

# ELRON VENTURES LTD.

English Translation of Periodic report  
for the First Half of 2025  
Filed with the Israel Securities Authority

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# ELRON VENTURES LTD.

English Translation of Periodic report  
for the First Half of 2025  
Filed with the Israel Securities Authority

## Part I

Material Changes and Updates that Occurred in  
Elron's Business for the Six Months ended  
June 30, 2025

**The Company is a "Small Corporation", within the meaning of Regulation 5C of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter: "Periodic and Immediate Reports Regulations").**

**In accordance with on April 18, 2024, the Company's Board of Directors elected to adopt the reliefs available to a small corporation, that are listed in the Periodic and Immediate Reports Regulations, detailed below: (1) Reporting according to a semi-annual reporting format (2) An exemption from publishing a report on internal control and the auditor's report on internal control; (3) Raising the significance threshold in connection with the valuation, to 20%; (4) Raising the threshold for the attachment of significant associate statements to interim reports, to 40%; (5) Approval of financial statements by the Company's Board of Directors only (and without the need for Audit Committee approval); And (6) An exemption from the application of the provisions of the second addendum to the Periodic and Immediate Reports Regulation, in connection with details regarding exposure to market risks and ways of managing them ("the Galay report").**

**For further details see Elron's Immediate Report from April 21, 2024, the contents of which is included in this report by way of reference.**

**Elron Ventures Ltd.**  
**("Elron" or the "Company")**  
**English Translation of Report**  
**for the First Half of 2025**

**Part I**

**Material Changes and Updates that Occurred in the Company's**  
**Business in the Six Months Ended June 30, 2025**

Details according to Regulation 39A of the Israel Securities Regulations (Periodic  
and Immediate Reports), 1970

In this section:

<b>"Board of Directors Report"</b>	<b>English Translation of Elron's Board of Directors Report for the First Half of 2025, included in Part II of this report.</b>
<b>"Financial Statements"</b>	<b>English Translation of Elron's Interim Consolidated Financial Statements as of June 30, 2025, included in Part III of this report.</b>
<b>"Annual Report"</b>	<b>Elron's Annual Report for the year ended December 31, 2024, filed with the Israeli Securities Authority.</b>

The rest of the terms in this report shall have the meaning ascribed to them in the Annual Report, unless stated explicitly otherwise.

The matters described below are in addition to the developments and changes that occurred in the first half of 2025 that were already previously described in Part I of the Company's Annual Report. The matters described below are presented according to the section numbers in Part I of the Annual Report.

## **1. Section 5 of Part I of the Annual Report – Dividend Distribution**

Further to section 5.4 of Part I of the Annual Report regarding the examination of a distribution not out of profits, in May 2025 a petition was filed with the Tel Aviv – Jaffa District court for approval of a distribution pursuant to the provisions of Section 303 of the Israel Companies Law, 1999 (“Companies Law”), for a distribution in an amount of up to \$6.5 million (through a dividend distribution to the Company’s shareholders, and possibly also partly through a share repurchase, at the discretion of the board of directors and in accordance with pertinent market conditions).

On August 5, 2025, approval was received from the Court for the distribution petition, which is valid for a period of 180 days. For further details, see the Company’s immediate reports from May 29, 2025 and August 5, 2025. On August 10, 2025, the Company’s Board of Directors resolved to distribute a cash dividend to shareholders in the amount of approximately \$5.5 million (\$0.10404 per share). The Board of Directors further resolved that the record date for the payment will be August 24, 2025, and the payment date will be September 8, 2025. The Company’s Board of Directors examined the Company’s compliance with the solvency test and confirmed that the distribution will not impair the Company’s ability to meet all of its obligations in full and/or its existing operational framework.

Additionally, on that date, the Company’s Board of Directors approved a share repurchase program, consistent with the Israel Securities Authority staff’s “safe harbor” position, in an aggregate amount of up to \$1 million for approximately five-month period (the “Share Repurchase Program”). The Share Repurchase Program may be implemented from August 26, 2025 through January 30, 2026. Repurchases may be executed on the stock exchange or in off-exchange transactions. The Board of Directors established additional conditions. There can be no assurance that the program will be implemented or that it will be implemented for the full authorized amount.

## **2. Section 7 of Part I of the Annual Report – General Landscape and Impact of External Factors on Elron's Operations**

This section provides an update to section 7.1 of Part I of the Annual Report regarding the venture capital industry in Israel.

The year 2025 has seen increased interest in Israeli defense-tech startups, as evidenced by several defense-tech focused Israeli VC fundraises, and a rise in the number of active

defense-tech startups. These trends which have been underway since 2023, are now additionally being attributed to the recent Iran-Israel war, for reasons including: the creation of a real-time validation environment for technologies with defense applications; quickly-secured government contracts; increased interest among family offices, defense contractors, and U.S. federal-affiliated institutional investors in backing Israeli defense-tech VC funds; increased interest among foreign nations in collaborating with Israeli defense-tech firms.<sup>1</sup>

### **3. Section 13 of Part I of the Annual Report – Human Capital**

Further to section 13.8.4 of Part I of the Annual Report regarding the terms of employment of the Chairperson of the Company's Board of Directors, on April 10, 2025, the General Meeting approved the performance targets set for Ms. Lisyah Bahar Manoah, as part of her terms of office and employment as Chairperson of the Company's Board of Directors, as detailed in Sections C and D of the proxy statement. In addition, and further to section 13.8.5 of Part I of the Annual Report regarding the terms of employment of the Company's CEO, Mr. Yaniv Shnieder, the same General Meeting approved the terms of office and employment of Mr. Yaniv Shnieder, including options grant, effective from his assumption of office (February 18, 2025), as detailed in Section B of the proxy statement. For further details, see the proxy statement published by the Company on March 5, 2025, as amended on April 7, 2025, the immediate report on the meeting results published by the Company on April 10, 2025, and the immediate report on the options grant pursuant to a private offer report published by the Company on May 7, 2025.

### **4. Section 14 of Part I of the Annual Report – Investments**

In the first half of 2025, Elron (directly and indirectly) invested approximately \$6.9 million in group companies, including a new investment in CyberRidge Ltd.

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<sup>1</sup> Sources: Direct observations; <https://www.reuters.com/business/aerospace-defense/wartime-innovation-boosts-israeli-defence-tech-growth-drawing-global-interest-2025-07-08/>; <https://startupnationcentral.org/hub/blog/israels-tech-response-to-a-multi-front-conflict/>; <https://finder.startupnationcentral.org/reports/aerospace-defense-hls-landscape-map>; <https://startupnationcentral.org/hub/blog/israel-defense-tech-landscape-map-2025/>; <https://www.ainvest.com/news/geopolitical-tensions-ignite-era-defense-tech-investment-opportunities-israel-2507/>; <https://www.calcalistech.com/ctechnews/article/hk6gwmilgx>; <https://tjvnews.com/business-a-technology/business/u-s-venture-capital-targets-israeli-defense-tech-in-strategic-shift-toward-military-innovation/>

(“CyberRidge”), its first DeepTech investment. CyberRidge, which is 9% held by Elron and RDC (in equal proportion), has developed photonic encryption technology for quantum-safe data transmission. For further details on Elron’s investments, see Section 1.4 of the Board of Directors’ Report and Note 3 to the Financial Statements.

