incubator, including management fees, setup expenses, and lab infrastructure
- Minimum private sector investment requirement: NIS 120 million
- Innovation Authority participation in funding rounds without equity dilution
- Opportunity for additional VC and CVC participation
- LP/GP structure allowing for additional capital funding rounds (Second Closing) after selection

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