



ELRON VENTURES - INVESTOR PRESENTATION

February 2024





This presentation is for information purposes only. By this presentation, Elron does not intend to solicit offers to purchase its securities and the presentation does not constitute an invitation to receive such offers, and nothing said therein constitutes a "public offering", as defined in the Israel Securities Law, 5728-1968.

Elron may make improvements and/or changes in the features or content presented herein at any time. Elron shall not be liable for any loss, claim, liability or damage of any kind resulting from the investor's reliance on or reference to any detail, fact or opinion presented herein.

The presentation is not intended to provide a comprehensive description of Elron's activities, and Elron urges investors to consider the information presented herein in conjunction with its public filings including its annual and other periodic reports.

Nothing in this presentation should be considered "investment advice", as defined in the Israel Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995.

Certain statements made over the course of this presentation may be forward-looking in nature, as defined in Section 32A of the Israel Securities Law, 5728-1968. Such forward-looking statements involve known and unknown risks, uncertainties, forecasts, assessments, estimates or other information, which relates to a future event or matter whose occurrence is not certain and which is not within the sole control of Elron, and other factors which may cause the actual results, performance and achievements of Elron to be materially different from any future results, performance and achievements implied by such forward-looking statements. These forward looking statements are not proved facts and are based on Elron's subjective assessments which rely on analysis of general information, public publications, researches and reviews, which do not include any liability as to the accurateness or completeness of the information contained there and their accurateness hasn't been examined by Elron. The realization of these forward looking statements will be affected by factors that cannot be assessed in advance and which are not within the control of Elron. Elron assumes no obligation to update the information in this presentation and disclaims any obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

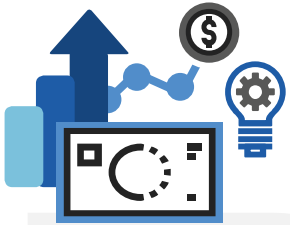
These estimates, in whole or in part, may not materialize, or may materialize in a manner materially different than expected. The principal factors that may affect this are: failure to meet goals, modifications in work plan, goals and/or strategy, unexpected needs of the group companies for additional 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.

The company's Board of Director's decision to make an application to the Court for additional dividend distribution: the distribution of the additional dividend is subject to the approval of the court (which there is no certainty that it will be received), as well as the approval of the company's board of directors, after receiving court approval (if and as much as it is received) at its full discretion. Accordingly, it should be clarified that there is no certainty as to the distribution of a dividend or the timing or amount thereof.

Iron Swords War: In October 2023, the "Iron Swords" war (hereinafter: "the war") broke out in the State of Israel. The war's ongoing duration led to a slowdown in business activity in the Israeli economy, among other things due to the recruitment of reserve personnel for an unknown period in advance, as well as to the disruption of economic activity in Israel. The continuation of the war may entail extensive consequences for many branches and different geographical areas of the country. The potential fluctuations in foreign exchange rates, availability of manpower, local services and access to local resources may affect entities whose main activity is with or in Israel. Also, on October 24, 2023, the international credit rating company S&P announced it reaffirmed Israel's credit rating at the level of AA- and changed the rating forecast from "stable" to "negative" in light of the significant deterioration in the geopolitical and security risks Israel is struggling with following the Hamas attack that took place on October 7, 2023. In February 2024, the rating company Moody's announced it downgraded Israel's credit rating from A1 to A2 with a negative outlook and the possibility of a further downgrade due to concern a war will develop on Israel's northern front. As of the date hereof, the Company cannot accurately evaluate the potential future influence of the war on its operations and its group companies due to, inter alia, market volatility, uncertainty about the war's duration and intensity, the war's effect on the Company's operations, and in respect with additional measures that will be taken by the government. The Company is monitoring the impact of the war on its activities as a whole, and the focal points of potential risk in particular. Significant risk focal points may include: potential difficulties in raising capital for group companies; impact on the activities of the group companies' with customers, suppliers, and business partners, including potential partners; potential difficulties for group companies in closing commercial transactions or generating leads and managing lengthy and complex sale-cycles and difficulties in executing exit transactions.

Elron urges investors to consider the information presented in slides 18 in conjunction with this comment. 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



15 exits totaling \$2.2b since 2010, of which Elron Ventures share is approximately \$750m



Investment platform based on value circles: 'CyberFuture' CISO club, strategic partnership with Rafael, advisory board, experienced founder network



Value creation in 2023: CartiHeal exit, 2 new cyber investments, 5 new investments by CyberFuture



Robust cybersecurity / B2B software portfolio: mature co's have sufficient resources; young co's achieved sales traction



\$61m distributed in dividends from exit proceeds since Nov. 2022; we are seeking court approval to distribute an additional \$35m dividend subject to court approval and additional decision of the Board of Directors