## **5. Section 18 of Part I of the Annual Report – Material Agreements and Collaboration Agreements**

In July 2025, a binding agreement between Cynerio and its shareholders, and Axonius Inc., a Delaware company (“Axonius”), and its subsidiary Axonius Solutions Ltd. (the “Purchaser”) for the sale of all of Cynerio’s share capital to the Purchaser. RDC held approximately 15% of Cynerio’s share capital on a fully diluted basis prior to the sale. In August 2025 the transaction was completed.

Pursuant to the transaction, RDC received consideration in Axonius preferred shares expected to constitute approximately 0.6% of the equity interests in Axonius on a fully diluted basis. An amount of approximately 12% of the consideration was deposited in escrow for a period of 12 months from the date of completion of the transaction, primarily to secure certain indemnification obligations of the sellers in the transaction towards the Purchaser, as is customary in transactions of this type. An amount of approximately 1% was deposited in escrow for a period of 90 days from the date of completion of the transaction in connection with financial adjustments to be made after the completion of the transaction (as is customary in transaction of this type).

As a result of the transaction, RDC is expected to recognize in its financial statements a gain equal to the fair value of the Axonius shares it will hold, to be assessed in a valuation with the assistance of an external appraiser, less the balance of RDC’s investment in Cynerio in its financial statements as of the date of completion of the Transaction (and the gain attributable to Elron’s shareholders will be approximately half of the gain that RDC will record).

Cynerio secures connected medical devices from cyber threats in healthcare organizations. Axonius is a cybersecurity company that provides a platform for managing and securing digital assets in organizations. The Transaction is expected to enable Axonius to address growing customer demand for a single, unified platform to manage and secure the entire clinical environment, from IT infrastructure to connected medical devices.

The forecasted data and estimates noted above are forward-looking information, as defined in the Israel Securities Law 5728-1968, based on the Company's and Cynerio's estimates as of this date, the realization of which is uncertain, or which may be realized differently than expected, among other things, because they depend on developments in connection with the Axonius shares and the external valuation as stated above. Therefore, there is no certainty as to the Transaction's outcomes and various impacts on the Company and its reports.

For further details on the Transaction see the Company's immediate reports dated July 30, 2025 and August 5, 2025.

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Yaniv Shnieder

CEO

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Lisya Bahar Manoah

Chairperson

August 10, 2025, Tel Aviv, Israel

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Part II

Board of Directors Report for the First Half of  
2025

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**Part II**  
**English Translation of Board of Directors Report**  
**for the First Half of 2025**

## **1. Board of Directors' Analysis of the Company's Business**

### **1.1. Company Description**

As of the reporting date the Company is a "Small Corporation", within the meaning of Regulation 5C of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter: "Periodic and Immediate Reports Regulations"). In accordance with, on April 18, 2024, the Company's Board of Directors elected to adopt the reliefs available to a small corporation, that are listed in the Periodic and Immediate Reports Regulations, detailed below: (1) Reporting according to a semi-annual reporting format (2) An exemption from publishing a report on internal control and the auditor's report on internal control; (3) Raising the significance threshold in connection with the valuation, to 20%; (4) Raising the threshold for the attachment of significant associate statements to interim reports, to 40%; (5) Approval of financial statements by the Company's Board of Directors only (and without the need for Audit Committee approval); And (6) An exemption from the application of the provisions of the second addendum to the Periodic and Immediate Reports Regulation, in connection with details regarding exposure to market risks and ways of managing them ("the Galay report"). For further details see Elron's Immediate Report from April 21, 2024 (Reference number: 2024-01-044796) , the contents of which is included in this report by way of reference.

#### **1.1.1. General**

Elron Ventures Ltd. ("Elron", the "Company") is an operational technological holding company that focuses on building technology companies. Elron's current group of companies includes companies in various stages of development that are engaged in various technological fields, mainly cybersecurity, software (SaaS) and medical devices, while pursuing investment opportunities in technology companies, mainly in the fields of deep technologies (deep tech, including defense tech), cybersecurity, and software (SaaS).

Elron's principal shareholder is Arieli EL Ltd. ("Arieli") (which as of the date of publication of these reports holds 59.01% of the Company).

Elron operates through consolidated companies (companies controlled by Elron and whose financial statements are consolidated with Elron's financial statements), associates (companies over which Elron has significant influence and which are included in its financial statements using the equity method), and other companies over which the Company does not have significant influence (included in the financial statements based on fair value) (the "Group Companies").

For details on the accounting method applied to the Group Companies in Elron's financial statements, Elron's holding percentage in the Group Companies, and their carrying value, see the annex to the Company's consolidated financial statements as of June 30, 2025 (the "Financial Statements").

The Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

In the absence of the Company's Chief Financial Officer, Ms. Rony Gur Arie, at the time of the approval of these financial statements, due to maternity leave, the Company's Board of Directors authorized Mr. Dan Hoz, a Director, to sign the Company's reports for the first half of 2025, namely, the Financial Statements and the Managers' Declaration regarding the Effectiveness of Internal Control, in lieu of the Chief Financial Officer.

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### **1.1.2. Business Objectives and Strategy**

Elron's main goal is to build and realize value for its shareholders through the sale of a portion or all of its holdings to third parties, or the issuance of shares by any of its group companies, while simultaneously pursuing the acquisition of, or investment opportunities in technology companies in Israel and globally.

On January 12, 2025, the Company's Board of Directors decided, for the first time, on a dividend distribution policy.

For details regarding Elron's Business Objectives and Strategy and the dividend distribution policy, see Sections 19 and 5.3 of Part A of the Annual Report.

### **1.1.3. RDC**

As part of its business strategy, Elron examines a broad range of cooperation and investment proposals, mostly through RDC – Rafael Development Corporation Ltd. ("RDC"), an Elron subsidiary. Elron holds 50.1% of the issued and outstanding shares and voting rights of RDC and Rafael – Advanced Defense Systems Ltd. ("Rafael") holds the remaining 49.9%.

RDC is engaged in the establishment of ventures and investment in early stage technology companies, mostly ventures that utilize technologies developed by Rafael. to develop products that meet the needs of the civilian market, and ventures that have synergy potential and are either based on Rafael's know-how and expertise or on Rafael's technologies. RDC has first rights to commercialize military technologies developed by Rafael for civilian markets.

### **1.1.3. Group companies**

Elron's Group Companies and its holding percentage of outstanding shares in them as of the date of filing this report are as follows:

- **RDC (50.1%)** - See description in section 1.1.3 above.
- **Open Legacy Technologies Ltd. (22% by RDC) ("Open Legacy")** - Open Legacy develops and markets a software solution for digital integration of information systems in organizations, based on API (Application Programming Interface).
- **RA Red Access Security Ltd. (21% by RDC) ("Red Access")** – Red Access provides cyber protection to organizations for safe internet browsing and access to cloud resources.
- **CyberRidge Ltd. (9% by RDC and Elron) ("CyberRidge")** – CyberRidge is developing a photonic encryption solution designed to make fiber optic communication invisible to tapping.
- **Axonius Inc. (0.6% by RDC)** - Axonius is a cybersecurity company that provides a platform for managing and securing digital assets in organizations. RDC received shares of Axonius following the completion of the sale of the company Cynerio Israel Ltd. ("Cynerio") in August 2025, after the reporting date, as part of a transaction intended to enable Axonius to address growing customer demand for a single, unified platform to manage and secure the entire clinical environment, from IT infrastructure to connected medical devices.
- **Tamnoon Inc. (7% by RDC) ("Tamnoon")** Tamnoon is developing a technology-driven managed cloud protection service.
- **Cyvers.AI Ltd. (26%) ("Cyvers")** – Cyvers develops a platform to detect and prevent fraud in digital assets in the web3 zone, using advanced artificial intelligence.
- **Scribe Security Ltd. (18% by RDC) ("Scribe")** - Scribe is developing a software supply chain assurance solution, that secures the software suppliers and manufacturers of digital assets throughout the different stages of software development.

