BSD

12A Venture Capital

Fund #2

Q4 2024 Investor Report

Dear Friends and Partners, Our Esteemed Investors,

We are pleased to present the quarterly report for 12A VC, a venture capital fund uniquely dedicated to investing in startups led by Haredi entrepreneurs. Our mission is twofold: to deliver outstanding returns for our investors and to create meaningful social impact by fostering the success of Haredi-founded startups. By showcasing real-world examples of impactful and scalable businesses, we aim to inspire the Haredi community and unlock its vast entrepreneurial potential.

While social impact is central to our vision, our foremost priority is delivering exceptional financial results. We deeply believe in the untapped talent within the Haredi community and the immense business opportunities it offers. By identifying top entrepreneurial talent and supporting them in building world-class companies, we are confident in achieving both economic and social success.

Our portfolio valuation methodology relies on the most recent funding rounds, ensuring transparency and market alignment. We are proud that most portfolio companies have achieved significant revenue milestones, with several generating millions—and even tens of millions—of dollars annually.

We extend our deepest gratitude to our esteemed Investment Committee—Yossi Sela, Raoul Stein, and Arik Kleinstein—for their invaluable guidance and expertise, which have been instrumental to the success of our portfolio. We also wish to express our heartfelt thanks to you, our investors, for your unwavering trust and support. Your partnership empowers 12A VC and enables our portfolio companies to thrive and grow. Thank you for being an integral part of this meaningful mission. Together, we are not only building world-class companies but also shaping a more inclusive and innovative startup ecosystem.

Please note that this report is an unaudited narrative update. Annual reports, including K-1 statements, are available to investors through the iAngels platform.

In these challenging times, our mission takes on even greater significance, fostering unity within the state of Israel and broadening participation in Israel's startup ecosystem. We continue to pray for brighter days for Am Israel, for the safe return of all hostages, for the well-being and safe return of all our soldiers, and for good news for AM Israel B"H.

Moshe Friedman
Managing Partner

Avreimi Wingut
Managing Partner

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12A II in numbers

Fund size: $9.75M | Vintage 2022

Investments To Date: **9**

Total amount invested to date: $3,575,464

Up rounds: **2**

MOIC: **1.75X**

Companies Closed: **1**

New Investment: DeepKeep - $500K

DeepKeep is tackling one of the most critical cybersecurity challenges of the AI era: protecting AI models from sophisticated threats like data poisoning, adversarial attacks, and model theft.

The company was founded by Rabbi Dr. Chaim Roni Ohayon, a Haredi serial entrepreneur and co-founder of LiveU, which was acquired for $200M by Francisco Partners and later sold for $500M to Carlyle.

After raising two seed rounds from OWZ Ventures, a leading Israeli deep-tech defense-focused VC, DeepKeep is now launching a new funding round, with its anchor investors opening the door for 12A to participate.

Market Opportunity

AI Is Expanding Rapidly—So Are the Risks

With AI-powered systems now integrated across finance, mobility, defense, and enterprise applications, securing these models has become a top priority.

Key cybersecurity threats include:

Adversarial AI Attacks – Manipulating AI models (e.g., tricking autonomous vehicles into misreading road signs).

Data Poisoning – Injecting false data to corrupt and disrupt machine learning models.

AI Model Theft – Extracting proprietary AI models through sophisticated cyber techniques.

Key Industries for DeepKeep’s Solutions:

Homeland Security – Protecting AI-driven defense and intelligence systems.

Financial Services – Safeguarding fraud detection, risk assessment, and identity verification models.

Mobility & Automotive – Ensuring the integrity of AI models powering autonomous vehicles.

Emerging AI Applications – As companies like OpenAI accelerate AI adoption, the need for robust security measures continues to grow.

Traction & Growth

DeepKeep has gained strong market traction, with an Annual Recurring Revenue (ARR) of $1.8M, driven by notable clients like JP Morgan, BYD, Toshiba, and others.

