



# ELRON VENTURES - INVESTOR PRESENTATION

August 2022



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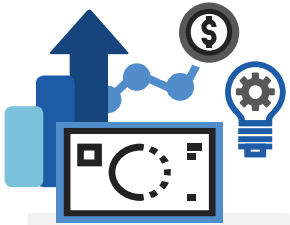
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These estimates, in whole or in part, may not materialize, or may materialize in a manner materially different than expected. The principal factors that may affect this are developments in Elron's and its group companies' fields of operation; failure to meet goals; inability to realize technologies; modifications in technologies; modifications in work plan, goals and/or strategy; guidance and determinations by regulatory authorities; unforeseen regulatory difficulties; failure to obtain regulatory approvals; regulatory developments and changes in fields of operation; unforeseen developments in the course of clinical trials and trial results; reliance on third parties including data analysis services; feedback from the medical and scientific community; regulatory changes and restrictions on supply of raw materials for manufacture; inability to obtain financing; delays or malfunctions in development or manufacture; or if any risk associated with Elron and its group companies and the course of product development or sales occurs. In addition, the spread of the coronavirus (COVID-19) may lead to difficulties or delays in recruiting patients for clinical trials or initiating trial sites; operational constraints amassing raw material inventories; significant potential difficulties in raising capital for group companies; budget cuts among potential customers and subsequent decisions to increase product life-cycles rather than adopt new technology solutions; potential difficulties for group companies in closing commercial transactions or generating leads and managing lengthy and complex sale-cycles, among other things, due to mobility constraints between countries; a worldwide global slowdown that will make it difficult to execute exit transactions. In addition, as of the date of this presentation, the capital markets are experiencing high volatility, including significant stock price falls, due to the market response to the spread of the coronavirus (COVID-19).

All amounts are fully attributed to Elron and RDC unless specified otherwise.

# ELRON VENTURES:

WE SPECIALIZE IN EARLY-STAGE ISRAELI INVESTMENTS WITH THE POTENTIAL TO BECOME MARKET LEADERS



We have 60 years experience identifying opportunities, building technology leaders, and exiting holdings



We rely on a proven strategy of hands-on involvement in the day-to-day operations of our group companies along with 'value circles' to accelerate go-to-market processes



Using our business and tech leaders and practitioners, we focus our investments in fields where we bring added value and are able to facilitate opportunities

Elron was established in 1962 by Uzia Galil



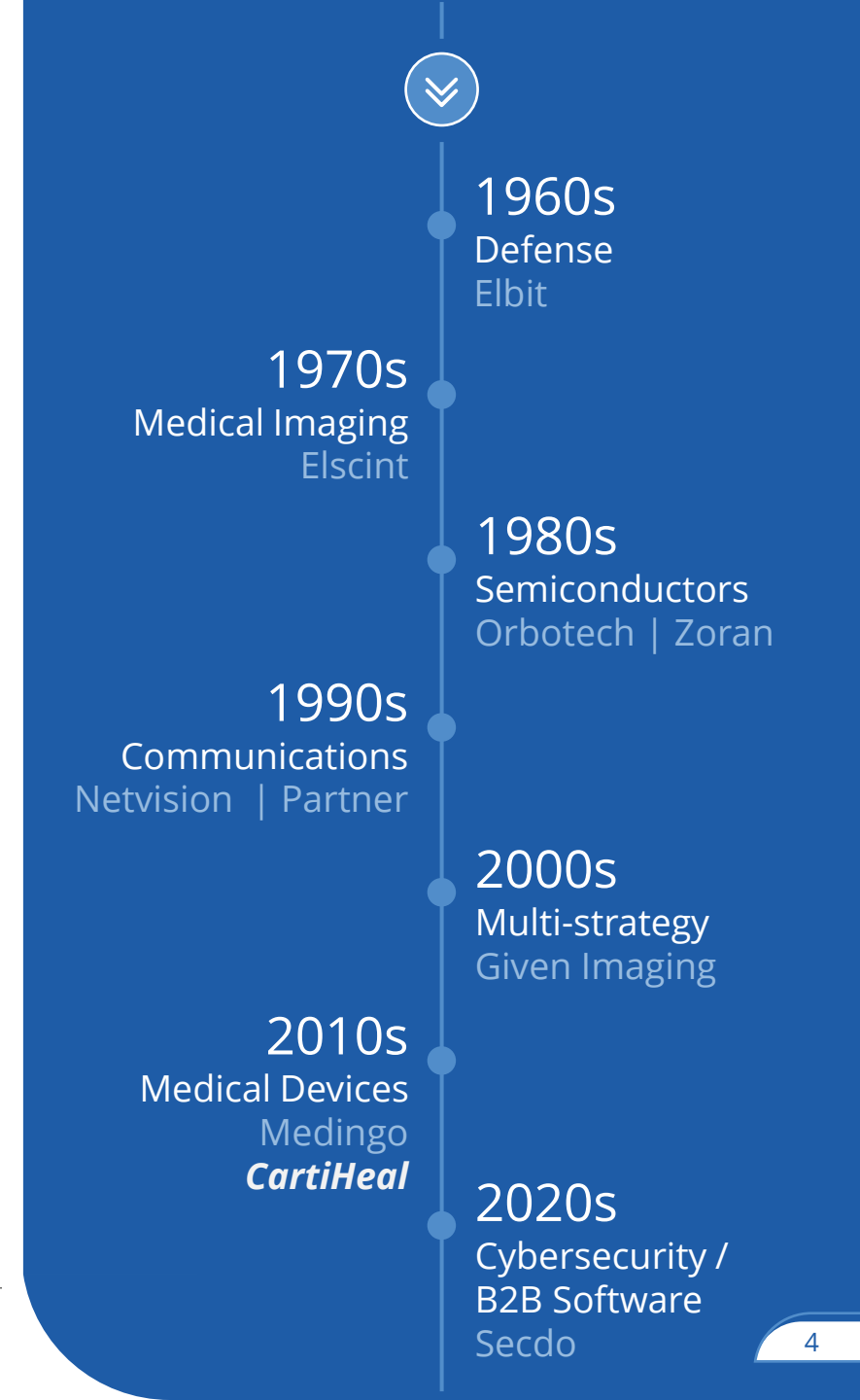
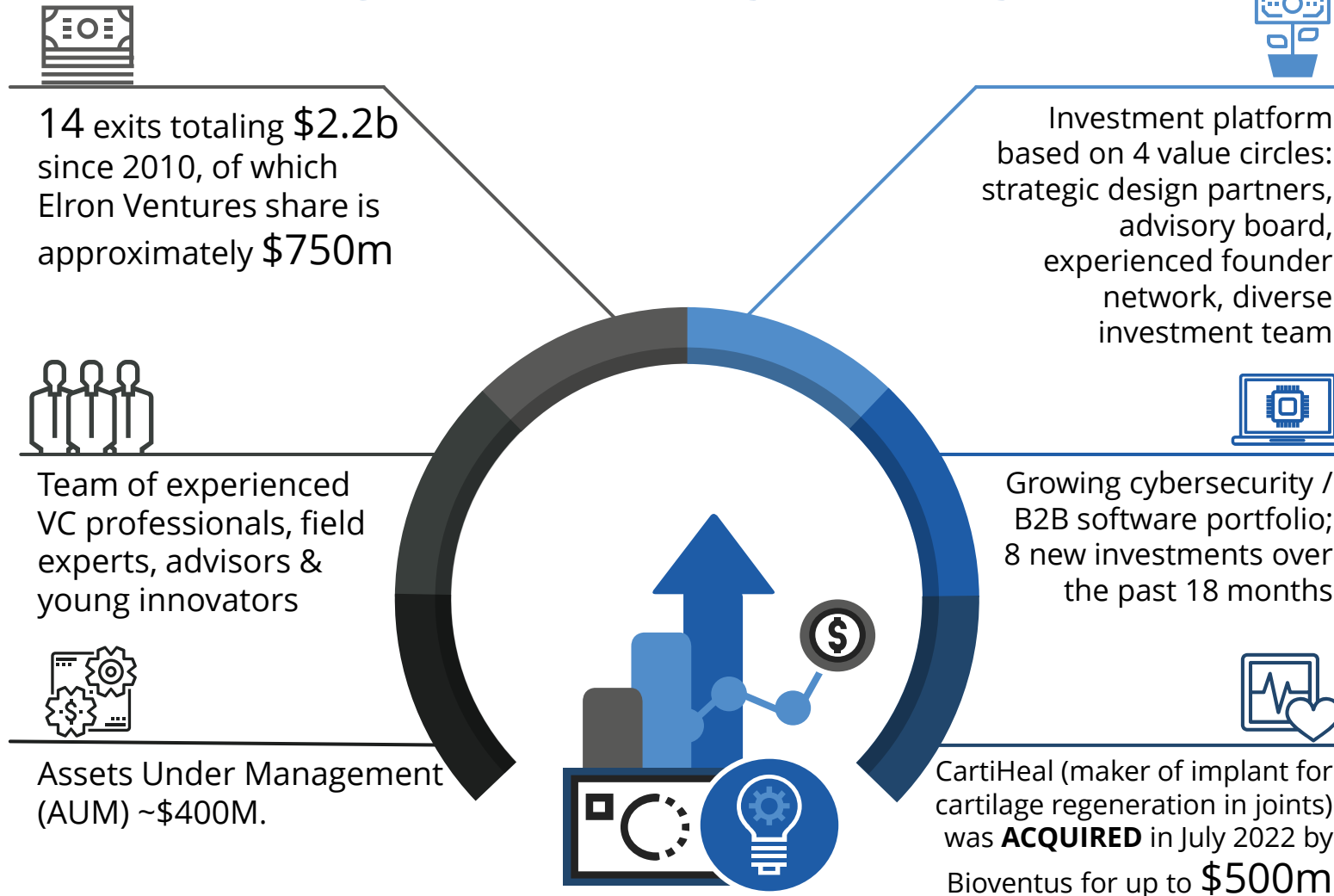
THE IDEA

