



ELRON VENTURES - INVESTOR PRESENTATION

November 2022



COMMENTS



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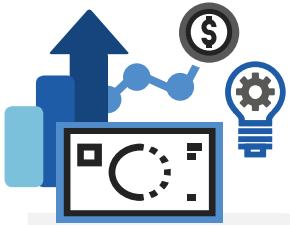
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These estimates, in whole or in part, may not materialize, or may materialize in a manner materially different than expected. The principal factors that may affect this are developments in Elron's and its group companies' fields of operation; failure 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





Committed to returning value to our shareholders

- + In Q3 2022 we recorded a gain of approximately \$84m
- + We are sharing with our shareholders the value created and distributing our entire exit proceeds received during 2022

\$34.45m dividend
distribution



RECORD DATE: November 28, 2022
PAYMENT DATE: December 12, 2022

BUILDING VALUE IN VENTURE CAPITAL INVESTMENTS



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



Investment platform based on 4 value circles: strategic design partners, advisory board, experienced founder network, CISO club



Team of experienced VC professionals, field experts, advisors & young innovators



Growing cybersecurity / B2B software portfolio; 8 new investments over the past 18 months



Assets Under Management (AUM) ~\$365M



CartiHeal (maker of implant for cartilage regeneration in joints) was **ACQUIRED** in July 2022 by Bioventus for up to \$500m



1960s
Defense
Elbit

1970s
Medical Imaging
Elscint

1980s
Semiconductors
Orbotech | Zoran

1990s
Communications
Netvision | Partner

2000s
Multi-strategy
Given Imaging

2010s
Medical Devices
Medingo
CartiHeal

2020s
Cybersecurity /
B2B Software
Secdo

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:
 - Immediate consideration- **\$33M** received at closing;
 - Deferred Consideration- **\$59M** will be received in interest-bearing installments and;
 - Contingent Consideration- **\$37.5M** 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.
- The Deferred Consideration balance in the Financial Statements as of 30.09.22 amounts to \$50.2M and the Contingent Consideration balance amounts to \$11.5M.

PAYMENT SCHEDULE

The 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 (the "Deferred Consideration"), shall carry a flat annual interest of 8%):

DATE*	PAYMENT	PRINCIPAL AMOUNT (\$M)	INTEREST (\$M)	TOTAL (\$M)
<u>Immediate Consideration</u>				
	Received at closing	33.1	-	33.1
<u>Deferred Consideration</u>				
01/07/2023	1 st tranche	13.7	1.1	14.8
12/07/2023	Interest	-	3.7	3.7
01/09/2023	2 nd tranche	13.7	0.2	13.9
12/07/2024	Interest	-	2.6	2.6
01/01/2025	3 rd tranche	6.9	0.3	7.2
12/07/2025	Interest	-	2.0	2.0
01/01/2026	4 th tranche	6.9	0.3	7.2
12/07/2026	Interest	-	1.4	1.4
01/01/2027	5 th tranche	18.0	0.7	18.7
Total Deferred Consideration		59.2	12.3	71.5
Total Non-Contingent Consideration		92.3	12.3	104.6
<u>Contingent Consideration</u>		37.5	-	37.5
Total Including Contingent Consideration		129.8	12.3	142.1

COLLATERAL

- Sellers received:** a 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 Ventures) shall be entitled to appoint a non-voting observer 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**