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- **Wonder Robotics Ltd. (31% by RDC) ("Wonder Robotics")** - Wonder Robotics develops autonomous vertical and horizontal awareness solutions for drones in both the defense and civilian markets.
- **ZenGo Ltd. (8%) ("ZenGo")** - ZenGo develops and provides a secure crypto wallet that doesn't compromise between security and user experience.
- **Edge226 Ltd. (24%) ("Edge")** - Edge has developed and markets a digital advertising platform for ad networks.
- **Breeze Security Ltd. (13% by RDC) ("Breeze")** - Breeze is developing a solution in the space of enterprise cyber security performance management.
- **El Ciso Club, Limited Partnership ("Cyber Future")** - Cyber Future is an exclusive global group of Chief Information Security Officers from the world's leading organizations in diverse industries, whose goal is to locate cyber ventures at various stages in order to invest in them, with Elron's funding and involvement.
- **Bark A.I. Ltd. (SAFE Investment) ("Bark")** - Bark is developing a platform for revenue optimization and other operational parameters for organizations engaged in digital commerce (E-commerce).
- **N-drip Ltd. (2% by RDC) ("N-drip")** - N-drip develops and supplies a drip system that is operated without the need for energy, and provides precise irrigation that allows saving water and energy on the one hand and improving the crop and reducing costs on the other hand.
- **Notal Vision Inc. (8%) ("Notal Vision")** - Notal Vision develops, manufactures and provides ophthalmic diagnostic services for managing age-related macular degeneration (AMD) and improving vision outcomes.
- **Nitinotes Ltd. (14%) ("Nitinotes")** - Nitinotes is developing a minimally invasive endoscopic procedure for treatment of obesity.
- **BrainsGate Ltd. (28%) ("BrainsGate")** - BrainsGate is developing a platform for the treatment of diseases of the central nervous system, with minimal invasiveness. The platform operates by electrically stimulating a nerve center located behind the nasal cavity using a miniature implantable electrode.

#### **1.1.4. Factors affecting the results of operations and capital resources**

As a holding company, Elron's operating results mainly derive from:

- its share in the net losses of Group Companies;
- gains or losses from exit transactions or changes in holdings, and revaluation of investments recorded based on fair value;
- its corporate activities.

Elron's capital resources in any given period are primarily affected by:

- the extent of its investments;
- proceeds from exit transactions;
- dividends distributed to shareholders or received from Group Companies.

Most of the Group Companies are technology companies which have not yet generated significant revenues, if at all, and which invest considerable resources in development and record losses. As a result, Elron has recorded and is expected to continue to record losses in respect of their ongoing operations, based on the accounting method applied to them in the Financial Statements.

Technology fields in which the group companies operate are characterized by the high degree of risk inherent in their products, their continuous technological innovation and their penetration into global

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markets, which require investment of considerable resources and continuous development efforts. The future success of the group companies is dependent upon, among others, technological quality, intellectual property, prices and nature of their products in comparison to their competitors, and ability to introduce new products to the markets at the right time, while offering cost effective solutions suitable to their customers' needs. In addition, the group companies' future success depends on their ability to raise financing and the condition of the global capital markets.

Elron's ability to effect exit transactions at significant values is affected, among other things, by economic conditions, market conditions in the hi-tech industry, the status of the venture capital industry, the status of the capital markets, various contractual and regulatory restrictions, and is also dependent on management's ability to successfully lead exit transactions, and the circumstances and characteristics of the group company whose sale is being considered.

In addition, Elron's and the Group Companies' ability to obtain external financing is affected by economic conditions, the status of the capital markets, and the status of the venture capital industry. The Company continues to monitor and examine the effects of developments and changes related to the "Swords of Iron" War on its operations as a whole, and the focal points of potential risk in particular.

## **1.2. Description of Operations in the Period of this Report and Subsequently**

### **1.2.1. Exit Transactions**

- **IronScales Ltd. ("IronScales")** - In November 2024, RDC (through RDSeed Ltd, a fully owned subsidiary of RDC) signed a binding agreement to sell its entire holdings in IronScales to PSG Equity LLC, an existing shareholder in IronScales (the "Transaction"), for approximately \$25.5 million. In January 2025, the Transaction was completed and the aforementioned consideration was received.

As a result of the above, and based on the consideration from the Transaction, the fair value of the investment in IronScales as of December 31, 2024 was estimated at approximately \$25.5 million and recorded in the Financial Statements for 2024, resulting in a consolidated gain of approximately \$19.6 million, recorded under the line item Gain from sale, revaluation, realization of activities, and change in holding percentage in investee companies, net in the statement of income (gain attributable to Elron's shareholders amounted to approximately \$9.8 million). In addition, tax expenses of approximately \$4.5 million (approximately 2.25 million attributable to Elron's shareholders) were recorded against an increase in deferred tax liabilities (attributed to the increase in the gap between the carrying amount of the investment in IronScales in Elron's books and its tax basis).

Following the Transaction, and in accordance with the provisions of International Financial Reporting Standard 5 ("IFRS 5"), the investment in IronScales was classified as an asset held for sale in the statement of financial position as of December 31, 2024. For further details, see Note 7.a) to the Annual Financial Statements.

- **Cynerio** – In July 2025, after the reporting date, a binding agreement between Cynerio and its shareholders, and Axonius Inc., a Delaware company ("Axonius"), and its subsidiary Axonius Solutions Ltd. (the "Purchaser") for the sale of all of Cynerio's share capital to the Purchaser (the "Transaction").

Pursuant to the Transaction, RDC received consideration in Axonius preferred shares constituting approximately 0.6% of the equity interests in Axonius on a fully diluted basis. An amount of approximately 12% of the consideration was deposited in escrow for a period of 12 months from the date of completion of the Transaction, primarily to secure certain indemnification obligations of the sellers in the Transaction towards the Purchaser, as is customary in transactions of this type. An amount of approximately 1% was deposited in escrow for a period of 90 days from the date of completion of the Transaction in connection with financial adjustments to be made after the completion of the Transaction (as is customary in transaction of this type).

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In August 2025, after the reporting date, the consideration for the sale of Cynerio was transferred, and the Transaction was completed.

As a result of the Transaction, RDC is expected to recognize in its financial statements a gain equal to the fair value of the Axonius shares it will hold, to be assessed in a valuation with the assistance of an external appraiser, less the balance of RDC's investment in Cynerio in its financial statements as of the date of completion of the Transaction (and the gain attributable to Elron's shareholders will be approximately half of the gain that RDC will record). As of June 30, 2025, the balance of RDC's investment in Cynerio in its financial statements amounted to approximately \$0.7 million.

The forecasted data and estimates noted above are forward-looking information, as defined in the Israel Securities Law 5728-1968, based on the Company's and Cynerio's estimates as of this date, the realization of which is uncertain, or which may be realized differently than expected, among other things, because they depend on developments in connection with the Axonius shares and the external valuation as stated above. Therefore, there is no certainty as to the Transaction's outcomes and various impacts on the Company and its reports.

As of the reporting date, and in accordance with the provisions of International Financial Reporting Standard 5 ("IFRS 5"), the investment in Cynerio was classified as an asset held for sale in the Statement of Financial Position as of June 30, 2025. For further details, see Note 3.b) to the Financial Statements and the Company's Immediate Report from July 30, 2025.

