



# Elron Ventures - Investor Presentation

April 2025



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These estimates, in whole or in part, may not materialize, or may materialize in a manner materially different than expected. The principal factors that may affect this are: failure to meet goals, modifications in work plan, goals and/or strategy, unexpected needs of the group companies for additional financing, investment in new companies, any other unexpected expenses, information collected by the group companies in connection with the state of the market, market potential and products, the state of competition and the identity of competitors and their methods of operation, as well as long-term plans and forecasts, errors in data and estimates collected, changes in the state of the market, problems concerning personnel, technological and engineering difficulties, deviation from development schedules, unexpected regulatory problems or regulatory changes, the worsening of competition, including the development of competing technologies and products, and the like.

Iron Swords War: In October 2023, the "Iron Swords" war (hereinafter: "the war") broke out in the State of Israel. The Company continues to monitor and examine the effects of developments and changes related to the “Swords of Iron” War on its operations as a whole, and the focal points of potential risk in particular. For further details, see section 7.5 in Part I of the Annual Report of 2024.

Elron urges investors to consider the information presented in slides 9 in conjunction with this comment. All amounts are fully attributed to Elron and RDC unless specified otherwise.



# Elron Ventures Corporate Overview

Established in 1962, Israel's first evergreen fund; partnership with Rafael for over three decades

## Controlling Shareholder

Arieli Group, since Sept. 2024

## 60+ Years Investment Experience

Investing since 1962

## Partnership with Rafael, Leading the Defense Industry

Commercializing Rafael's tech in civilian market

## Currently Invests in

Deep Tech, Defense Tech, Cybersecurity, SaaS; Legacy Healthtech portfolio

## Established the CyberFuture investment alliance of global CISO's

## Notable Exits:

CartiHeal, Ironscales, Cybersixgill, Secdo

## 26 Portfolio Companies\*

From Seed to Series D

## 17 M&A's

Valued at \$2.6B since 2010

## Liquidity\*\* to Market Cap Ratio >1

as of April 8, 2025

# Execution

## Developments Since we Announced Our New Strategy in January 2025\*

### CyberRidge: Photonic Encryption

New deep tech investment, in collaboration with our strategic partner Rafael

Founded by 5th time entrepreneur

Initial traction in commercial & government markets

The tech: Quantum-safe data transmission

Enter Deep Tech

### Dividend Distribution

Sharing the proceeds from the Cybersixgill & Ironscales exits with our shareholders

Cash dividend distribution: \$8.782M (\$0.16613 per share)

Record date: April 10, 2024; Payment date: April 23, 2025

The board of directors will examine a further distribution of ~\$6.5M, not out of profits, which will be partly used for an additional dividend distribution (and possibly also partly for a share buyback)\*\*

First-Ever Dividend Policy

This slide contains forward-looking information as defined in Section 32A of the Israel Securities Law, 5728-1968. See slide 2 of this presentation.

\* See slides 12-14 for further details on our new strategy

\*\*A request for such a distribution to the court will be examined by the company's board of directors, and if approved, it will be subject to court approval in accordance with Section 303 of the Companies Law, 1999 ("Companies Law"), as well as additional approval by the company's board of directors.

# New Deep Tech Investment

## CyberRidge: Photonic encryption for quantum-safe data transmission



### Team:

Led by Prof. Dan Sadot, an accomplished scientist and 5th-time entrepreneur with 2 exits under his belt

### Technology:

Unique tech validated by quantum experts at Rafael

Superiority of solution approach validated by 1st customers & partners

### Market:

The quantum security market is projected to grow to ~\$10B by 2030, at a 50% CAGR

Gartner: Launching a post-quantum program is urgent

## CYBERRIDGE'S DEEP TECH

**A photonic encryption solution that transforms critical data over high-capacity public infrastructure into optical noise that no computer power can process. The tech makes fiber optic communication invisible to tapping, so that both current and post-quantum decryption is impossible.**

# Dividend Distribution

As part of our new dividend policy aimed at sharing successes with our shareholders, our board of directors approved a dividend distribution out of the Cybersixgill & Ironscales exit proceeds