Funding History

2021 – $500K Seed Round (valuation: $2M)

2022 – $4M Seed Extension (led by OWZ Ventures, valuation: $9M)

2023 – $2.6M (OWZ Ventures, valuation: $20M post-money)

Our Investment

We are investing $500K as part of a $3M round, alongside OWZ Ventures and prominent angels such as Marc Lesnick. The round is being raised at a $30M valuation.

With a rapidly growing market, a strong founding team, and significant enterprise traction, DeepKeep is well-positioned to become a leader in AI cybersecurity.

We look forward to supporting DeepKeep’s next phase of growth B"H.

New Investment: Spin - $500K.

Spin is the latest venture by Simcha Neumark, a proven Haredi fintech entrepreneur. His previous company, Weel, became a market leader in Brazil, raising $70M before its acquisition by BS2 Bank.

Now, Simcha is launching a B2B financial infrastructure company for Brazil’s gaming industry, leveraging the recent legalization of the sector.

Spin has raised $4.3M in funding at a $15M post-money valuation. The round includes a $1.5M investment from Dune Ventures, a U.S.-based VC fund, a $2M strategic investment from SmartSoft, a leading Georgian gaming giant (introduced by Gigi Levy-Weiss), along with contributions from several angel investors.

Founders: **Simcha Neumark** (CEO) – Ex-BS2 Bank, University of Chicago, fintech expert. **Fred Ring** (CCO) – Former top Brazilian TV anchor, now leading Spin’s market expansion.

Market Opportunity: Brazil – A Fintech Powerhouse
Brazil has rapidly modernized its financial system, with innovations like PIX instant payments and Nubank's rise as a global digital banking leader. The demand for secure, tech-driven financial solutions is at an all-time high. With new regulations enacted in December 2023, over 100 gaming companies have applied for licenses, each depositing $6M. As these companies transition to a regulated environment, they require advanced financial infrastructure, a gap Spin is uniquely positioned to fill.

Spin is strictly a B2B company, providing financial infrastructure only to gaming operators—it does not engage directly with end users.
The company offers Secure payments & fraud prevention, Regulatory compliance & back-office infrastructure, Optimized fintech solutions tailored for Brazil.

Traction & Growth:
8 signed customers, including Brazil's 2 largest gaming operators.

We believe Spin represents a high-potential fintech play in an emerging, fast-growing market and is well-positioned to become a critical financial infrastructure provider in Brazil's regulated gaming sector. Looking forward to seeing Spin redefine financial infrastructure in Brazil.

Our Portfolio

Triple Whale

Triple Whale is an operating system for Shopify brands. The company has raised $50 million from NFX, Elephant, and Shopify.
Currently, it supports over 30,000 Shopify brands.
The company's current ARR is $42M.
Profitable with lots of cash in the bank.

Next Dim

Next Dim provides Anti-Financial Crime AML and KYC solutions. The company was founded by Netta Marom, a Unit 81 officer with a banking background. We participated in a $3M seed round led by David Assia from the iAngels VC fund. The company's current ARR is $1.8M.

Cherry (formerly Shtar) is a fintech startup that processes multi-million-dollar payments monthly. We participated in a $6 million seed round led by James Currier from NFX and have since achieved significant traction.

While the beginning of 2024 was challenging—requiring the company to lay off two-thirds of its employees—Cherry successfully navigated these difficulties, rebounding stronger and regaining its growth trajectory. By the end of the year, the company reached $3M in Annual Recurring Revenue (ARR), doubling revenue year over year.

Cherry recently raised $500K from customers on a SAFE with a $50M valuation cap and a 25% discount. As part of its expansion, the company is integrating AI to optimize Accounts Payable (AP) operations. Currently processing $4B in end-to-end payments, Cherry is on track to handle $10B by 2025.

The company’s revenue model is driven by multiple streams, including a 2.2% transaction fee on credit card payments, a 3% annual return on bank-held funds ($15M–$20M daily), overnight holdings revenue, and a $1.50 fee per transfer.

Reflectiz

Reflectiz is a leading innovator in third-party application vulnerability detection, delivering state-of-the-art solutions that help enterprises safeguard their digital ecosystems. The company previously secured $10M in funding from Capri VC and other strategic investors, reinforcing its position as a trusted partner in the cybersecurity landscape.