To bridge the gap between Israeli R&D and industry, and create "a knowledge-based industry" (later named hi-tech...)

Today the goal is to provide entrepreneurs with a nurturing environment, as well as the support system and toolset they need to realize our shared vision – turning ventures into global market leaders



# BUILDING VALUE IN VENTURE CAPITAL INVESTMENTS



# CARTIHEAL SOLD TO BIOVENTUS FOR UP TO \$500M



## THE TRANSACTION

- Elron's share in the consideration amounts to up to **\$130M** (excluding interest) and is comprised of:
  - \$33.5M** received at closing;
  - \$59m** will be received in bearing interest installments and
  - \$37.5M** contingent consideration to be paid when the Agili-C sales (CartiHeal's product) will generate revenues of at least \$75M over a period of 12 consecutive months.

## PAYMENT SCHEDULE

Transaction consideration will be received in accordance with the table below (the amounts represent Elron's share and are in principal terms. Each installment, which is yet unpaid, shall carry a flat annual interest of 8%):

DATE*	PAYMENT	PRINCIPAL AMOUNT (\$M)	INTEREST (\$M)	TOTAL (\$M)
<u>Immediate consideration</u>				
	Received at closing	33.5	-	33.5
<u>Deferred consideration</u>				
01/07/2023	1 <sup>st</sup> tranche	13.7	1.1	14.8
12/07/2023	Interest	-	3.7	3.7
01/09/2023	2 <sup>nd</sup> tranche	13.7	0.2	13.9
12/07/2024	Interest	-	2.6	2.6
01/01/2025	3 <sup>rd</sup> tranche	6.9	0.3	7.2
12/07/2025	Interest	-	2.0	2.0
01/01/2026	4 <sup>th</sup> tranche	6.9	0.3	7.2
12/07/2026	Interest	-	1.4	1.4
01/01/2027	5 <sup>th</sup> tranche	18.0	0.7	18.7
<b>Total deferred consideration</b>		<b>59.2</b>	<b>12.3</b>	<b>71.5</b>
<b>Total non contingent consideration</b>		<b>92.7</b>	<b>12.3</b>	<b>105.0</b>
<u>Contingent consideration</u>		37.5	-	37.5
<b>Total including contingent consideration</b>		<b>130.2</b>	<b>12.3</b>	<b>142.5</b>

## COLLATERAL

- Sellers received:** first ranking fixed pledge was registered in favor of the sellers, on CartiHeal's shares and its intellectual property rights (IP) and a first ranking floating pledge was registered on all CartiHeal's assets until completion of the consideration
- The Sellers will also have the right to recourse directly to Bioventus (Bioventus will remain liable to all obligations).**

## NOMINATION OF OBSERVER

Sellers Representative (Elron) shall be entitled to appoint, dismiss and replace a non-voting observer. Mr. Zvika Slovin (Head of Healthcare at Elron Ventures) was nominated to the board of directors of Bioventus Inc. and of CartiHeal.

# TEAMWORK

An experienced team which led 14 exits, dozens of investments, and follow-on financings totaling hundreds of millions of \$s



## **YARON ELAD** **CEO & Managing Partner**

Vast experience in tech investing & strategic deals. Established Elron Ventures' software activities. Led a string of M&A transactions over the last 14 years. Has been with Elron Ventures since 2007.



## **NIV LEVY** **CFO**

Broad experience in accounting, financing, taxation, and securities regulations. Oversees Elron Ventures' financial operations, and plays a significant role in the company's M&A and financing transactions. Has been with Elron Ventures since 2009.



## **ELIK ETZION** **Managing Partner**

Lt. Col. Ret. Previously CISO at Bank Hapoalim Group and Deputy Commander of the IDF's Cyber Division in the Intelligence Corp 8200 unit. Joined Elron Ventures in July 2021 as Head of Cyber and Enterprise Software.



## **KOBI KATZ** **CTO & Partner, Head of AI Strategy @RAFAEL**

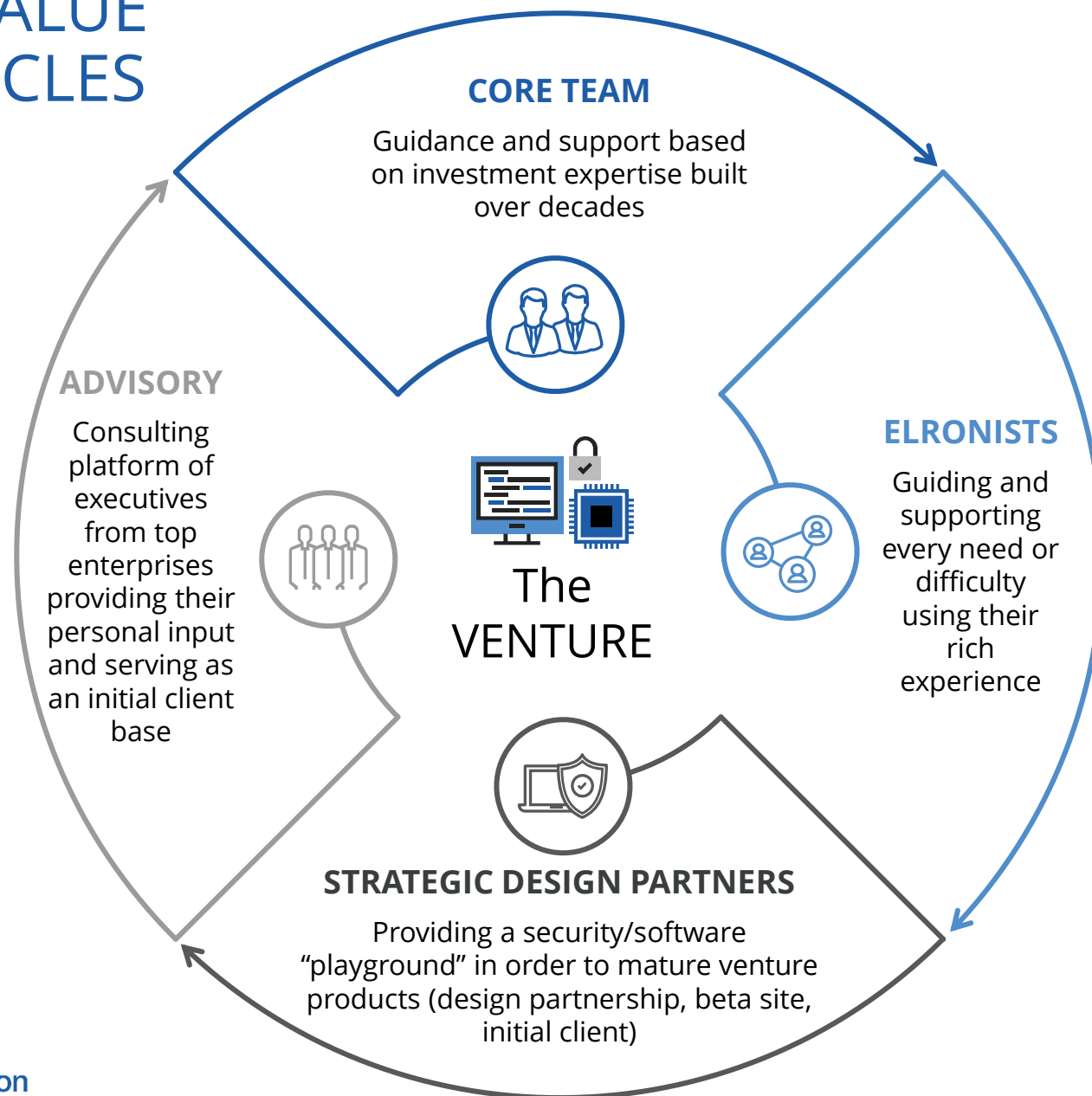
Former CIO @RAFAEL; 25 years' experience in system engineering, software development and large-scale technological management. Has been with Elron Ventures since 2013.