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## Cash Dividend

**\$8.782 million**

\$0.16613 per share

Record Date: April 10, 2025

Payment Date: April 23, 2025

\*See Immediate Report dated March 30, 2025 for further details

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## Additional Potential Distribution

**\$6.5 million**






The board of directors will examine an additional distribution, not out of profits, which will be partly used for dividend distribution (and possibly also partly for a share buyback)\*\*

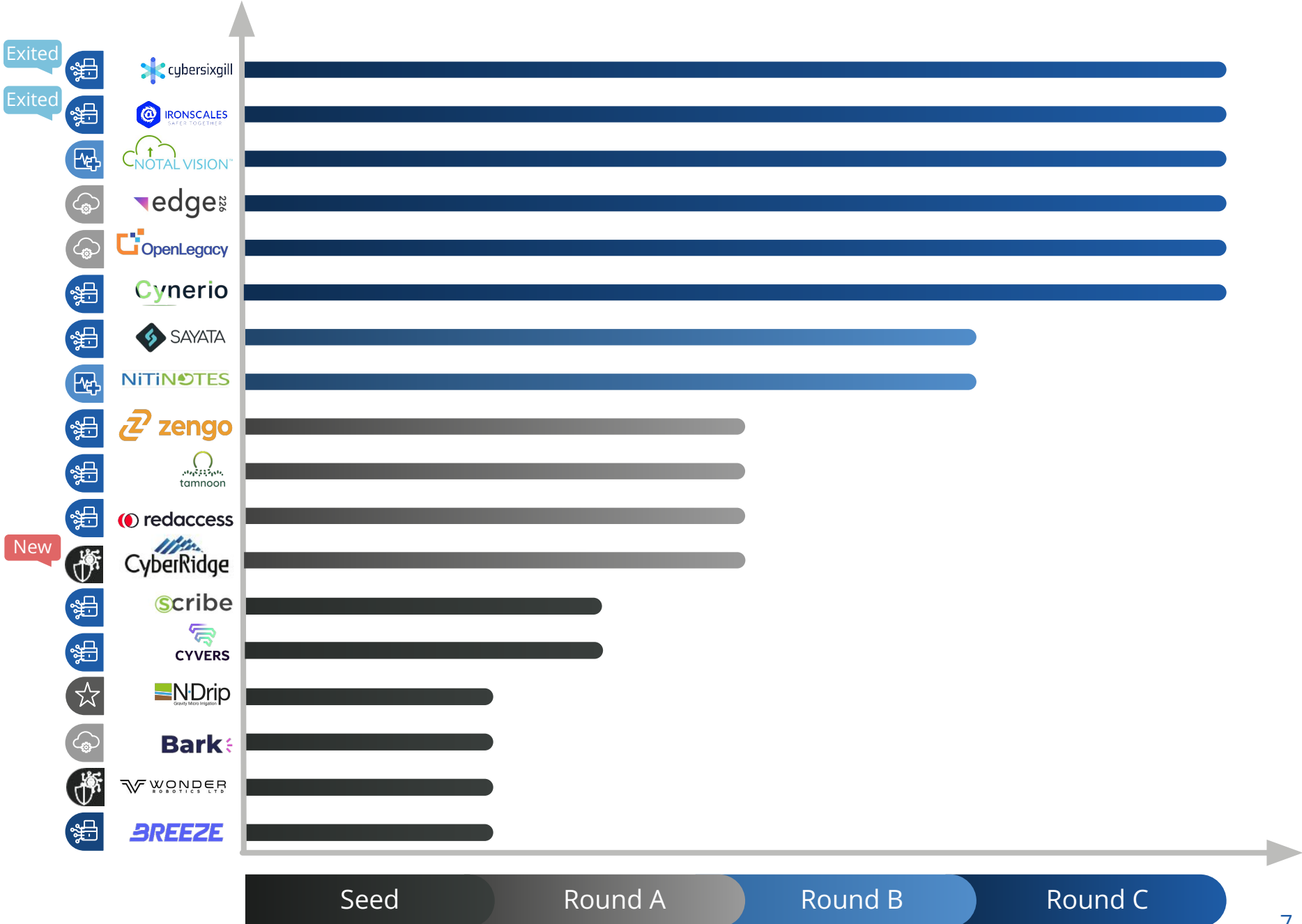
\*See Note 11.C in the 2024 Financial Statements for further details