In 2023, Reflectiz demonstrated exceptional performance, doubling its Annual Recurring Revenue (ARR) to $2M and establishing a robust foothold in the U.S. market with 30 major enterprise clients. This growth trajectory accelerated further in 2024, with ARR reaching $2.7M by the end of Q1 and climbing to $3.5M by Q4. By year's end, Reflectiz achieved an impressive 80% year-over-year growth, marking another milestone in its rapid expansion.

A cornerstone of this success is the company's highly effective "land and expand" strategy, which has driven significant increases in customer investments. Notable examples include eBay, whose annual contract grew from $100K to $250K, and Ticketmaster, which increased its annual commitment from $250K to a cumulative $750K.

In 2024, Reflectiz further expanded its client portfolio by onboarding several high-profile customers, such as Mango, Emblem Health, Commerzbank, Cava, and A&F. These partnerships underscore the company's growing reputation as a trusted leader in proactive vulnerability detection for third-party applications.

Conext

Conext is transforming efficiency in the concrete industry with its innovative real-time monitoring and analytics solutions. We participated in the company's seed round alongside prominent angel investors, including Eyal Gura, Moshe Lichtman, and

others. In 2024, Conext achieved an ARR of $120,000 and is projecting 100% growth in 2025, targeting an ARR of $240,000. Signed LOIs from existing clients suggest a potential ARR of $7.4 million within the next three years.

A successful pilot in Limassol, Cyprus, has advanced to the next phase, with additional installations now underway. In Yavne, Israel, Cemex expanded its fleet from 5 to 12 trucks, with ongoing discussions to scale operations further. Pilots at Shapir's Bloomfield Stadium and a facility in Ramla are progressing well, with Shapir's 600-truck fleet representing a significant growth opportunity.

Validation tests demonstrated a 90% success rate, significantly outperforming manual cone systems. Titan, a major player in Europe and the U.S., recently visited the Cyprus pilot and provided highly positive feedback, expressing interest in a €50,000 funded pilot with four trucks. A senior Titan executive, formerly with McKinsey, highlighted Conext's distinct competitive advantage in the market.

Bring

Bring is transforming the Web3 landscape by enabling wallets and exchanges to offer crypto cashback rewards, creating a seamless and rewarding shopping experience for users. The platform has partnered with over 16,000 retailers, including major brands like Expedia, Hertz, LG, Dell, Lenovo, Blue Nile, Gap, Banana Republic, StockX, Fender, and Samsonite.

Early traction is promising, with 11% of CSPR Chrome extension users engaging with the platform and 0.9% completing purchases to earn rewards.

Bring has also secured 41 key partnerships with brands like Instacart, Walmart, Nike, CVS, and Adidas. Wallet integrations are progressing, with Yoroi, Gero, Argent, Aurora, and Casper Wallets either live or launching soon.

On the technology front, Bring has introduced centralized dashboards for performance tracking, improved affiliate network integrations to attract more retailers, and advanced analytics for data-driven decision-making. Additionally, the company is launching Addin', an innovative initiative connecting advertisers with Web3 platforms through crypto rewards. This ecosystem will include over 16,000 advertisers and leverage the ADDN token to power a scalable loyalty program.

The company is led by founder Iri Zohar, a serial entrepreneur with a proven track record in Retailer and Ad Tech. His previous ventures—Oridian, eXelate, and Freshub—achieved successful exits totaling hundreds of millions of dollars.

Our Holdings

Company	Amount invested	Value today	Value increased	% increase
Triple Whale	$180,000	$3,306,141	$3,126,141	1737%
Next Dim	$300,000	$300,000	$0	0%
Cherry	$500,000	$700,000	$200,000	40%
Reflectiz	$250,000	$250,000	$0	0%
Conext	$300,000	$300,000	$0	0%
Bring	$400,000	$400,000	$0	0%
Spin Gaming	$500,000	$500,000	$0	0%
Deep keep	$500,000	$500,000	$0	0%
Phone.Do	$645,464	$0	-$645,464	-100%
TOTAL	**$3,575,464**	**$6,256,141**	**$2,680,677**	**75%**

Thank you

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