Team of experienced VC professionals, field experts, tech innovators



1960s
Defense
Elbit

1970s
Medical Imaging
Elsint

1980s
Semiconductors
Orbotech | Zoran

1990s
Communications
Netvision | Partner

2000s
Multi-strategy
Given Imaging

2010s
Medical Devices
Medingo | CartiHeal

2020s
Cybersecurity /
B2B Software
Secdo

2023: MAIN ACTIVITIES

CARTIHEAL EXIT



Acquired by Smith + Nephew for up to \$330m

G&A EXPENSES



G&A expenses were significantly decreased in 2023; additional decrease expected in 2024

MATURE PORTCO'S

The mature portco's are funded
No expected cash out from Elron during 2024



Hypergrowth; the world's leading cyber healthcare platform



Three-year revenue growth of 3.6x



CAGR of 37% since 2019, alongside improved operational efficiency



Cash flow positive

YOUNG PORTCO'S

Sales traction + tech recognition



CYVERS



Dual-use traction
WONDER ROBOTICS LTD

NEW INVESTMENTS



Tech-driven managed cloud protection service

Breeze Security

AI-based enterprise cybersecurity program & posture management

CYBERFUTURE

5 new investments



CYVERS

entitle

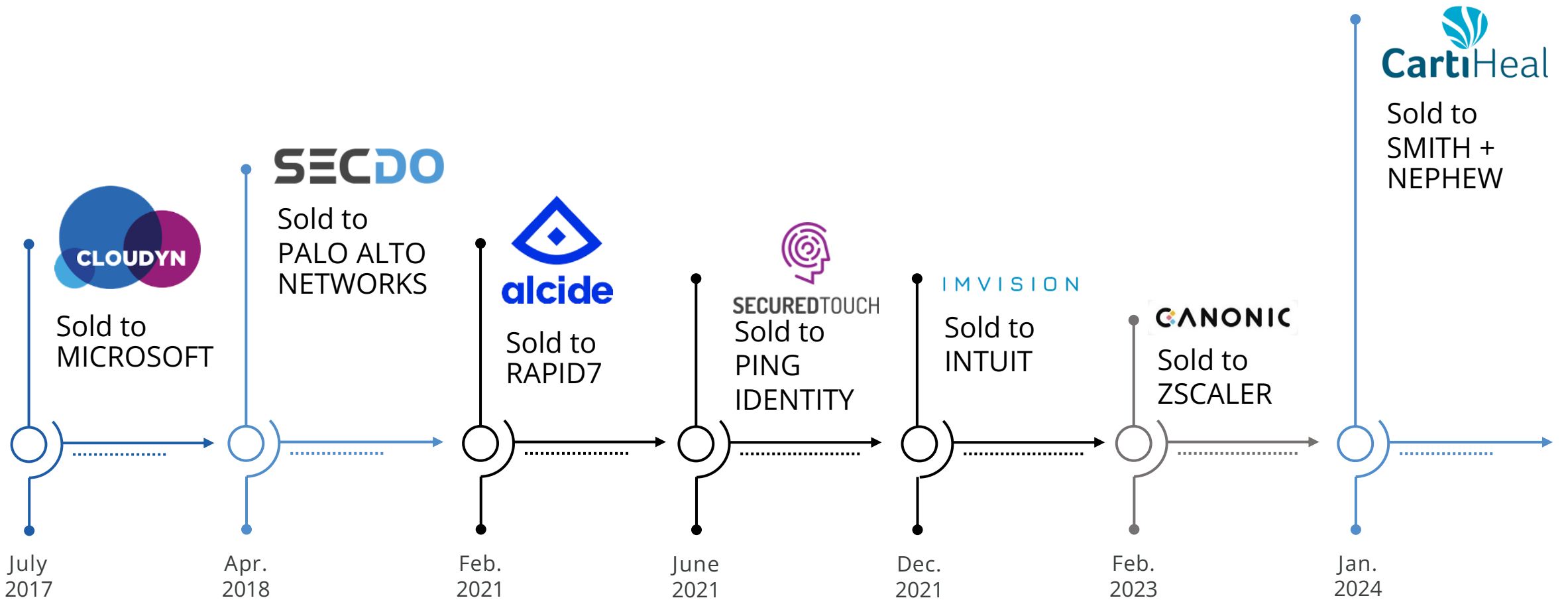
Scribe

Astrix

Prompt

M&A's DURING THE LAST FEW YEARS

SOURCE FOR DIVIDENDS



CARTIHEAL EXIT & DIVIDEND DISTRIBUTION

In January 2024 CartiHeal was acquired by Smith+Nephew for up to \$330m:
\$180m immediate consideration + \$150m contingent consideration payable upon achieving a sales milestone

Our share in the transaction proceeds – up to \$88m:

- Immediate Consideration: **\$48m** (of which \$5m is being held in escrow for 12-18 months)
- Contingent consideration: **\$40m**

We previously received **\$33m** from Bioventus (fully distributed as a dividend to our shareholders) after the option agreement to acquire CartiHeal was cancelled and ownership of CartiHeal reverted to the sellers