## **ZOHAR ROZENBERG** **Venture Partner**

Col. Ret. Headed the IDF's Cyber Division in the Intelligence Corp 8200 unit. Established Elron Ventures' cyber portfolio and successfully led the investment and sale of Secdo in 2018 and Alcide in 2021. Has been with Elron Ventures since 2016.

# 4 VALUE CIRCLES



## Advisory Board



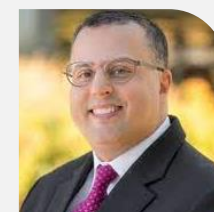
**Gil Gur Arie**

Chief Global Data, Insights and Analytics Officer at Ford Motor Company



**Jeff Trudeau**

CISO at Chime in Silicon Valley (previously CISO at Credit Karma, Sutter Health Bay Area and UBS)



**Selim Aissi**

CISO at Blackhawk Network (previously CISO and security leader at Visa, Ellie Mae, Intel) and board member at various security start-ups



**Al Ghous**

CISO at Snapdocs (digital mortgage), experience in diverse industries (Envision Digital, ServiceMax GE Digital, Informatica, Kaiser Permanente, EY, etc.)

# VALIDATION PLATFORM FOR DEEP-TECH ORIENTED INVESTMENTS IN EARLY STAGES

**RDC:** ELRON VENTURES & RAFAEL'S JOINT INVESTMENT VENTURE FOR INITIATING & DEVELOPING NEW CO's



Vast experience in technological projects; extensive knowledge in the cybersecurity and B2B software spaces



Well-established practice of serving as a design partner / beta site for startups, and often as their first major customer



**SUCCESSFUL CASE STUDIES:** Secdo, Ironscales, Trapx, OzCode, Oneview, Cytegit, XM Cyber, Silverfort, Avecto, OPSWAT

## EXPANDING THE STRATEGIC DESIGN PARTNERSHIP MODEL:

Validation platform for tech investments – based on the RAFAEL partnership model – with leading strategic partners in the insurance, bank & finance, and communications sectors