# Elron Portfolio Snapshot

Companies crossing all stages as a growth catalyst for the coming years

**Legend**

-  Cybersecurity
-  Medtech
-  SaaS
-  Deep Tech / Defense Tech
-  Other



# Portfolio Company News



## **Cynerio Ranked Among Top 2 Vendors in 2025 Best in KLAS in Healthcare IoT Security**

KLAS ratings are based entirely on feedback from healthcare providers

## **Cynerio Received Frost & Sullivan 2025 North American Enabling Technology Leadership Award**

The award recognizes visionary innovation, market-leading performance, and unmatched customer care



## **Zengo Completed A Strategic Investment Led by Tether, Issuer of the Most Popular Stablecoin, USDT**

Zengo's crypto wallet: Over 1.5 million customers; 0 wallets hacked - ever



## **Nitinotes Closed A \$9.3M SAFE Round**

This funding supports preparations for commercialization, regulatory approval, and scaling of the EndoZip™ system



# Elron Snapshot

## Effective and consolidated assets under management

Holdings in companies	Holdings based on valuation of last financing round 1,2 (\$m, effective)	Holdings based on valuation of last financing round 1,2 (\$m, consolidated)
Cyber/Software Holdings- Mature Portfolio <sup>3</sup>	39.5	74.0
Cyber/Software Holdings- New Portfolio	16.9	26.7
Medical Holdings <sup>4</sup>	10.6	10.6
Other companies	1.9	3.2
<b>Total Holdings</b>	<b>68.9</b>	<b>114.5</b>
Contingent consideration from the CartiHeal deal <sup>5</sup>	18.4	18.4
<b><u>Cash &amp; Other Financial Resources :</u></b>		
Other financial assets, net <sup>6</sup>	4.3	3.9
Liquid resources (as of 08.04.25)	65.4	83.2
<b><u>Total Cash &amp; Other Financial Resources :</u></b>	<b>69.7</b>	<b>87.1</b>
<b>Total</b>	<b>157.0</b>	<b>220.0</b>
<b>Dividend Declared (Record date: 10.4.25; payment date; 23.04.25)</b>	<b>8.782</b>	<b>8.782</b>
Elron's Market Value (as of 08.04.25)	65.3	

<sup>1</sup> Includes Elron Ventures' direct holdings and its effective indirect holdings through RDC. Includes investments made after December 31, 2024. Effective Holdings Includes Elron Ventures' balance and 50.1% of RDC's balance. Consolidated Holdings Includes Elron Ventures' balance and 100% of RDC's balance.

<sup>2</sup> Our holdings based on valuation of last financing round was calculated based on the "post-money" valuation of the last financing round in the companies multiplied by our fully diluted holding percentage. **It is clarified that these are financing rounds that were carried out in different companies at different dates, and since which, in some cases, significant time has passed. In some of the financing rounds Elron Ventures opted not to participate.**

<sup>3</sup> Net of taxes.

<sup>4</sup> The medical holdings' balance mainly includes \$7.5m attributed to Notal Vision based on a valuation determined with the assistance of an external appraiser and a balance attributed to Nitinotes Ltd. The balance doesn't include the investment in Brainsgate.

<sup>5</sup> Total balance of \$18.4m contingent consideration as a result of the sale of CartiHeal to Smith & Nephew, is based on a valuation determined with the assistance of an external appraiser as of December 31, 2024.