### **1.2.2. Investments**

- In the first-half of 2025, Elron (directly and through RDC) invested approximately \$7 million in the Group Companies. For further details see section 1.4 below and Note 3 to the Financial Statements.
- **CyberRidge - The company's first deep technology investment** - During April 2025, Elron and RDC made their initial investment in CyberRidge, in an aggregate amount of approximately \$2 million (in equal parts), in consideration for preferred shares and warrants. In addition, in August 2025, after the reporting date, certain shareholders of CyberRidge, including Elron and RDC, completed a purchase of ordinary shares from another shareholder, whereby Elron and RDC invested an additional amount of approximately \$0.5 million (in equal parts). For additional information, see Note 3.D) to the Financial Statements.
- **Red Access** - In January 2025, an investment agreement in Red Access was signed in the amount of \$14.6 million, with the participation of existing and new shareholders, in consideration for preferred shares. RDC's share was approximately \$2 million. In addition, a SAFE balance from April 2024 was converted into the aforementioned round. RDC's share in the SAFE was \$0.7 million. For further details, see Note 3.C) to the Financial Statements.
- **Wonder Robotics** – During the first half of 2025, an investment agreement from January 2022 was further extended, amounting to approximately \$0.7 million. RDC's share was approximately \$0.6 million. For further details, see Note 3.G) to the Financial Statements.

### **1.2.3. Developments in Group Companies**

- **Sayata Labs Ltd. ("Sayata")** – Sayata developed software that combines the expertise of insurance professionals, IT developers and data scientists to help insurance companies in underwriting insurance policies across various product lines tailored for small and medium businesses. It enables to address their clients' risk and accordingly provide the right insurance quotes. As of the reporting date, RDC holds approximately 20% of Sayata's outstanding shares. The investment in Sayata is accounted for under the equity method of accounting.

In August 2025, after the reporting date, Sayata's Board of Directors approved an agreement for the sale of the majority of Sayata's assets (both tangible and intangible, excluding its remaining cash balance) (the "Transaction"). As of June 30, 2025, Elron's investment in Sayata is recorded

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at approximately \$1.9 million, which reflects RDC's estimated share in the remaining cash balance that will remain in Sayata. In light of the above, the Company does not expect the Transaction to have a material impact on its results of operations.

- **Approval for Nitinotes to begin FDA trial in the United States** – Further to section 23.10 of Part A of the Annual Report, in June 2025 Nitinotes received IDE approval from the FDA to conduct a pivotal clinical trial of the EndoZip™ system that it develops.

#### **1.2.4. Financing and Distributions**

- **Dividend distributions:**

On January 12, 2025, the Board of Directors approved, for the first time, a Dividend Distribution Policy. For more details, see Section 5.3 in Part A of the Annual Report.

On March 27, 2025, a cash dividend was announced by the Board of Directors in the amount of \$8.782 million to the Company's shareholders (which constitute approximately USD 0.16613 per share). The dividend was distributed from the Company's surplus reserves, after the company's Board of Directors examined the Company's compliance with the profit test and the solvency test, and confirmed that the distribution will not impair the Company's ability to meet its overall obligations and/or its existing operational structure. The remaining profits eligible for distribution under the profit test according to Section 302 of the Companies Law, 1999, as of the approval date of the distribution (before the approval of the distribution as mentioned), amounted to \$8.782 million (which is the amount of the aforementioned distribution). The distribution was based on the proceeds from the sale of SixGill, which was completed in 2024, and was not included in the Company's dividend distribution policy (as approved by the Company's Board of Directors in January 2025, as detailed in Section 5.3 of Part A of the Annual Report. It also included an early distribution based on the proceeds received from the sale of Ironscales, which was completed in January 2025, and was included in the Company's dividend distribution policy (and for the avoidance of doubt, no additional distribution will be made regarding this sale).

In May 2025, a petition was filed with the Tel Aviv – Jaffa District court for approval of a distribution pursuant to the provisions of Section 303 of the Israel Companies Law, 1999 ("Companies Law"), for a distribution in an amount of up to \$6.5 million (through a dividend distribution to the Company's shareholders, and possibly also partly through a share repurchase).

On August 5, 2025, after the reporting date, approval was received from the Court for the distribution petition, which is valid for a period of 180 days. For more details, see the Company's immediately reports from May 29, 2025 and August 5, 2025 (Reference number 2025-01-038867 and 2025-01-057987). On August 10, 2025, after the reporting date, the Company's Board of Directors resolved to distribute a cash dividend to shareholders in the amount of approximately \$5.5 million (\$0.10404 per share). The Board of Directors further resolved that the record date for the payment will be August 24, 2025, and the payment date will be September 8, 2025. The Company's Board of Directors examined the Company's compliance with the solvency test and confirmed that the distribution will not impair the Company's ability to meet all of its obligations in full and/or its existing operational framework.

Additionally, on that date, the Company's Board of Directors approved a share repurchase program, consistent with the Israel Securities Authority staff's "safe harbor" position, in an aggregate amount of up to \$1 million for a approximately 5-month period (the "Share Repurchase Program"). The Share Repurchase Program may be implemented from August 26, 2025 through January 30, 2026, with the timing of repurchases to be from time to time as determined by the Company's management, in its sole discretion and subject to applicable law. Repurchases may be executed on the stock exchange or in off-exchange transactions. The Board of Directors

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established additional conditions. There can be no assurance that the program will be implemented or that it will be implemented for the full authorized amount.

- **Financing and liquid resources:**

As of the date of filing this report, Elron's and RDC's liquid resources amounted to approximately \$41.5 and \$29.9 million, respectively. These amounts include Elron's short term investments in securities in the amount of approximately \$1.8 million. As of the date of filing this report, Elron has no debt and RDC has a loan received from Elron and Rafael.

Further to that described in Note 11 to the Financial Statements, in March 2025, RDC's Board of Directors decided on a partial early repayment in the amount of \$5 million of the remaining loan provided to RDC in equal parts by Elron and Rafael in March 2021. Elron's share of the repayment was \$2.5 million. In addition, RDC's Board of Directors decided to extend the loan period by three years, until March 2029, pending the approval of Rafael and Elron. The early repayment, as described above, was completed in June 2025.

#### **1.2.4. Human Capital**

##### **Changes in the Company's human capital**

- On September 4, 2024, upon the completion of change of control in the company, Mr. Dan Hoz informed the company of the termination of his term as Chairperson of the Board of Directors. After the termination of his term as Chairman of the Board of Directors, Mr. Hoz continued to serve as a director in the company. In addition, on the same date, Ms. Lisyah Bahar Manoah was appointed as the active Chairperson of the Company's Board of Directors.
- In January 2025, the Annual General Meeting of the Shareholders of the Company approved, following receipt of the approval and recommendation of the Compensation Committee and the Board of Directors, the terms of tenure of Ms. Lisyah Bahar Manoah as an active Chairperson of the Company's Board of Directors, with a position scope of 80%. For further details, see the proxy statement published by the Company (reference number: 2024-01-627686), Immediate report on the results of a meeting published by the company (reference number: 2025-01-002538), the contents of which is included in this report by way of reference. In addition, on April 10, 2025, the General Meeting approved the performance targets set for Ms. Lisyah Bahar Manoah, as part of her terms of office and employment as Chairperson of the Company's Board of Directors, as detailed in Sections C and D of the proxy statement. For further details, see the proxy statement published by the Company on March 5, 2025, as amended on April 7, 2025 (reference numbers: 2025-01-014867 and 2025-01-025395, respectively), and the immediate report on the meeting results published by the Company on April 10, 2025 (reference number: 2025-01-031836).
- On November 17, 2024 Mr. Yaron Elad who served as the CEO of the Company and Mr. Elik Etzion, who served as VP Cyber announced their intentions to end their roles. They officially completed their terms on February 17, 2025.
- On January 12, 2025, the Company's Board of Directors approved the appointment of Mr. Yaniv Shnieder as the Company's CEO, effective as of February 18, 2025. On April 10, 2025, following the recommendation and approval of the Compensation Committee and the Board of Directors, the Company's General Meeting of Shareholders approved the terms of Mr. Shnieder's service and employment, including the grant of options, as detailed below. For further details, see the meeting notice published by the Company on March 5, 2025 as amended on April 7, 2025 (reference numbers: 2025-01-014867 and 2025-01-025395, respectively), the immediate report on the meeting results published by the Company on April 10, 2025 (reference number: 2025-01-031836), the contents of which is included in this report by way of reference, and the immediate report on the options grant pursuant to a private offer report published by the Company on May 7, 2025 (reference number: 2025-01-031836), whose contents are incorporated by reference into this report.