EXTENSIVE ENGAGEMENT WITH START-UPS AS PART OF DUE DILIGENCE



AD-HOC TEAMS FOR DEEP TECHNOLOGICAL ASSESSMENT



ASSISTANCE TO PORTFOLIO COMPANIES, INCLUDING BY LEVERAGING ON RAFAEL'S CAPABILITIES

# LONG-STANDING TRACK RECORD OF BUILDING NEW PORTFOLIOS AND SCALING INVESTMENTS

**8** year B2B software/cyber portfolio construction

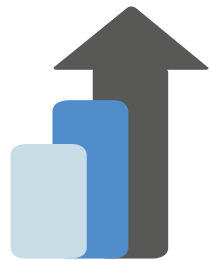
**5** exits

**24** companies

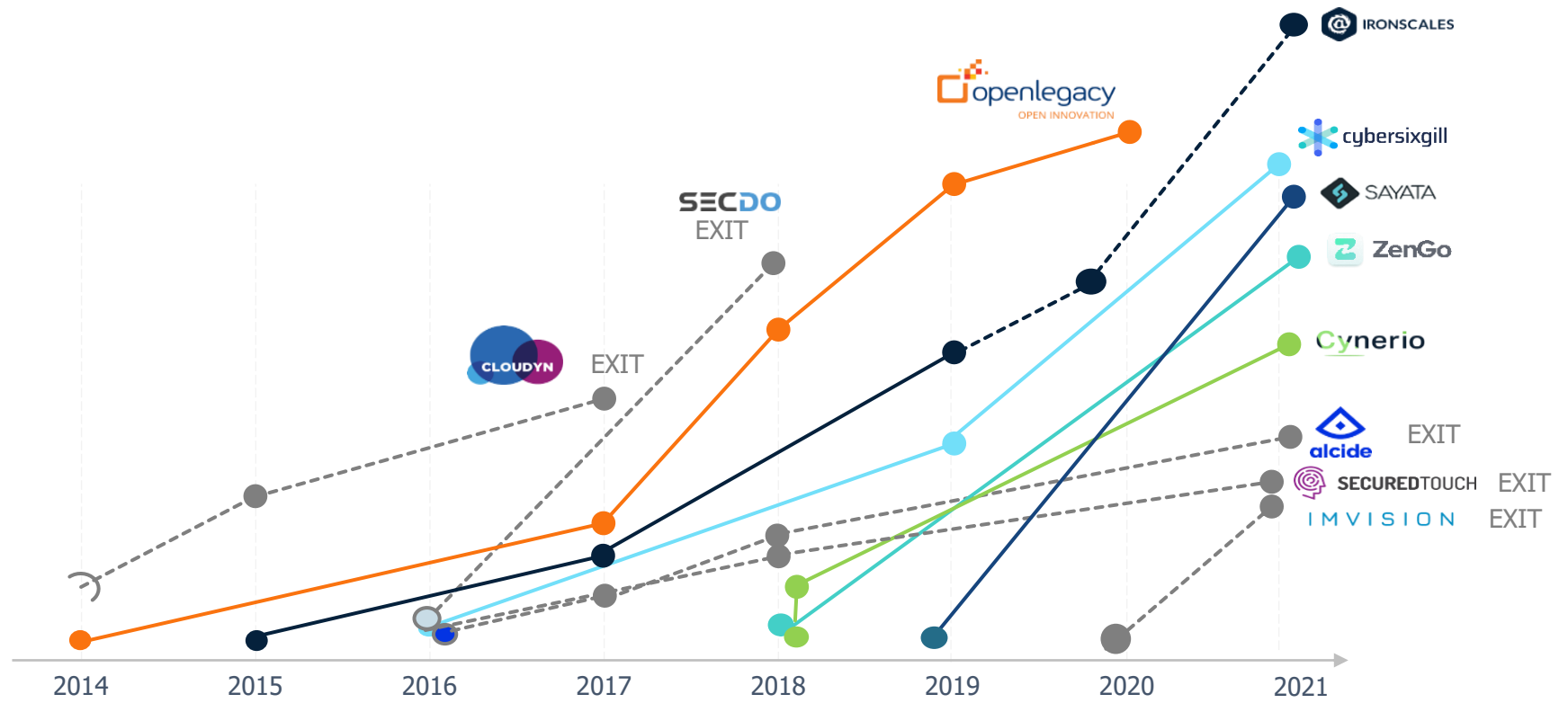
**\$82m** exit proceeds

**28** external follow-on rounds

**\$225m\***  
value created

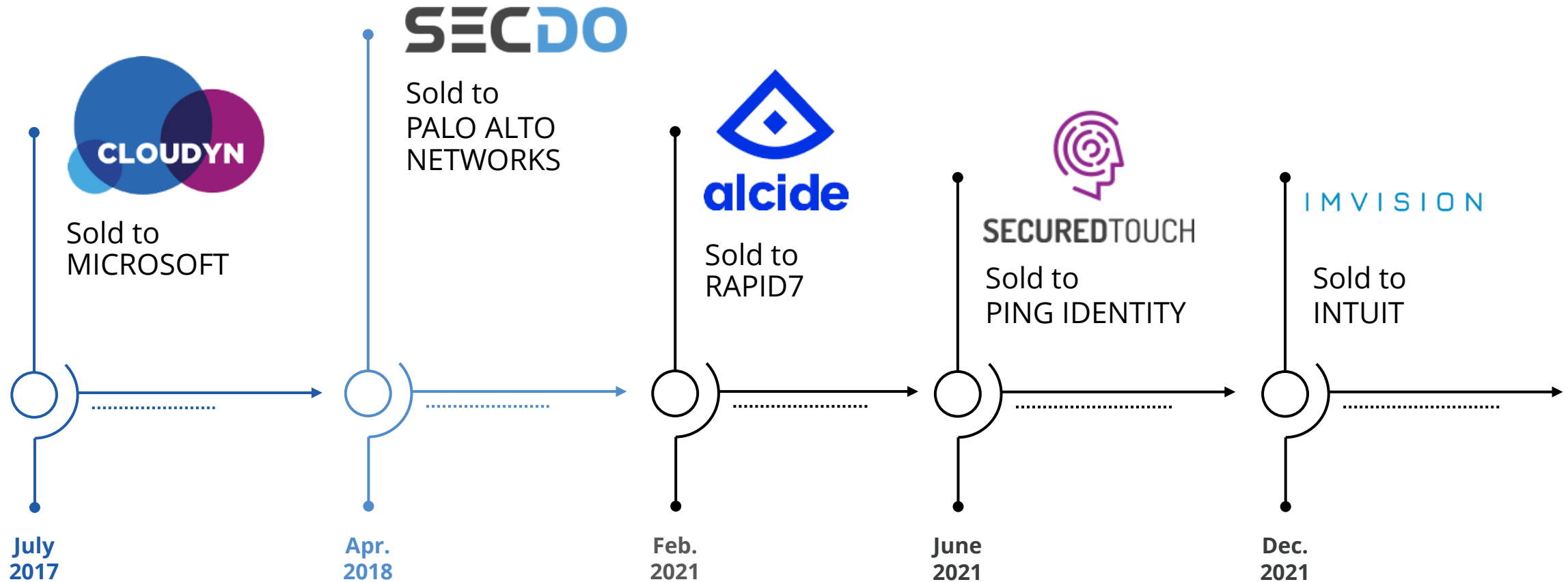


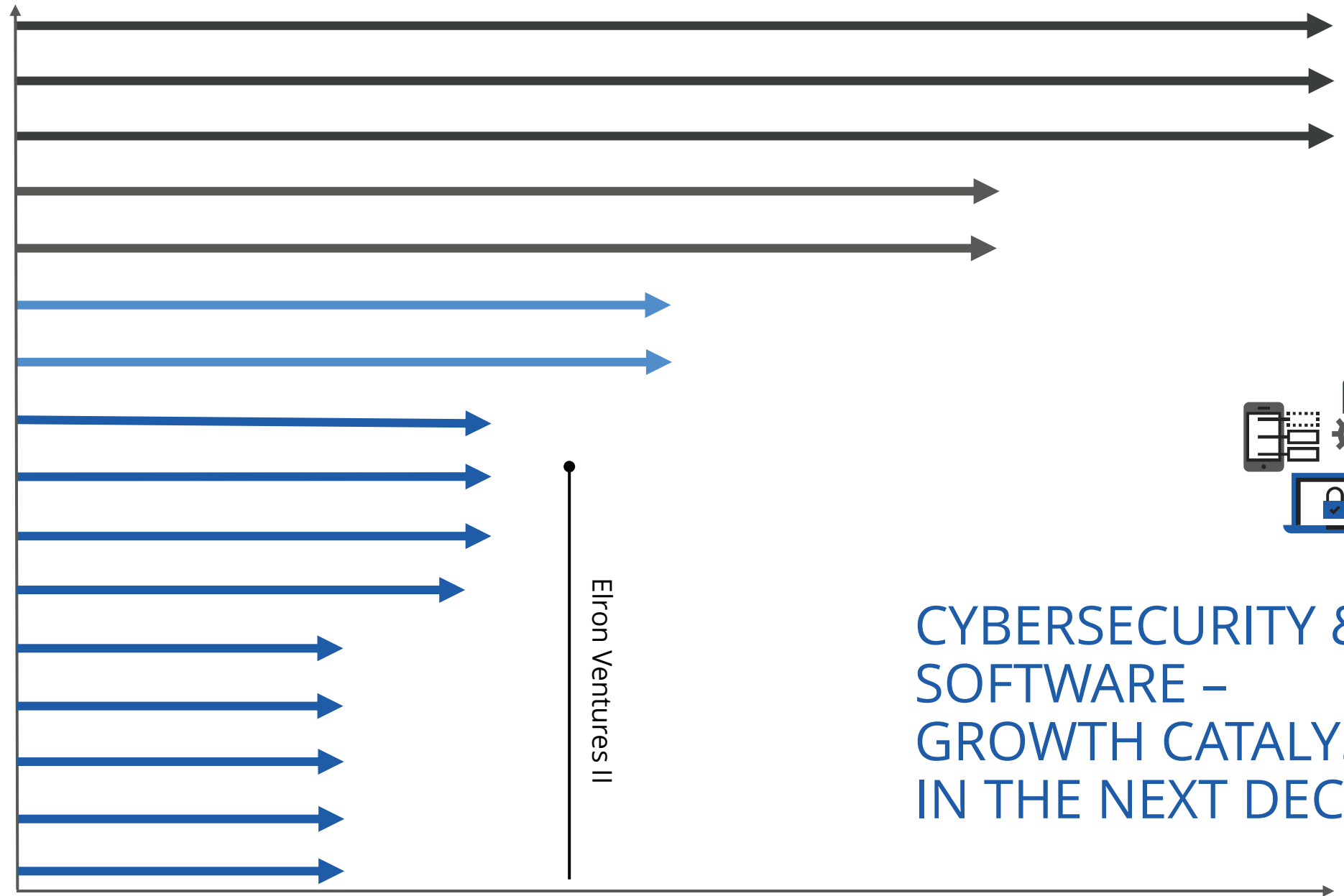
**\$89m\***  
invested



\*Excluding investments in new ventures during the last 18 months. Also see slides 12-13 below.

# CYBERSECURITY / B2B SOFTWARE: FROM SEED TO EXIT





CYBERSECURITY & B2B  
SOFTWARE –  
GROWTH CATALYST  
IN THE NEXT DECADE



Seed



Round A



Round B



Round C

# ELRON VENTURES II - PORTFOLIO BUILDUP

## CYBERSECURITY

**scribe**

18%

3 co-founders, strong tech background and seasoned in the cybersecurity ecosystem. Hyped space (software supply chain security) and one of the most difficult unresolved cyber challenges. Vision and ability to become industry leaders.

Continuous code assurance across the software supply chain

**CyVers**

27%

Cyvers already raised follow-on financing ~3 months from our initial investment

2 co-founders, strong tech background, impressive execution abilities and extraordinary passion. A new market (cryptocurrency) with huge growth potential and no direct competition.

Cryptocurrency attack detection in real-time using AI-based behavioral profiling

**RED ACCESS**

24%

Red Access already raised follow-on financing from Ten Eleven Ventures

2 co-founders, strong tech background (IDF unit 81 alumni), strong entrepreneurial skills. Disruptive tech (session protection vs. SGW\browser isolation) in a market ready to be disrupted (web security).

Mitigating web security threats while solving the security-usability-maintainability tradeoff

**Creednz**

16%

2 co-founders with diverse cybersecurity industry experience (CISO, Product, R&D, consulting (Big4) & entrepreneurship). A huge market with no market leader and only a few contenders.

Business fraud detection and prevention platform



# ELRON VENTURES II - PORTFOLIO BUILDUP

## B2B SOFTWARE

**Keepy**

29%

2 co-founders, strong tech & business background (IDF unit 81 alumni). Rapidly growing space (HR tech), uncrowded domain (team/employee retention & engagement). The right timing (post covid and the rise of hybrid work environment).

HR analytics for team and employee retention & engagement

**sidetalk**

SAFE

2 second-time co-founders (Perfecto Mobile, acquired by Perforce for \$200m). Webinar utilization is a huge market with an unsolved engagement problem leading to poor conversion rates.

Social webinar platform that increases participant engagement and uncovers buyer's intent, resulting in improved lead conversion

**allero**

29%

2 co-founders, strong DevOps & data science background, DevOps influencer track record. The CI/CD 'jungle' has bred a new, rapidly growing category waiting to be dominated (DevOps value stream delivery).