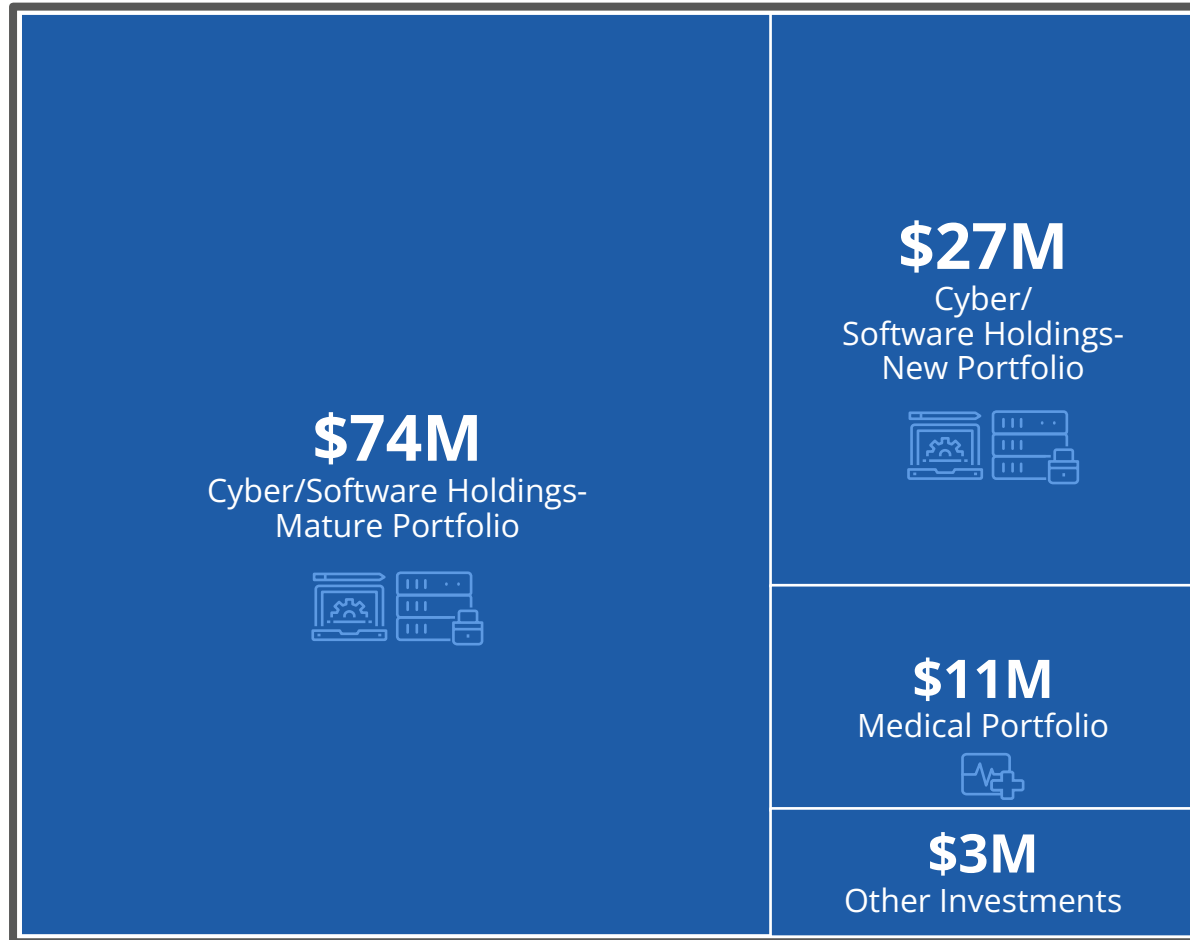
<sup>6</sup> Mainly includes the balance in escrow account in the amount of \$5m as a result of the sale of CartiHeal and SixGill and taxes liabilities.

<sup>7</sup> The above financial data do not represent a valuation, investment advice, or a financial opinion of any kind.