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- On February 24, 2025, the Company's Board of Directors approved the appointment of Ms. Rony Gur Arie (who had served as VP Finance until such date) as the Company's Chief Financial Officer, effective as of the date of the Board's approval.

**Options for Employees**

- On February 24, 2025, the Company's Board of Directors approved the grant of 415,121 options to the Company's CEO as part of his terms of service and according to the compensation policy and subject to the approval of the Company's General Meeting held in April 2025 (as mentioned above). The vesting period of the Options is as follows: 1/3 at the end of one year from the date of grant, an additional 1/3 at the end of the second year from the date of the grant and an additional 1/3 at the end of the third year from the date of the grant.

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**1.3. Results of Operations**

**1.3.1. Elron's main operating results**

	For the six months ended June 30,		For the year ended December 31, 2024
	2025	2024	
	Unaudited		Audited
	\$ thousands		
Gain (loss) attributable to Elron's shareholders	(1,393)	698	22,577
Basic gain (loss) per share attributable to Elron's shareholders (in \$)	(0.03)	0.01	0.43
Diluted gain (loss) per share attributable to Elron's shareholders (in \$)	(0.03)	0.01	0.42

As previously mentioned, the loss attributable to Elron's shareholders mainly comprises of: I) Elron's share in the losses of Group Companies, II) gains and losses from disposal and revaluation of investee companies and changes in holdings, III) corporate operating expenses, IV) taxes on income, as detailed below:

	For the six months ended June 30,		For the year ended December 31, 2024
	2025	2024	
	\$ thousands		
<b>Losses in respect of Group Companies:</b>			
Elron's share in net losses of Group Companies, net	(2,274)	(3,889)	(3,796)
Excess cost amortization	(261)	(552)	(854)
Total	(2,535)	(4,441)	(4,650)
<b>Gain from disposal and revaluation of investee companies and changes in holdings, net**</b>	564	5,829	32,339
<b>Corporate operating expenses</b>	(1,171)	(1,267)	(3,123)
<b>Taxes on income</b>	(62)	(17)	(2,640)
<b>Other***</b>	1,811	594	651
<b>Gain (loss) attributable to shareholders</b>	(1,393)	698	22,577

\*The results summarized in the table are presented net of non-controlling interests.

\*\* includes a non-cash accounting expense related to a share based payment. In 2024, this amount also includes Run-Off insurance expenses acquired in connection with the change of control in the company, which occurred during the second half of 2024. For further details, see section 2.2 of Part A of the 2024 annual report.

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**I) Losses in respect of Group Companies**

**Elron's share in the net losses of Group Companies:**

As previously mentioned, most of the Group Companies are technology companies which have not yet generated significant revenues, if at all, and which invest considerable resources in research and development and in marketing activities. According to accounting principles, these companies' investments in the development of their products are recorded as they occur in their statement of income as an increase in R&D expenses. Therefore, as the Group Companies increase their investments in order to develop their products and advance their business, they cause Elron to record greater losses in respect of its share in their losses.

The loss Elron recorded in the first half of 2025 in respect of its share in the losses of Group Companies (net of non-controlling interests), resulted mainly from the losses of Cyvers, and Cynerio, the sale of which was completed in August 2025, as described in Section 1.2.2 above.

The loss Elron recorded in the first half of 2024 in respect of its share in the losses of Group Companies (net of non-controlling interests) resulted mainly from the losses of SixGill, the sale of which completed in December 2024, Sayata, Cynerio, Cyvers and Scribe.

**Excess cost amortization:**

The loss Elron recorded in the second quarter and first-half of 2024 in respect of the excess cost amortization of its Group Companies (net of non-controlling interests) resulted mainly from the excess cost amortization of SixGill, Scribe and Sayata.

**II) Gain (loss) from sale, revaluation, realization of operation and changes in holdings, net:**

Gain (loss) from sale, revaluation, realization of operation and changes in holdings in the first half of 2025 resulted mainly from a gain of approximately \$0.9 million resulting from a change in the Company's ownership interest in Red Access following the completion of an investment agreement in January 2025, partially offset by a decrease of approximately \$0.4 million due to a decrease in the fair value of the investment in Notal Vision.

Gain (loss) from sale, revaluation, realization of operation and changes in holdings in the first half of 2024 resulted mainly from:

- An approximately \$3.0 million gain recorded as a result of the completion of the sale transaction of CartiHeal (see section 1.2.1 above);
- An approximately \$1.4 million gain recorded as a result of an increase in the value of the contingent consideration from the sale of CartiHeal (see section 1.2.1 above);
- An approximately \$1.0 million gain recorded as a result of the sale of Coramaze Technologies GmbH. ("Coramaze");

**III) Corporate operating expenses**

Corporate operating expenses in Elron include mainly general and administrative expenses.

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**1.3.2. Analysis of the consolidated statements of profit and loss**

	For the six months ended June 30,		For the year ended December 31,	
	2025	2024	2024	
	Unaudited		Audited	
	\$ thousands			Explanation
Gain from sale, revaluation, realization of operation and changes in holdings, net	1,452	5,862	41,285	In the first half of 2025, this item primarily included a gain of approximately \$1.7 million, recognized as a result of a change in the Company's ownership interest in Red Access following the investment agreement signed in January 2025. This gain was partially offset by a loss of approximately \$350 thousand due to a decrease in the fair value of the investment in Notal Vision.  In the first half of 2024, this item mainly included gain in the amount of approximately \$3,000 thousand from the sale of CartiHeal, \$1,400 thousand gain recorded as a result of the increase of the fair value of the contingent consideration from the sale of CartiHeal and an approximately \$1,000 thousand gain from the sale of Coramaze.
Financial income	4,055	1,628	3,170	Financial income in the first-half of 2024 and 2025 resulted mainly from interest income on deposits and debentures and from USD-NIS exchange rate fluctuations.
<b>Total income</b>	5,507	7,490	44,455	
General and administrative expenses	2,450	2,731	5,841	See analysis of Elron's and RDC's operating expenses below.