A platform for developers that provides governance and visibility to manage multiple CI/CD platforms

**Bark**

SAFE

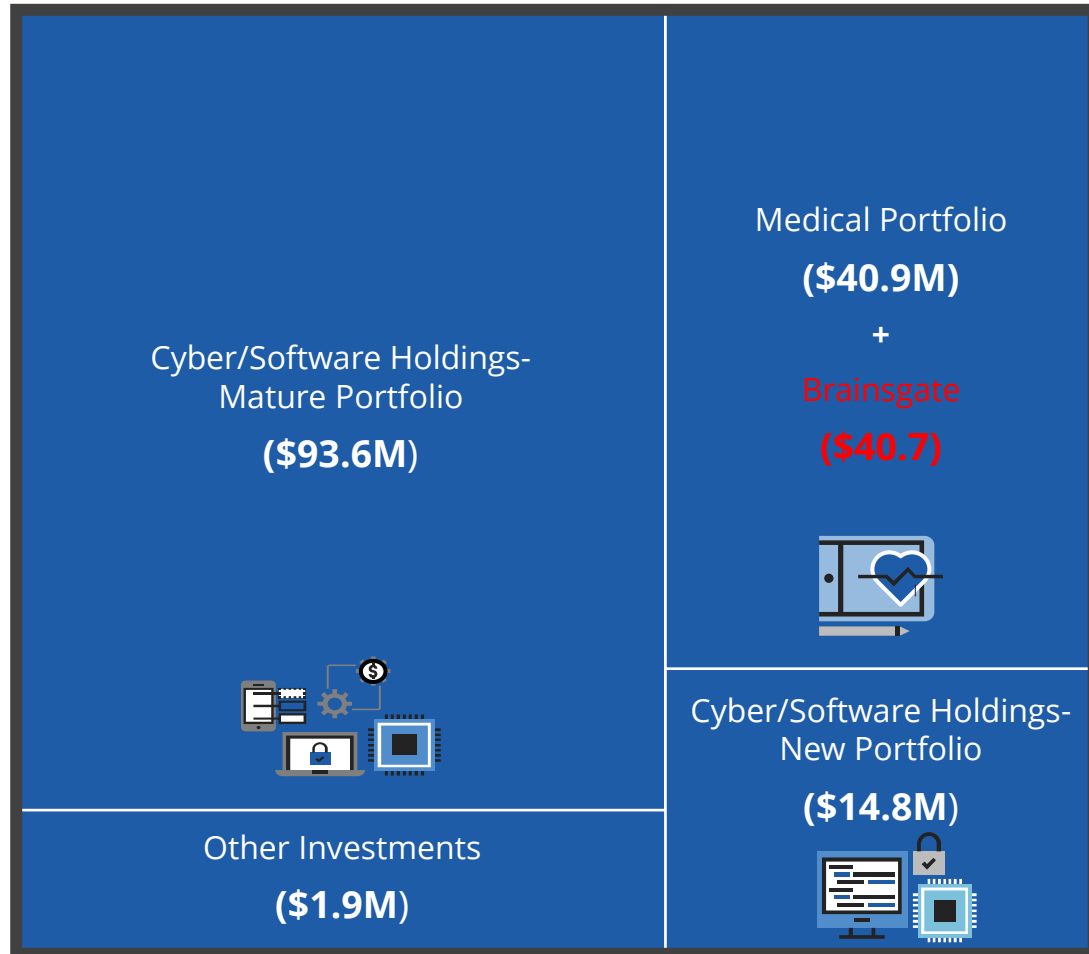
Highly experienced second-time co-founders. The large and growing ecommerce segment still lacks the necessary predictive analytics tools to unlock growth and remain competitive.

Revenue optimization platform for small and medium size ecommerce merchants that is easy to onboard and provides action plans to increase revenues

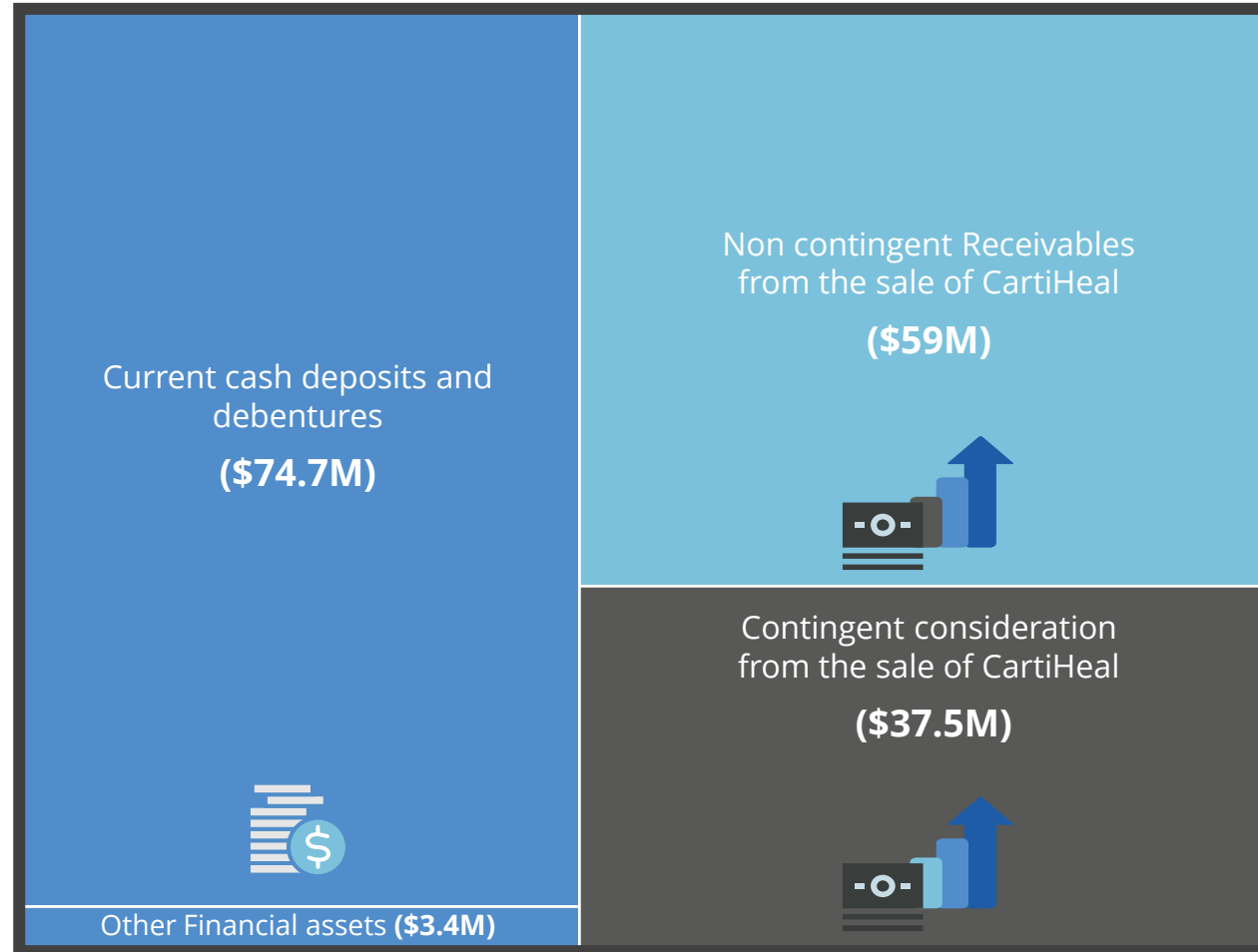


# STRONG FINANCIAL POSITION\*

## PORTFOLIO



## RESOURCES



\*For further details and additional information see next slide.

Holdings in companies <sup>1</sup>	Book value at June 30, 2022 (\$m)	Our holdings based on valuation of last financing round <sup>2</sup> (\$m)
Cyber/Software Holdings- Mature Portfolio	21.1	93.6
Cyber/Software Holdings- New Portfolio	11.6	14.8
Medical Holdings (excluding BrainsGate) <sup>3</sup>	<b>13.4</b>	<b>40.9</b>
Other companies	1.7	1.9
<b>Total Holdings (excluding BrainsGate)</b>	<b>47.8</b>	<b>151.2</b>
BrainsGate (25%)	0.2	40.7 <sup>^</sup>
Tax allowance		(4.7)
<b>Cash &amp; Other Financial Resources :</b>		
Receivables from CartiHeal sale		59.0 <sup>^</sup>
Other financial assets		3.4
Liquid resources (as of Aug 8, 2022)		74.7
<b>Total Cash &amp; Other Financial Resources:</b>		<b>137.1</b>
<b>Total</b>		<b>324.3 (283.6 excluding BrainsGate)</b>
<u>Additional information:</u>		
Contingent Consideration from CartiHeal Sale (see slide 5 above)		37.5
Price per share on TASE (in \$) (as of Aug 8, 2022)	\$2.93	
Elron Ventures' market value (as of Aug 8, 2022)	152.3	

<sup>^</sup> Based on the remaining non-contingent principal amount to receive from Bioventus, (the buyer of Cartiheal), excluding 8% annual interest.