\$61m distributed in dividends since Nov. 2022

- + In our commitment to return value to our shareholders, we distributed the large cash surpluses we generated -in exit transactions - as dividends to our shareholders
- + We are seeking court approval to distribute an additional **\$35m** dividend subject to court approval and additional decision of the Board of Directors

FOCAL POINTS IN 2024

In light of current market conditions (particularly in Israel), many companies worldwide and in Israel are reassessing the pace of their cash use and some have taken measures to reduce expenses and headcount

Accordingly:

- We've taken efficiency measures that significantly reduced G&A expenses in 2023, a trend expected to continue in 2024 as well
- Activity in 2024 will center around the strategic partnership with Rafael (through RDC) & CyberFuture
- We intend to continue focusing on our existing portfolio companies, including through continued involvement and support, while new investments (if made) will be through RDC, depending on its available resources
- We intend to act to locate opportunities to exit our mature companies and create value for our shareholders by distributing all or some of the proceeds as a dividend (subject to legal restrictions and the discretion of the board of directors)

THE TEAM:

Investors with a value creation track record; cyber field experts; tech & innovation leaders



Yaron Elad | CEO & Managing Partner

16 years of investing experience; led dozens of M&A transactions totaling \$2.2B and deployed ~\$0.5B



Elik Etzion | Managing Partner

30 years of tech & cyber experience; previously Global CISO of Bank Hapoalim Group and Deputy Commander of the IDF'S 8200 Cyber Division



Lauren Duke | VP BD & Head of Analysis

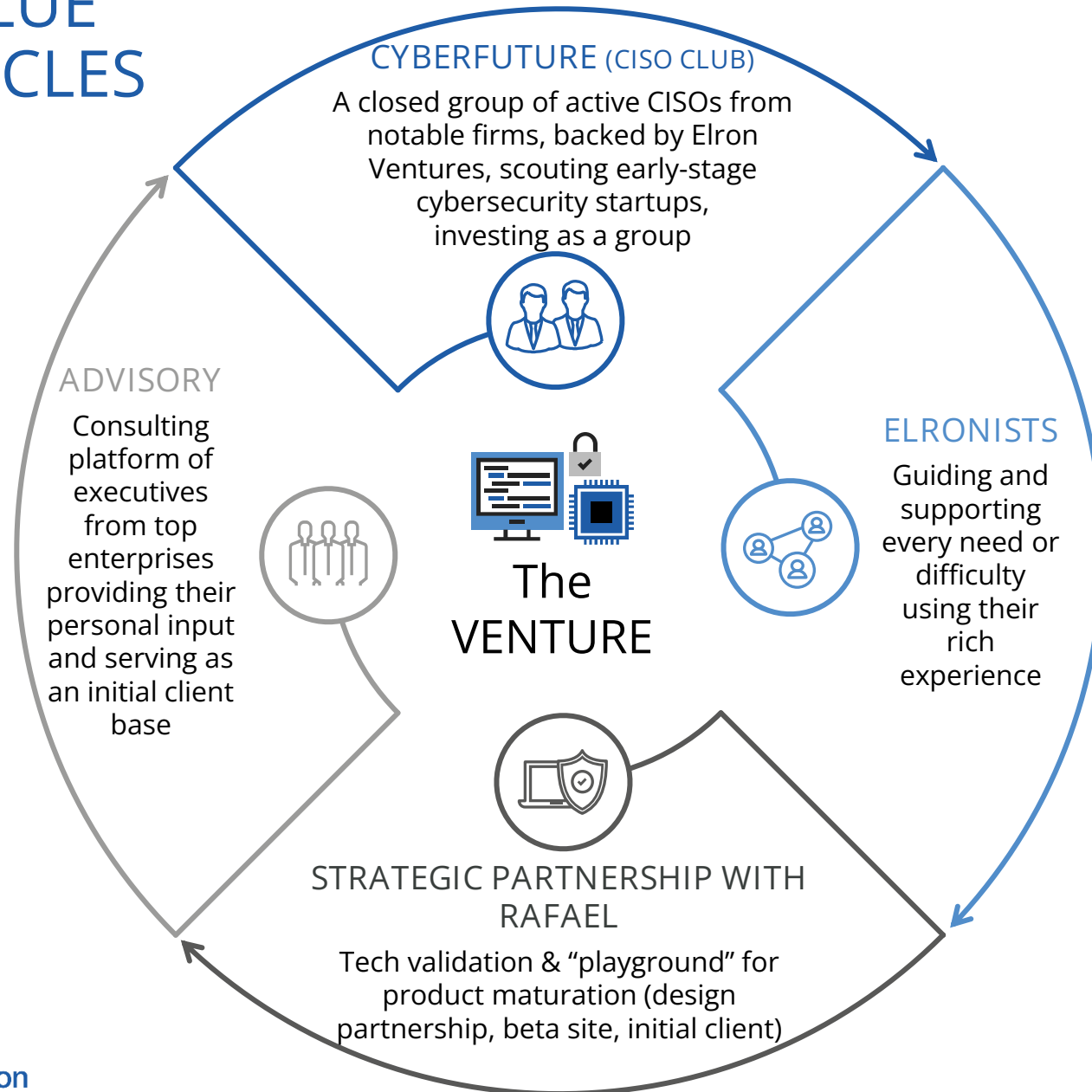
-15 years experience leading strategy & decision-support analysis, vertical initiatives, thematic & domain research, portfolio company support