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	For the six months ended June 30,		For the year ended December 31,	
	2025	2024	2024	
	Unaudited		Audited	
	\$ thousands			Explanation
Equity in losses of associates, net	4,350	6,595	8,106	<p>Elron's share in the net losses of its associates results from its holdings in certain investments that are accounted for under the equity method.</p> <p>As most of the Group Companies are companies whose operations have not yet generated significant revenues, if at all, and invest considerable resources in research and development and in marketing activities, Elron expects to continue to record losses in respect of these companies' ongoing operations in accordance with the accounting method applied to them in Elron's financial statements.</p> <p>The decrease in the first half of 2025 compared with the first half of 2024 resulted mainly from the sale of SixGill in December 2024.</p> <p>Financial expenses in the first half of 2024 and 2025 resulted mainly from interest expenses in respect of the loan granted to RDC by non-controlling interests.</p>
Financial expenses	348	308	616	
Other expenses	-	-	386	
<b>Total expenses</b>	7,148	9,634	14,949	
Gain (loss) before taxes on income	(1,641)	(2,144)	29,506	
Taxes on income	(123)	(34)	(4,922)	
<b>Net gain (loss)</b>	(1,764)	(2,178)	24,584	
Gain (loss) attributable to the Company's shareholders	(1,393)	698	22,577	

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	For the six months ended June 30,		For the year ended December 31,	
	2025	2024	2024	
	Unaudited		Audited	
	\$ thousands			Explanation
Gain (loss) attributable to non-controlling interests	(371)	(2,876)	2,007	The loss attributable to non-controlling interests in the first half of 2024 and 2025, resulted mainly from the share of the non-controlling interests in the loss recorded by RDC due to its share in losses from its associates.
Basic and Diluted gain (loss) per share attributable to the Company's shareholders (in \$)	(0.03)	0.01	0.43	
Diluted and Diluted gain (loss) per share attributable to the Company's shareholders (in \$)	(0.03)	0.01	0.42	

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**Operating Expenses**

Operating expenses in the first half of 2025 amounted to \$2,450 thousand, compared with to \$2,731 thousand, in the first half of 2024, and comprised mainly of general and administrative expenses of Elron's and RDC's corporate operations, as detailed below:

	For the six months ended June 30,		Explanation
	2025	2024	
	\$ thousands		
Corporate	1,263	1,571	The decrease in the first half of 2025 compared to the first half of 2024 was primarily attributable to a reduction in share-based compensation expenses.
RDC	1,187	1,160	-
Total	2,450	2,731	

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**1.4. Financial Position, Liquidity and Capital Resources**

**Financial position**

	June 30, 2025	December 31, 2024
	Unaudited	Audited
	\$ thousands	
Total assets in the consolidated statement of financial position	128,691	147,308
Current assets	76,216	72,797
Investments in associates and other companies (not including investments which was classified as held for sale)	29,886	26,976
Investments which was classified as held for sale*	676	25,497
Other long-term assets**	18,849	18,976
Intangible assets	3,051	3,051
Current liabilities	6,327	6,495
Long-term liabilities	7,016	5,962
Long term loan	6,584	9,626
Total liabilities	13,343	22,083
Equity (including non-controlling interests)	115,543	125,225

(\*) On December 31, 2024, investment in Ironscales, and on June 30, 2025, investment in Cynerio. For further details, see Section 1.2.1 above.

(\*\*) Including a contingent consideration asset from the sale of CartiHeal, which was completed during 2024.

As of June 30, 2025, Consolidated equity (including non-controlling interests) totaled \$115,543 thousand, representing approximately 90% of the total assets in the statement of financial position, compared with \$125,225 thousand at December 31, 2024, representing approximately 85% of the total assets in the statement of financial position. The decrease in equity resulted mainly from the dividend that was distributed to the Company's shareholders in April 2025 (see section 1.2.4 above) as well as a result of the ongoing loss recorded by Elron in the first half of 2025.

As of June 30, 2025, Consolidated working capital (excluding the investments in Ironscales and Cynerio, which were classified as investments in subsidiaries held for sale as of December 31, 2024 and June 30, 2025, respectively) totaled \$70,565 thousand, compared with \$66,302 thousand at December 31, 2024. The increase in consolidated working capital was primarily attributable to an increase in the cash balance following the completion of the sale of Ironscales (see Section 1.2.1 above), partially offset by the dividend distribution to Elron's shareholders in April 2025 (see Section 1.2.4 above).

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**Elron's and RDC's primary cash flows (1)**

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
	Unaudited	
	\$ thousands	
Investments in Elron's and RDC's group companies	(6,875)	(854)
Taxes paid in connection with gains arising from the disposal of investee companies	(5,343)	-
Taxes paid	(84)	(585)
Dividend that was distributed to the Company's shareholders (see section 1.2.4 above)	(8,782)	(26,482)
Proceeds from disposal of Elron's and RDC's non-current investments (2)	28,051	44,540

(1) The amounts presented include RDC's cash flows in full (100%) in addition to Elron's cash flows.

(2) In July 2025, after the reporting date, the remaining escrow deposit in the amount of \$2.8 million was received in respect of the sale of CartiHeal.

**Liquid resources balance**

Elron's and RDC's liquid resources at June 30, 2025 amounted to \$39,235 and \$30,491 thousand, respectively (Elron's and RDC's liquid resources as of June 30, 2025 included other short term investments in securities in the total amount of \$2,792 thousand in Elron and bank deposits in the amount of \$31,230 thousand in Elron)

Elron's and RDC's liquid resources at December 31, 2024 amounted to \$46,135 and \$18,226 thousand, respectively (Elron's liquid resources as of December 31, 2024 included other short term investments in securities in the total amount of \$2,787 thousand in Elron and bank deposits in the amount of \$28,353 in Elron).

**Uses of cash**

The main uses of cash in the first half of 2025 were investments in Group Companies in the amount of \$1,600 thousand, by Elron and an amount of \$5,275 thousand, invested by RDC, dividend distribution to the Company's shareholders in the amount of \$8,782 thousand (see section 1.2.4 above) and payments of corporate and RDC's operating expenses, as detailed above in section 1.3.2 above.

The main uses of cash in the first half of 2024 were investments in Group Companies in the amount of \$154 thousand, by Elron and an amount of \$700 thousand, invested by RDC, dividend distribution to the Company's shareholders in the amount of \$26,482 thousand and payments of corporate and RDC's operating expenses.

Investments in Group Companies during the first half of 2025 and 2024, and for the year ended December 31, 2024, are summarized in the following table (see also Note 3 to the Financial Statements for additional details regarding investments in Group Companies):

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	Elron			RDC		
	For the six months ended June 30,		Year	For the six months ended June 30,		Year
	2025	2024	2024	2025	2024	2024
	Unaudited \$ thousands		Audited \$ thousands	Unaudited \$ thousands		Audited \$ thousands
CyberRidge (*)	1,000	-	-	1,000	-	-
Red Access	-	-	-	2,000	700	700
Cyvers	300	-	-	-	-	-
Zengo	-	-	370	-	-	-
Cynerio	-	-	-	1,500	-	750
Wonder Robotics	-	-	-	625	-	300
Bark	-	-	250	-	-	-
Scribe (**)	-	-	-	150	-	500
N-drip	-	-	-	-	-	250
Tamnoon	-	-	-	-	-	1,185
Nitinotes	-	-	200	-	-	-
Cyber Future	300	-	454	-	-	-
Other	-	154	-	-	-	-
Total investments	1,600	154	1,274	5,275	700	3,685

(\*) In July 2025, after the reporting date, Elron and RDC (in equal parts) invested an aggregate amount of approximately \$500 thousand in a secondary transaction in Cyberidge. For further details, see Note 3.D to the financial statements.

(\*\*) In August 2025, after the reporting date, RDC invested \$150 thousand in Scribe.