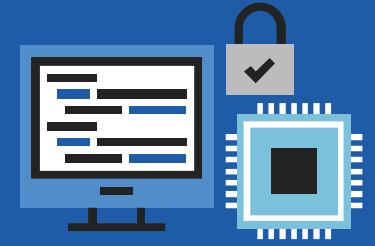
<sup>^</sup> Based on valuation set at last financing round dated December 2020. In February 2022, the FDA decided BrainsGate's PMA application is non-approvable.

<sup>1</sup> Includes Elron Ventures' direct holdings and its effective indirect holdings through RDC. Includes investments made after June 30, 2022. Includes Elron Ventures' balance and 50.1% 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> The 'medical holdings' balance includes \$7.1m attributed to Notal Vision based on a valuation determined with the assistance of an external appraiser.

<sup>4</sup> The above financial data do not represent a valuation, investment advice, or a financial opinion of any kind.



# OUR MATURE CYBERSECURITY / B2B SOFTWARE COMPANIES

# IRONSCALES

IRONSCALES is a pioneer of a cloud-native, AI-driven messaging security, with a solution that continuously detects and remediates advanced threats in the intensifying messaging cyber attack vector. With its native API integrations, IRONSCALES can integrate with today's modern email platforms in minutes with no configuration changes, risk or downtime to operations.

IRONSCALES' platform is validated by 300 partners and reaches >5,000 customers globally. **Gartner includes IRONSCALES as a representative vendor in the integrated cloud email security (ICES) category.**

## INVESTORS

K1 Investment  
Management, Jump  
Capital, PSG

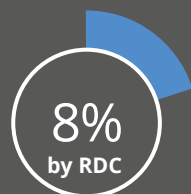
\$1M

OUR INVESTMENT  
(after partial secondary  
sale of shares)



\$57M

TOTAL INVESTMENT




% OWNERSHIP


## MARKET LANDSCAPE

- Frost & Sullivan estimated the size of the email security market at \$3.1B in 2020 and \$5.3B in 2025 (10.9% CAGR)
- On-premises email solutions are shifting to cloud-based email & collaboration services (Office 365, G-Suite, Slack, etc.)
- The email and messaging attack vector is becoming increasingly sophisticated, requiring advanced mitigation techniques
- Many security providers are rooted in the deprecated gateway approach (SEG) which is not suited for current threats and infrastructure

## NOTABLE INTEGRATED CLOUD EMAIL SECURITY TRANSACTIONS

 **Abnormal SECURITY** \$210M Series C @\$4B (May 2022)

 **AGARI** Acquired by PE firm HelpSystems (May 2021)

 **AVANAN** Acquired by channel partner Checkpoint for \$300M (Sep. 2021)

## INVESTMENT THESIS

- **Differentiated product on pace with market demand**  
– First mover advantage in the emerging ICES category
- **Strong industry-validated tech** – 5000+ customers
- **Industry recognition** – 2021 Cyber Security Global Excellence Award, 2021 Frost & Sullivan Award, American Cyber Award
- Low-touch sales driving **fast mid-market growth**
- **Growth engines** – Enterprise segment expansion, expansion to messaging app protection (launched this year and already gaining traction)
- **Strong growth investors** joined the journey, leading the last investment round



# CYBERSIXGILL

Cybersixgill's cyber threat intelligence (CTI) platform provides AI-based data collection and analysis. Compared to other vendors which combine manual services in their offering, Cybersixgill's fully automated solutions allow businesses to perform risk assessment and make crucial security decisions based on accurate, real-time data.

Cybersixgill serves >130 clients among Fortune 500, MSSPs, and law enforcement such as Accenture, Cognyte, Fidelity, F5 and Cisco. Tech alliance partners include IBM, Accenture, CrowdStrike, Anomali, Palo Alto, Splunk and Siemplify.

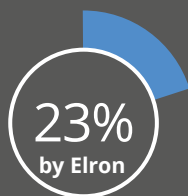
## INVESTORS

Sonae IM, REV,  
CrowdStrike,  
OurCrowd, Terra,  
MORE

\$12M  
OUR INVESTMENT



\$50M  
TOTAL INVESTMENT



% OWNERSHIP

## MARKET LANDSCAPE

- The Global Threat Intelligence Market was sized at \$9B in 2021 and is expected to grow to \$26B by 2028, growing at a 18% CAGR
- Threat intelligence is the backbone of all cybersecurity products (endpoint security, SaaS security) and processes (risk assessment, incident response) and can be monetized in multiple ways: data-feeds to direct customers (cyber-mature enterprises & MSSPs) and through OEM partners' products
- Industry-wide gross margins are hindered by the reliance on manual services; Recorded Future is considered the market leader

## NOTABLE TRANSACTIONS IN THE SPACE

- INTSIGHTS** Acquired by Rapid7 for \$330M (Jul 2021)
- RISKIQ** Acquired by Microsoft for \$500M (Aug 2021)
- INTEL471** Strategic investment by Thoma Bravo (Sep 2021)
- Recorded Future** Acquired by Insight Partners for \$780M (May 2019)

## INVESTMENT THESIS

- **YoY revenue tripled** between 2019 and 2021
- **Disruptive product offering** (automated CTI)
- **OEM partnerships** are a significant growth engine
- **Market leadership potential** in a space with one dominant vendor (room for another leader)
- **Strong trust** by OEM partners and investors
- **Raised \$35M** in a Q1 2022 growth round to scale operations
- After expanding headcount, diversifying its GTM, and expanding its offering, **Cybersixgill forecasts significant YoY growth in 2022**

# OPENLEGACY

OpenLegacy's cloud migration platform for legacy systems enables digital transformation by easing the challenge of moving, connecting and managing applications on the cloud, through a phased migration approach. OpenLegacy's platform provides 10x faster API creation (from 6 months to a few days), 75% lower total cost of ownership, and 5x better API performance.

OpenLegacy serves > 65 customers worldwide, mostly G2000/F500 (such as Citi, MetLife, Standard Chartered, AIG, Aviva, UnionBank, DBS). Partners include Boomi, BigID, IBM, AWS, and Apigee (Google).

## MARKET LANDSCAPE

- Legacy systems are a bottleneck to cloud migration; at least 75% of enterprise workloads haven't moved to the cloud
- Traditional legacy integration is not agile and involves large teams
- Not for nothing, both application integration and cloud providers (AWS, Azure) are experiencing declining growth rates; this is a major growth driver for OpenLegacy's unique phased migration-based solution
- Market demand is for solutions addressing complexities: hybrid deployment environments, fast delivery, modular integration, high adaptability and lower cost

## NOTABLE TRANSACTIONS IN THE SPACE

**boomi**

Acquired by Francisco Partners for \$4B (May 2021)

**apigee**

Acquired by Google for \$670M (Nov 2016)

**MuleSoft**

Acquired by Salesforce for \$6.5B (May 2018)

## INVESTMENT THESIS

- **Proven land and expand model** – Born out of the understanding that with sensitive legacy systems, “starting small” shortens the sale cycle
- **Proven vendor lock-in** – Large customer base with nearly zero churn
- **Market enabling product** – New HUB cloud marketplace product (available on AWS / Redhat / GCP) addresses market demand for hybrid cloud and accelerated, phased cloud migration
- **Growth engines** – New cloud / hybrid cloud strategic partnerships (AWS, Google, Boomi, VMware, HPE and Redhat) and SaaS / marketplace offerings.
- **Excepting to be cashflow neutral during 2023**

## INVESTORS

Commerzbank, OG Tech, SBI Group, Cardif, Silverhorn, Leumi Partners

\$8M

OUR INVESTMENT



\$68M

TOTAL INVESTMENT

22%  
by RDC

% OWNERSHIP

## INVESTORS

Insight Partners,  
Benson Oak  
Ventures,  
SamsungNEXT

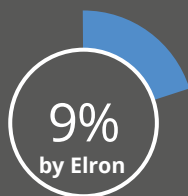
\$3M

OUR INVESTMENT



\$28M

TOTAL INVESTMENT



% OWNERSHIP


ZenGo's "crypto wallet app for everyone" enables the storage and trading of 70+ crypto assets and secure Web3 connectivity. With ZenGo's simplified wallet users set up an account in seconds, buy and sell crypto in a few taps, connect to NFT and DeFi Dapps, trade and earn interest, track investments, and receive 24/7 live support. ZenGo's bulletproof security uses keyless MPC (multi-party computational) encryption, biometric protection, and 3-factor recovery that gives users full control over their crypto, but is always recoverable.


ZenGo is used by >400K customers, and has a 4.9 app rating.