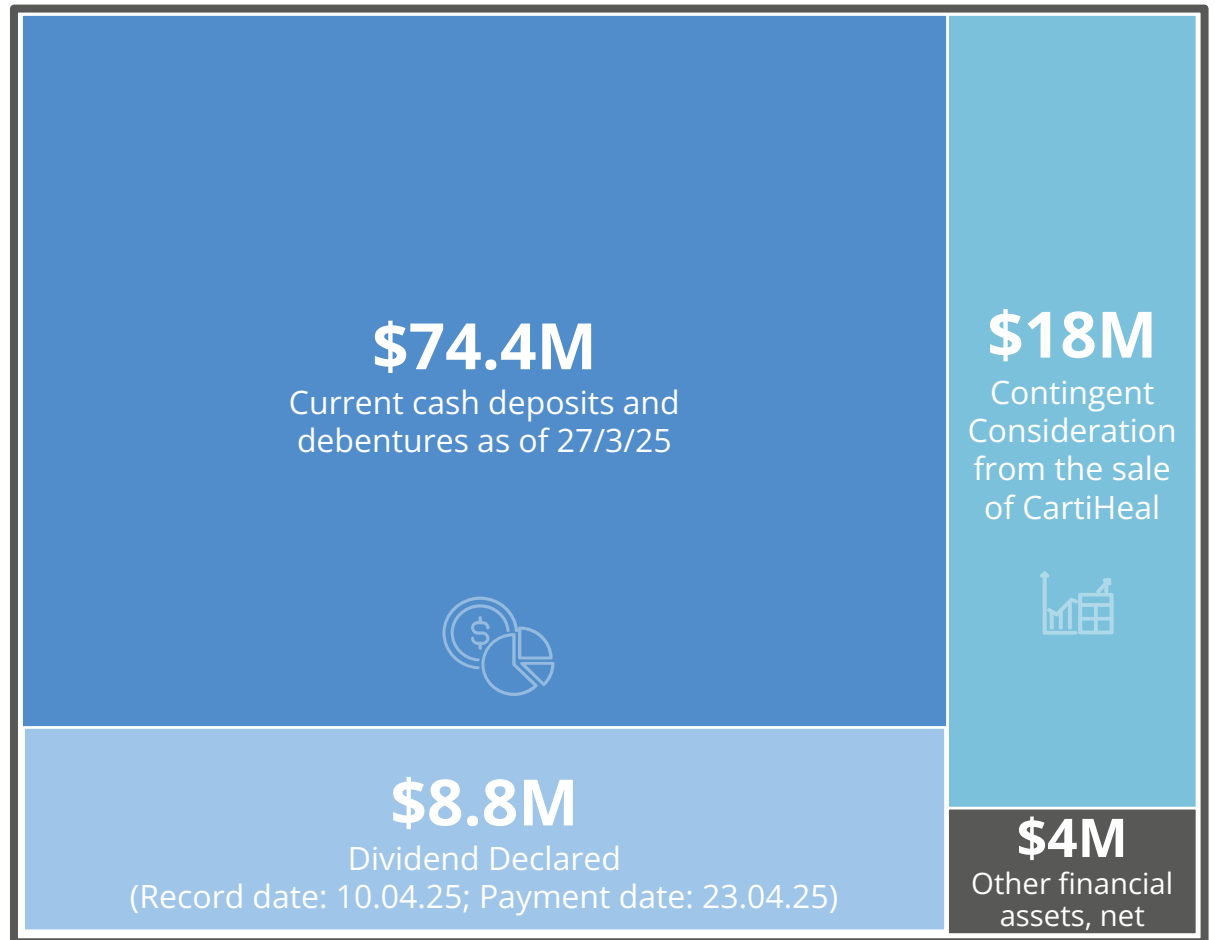
# Elron (Consolidated) Financial Data

~\$220M AUM, of which ~\$87M are Cash & Other Financial Resources

## PORTFOLIO



## RESOURCES



\*All amounts presented are on the consolidated level. For further details and additional information see previous slide.

# Elron Management

Combining expertise in deep tech, investment and finance



**Yaniv Shnieder**  
CEO of Elron Ventures  
and Co- CEO of RDC

Seasoned technology leader with 25 years of deep tech and defense tech experience. Founded and led Rafael's Tel Aviv R&D Center, building it into a multidisciplinary, startup-style engineering group of 250 top-tier talents.