Kobi (Jacob) Katz | Venture Partner, CIO @ Maccabi Healthcare

Previously CTO @RDC (10 yrs) & CIO @Rafael; 25 years innovation integration & domain expertise: B2B software, IT, data science & AI, cybersecurity

VALUE CIRCLES



Advisory Board



Gil Gur Arie

Former Chief Global Data, Insights and Analytics Officer at Ford Motor Company; Col. (Ret.) IDF Intel Corps, Unit 8200



Jeff Trudeau

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



Rinki Sethi

VP & CISO at Bill.com and Board Member at ForgeRock, former VP & CISO at Twitter and Rubrik



Al Ghous

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

CYBERFUTURE – CISO INVESTMENT ALLIANCE POWERED BY ELRON

CyberFuture, powered by Elron Ventures, is an exclusive global group of CISO's and cybersecurity leaders from the world's leading organizations across various industries seeking to invest in and support promising cybersecurity early-stage startups by using a unique investment and operating model



Vijaya Kaza
CISO, Head of Engineering for Trust & Safety Airbnb
Former CISO, FireEye



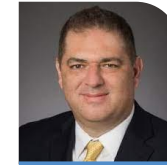
Gerhard Eschelbeck
CISO
Kodiak Robotics
Former CISO, Google



Al Ghous
CISO Snapdocs
Former CISO, Envision Digital



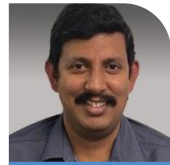
Jeff Trudeau
VP, Chief Information Officer & CISO Chime
Former CISO, Sutter Health



Yaron Levi
CISO
Dolby Laboratories



Oded Blatman
CIO & CISO Fireblocks
Former CISO, Israel Airforce Industries



Krishnan Chellakarai
CISO Gilead Sciences
Former CISO, Roche



Tamir Ronen
Global CISO of HiBob



Nir Omer
CISO Bank Leumi
Former Head of the National Center of Encryption and Cyber Defense, Israel



Oran Hollander
CISO at Babylon Health
and former CISO Telefónica



Ilan Abadi
VP, Global CISO
Teva Pharmaceuticals



Yaniv Toledano
Global CISO & CIO
Pagaya Technologies
Former CISO, Amdocs



Dror Hevlin
CISO CyberArk
Former CISO, SolarEdge



Jesse Whaley
CISO Amtrak
Former Director, Cybersecurity Operations Center, US DoD



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, Cytegit, XMCyber, Silverfort, Avecto, OPSWAT, Wonder Robotics, Scribe, Red Access