**Proceeds from the disposal of Elron's and RDC's non-current investments**

Proceeds received from the disposal of non-current investments in the first half of 2025 mainly included:

- Cash proceeds of approximately \$25,500 thousand from the sale of Ironscales.
- Proceeds of approximately \$2,500 thousand from an escrow deposit placed for a 12-month period in connection with the sale of CartiHeal (as described below). In July 2025, after the reporting date, the remaining additional escrow deposit of approximately \$2,800 thousand, which had been deposited for an 18-month period, was received.

Proceeds received from the disposal of non-current investments in the first half of 2024 mainly included:

- Immediate proceeds from the sale of CartiHeal in the amount of approximately \$43,000 thousand, (net of transaction costs) and an additional amount of approximately \$5,000 thousand deposited in escrow for a period of 12-18 months.
- Proceeds from the sale of Elron's entire holdings in Coramaze in the amount of approximately \$1,400 thousand. For further details, see note 3.C to the Financial Statements.

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## **2. Disclosure requirements in regards to the Company's financial reporting**

### **2.1 Main data detailed in significant valuations and very significant valuations**

The following are highlights from the material or very material valuations that were conducted, pursuant to the requirements of the Report Regulations:

#### **Valuation of the investment in Notal Vision**

Notal vision's fair value was determined with the assistance of an independent appraiser, and estimated at approximately \$7.15 million.

1. Identity of the asset valued: Elron's investment in Notal vision.
2. Engagement date: June, 2025.
3. Timing of work: As of June 30, 2025.
4. The value of the investment in Notal Vision established in the valuation: The value of Elron's investment was determined at approximately \$7.15 million (comparing to \$7.5 million as of December 31, 2024). As a result, Elron recognized as part of its financial statements for the first half of 2024 in a loss of approximately \$0.35 million under line item gain from sale, revaluation, realization of operation and changes in holdings, net.
5. Identity of appraiser: Identity of appraiser: S-Cube, a member of the IBI Capital Trust Group Ltd. ("S-Cube") . The valuation was performed by S-Cube, managed by Mr. Gideon Shalom Bendor, the founder and CEO of S-Cube and Mr. Roi Vrabel, Head of Valuations and Derivatives at S-Cube.

Mr. Shalom Bendor holds an MBA and has extensive experience in financial consulting, valuations, due diligence and expert opinions. His experience includes several aspects of valuation including valuations of common and preferred shares, valuation of employee stock options and incentives, rights in partnership and intangible assets.

Mr. Roi Vrabel has an MA in Economics and has extensive experience in valuations. Roi also has a Certified Valuation Analyst ("CVA") certification from the National Association of Certified Valuators and Analysts ("NACVA").

6. The valuation was conducted in accordance with the Option Pricing Model (OPM) and calculated the fair value of the investment in Notal based on the last investment round from May 2021 and its extension in June 2025 as described above using the Black and Scholes formulas, to allocate Notal Vision's value to different classes of shares and to determine the value of Elron's interest accordingly. In addition, the valuation reflected a 20% probability of a failure scenario. The main assumptions used in the valuation are: the standard deviation of 61.35% (based on six comparison companies), and risk-free interest of 4.13%.

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**Valuation of the fair value of the loan balance granted to RDC by Rafael by determining the price of RDC's debt**

As described in Section 1.2.4 above, in June 2025, an amendment to the shareholders loan agreement that RDC received from its shareholders was signed.

As of June 30, 2025, Rafael's share of the shareholders loan balance is approximately \$7.2 million, while the fair value of the loan balance is estimated at approximately \$6.5 million. As a result, the gap between the fair value of the loan and its nominal value in the amount of approximately \$0.7 million was recorded against the Non-controlling interests balance.

In order to estimate the fair value of the said loan, the Company considered indicators obtained from banks regarding a similar loan, according to which the loan interest rate is estimated and carried out with the assistance of an independent appraiser for the purpose of determining the price of RDC's debt. Weighing the aforementioned indicators, the Company estimated the fair value of the loan using an interest rate of 7%.

Details about the appraiser:

1. Subject of the valuation - determination of the price of RDC's debt.
2. Engagement date - July 2025.
3. Timing of the assessment - as of June 18, 2025.
4. Identity of the appraiser - S-Cube, a member of the IBI Capital Trust Group Ltd. ("S-Cube"). The valuation was performed by S-Cube, managed by Mr. Gideon Shalom Bendor, the founder and CEO of S-Cube and Mr. Roi Vrubel, Head of Valuations and Derivatives at S-Cube.

Mr. Shalom Bendor holds an MBA and has extensive experience in financial consulting, valuations, due diligence and expert opinions in the context of valuations. His areas of expertise include, among others, valuations of common and preferred shares, employee options and incentives, partnership rights, and intangible assets.

Mr. Roi Vrubel has an MA in Economics and has extensive experience in valuations. Roi is a Certified Valuation Analyst ("CVA") certified by the National Association of Certified Valuation Analysts ("NACVA").

5. The valuation was performed using Moody's Holding Companies and Conglomerates methodology and based on yields of Israeli marketable bonds with a credit rating of Aa1 and a yield similar to that of the loan. In implementing the aforementioned model, several parameters were taken into account, such as the investment strategy, the quality of the assets held by the Company, market value based leverage, debt coverage ratio, and liquidity and financial policy.

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Lisya Bahar Manoah  
Chairman of the Board of Directors

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Yaniv Shnieder  
CEO

August 10, 2025, Tel Aviv

# ELRON VENTURES LTD.

English Translation of Periodic report  
for the First Half of 2025  
Filed with the Israel Securities Authority

## Part III

Interim Consolidated Financial Statements as of  
June 30, 2025

**Elron Ventures Ltd.**

**Part III**

**English Translation of Interim  
Consolidated Financial Statements**

**As of  
June 30, 2025  
Unaudited**

**Interim Consolidated Financial Statements as of June 30, 2025**

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## **Auditor's review report to the shareholders of Elron Ventures Ltd.**

### **Introduction**

We have reviewed the accompanying financial information of Elron Ventures Ltd and Subsidiaries (hereinafter - the "Company"), which comprises the condensed consolidated statement of financial position as of June 30, 2025, and the condensed consolidated statements of income or loss, comprehensive income or loss, changes in equity and cash flows for the six months period then ended. The Company's board of directors and management are responsible for the preparation and presentation of this interim financial information for this interim period in accordance with IAS 34, "Interim Financial Reporting". In addition, they are responsible for the preparation of this interim financial information for this interim period in accordance with chapter 4 of the provisions of the Securities Regulations (periodic and immediate reports) 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of associates, the investment in which, at the equity method, amounted to approximately \$2,990 thousand as of June 30, 2025, and the company's share in their losses amounted to approximately \$2,190 thousand and for the six months period then ended. The condensed interim financial information for this interim period of those companies were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to amounts included for those companies, is based on the review reports of the other auditors.

### **Scope of review**

We conducted our review in accordance with (Israel) Review Standard No. 2410, issued by the Israeli Institute of Certified Public Accountants regards "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing principles generally accepted in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review and the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

In addition to the previous paragraph, based on our review and the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present, in all material respects, in accordance with chapter 4 of the provisions of the Securities Regulations (Periodic and immediate reports) 1970.