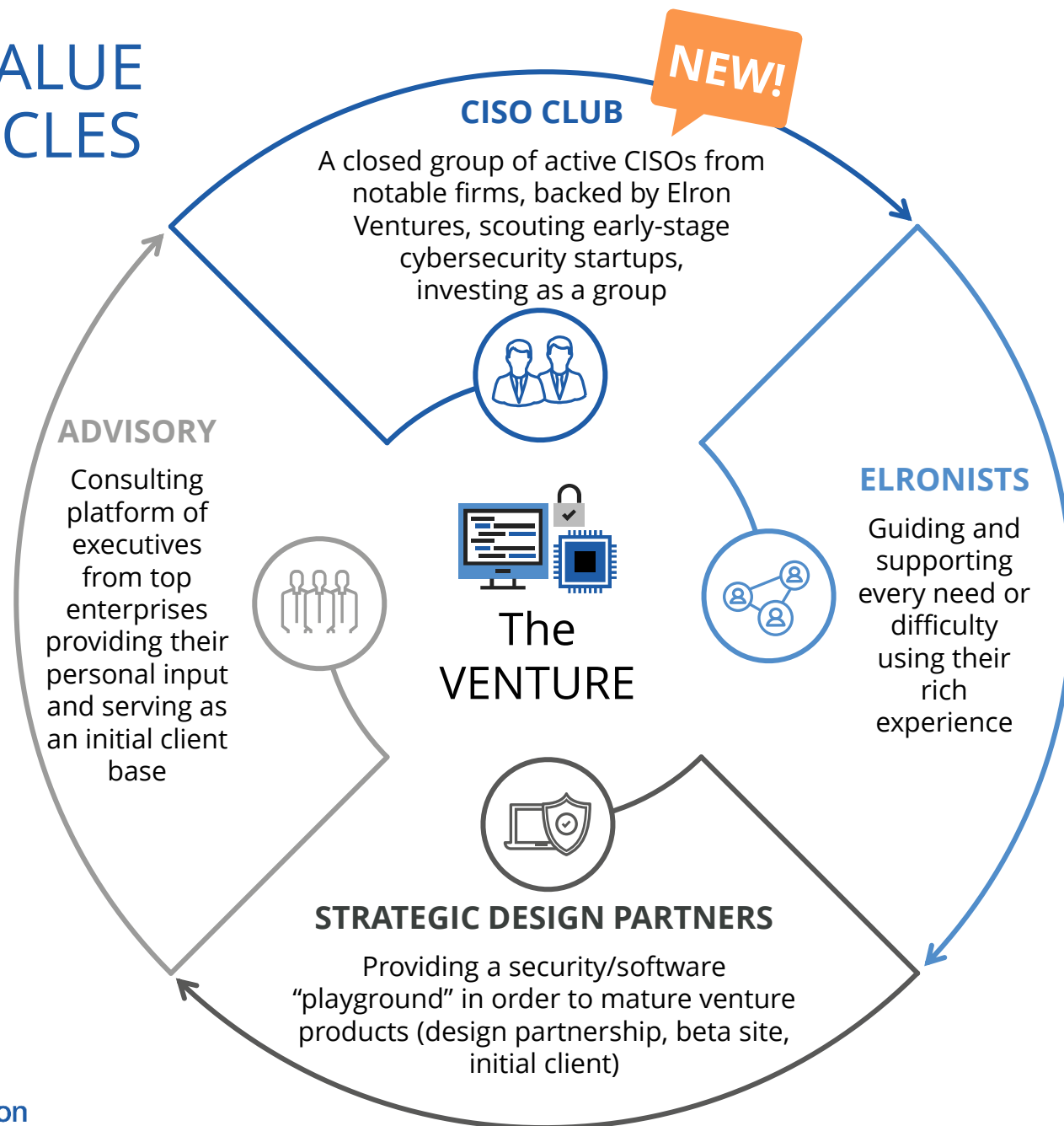
Former CIO @RAFAEL; 25 years' experience in system engineering, software development and large-scale technological management. Has been with Elron Ventures since 2013.



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)



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.)