## MARKET LANDSCAPE

- According to Pitchbook data In the first half of 2022, venture capital funds invested 17.5 billion in crypto ventures and it seems that investment in the sector this year, will exceed the 26.9 billion raised last year.
- ZenGo is the only keyless wallet to support NFT, a huge differentiator also considering the scope of cyberattacks (72% of stolen crypto funds in 2021 were taken from DeFi protocols)
- Crypto-native billion-dollar funds are being raised by VC firms (e.g. Paradigm, Andreessen Horowitz, FTX, Hivemind Capital, Haun Ventures, Electric Capital)

## NOTABLE TRANSACTIONS IN THE SPACE

 **Fireblocks** Raised a \$133M Series C round, a \$310M Series D round @\$2B valuation & a \$400M Series E round @\$8B valuation - all in 2021

 **CURV** Acquired by PayPal post-Series A round for \$200M (Mar. 2021)

## INVESTMENT THESIS

- **Market growth** – Web3 / Digital assets market is still on the rise across all parameters (\$ size, number of users and allocation of investors funds), despite the major hit this market suffered during the last few months
- **Unique NFT & Web3 positioning**
- **Standout tech & product** – Unmatched security and user experience; vast asset support; high app rating by users
- B2C product that is **favorable for rapid scale up**

## INVESTORS

Accelmed, MTIP,  
ALIVE

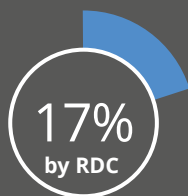
\$5M

OUR INVESTMENT



\$35M

TOTAL INVESTMENT



% OWNERSHIP

Cynerio's healthcare IoT cybersecurity platform protects healthcare institutions' IoT and connected medical devices, while ensuring service availability, data confidentiality, and patient safety. Cynerio's suite of solutions stops attacks on day one of implementation, finds critical IoT risks and provides automated remediation plans. **Cynerio is positioned by Forrester as a market leader in the connected medical device security category (2020) and chosen by Gartner as a Cyber-Physical Systems Security Cool Vendor (2021).**

Cynerio is partnered with leading cybersecurity & healthcare tech vendors as well as medical device manufacturers.

## MARKET LANDSCAPE

- Healthcare breaches set a record in 2021, with 45M patients affected and the highest cost per breach of any industry (\$9M)
- Over half of the connected medical devices & IoT devices in hospitals have a known critical vulnerability; 1/3 of bedside IoT devices have an identified critical risk
- Cynerio & Medigate are the 2 major players in the US, while Cynerio is the only vertical-focused player; Medigate and other competitors have been acquired by sector-agnostic companies
- The surge of cyberattacks on large & small hospitals is generating demand for healthcare-tailored cybersecurity solutions

## NOTABLE TRANSACTIONS IN THE SPACE



Acquired by Claroty (cyber-physical systems) (Jan. 2022); in Dec. 2021 Claroty raised a \$400M Series E round to fund the acquisition



Acquired by Forescout for \$80M (IT & IoT cybersecurity) (Jan. 2022)

## INVESTMENT THESIS

- **Differentiated product** – Healthcare focused cybersecurity offering; in contrast to vertical-agnostic IoT/OT cybersecurity vendor offerings (Armis, Claroty, etc.)
- **Leading vertical market position**
- **Vendor lock-in** – 100% gross retention rate
- **Growth opportunities** – driven by channel sales through top-tier tech partners (AWS, Ivanti, Servicenow) and by ROW expansion
- **Surge in market demand** – due to the sharp increase in healthcare cyberattacks

## INVESTORS

Kamet, OurCrowd,  
Vertex, Team8,  
Pitango, Hanaco

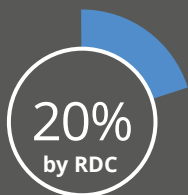
\$14M

OUR INVESTMENT



\$62M

TOTAL INVESTMENT



% OWNERSHIP

Sayata's online SMB insurance marketplace automates the quote-bind-issue process, allowing brokers & carriers to place more SMB insurance policies in a fraction of the time. Based on a few details about the client, Sayata's AI-based platform provides brokers with several competitive quotes, giving its partners the ability to grow their book quickly and efficiently. Sayata's first product is for cyber insurance.

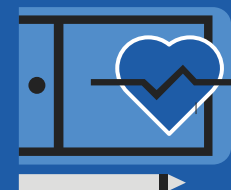
To date >1,000 users across 75+ brokerages and carriers partner with Sayata, growing their SMB book exponentially quarter-over-quarter.

### MARKET LANDSCAPE

- The US SMB insurance market is sized at \$100B (\$300B globally)
- SMBs typically access the market via insurance agents and brokers, and behave like consumers: they desire value for money, a range of products, and a fast online process
- Sayata launched its marketplace driven by the observation that the complexity in matching insurance policies to SMBs created a market failure
- Sayata is shielded from the market risk faced by digital insurance companies that underwrite the risk and whose investment portfolio assets are subject to fluctuations in value

### INVESTMENT THESIS

- **Disruptive business model** in a huge market that suffers from significant inefficiency
- **Proven repeatable exponential growth** (premium run rate, number of brokers)
- **Growth drivers** – Additional product launches; new insurance lines (besides cyber insurance)
- **Raised \$52M in 2021 in 2 financing rounds** to accelerate growth, both led by tier-1 investors



# MEDTECH COMPANIES

## Strategy

- Our exit strategy is to realize our medtech assets by creating M&A opportunities through FDA approval
- We may also exploit secondary sale opportunities if they arise

OUR MEDTECH PORTFOLIO IS MANAGED BY ZVIKA SLOVIN (VENTURE PARTNER):









**Zvika Slovin**

**Venture Partner (Healthcare)**

Previously VP Healthcare at Elron Ventures - built its MedTech portfolio and led 4 successful exits; Former Chairman of CartiHeal which led its Sale

## MEDTECH PORTFOLIO

MIX OF EARLY-STAGE AND MATURE COMPANIES; ALL FULLY FUNDED

 <b>CartiHeal</b>	 <b>Notal Vision</b>	 <b>Pocared</b>	 <b>Nitinotes</b>	 <b>Coramaze</b>	 <b>BrainsGate</b>
Biodegradable regenerative knee implant	Early AMD detection and at home monitoring	Culture free clinical microbiology	Robotic bariatric endoscopy system for the treatment of obesity	Trans-catheter tricuspid valve repair implant	Neurostimulation for ischemic stroke treatment
27% ownership	10% ownership	9% ownership*	20% ownership	27% ownership	28% ownership
<b>FDA:</b> PMA application approved <b>M&amp;A:</b> Bioventus acquired CartiHeal for up to \$500m in July 2022 <b>SOLD!</b>	<b>FDA:</b> ForeseeHome approved <b>FDA:</b> HomeOCT study underway <b>Reimbursement:</b> CMS national code <b>S&amp;M:</b> revenue growth	<b>FDA:</b> submission <24 months <b>Financing: EIB funding (€22M) granted; raising additional funding</b>	<b>Clinical:</b> 60 patients, promising results, high safety profile, very short learning curve, excellent usability <b>FDA:</b> US pilot study in the next 12 months, to be following by pivotal study	<b>Clinical:</b> FIH (Serbia) <b>Clinical next:</b> pilot multi-center study, EU <b>FDA:</b> breakthrough designation submission	<b>FDA:</b> PMA application was not approved; additional clinical data required

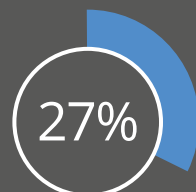
\* Additional economic rights held by Elron Ventures & RDC: approximately 28%

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

# SOLD!



\$18.4M  
OUR  
INVESTMENT



OUR  
HOLDING

## CARTILAGE & BONE REGENERATION IN JOINTS SUCH AS THE KNEE

Cartilage injuries affect millions of patients worldwide. The need for a simple, fast, and off-the shelf solution to restore cartilage is an **unmet challenge facing medicine today.**



>500 patients were treated to date with the Agili-C implant in a series of clinical trials



Outstanding pivotal clinical trial results demonstrated superiority of Agili-C over surgical standard of care on primary endpoint and all 4 secondary confirmatory endpoints



CE mark in hand with a broad indication allowing for sales in Europe



In March 2022 the FDA granted the Agili-C™ implant Premarket Approval (PMA)



▶ 3 weeks post-op



▶ 6 weeks post-op



▶ 12 months post-op



# OPPORTUNITY SUMMARY



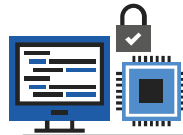
## **STRONG FINANCIAL POSITION**

- Assets Under Management (AUM) ~\$400M



## **TRACK RECORD OF BUILDING NEW PORTFOLIOS & SCALING THEM UP**

- Cybersecurity & B2B Software portfolio – Net Asset Value of \$166M
- MedTech portfolio – Net Asset Value of \$88M
- Elron Ventures II – Portfolio buildup in motion with 8 investments completed