**Lisyah Bahar Manoah**  
Active Chairperson  
of Elron Ventures

Managing Partner @Arieli Group, with over 15 years of investment and management experience in Private Equity & Venture Capital, particularly in fund management, M&A transactions, and post-merger integrations.

New  
CFO



**Rony Gur Arie**  
CFO  
of Elron Ventures

Joined Elron Ventures 9 years ago. Oversees the financial operations and serves as active CFO in portfolio companies. Broad experience in accounting, financing, taxation, and securities regulations.

# Elron's Unified Team with Rafael (via RDC)

Combining the knowledge and experience to accelerate investment scaling



Yaron Kulas  
Co-CEO @RDC



Lior Levinsky  
CFO @RDC



Lauren Duke  
VP Business  
Development



Uria Lin  
Principal &  
Platform Lead



Paul Weinberg  
Legal Counsel



Kobi (Jacob)  
Katz  
Venture  
Partner



Maya Reitman  
Head of  
Marketing



Ortal  
Shpigelshtein  
Corporate  
Controller



Nir Kahlon  
Controller



Benny Hagay  
Assistant  
Controller



Chen (Lir)  
Hendelsman  
Office  
Manager

# Our Investment Strategy



# Strategic Growth

Expanding investment stages and entering Deep Tech to maximize value through quicker exits

## Early Growth Investments



Reducing risk and expediting time to exit

## Deep Tech & Defense Tech In Addition to Cybersecurity & SaaS



Large markets in which we have expertise

Leveraging on collaboration with Rafael

## Primary & Secondary Investments



Investing directly in companies

Acquisition from early stage investors

## Global Reach



Utilize our global reach in the US & EU

Maximizing Israel's innovation leadership

# Optimizing Deal Flow

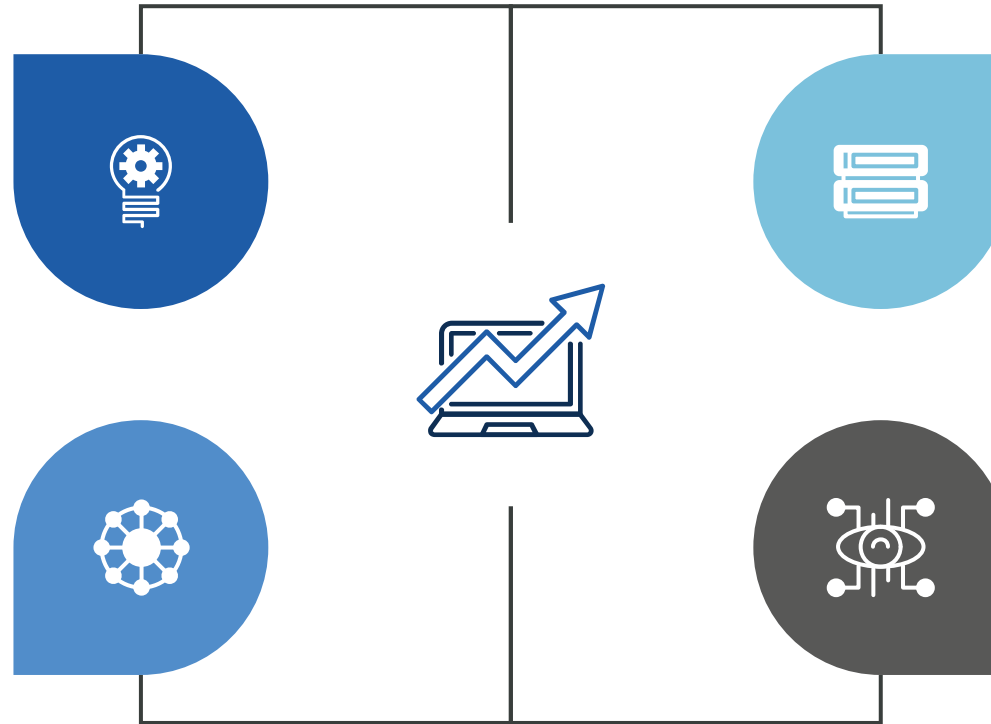
Leveraging opportunities through databases, platforms, networks, and partnerships