EXTENSIVE ENGAGEMENT WITH START-UPS AS PART OF DUE DILIGENCE



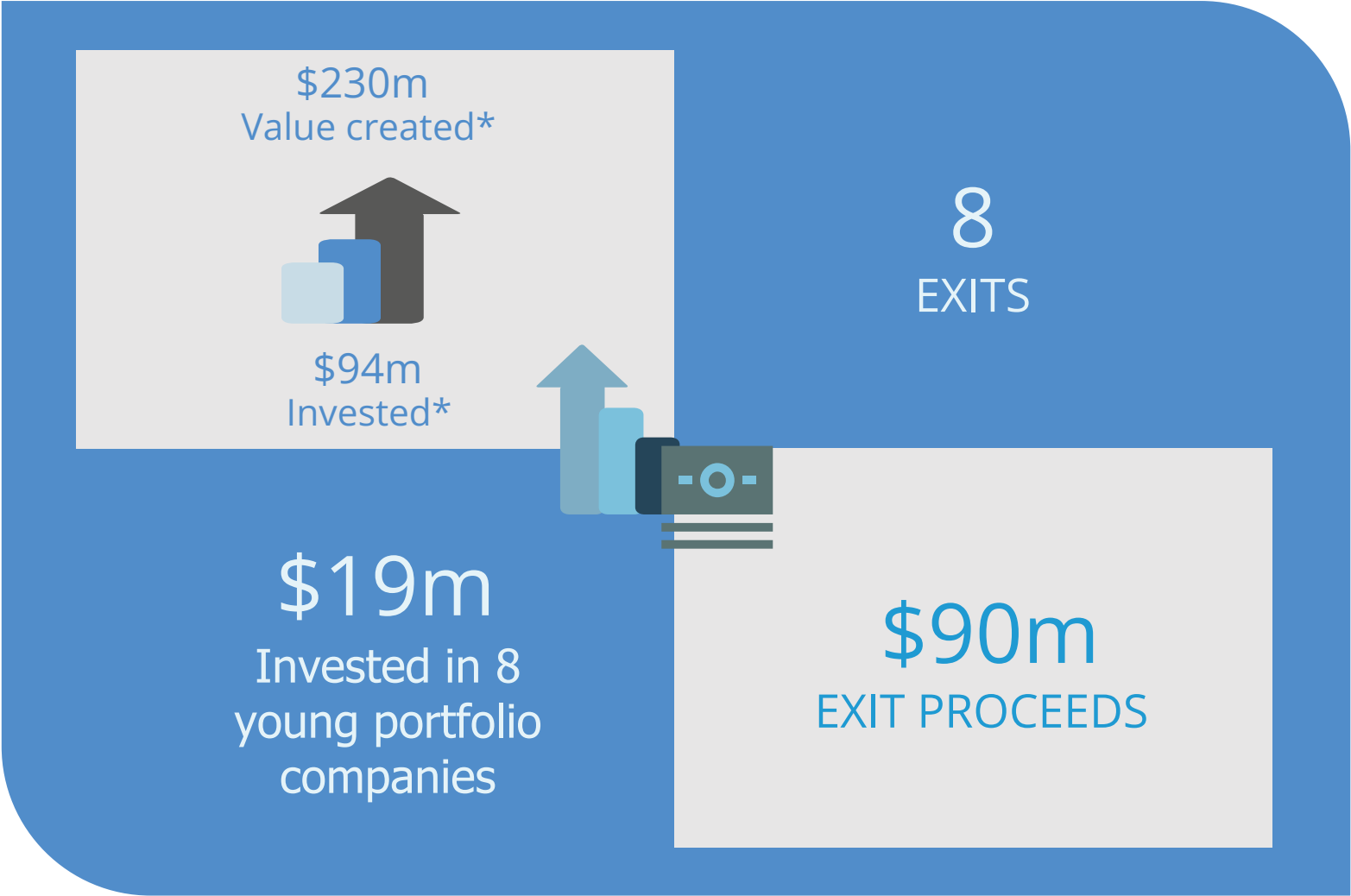
AD-HOC TEAMS FOR DEEP TECHNOLOGICAL ASSESSMENT



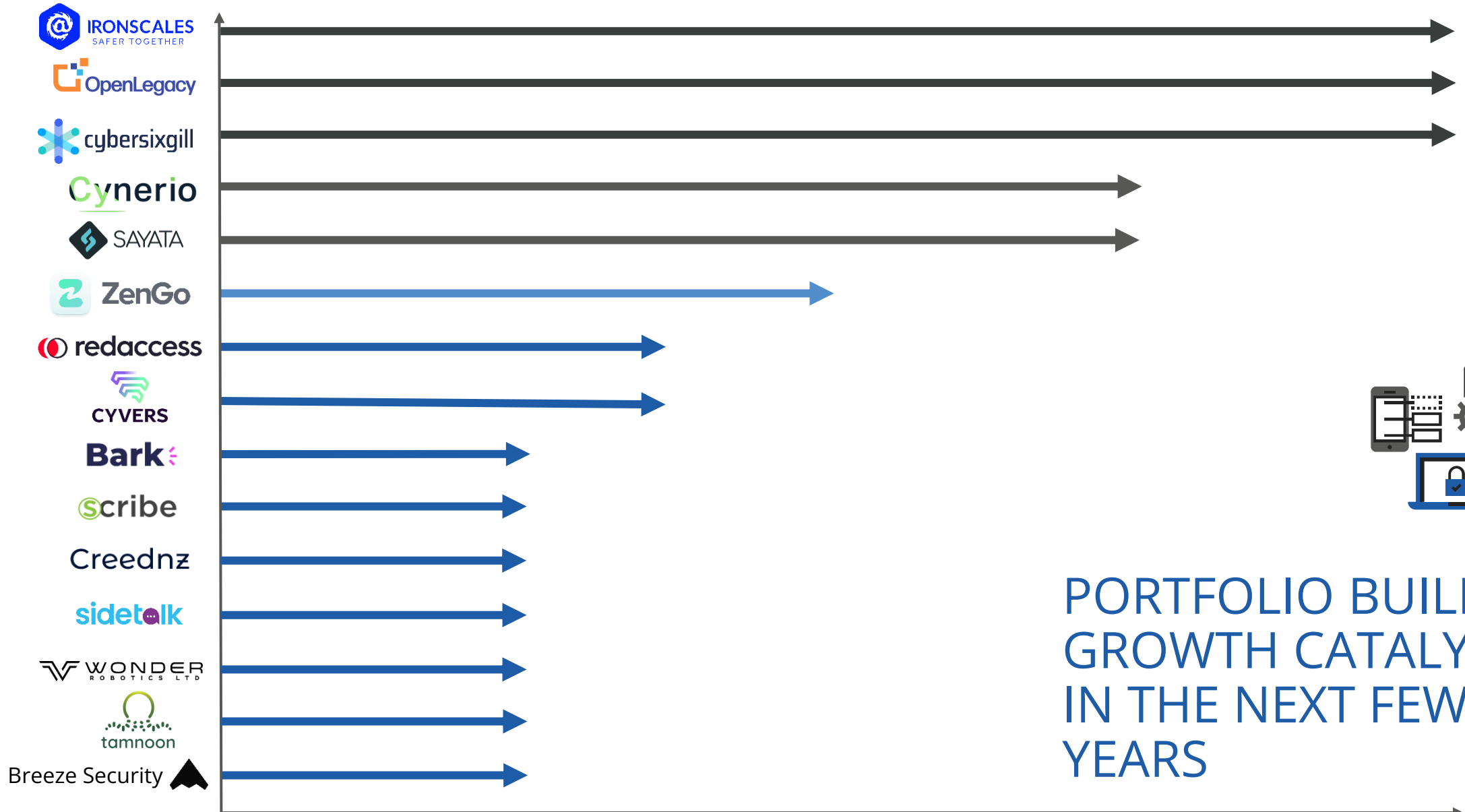
ASSISTANCE TO PORTFOLIO COMPANIES, INCLUDING BY LEVERAGING ON RAFAEL'S CAPABILITIES