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

9 year B2B software/cyber portfolio construction

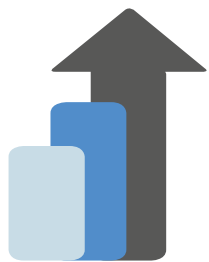
5 exits

24 companies

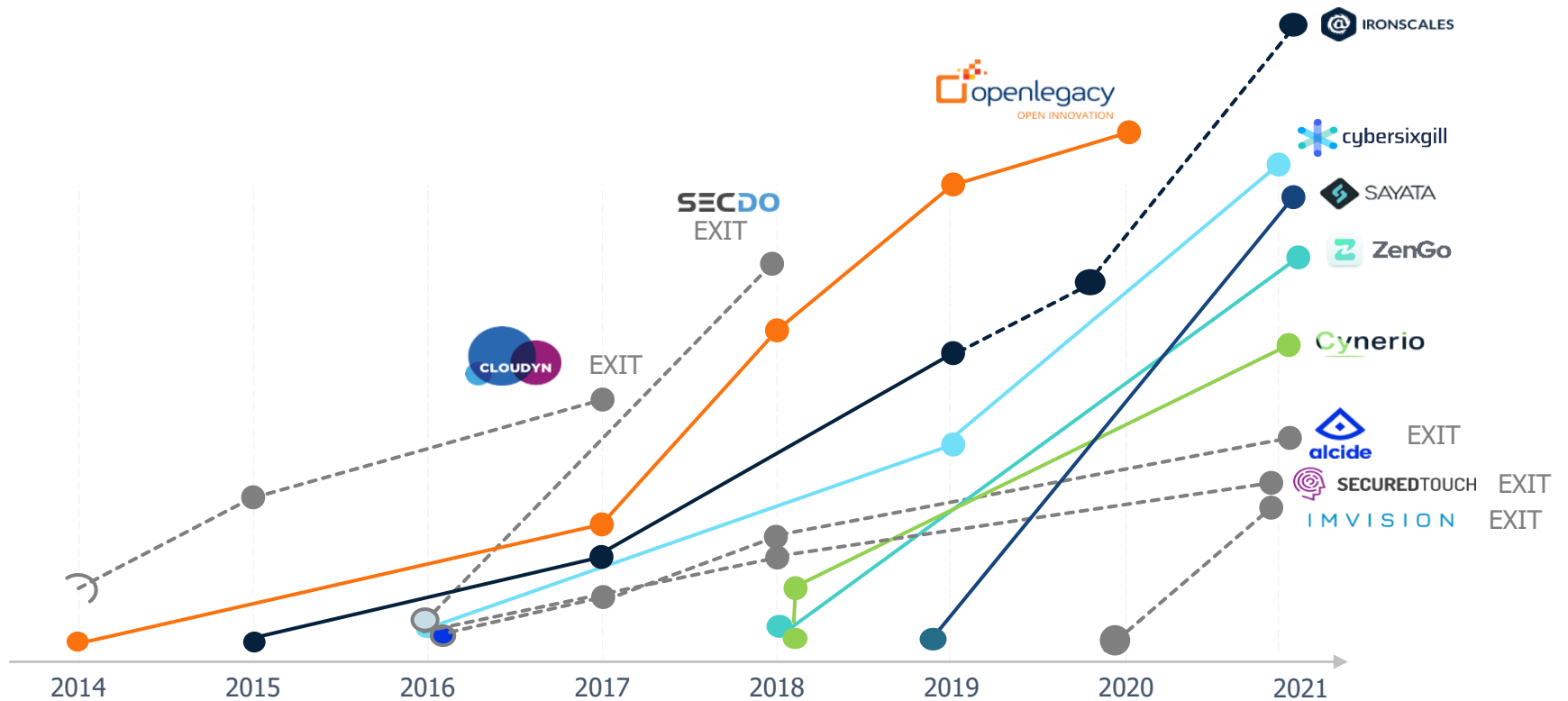
\$82m exit proceeds

28 external follow-on rounds

\$225m*
value created

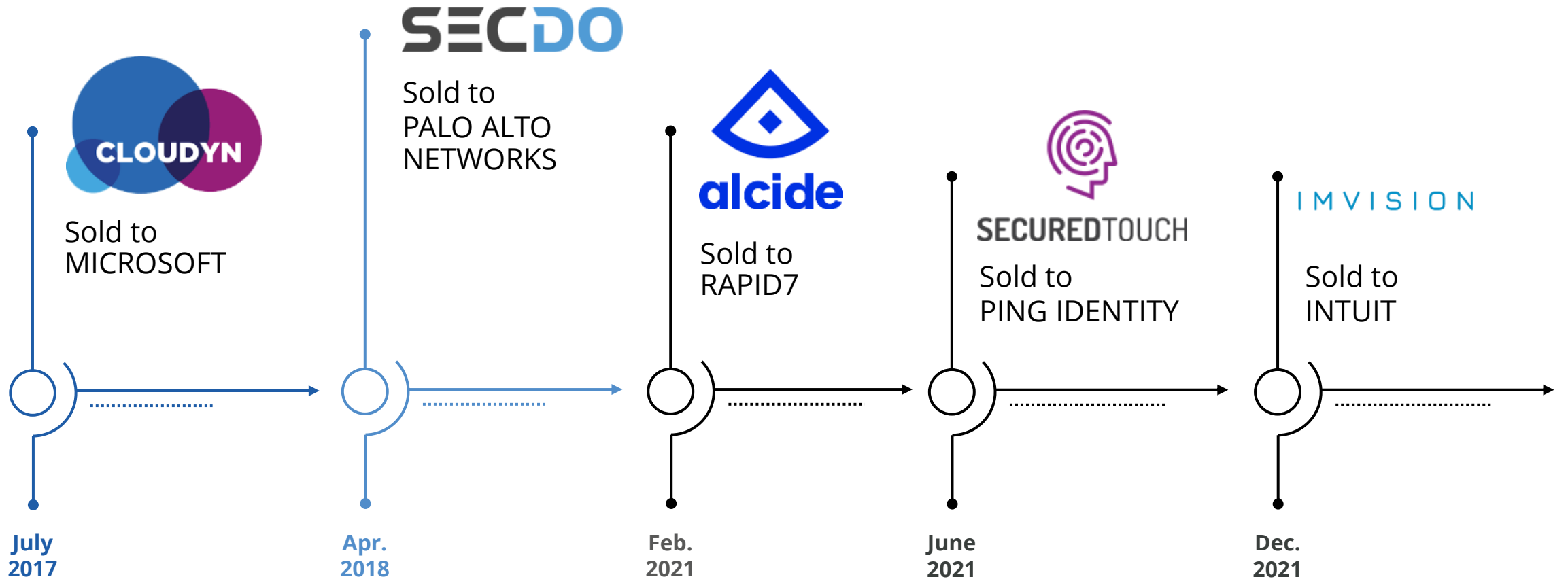


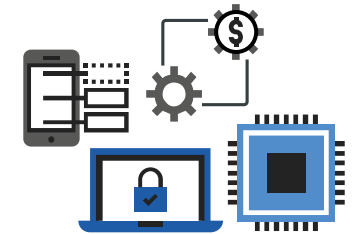
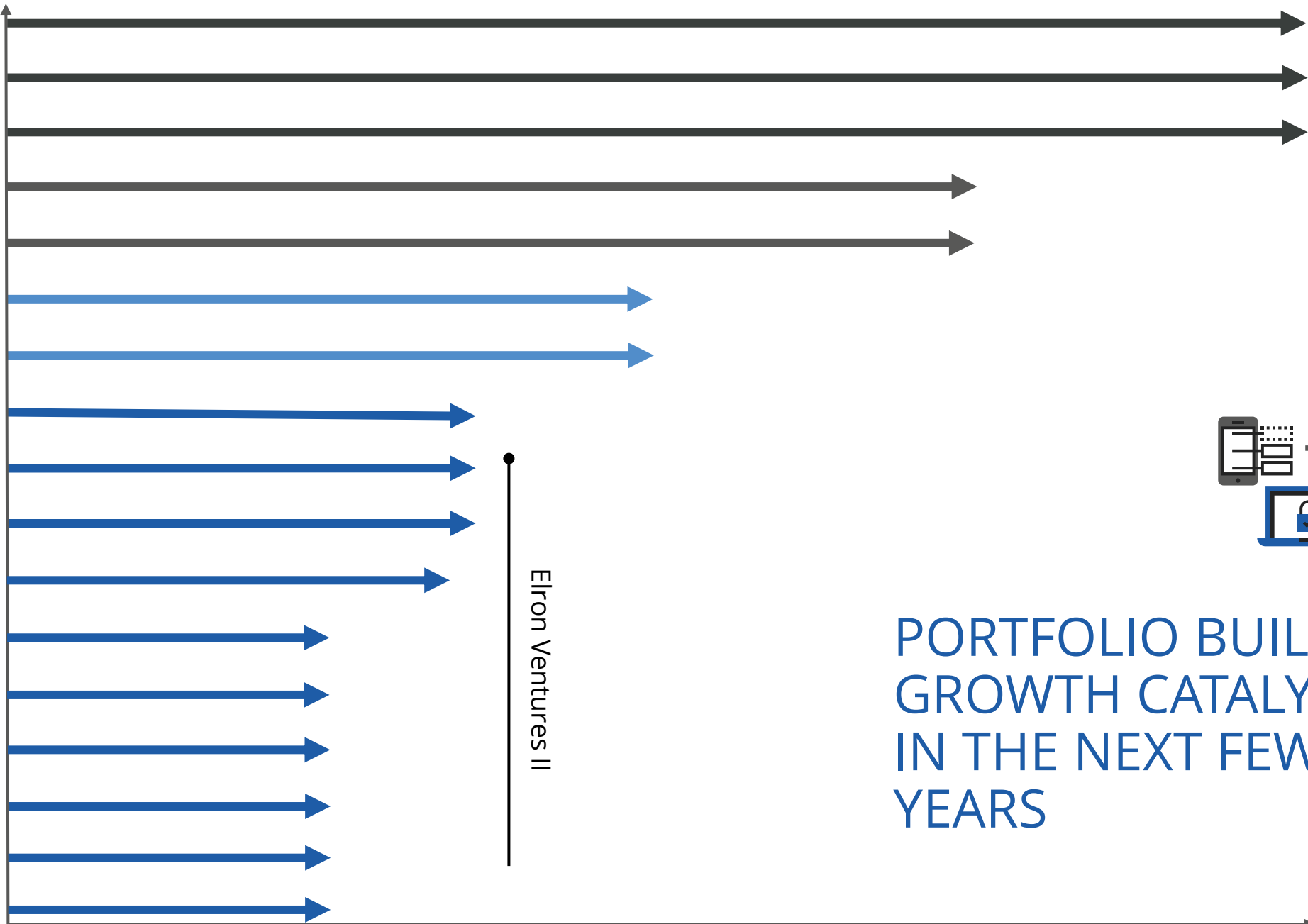
\$89m*
invested



*Excluding investments in new ventures during the last 18 months. Also see slides 13-14 below.

CYBERSECURITY / B2B SOFTWARE: FROM SEED TO EXIT



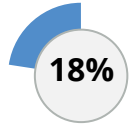


PORTFOLIO BUILDUP –
GROWTH CATALYST
IN THE NEXT FEW
YEARS

ELRON VENTURES II - PORTFOLIO BUILDUP

CYBERSECURITY

scribe



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

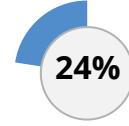


Cyvers already raised follow-on financing ~3 months after our initial investment at a higher valuation, led by a consortium of international investors

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

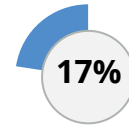


Red Access already raised follow-on financing from Ten Eleven Ventures

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).