## RAFAEL

Access to deep tech startups through open innovation;  
Creating value through spinoffs-exclusive rights to commercialize Rafael's technology in civilian markets

## BROAD NETWORK

Global networks driving high-quality deal flow and scaling through private equity, VCs, industry leaders, and academia



## ELRON'S VAST DATABASE

Sourcing deal flow through our extensive database, platforms, strong network, and our legacy as pioneers of the tech investment ecosystem in Israel

## CYBERFUTURE

Access to high-quality startups through CyberFuture, our investment club of top tier CISOs investing in and supporting promising cyber startups

# Key Takeaways

## Executing on our new strategy

### Investments focused on high exit potential, shorter time to exit



Invest in verticals with high exit potential, in which we bring added value: deep tech and defense tech, cybersecurity, SaaS

Invest in early-growth ventures, potentially shortening the time to exit

First investment of 2025-  
CYBERRIDGE: photonic encryption for quantum-safe transmission of data

### The right team, the right partners



Yaniv Shnieder, Former General Manager and CTO of TLV R&D Center at Rafael, joined Elron as its new CEO, bringing deep tech expertise to round out a team of seasoned investors & cyber experts

Active Chairperson with a background of growth-stage investments and deep tech expertise

Seasoned CFO, 9 yrs at Elron

### Focused on generating returns to our shareholders



New exit strategy: Committed to creating a timely pipeline of exits

Following announcement of first ever dividend policy: we are distributing an \$8.782M dividend and considering an additional \$6.5M distribution (including a dividend and potentially a share buyback)

Our portfolio now comprises promising early stage & growth stage cybersecurity, SaaS and medtech companies





**Thank you**  
elron.com



Investor Relations:

**Chen Livne**









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# Portfolio Overview: Mature Portfolio Companies

<p>Exited</p> <p><b>CYBERSIXGILL</b>  cybersixgill</p> <p>Cyber intelligence platform that automatically &amp; covertly analyzes the dark web</p>	<p>Exited</p> <p><b>IRONSCALES</b> </p> <p>Automated phishing prevention, detection &amp; response platform</p>	<p><b>ZENGO</b> </p> <p>Crypto wallet that doesn't compromise between security and user experience</p>	<p><b>CYNERIO</b> </p> <p>Protecting the connected medical device ecosystem from cyber threats</p>
<p><b>NOTAL VISION</b> </p> <p>Remote monitoring of patients with age-related macular degeneration</p>	<p><b>SAYATA</b> </p> <p>AI-based platform connecting insurance brokers &amp; carriers with SMBs</p>	<p><b>OPENLEGACY</b> </p> <p>Automated API integration platform that speeds digital transformation</p>	<p><b>EDGE 226</b> </p> <p>Performance-based ad exchanges for ad networks</p>

Legend:  Cybersecurity  Medtech  SaaS  Other



# Portfolio Overview: Next Generation

<p><b>CYBERRIDGE</b> </p> <p>Photonic encryption for quantum-safe data transmission</p>	<p><b>RED ACCESS</b> </p> <p>Third generation web protection platform</p>	<p><b>TAMNOON</b> </p> <p>Tech-driven managed cloud protection service</p>	<p><b>SCRIBE</b> </p> <p>Continuous code assurance across the software supply chain</p>
<p><b>CYVERS</b> </p> <p>Cryptocurrency attack detection in real-time using AI-based behavioral profiling</p>	<p><b>WONDER ROBOTICS</b> </p> <p>Intelligent and robust 360° self-awareness software for drones</p>	<p><b>NITINOTES</b> </p> <p>Minimally invasive endoscopic device for treatment of obesity</p>	<p><b>BREEZE</b> </p> <p>AI-based enterprise cybersecurity program &amp; posture management</p>
<p><b>N-DRIP</b> </p> <p>A drip system that is operated without the need for energy, as an alternative to flood irrigation</p>	<p><b>BARK</b> </p> <p>Revenue optimization platform for ecommerce merchants</p>		

**Legend:**  Cybersecurity  Medtech  SaaS  Deep Tech / Defense tech  Other