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

10 year B2B software/cyber portfolio construction



*Excluding first time investments in ventures during the last three years. Also see slides 15-17 below.



PORTFOLIO BUILDUP –
GROWTH CATALYST
IN THE NEXT FEW
YEARS

Seed

Round A

Round B

Round C

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

26%

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

redaccess

24%

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%

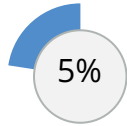
2 co-founders with diverse cybersecurity industry experience (CISO, Product, R&D, consulting (Big4) & entrepreneurship). A huge untapped market with dire need for a solution and only a few contenders.

Business fraud detection and prevention platform



PORTFOLIO BUILDUP

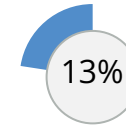
CYBERSECURITY



2 co-founders who played key roles in building the industry's first Cloud Security Posture Management (CSPM) solution at Dome9 (acquired by Check Point). An innovative approach that simplifies cloud security complexity.

Tech-driven managed cloud protection service

Breeze Security 



3 founders with extensive experience in product development & tech in the cyber space (IDF cyber units, Microsoft, Rezilion), have joined forces. The CEO (co-founded Sygnia) leads the team in tackling a critical issue confirmed by CISOs.

AI-based enterprise cybersecurity program & posture management



PORTFOLIO BUILDUP

B2B SOFTWARE

sidetalk



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.

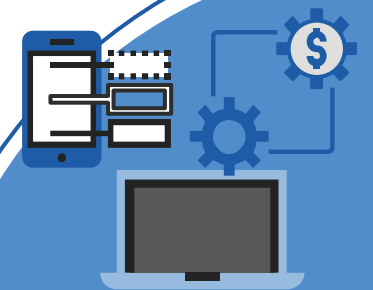
Social webinar platform that increases participant engagement and uncovers buyer's intent, resulting in improved lead conversion

Bark



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



Our holdings based on valuation of last financing round was determined based on the “Post-Money” valuation of our Portfolio Companies as follows:

- Cyber/Software Holdings – Mature Portfolio- based on financing rounds most of which took place until the beginning of 2022.
- Cyber/Software Holdings – New Portfolio- mainly based on amounts invested in Portfolio Companies.

| Holdings in companies | Book value at December 31, 2023 ¹ (\$m, effective) | Our holdings based on valuation of last financing round ^{1,2} (\$m, effective) | Our holdings based on valuation of last financing round ^{1, 2} (\$m, consolidated) |
|---|---|---|---|
| Cyber/Software Holdings- Mature Portfolio ³ | 10 | 86.4 | 129.2 |
| Cyber/Software Holdings- New Portfolio | 7.4 | 13.3 | 19.5 |
| Medical Holdings ⁴ | 10.2 | 11.9 | 11.9 |
| Other companies | 1.3 | 2.2 | 4.3 |
| Total Holdings | 28.9 | 113.8 | 164.9 |
| Contingent consideration from the CartiHeal deal ⁵ | | 19.9 | 19.9 |
| Cash & Other Financial Resources : | | | |
| Other financial assets | | 5.4 | 5.8 |
| Liquid resources (as of 19.02.24) | | 54.9 | 66.8 |
| Total Cash & Other Financial Resources : | | 60.3 | 72.6 |
| Total | | 194.0 | 257.4 |

Of the amounts in the table, this is the portion attributed to RDC:

| RDC | Our holdings based on valuation of last financing round ^{1,2} (\$m, effective) | Our holdings based on valuation of last financing round ^{1, 2} (\$m, consolidated) |
|--|---|---|
| Total Holdings | 51.0 | 102.0 |
| Total Cash & Other Financial Resources | 12.4 | 24.7 |
| Total | 63.4 | 126.7 |

We are seeking court approval to distribute an additional \$35m dividend subject to court approval and additional decision of the Board of Directors.