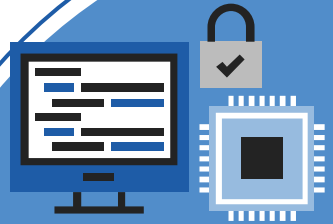
Mitigating web security threats while solving the security-usability-maintainability tradeoff

Creednz



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.

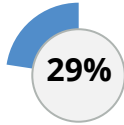
Business fraud detection and prevention platform



ELRON VENTURES II - PORTFOLIO BUILDUP

B2B SOFTWARE

Keepy



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

Behavioral analytics for optimization of software engineering planning & execution

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

allero



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).

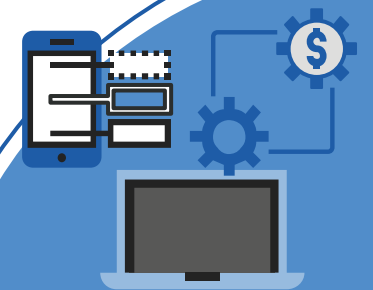
A platform for developers that provides governance and visibility to manage multiple CI/CD platforms

Bark



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



Holdings in companies ¹	Book value at September 30, 2022 (\$m)	Our holdings based on valuation of last financing round ² (\$m)
Cyber/Software Holdings- Mature Portfolio	19.3	93.6
Cyber/Software Holdings- New Portfolio	11.0	15.1
Medical Holdings (excluding BrainsGate) ³	9.0	19.0
Other companies	1.5	1.9
Total Holdings (excluding BrainsGate)	40.8	129.6
BrainsGate (25%)	0.2	40.7 [^]
Tax allowance		(5.4)
Cash & Other Financial Resources :		
Deferred Consideration from the Sale of CartiHeal (see slide 6) ⁵		50.2
Contingent Consideration from the Sale of CartiHeal (see slide 6) ⁶		11.5
Other financial assets		1.5
Liquid resources (as of 11.11.22)		75.4
Total Cash & Other Financial Resources:		138.6
Total before dividend distribution		303.5 (262.8 excluding BrainsGate)
Declared dividend (Record Date- 28.11.22, Payment Date – 12.12.22)		(34.45)
Total excluding dividend to distribute		269.05 (228.4 excluding BrainsGate)

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

Additional information:

Price per share on TASE (in \$) (as of 11.11.22)	\$2.80
Elron Ventures' market value (as of 11.11.22)	145.5

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

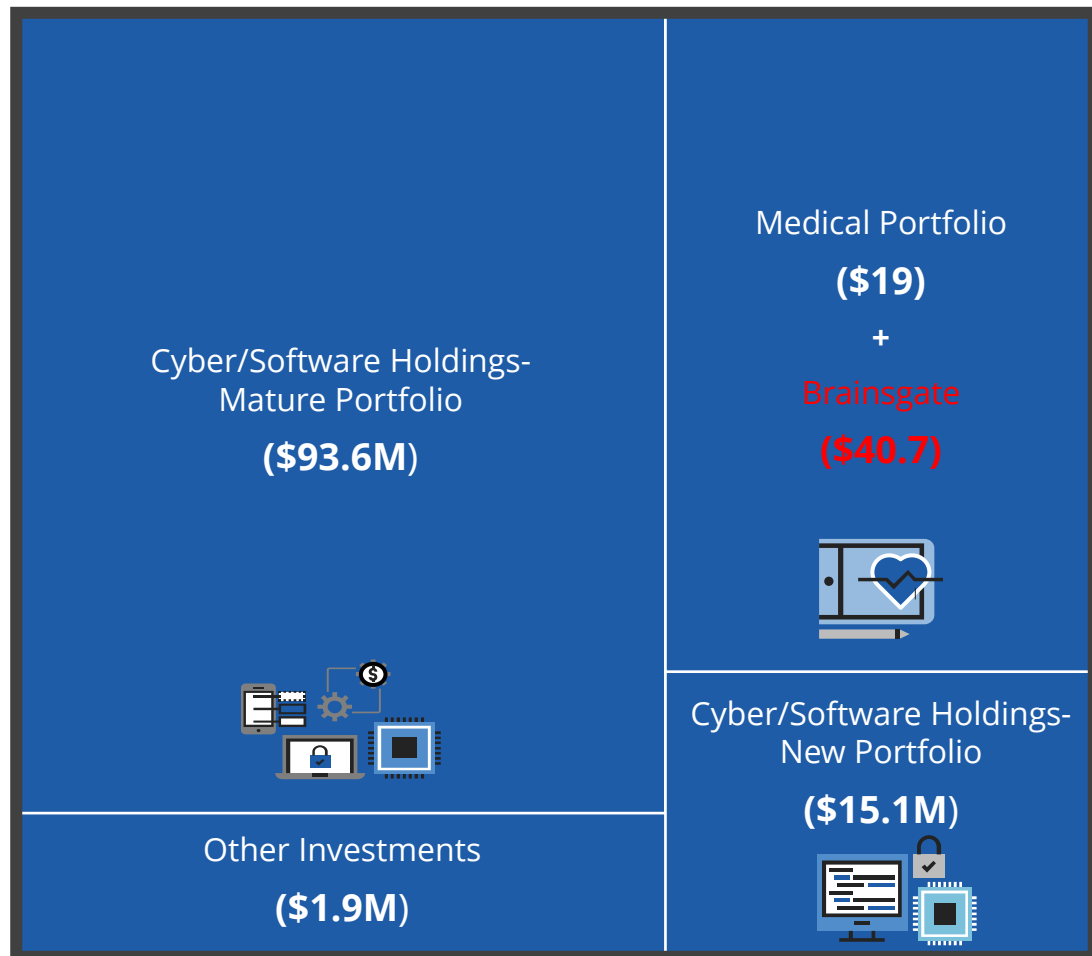
⁴ The above financial data do not represent a valuation, investment advice, or a financial opinion of any kind.