## **INVESTMENT OPPORTUNITY IN A PUBLIC COMPANY IN THE VC SPACE, PROVIDING THE WIDER PUBLIC WITH ACCESS TO PRIVATE START-UPS**

- Specializing in early-stage Israeli investments that have the potential to become market leaders
- Unique investment platform: corporate design partners; advisory board of enterprise executives, experienced founder network, diverse team combining investment acumen & tech skills
- 12-year performance: 14 M&As totaling \$2.2B of which Elron Ventures share is approximately \$750m

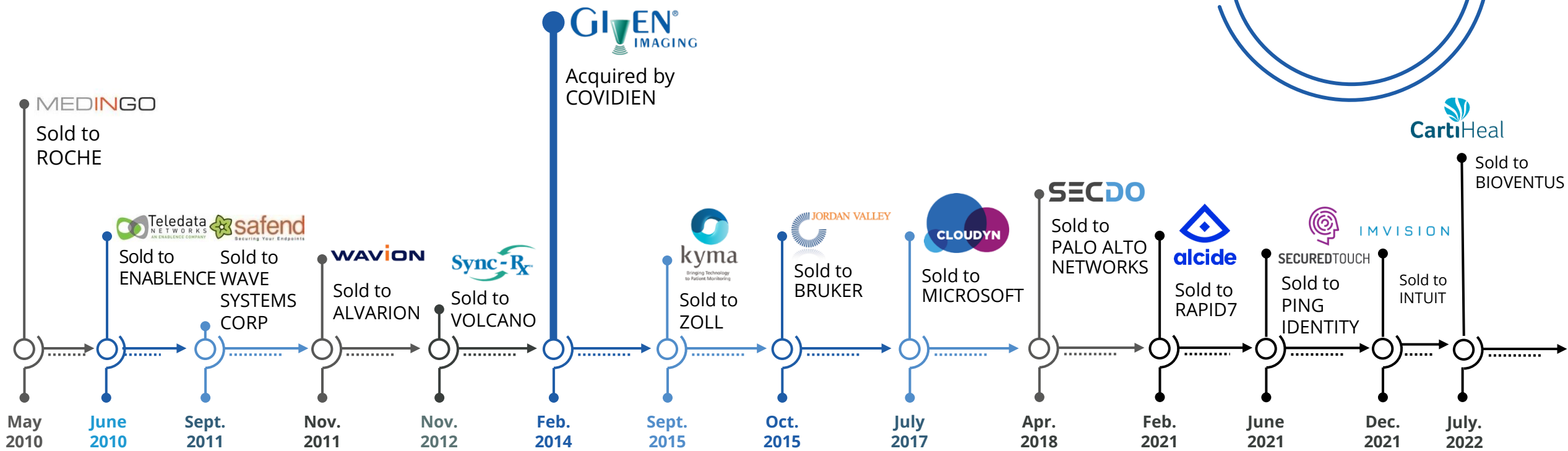
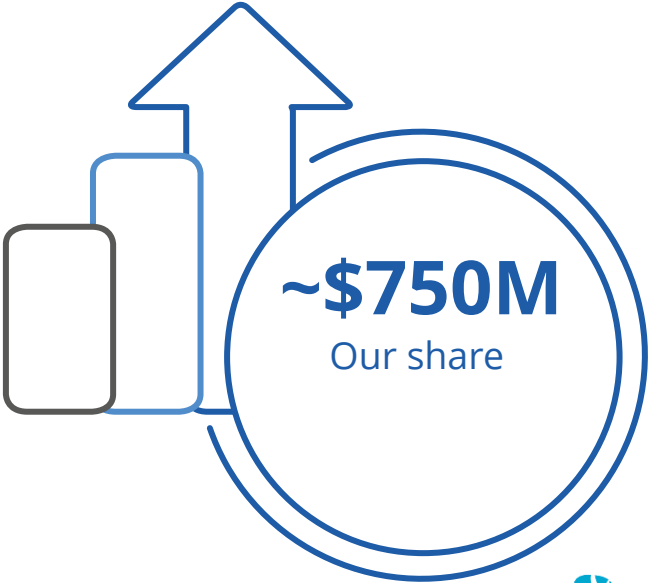
# THANK YOU



[elron.com](http://elron.com)




# EXITS AT A VALUE OF \$2.2B






## OUR CYBER- SECURITY COMPANIES

**SCRIBE**

Continuous code assurance across the software supply chain

18%  
by RDC


Our investment:  
**\$3.5m**

**RED ACCESS**

Third generation web protection platform

24%  
by RDC


Our investment:  
**\$3m**

**CYVERS**

Cryptocurrency attack detection in real-time using AI-based behavioral profiling

27%  
by RDC


Our investment:  
**\$3.9m**

**CREEDNZ**

Business fraud detection and prevention platform

16%  
by RDC


Our investment:  
**\$2.5m**

**CYNERIO**

Protecting the connected medical device ecosystem from cyber threats

17%  
by RDC


Our investment:  
**\$5.3m**

**SAYATA**

AI-based platform connecting insurance brokers & carriers with SMBs

20%  
by RDC


Our investment:  
**\$14.1m**

**CANONIC**

Security platform that detects and defeats SaaS-native threats

21%  
by RDC


Our investment:  
**\$5.2m**

**CYBERSIXGILL**

Cyber intelligence platform that automatically & covertly analyzes the dark web

23%  
by RDC


Our investment:  
**\$12m**

**IRONSCALES**

Automated phishing prevention, detection & response platform

8%  
by RDC

The balance of our investment:  
**\$1.1m**


**ZENGO**

Crypto wallet that doesn't compromise between security and user experience

9%  
by RDC

Our investment:  
**\$3.1m**


# OUR SOFTWARE COMPANIES

**OPENLEGACY** 

Automated API integration platform that speeds digital transformation

**22%**  
by RDC


Our investment: **\$8.2m**

**KEEPY** 

HR analytics for employee and team retention & engagement

**29%**  
by RDC


Our investment: **\$3m**

**AUDIOBURST** 

AI-powered audio search platform that discovers content that is clickable to hear

**9%**

Our investment: **\$700k**

**ALLERO** 

A governance and visibility platform for managing multiple CI/CD platforms

**29%**  
by Elron & RDC


Our investment: **\$4m**

**SIDETALK** 

Social webinar platform for increasing engagement and lead conversion

**SAFE**

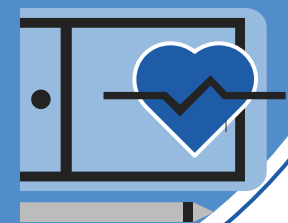
Our investment: **\$500k**

**BARK** 

Revenue optimization platform for ecommerce merchants

**SAFE**

Our investment: **\$700k**



## OUR MEDICAL DEVICE COMPANIES

### BRAINSGATE



Electrical stimulation-based treatment for ischemic stroke

28%

Our investment: **\$31m**

### NOTAL VISION



Remote monitoring of patients with age-related macular degeneration

10%

Our investment: **\$15m**

### NITINOTES



Minimally invasive endoscopic device for treatment of obesity

20%

Our investment: **\$3.9m**

### CORAMAZE



Transcatheter tricuspid valve repair system

27%

Our investment: **€ 5.2m**

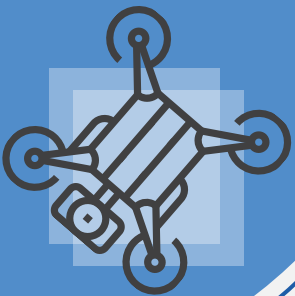
### POCARED



Rapid and automated microbiology laboratory system

9%  
by Elron  
& RDC\*

Our investment: **\$87.4m**



# OUR FIRST DRONE TECH COMPANY



## Commercial drone operations: A market waiting to take off

The commercial use of drones will revolutionize numerous applications, from package delivery to infrastructure inspection, mapping, and more

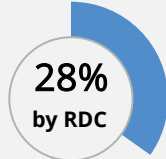
Safe autonomous operation is key to the commercial use of drones at scale:

- » overcoming regulatory barriers
- » creating a scalable business case

WONDER  
ROBOTICS



Software for  
safe &  
autonomous  
landing on  
unprepared &  
unmarked  
sites



Our  
investment:  
**\$2.0m**

Team with a strong track record in the domain & strong technology expertise  
Technology validated by Rafael

**Potential to be a market enabler and  
become an industry standard**