¹ Includes Elron Ventures’ direct holdings and its effective indirect holdings through RDC. Includes investments made after December 31, 2023. 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.

² 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.

³ Net of taxes.

⁴ The ‘medical holdings’ balance mainly includes \$7.1m attributed to Notal Vision based on a valuation determined with the assistance of an external appraiser and balances attributed to the investments in Coramaze Technologies Ltd. and Nitinotes Ltd. The balance doesn’t include the investment in Brainsgate.

⁵ Total balance of \$20m contingent consideration as a result of the sale of CartiHeal to Smith & Nephew, Vision based on a valuation determined with the assistance of an external appraiser as of January 9, 2024. For more details, see slide 7 above.

⁶ Mainly includes the balance in escrow account in the amount of \$5m as a result of the sale of CartiHeal to Smith & Nephew. For more details, see slide 7 above.

⁷ The balance includes a consolidated liquid assets balance of approximately \$23.9 million and a in escrow account of approximately \$0.8 million.

⁸ The above financial data do not represent a valuation, investment advice, or a financial opinion of any kind.

SUMMARY



STRONG FINANCIAL POSITION TO WEATHER WARTIME CHALLENGES

- Our mature portfolio companies have sufficient cash runway - no expected cash out from Elron during 2024
- We significantly decreased G&A expenses in 2023; an additional decrease is expected in 2024
- Activity in 2024 will center around the strategic partnership with Rafael (through RDC)
- We intend to continue leveraging on the momentum of CyberFuture, our U.S. based CISO investment club



PORTFOLIO

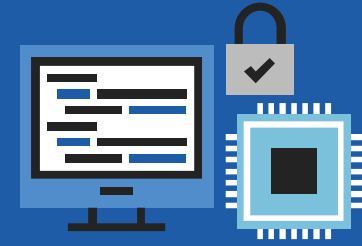
- We have a mature portfolio with high value potential, a young portfolio of promising companies, and strong financial position
- We intend to continue focusing on our existing cyber & software portfolio companies, including through continued involvement and support; New investments, if made, will be through RDC, depending on RDC's available liquid resources
- We intend to act to locate opportunities to exit our mature companies and create value for our shareholders by distributing all or some of the proceeds as a dividend (subject to legal restrictions and and the discretion of the board of directors)




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: CISO investment club backed by Elron ("CyberFuture"); strategic partnership with Rafael for tech validation & product maturation; advisory board of enterprise executives; experienced founder network; diverse team combining investment acumen & tech skills
- 14-year performance: 15 M&As totaling \$2.2B of which Elron Ventures share is approximately \$750m
- \$61m distributed as dividends from exit proceeds since Nov. 2022; we are seeking court approval to distribute an additional \$35m dividend subject to court approval and additional decision of the Board of Directors

APPENDIX- OUR PORTFOLIO COMPANIES




MATURE CYBER- SECURITY COMPANIES

CYBERSIXGILL 
cybersixgill


Cyber intelligence platform that automatically & covertly analyzes the dark web

23%
Our investment: \$14m

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%
Our investment: \$3.2m

CYNERIO 
Cynerio

Protecting the connected medical device ecosystem from cyber threats


17%
by RDC
Our investment: \$8.0m

SAYATA 
SAYATA

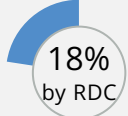
AI-based platform connecting insurance brokers & carriers with SMBs

20%
by RDC
Our investment: \$14.1m


YOUNG CYBER- SECURITY COMPANIES

SCRIBE 

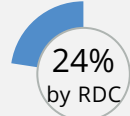
Continuous code assurance across the software supply chain

 18%
by RDC


Our investment: \$5.5m

RED ACCESS 

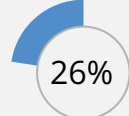
Third generation web protection platform

 24%
by RDC


Our investment: \$3m

CYVERS 

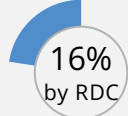
Cryptocurrency attack detection in real-time using AI-based behavioral profiling

 26%
by RDC


Our investment: \$4.2m

CREEDNZ 

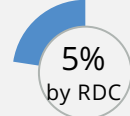
Business fraud detection and prevention platform

 16%
by RDC


Our investment: \$2.5m

TAMNOON 

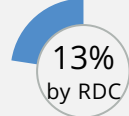
Tech-driven managed cloud protection service