⁵ \$50.2m is the balance in the Financial Statements as of 30.9.22. As of November 13, 2022, the principal and interest amounts according to the payment schedule is approximately \$61m (for further details see slide 6).

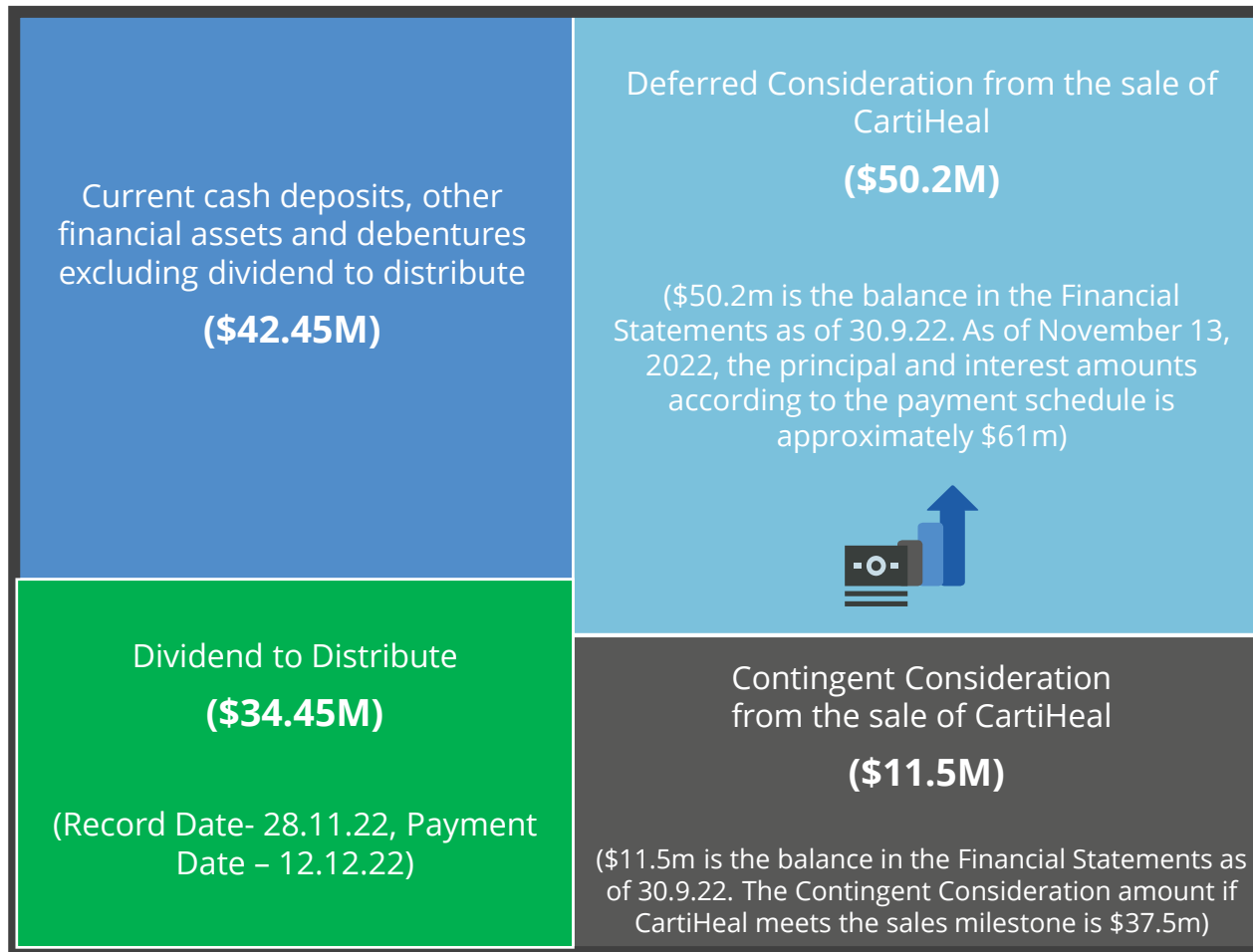
⁶ \$11.5m is the balance in the Financial Statements as of 30.9.22. The Contingent Consideration amount if CartiHeal meets the sales milestone is \$37.5m (for further details see slide 6).