 5%
by RDC

Our investment: \$0.6m

BREEZE 


AI-based enterprise cybersecurity program & posture management

 13%
by RDC

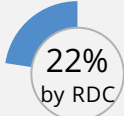
Our investment: \$2.2m



B2B SOFTWARE

OPENLEGACY 

Automated API integration platform that speeds digital transformation

 22%
by RDC


Our investment: \$8.2m

SIDETALK 


Social webinar platform for increasing engagement and lead conversion

 SAFE

Our investment: \$530k


BARK 

Revenue optimization platform for ecommerce merchants

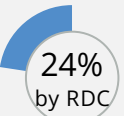
 SAFE

Our investment: \$950k

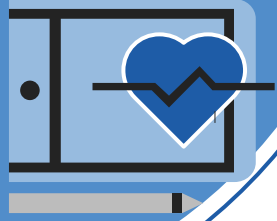
DRONETECH

WONDER ROBOTICS 


Intelligent and robust 360° self-awareness software for drones

 24%
by RDC

Our investment: \$2m




MEDICAL DEVICES

NOTAL VISION 


Remote monitoring of patients with age-related macular degeneration

9%
Our investment: \$15m

CORAMAZE 


Transcatheter tricuspid valve repair system

23%
Our investment: €5.6m

NITINOTES 

Minimally invasive endoscopic device for treatment of obesity

14%
Our investment: \$3.9m

BRAINSGATE 

Electrical stimulation-based treatment for CNS diseases

28%
Our investment: \$31m

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. Best solution on the market, validated by third-party analysts – a Forrester Wave Leader and Gartner Cool Vendor.

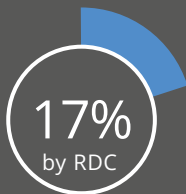
Cynerio is partnered with leading cybersecurity & healthcare tech vendors as well as medical device manufacturers.

INVESTORS
Accelmed, MTIP,
ALIVE

\$8M
OUR INVESTMENT



\$51M
TOTAL INVESTMENT



% OWNERSHIP

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

- MEDIGATE** Acquired by Claroty (cyber-physical systems) (Jan. 2022); in Dec. 2021 Claroty raised a \$400M Series E round to fund the acquisition
- CyberMDX** 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 – impressive customer retention rate through the years.
- Growth opportunities – Cynerio achieved significant growth in 2023; additional significant growth is expected in 2024
- Surge in market demand – due to the sharp increase in healthcare cyberattacks

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 used by 13,000 customers globally. Gartner includes IRONSCALES as a representative vendor in the integrated cloud email security (ICES) category.


MARKET LANDSCAPE

- Frost & Sullivan estimated the size of the email security market at \$3.1B in 2020 and \$5.3B in 2025
- 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 – 13,000 customers
- Industry recognition – Deloitte's Technology Fast 500, Inc. 5000 Fastest Growing Private Companies, Global InfoSec Award as Hot Company in Anti-Phishing, "Top Solution" award from Expert Insights, and more
- Low-touch sales driving fast growth in SMB and enterprise segments. Three-year revenue growth of 3.6x.
- Strong growth investors joined the journey, leading the last investment round

INVESTORS

K1 Investment Management, Jump Capital, PSG

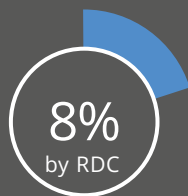
\$1M

OUR INVESTMENT
(after partial secondary sale of shares)



\$57M

TOTAL INVESTMENT



% OWNERSHIP



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 >140 clients among Fortune 500, MSSPs, and law enforcement such as Accenture, Cognytc, Toyota, F5 and Cisco. Tech alliance partners include IBM, Accenture, SentinelOne, Palo Alto, Splunk and Siemplify.

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, whereas Cybersixgill's automated tech creates high gross margins; 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

- Continuous revenue growth since 2019 of 37% CAGR and continuous improvement in customer retention and operational efficiency
- Disruptive product offering (automated CTI)
- Market leadership potential in a space with one dominant vendor (room for another leader)
- Recognized by Frost & Sullivan as a leader in cyber threat intelligence

INVESTORS

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

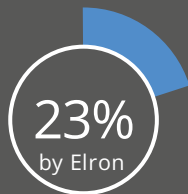
\$14M

OUR INVESTMENT



\$57M

TOTAL INVESTMENT



% OWNERSHIP

OPENLEGACY






OpenLegacy's platform enables any enterprise to become virtually cloud native, by automatically exposing legacy applications and data as digital services, deploying on-prem, private or public cloud. 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 > 55 customers worldwide, mostly G2000/F500 (such as Citi, MetLife, Standard Chartered, Aviva, Liberty Mutual, Raiffeisen Bank, 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

| | |
|---|--|
|  | Acquired by Francisco Partners for \$4B (May 2021) |
|  | Acquired by Google for \$670M (Nov 2016) |
|  | 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 zero churn for accounts in production
- Growth engines – New cloud / IPaaS / SaaS strategic partnerships (AWS, Google, Boomi, Workato, Accenture)
- Financially self-sustained – Cashflow positive

INVESTORS

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

\$8M

OUR INVESTMENT



\$68M

TOTAL INVESTMENT

22%

by RDC

% OWNERSHIP

THANK YOU



elron.com