STRONG FINANCIAL POSITION*

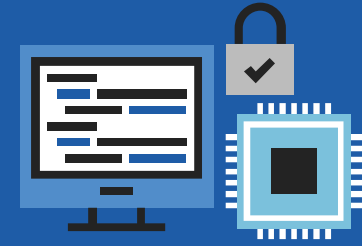
PORTFOLIO



RESOURCES



*For further details and additional information see previous slide.



OUR MATURE CYBERSECURITY / B2B SOFTWARE COMPANIES

IRONSCALES

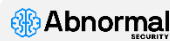
IRONSCALES is a pioneer of a cloud-native, AI-driven messaging security, with a solution that continuously detects and remediates advanced threats in the intensifying messaging cyber attack vector. With its native API integrations, IRONSCALES can integrate with today's modern email platforms in minutes 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.**


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

INVESTORS

K1 Investment Management, Jump Capital, PSG

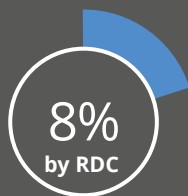
\$1M

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 >130 clients among Fortune 500, MSSPs, and law enforcement such as Accenture, Cognytc, Toyota, F5 and Cisco. Tech alliance partners include IBM, Accenture, CrowdStrike, SentinelOne, Palo Alto, Splunk and Siemplify.

INVESTORS

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

\$12M

OUR INVESTMENT



\$50M

TOTAL INVESTMENT

23%

by Elron

% 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

- **Continuous revenue growth** since 2019, including significant growth in 2022
- **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 > 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
- **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 software vendor partnerships (IBM)
- **Excepting to be cashflow positive in 2023**

INVESTORS

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

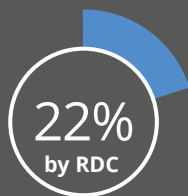
\$8M

OUR INVESTMENT



\$68M

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)
- **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

Insight Partners,
Benson Oak
Ventures,
SamsungNEXT

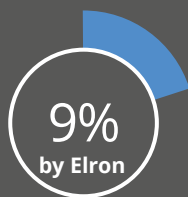
\$3M

OUR INVESTMENT



\$28M

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.

INVESTORS

Accelmed, MTIP,
ALIVE

\$5M

OUR INVESTMENT



\$35M

TOTAL INVESTMENT

17%



by RDC

% 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** – 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

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

INVESTORS

Kamet, OurCrowd,
Vertex, Team8,
Pitango, Hanaco

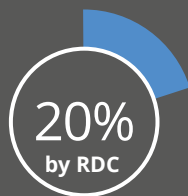
\$14M

OUR INVESTMENT



\$62M

TOTAL INVESTMENT



% OWNERSHIP

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



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

OPPORTUNITY SUMMARY



STRONG FINANCIAL POSITION

- Assets Under Management (AUM) ~\$365M



TRACK RECORD OF BUILDING NEW PORTFOLIOS & SCALING THEM UP

- Cybersecurity & B2B Software portfolio – Net Asset Value of \$166M
- MedTech portfolio – Net Asset Value of \$60M (including BrainsGate)
- 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

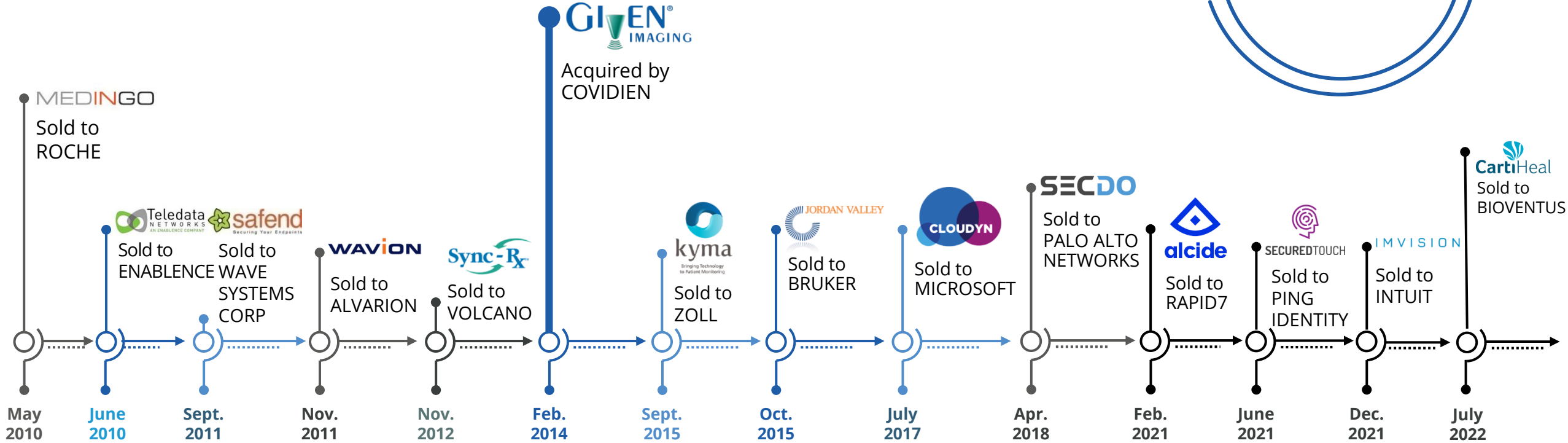
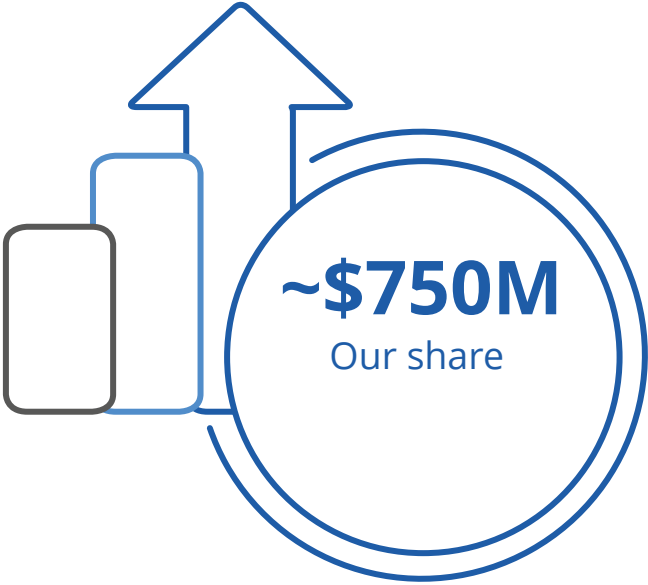
THANK YOU



elron.com




EXITS AT A VALUE OF \$2.2B






OUR CYBER-SECURITY COMPANIES

CYBERSIXGILL 
cybersixgill

Cyber intelligence platform that automatically & covertly analyzes the dark web

23%
by RDC

Our investment: **\$12m**

IRONSCALES 
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**

CYNERIO 
Cynerio

Protecting the connected medical device ecosystem from cyber threats

17%
by RDC


Our investment: **\$5.3m**

SAYATA 
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**

SCRIBE 
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

26%
by RDC

Our investment: **\$4.2m**

CREEDNZ 
Creednz


Business fraud detection and prevention platform

17%
by RDC

Our investment: **\$2.5m**




OUR SOFTWARE COMPANIES

OPENLEGACY 

Automated API integration platform that speeds digital transformation

22%
by RDC


Our investment: **\$8.2m**

KEEPY 

Behavioral analytics to optimize software engineering processes

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

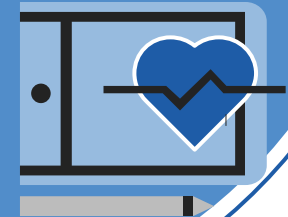
Our investment: **\$500k**

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%

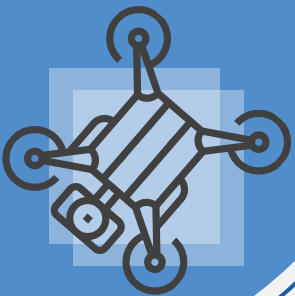
Our investment: **\$3.9m**

CORAMAZE 

Transcatheter tricuspid valve repair system

27%

Our investment: **€ 5.2m**



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

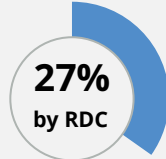
Safe autonomous operation is key to the commercial use of drones at scale:

- overcoming regulatory barriers
- creating a scalable business case

WONDER
ROBOTICS



2D & 3D computer vision for safe & autonomous landing on unprepared & unmarked sites



27%
by RDC

Our investment: **\$2m**

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