Tel-Aviv, Israel  
August 10, 2025

Kesselman & Kesselman  
Certified Public Accountants (Isr.)  
A member firm of PricewaterhouseCoopers International Limited

**Consolidated Statements of Financial Position**

	<b>June 30</b>		<b>December 31</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>\$ thousands</b>		
<b>Current assets</b>			
Cash and cash equivalents	35,710	61,160	33,221
Bank deposits	31,230	-	28,353
Other investments in securities	2,792	3,753	2,787
Other accounts receivable (see Note 3.A and 3.B)	6,484	4,182	8,436
Investments classified as held for sale	676	-	25,497
	<u>76,892</u>	<u>69,095</u>	<u>98,294</u>
<b>Non-current assets</b>			
Investments in associates	10,951	11,017	9,693
Other investments measured at fair value	18,934	22,866	17,283
Long-term receivables	20	2,517	19
Contingent consideration from CartiHeal's sale	18,365	21,300	18,365
Right-of-use assets	465	722	592
Property, plant and equipment, net	13	9	11
Intangible assets	3,051	3,051	3,051
	<u>51,799</u>	<u>61,482</u>	<u>49,014</u>
<b>Total assets</b>	<u>128,691</u>	<u>130,577</u>	<u>147,308</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

**Consolidated Statements of Financial Position**

	<b>June 30</b>		<b>December 31</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>\$ thousands</b>		
<b>Current liabilities</b>			
Trade payables	83	203	49
Current maturities of lease	338	302	311
Other accounts payable	5,906	5,784	6,135
	<u>6,327</u>	<u>6,289</u>	<u>6,495</u>
<b>Long-term liabilities</b>			
Long-term loans (see Note 3.K)	6,584	9,423	9,626
Lease liabilities	237	480	359
Deferred taxes	-	1,116	5,603
	<u>6,821</u>	<u>11,019</u>	<u>15,588</u>
<b>Equity attributable to the Company's shareholders</b>			
Issued capital	9,592	9,592	9,592
Share premium	245,278	245,278	245,278
Capital reserves	6,377	6,377	6,377
Accumulated deficit	(160,638)	(157,659)	(150,586)
	<u>100,609</u>	<u>103,588</u>	<u>110,661</u>
<b>Non-controlling interests</b>	<u>14,934</u>	<u>9,681</u>	<u>14,564</u>
<b>Total equity</b>	<u>115,543</u>	<u>113,269</u>	<u>125,225</u>
<b>Total liabilities and equity</b>	<u><u>128,691</u></u>	<u><u>130,577</u></u>	<u><u>147,308</u></u>

The accompanying notes are an integral part of the interim consolidated financial statements.

\_\_\_\_\_  
Lisya Bahar Manoaah  
the Chairman of the Board of  
Directors

\_\_\_\_\_  
Yaniv Shnieder  
Chief Executive Officer

\_\_\_\_\_  
Dan Hoz  
Director

Approval date of the interim consolidated financial statements: August 10, 2025

**Consolidated Statements of Income (Loss)**

	For the six months ended June 30		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	\$ thousands (except for income (loss) per share data)		
<b><u>Income</u></b>			
Gain from sale, revaluation, realization of operation and changes in holdings, net	1,452	5,862	41,285
Financial income	4,055	1,628	3,170
	5,507	7,490	44,455
<b><u>Expenses</u></b>			
General and administrative expenses	2,450	2,731	5,841
Equity in losses of associates, net	4,350	6,595	8,106
Financial expenses	348	308	616
Other expenses	-	-	386
	7,148	9,634	14,949
<u>Income (loss) before taxes on income</u>	(1,641)	(2,144)	29,506
<u>Taxes on income</u>	(123)	(34)	(4,922)
<b><u>Net income (loss)</u></b>	(1,764)	(2,178)	24,584
<b>Attributable to:</b>			
The Company's shareholders	(1,393)	698	22,577
Non-controlling interests	(371)	(2,876)	2,007
	(1,764)	(2,178)	24,584
<b>Income (loss) per share attributable to the Company's shareholders (in \$)</b>			
Basic and diluted net income (loss) per share	(0.03)	0.01	0.43
Diluted income (loss) per share	(0.03)	0.01	0.42

The accompanying notes are an integral part of the interim consolidated financial statements.

**Consolidated Statements of Comprehensive Income (Loss)**

	For the six months ended June 30		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	\$ thousands		
Net income (loss)	(1,764)	(2,178)	24,584
<b>Other comprehensive income (loss) (net of tax):</b>			
<u>Amounts that are classified or may be reclassified to profit or loss under certain conditions:</u>			
Foreign currency translation differences for foreign operation	-	(18)	(18)
<u>Total loss that would be reclassified to profit or loss under certain conditions</u>	-	(18)	(18)
<b><u>Total other comprehensive loss</u></b>	-	(18)	(18)
<b><u>Total comprehensive income (loss)</u></b>	(1,764)	(2,196)	24,566
<b>Attributable to:</b>			
Company's shareholders	(1,393)	680	22,559
Non-controlling interests	(371)	(2,876)	2,007
	(1,764)	(2,196)	24,566

The accompanying notes are an integral part of the interim consolidated financial statements.

## Consolidated Statements of Changes in Equity

	Attributable to the Company's shareholders									
	Issued capital	Share Premium	Capital reserve for transaction with controlling shareholders	Capital reserve for financial assets measured at fair value through other comprehensive income	Capital reserve from translation differences	Capital reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
					Unaudited					
					\$ thousands					
<b>Balance at January 1, 2025 (audited)</b>	9,592	245,278	351	(1,192)	-	7,218	(150,586)	110,661	14,564	125,225
Total net income (loss)	-	-	-	-	-	-	(1,393)	(1,393)	(371)	(1,764)
Dividend to equity holders of the Company (see Note 3.J)	-	-	-	-	-	-	(8,782)	(8,782)	-	(8,782)
Share-based payments	-	-	-	-	-	-	123	123	-	123
RDC's loan from non-controlling interest (see Note 3.K)	-	-	-	-	-	-	-	-	741	741
Exercise options for ordinary shares	(*)	-	-	-	-	-	-	(*)	-	(*)
<b>Balance at June 30, 2025</b>	<u>9,592</u>	<u>245,278</u>	<u>351</u>	<u>(1,192)</u>	<u>-</u>	<u>7,218</u>	<u>(160,638)</u>	<u>100,609</u>	<u>14,934</u>	<u>115,543</u>

\*) Represents amount less than \$1 thousand.

The accompanying notes are an integral part of the interim consolidated financial statements.

## Consolidated Statements of Changes in Equity

	Attributable to the Company's shareholders									
	Issued capital	Share Premium	Capital reserve for transaction with controlling shareholders	Capital reserve for financial assets measured at fair value through other comprehensive income	Capital reserve from translation differences	Capital reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
					Unaudited					
					\$ thousands					
<b>Balance at January 1, 2025 (audited)</b>	9,592	245,278	351	(1,192)	-	7,218	(150,586)	110,661	14,564	125,225
Total net income (loss)	-	-	-	-	-	-	(1,393)	(1,393)	(371)	(1,764)
Total other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Dividend to equity holders of the Company (see Note 3.G)	-	-	-	-	-	-	(8,782)	(8,782)	-	(8,782)
Share-based payments	-	-	-	-	-	-	123	123	-	123
RDC's loan from non-controlling interests (see note 4)	-	-	-	-	-	-	-	-	546	546
Exercise options for ordinary shares	*)	-	-	-	-	-	-	*)	-	*)
<b>Balance at June 30, 2025</b>	<u>9,592</u>	<u>245,278</u>	<u>351</u>	<u>(1,192)</u>	<u>-</u>	<u>7,218</u>	<u>(160,638)</u>	<u>100,609</u>	<u>15,110</u>	<u>115,719</u>

	Attributable to the Company's shareholders									
	Issued capital	Share premium	Capital reserve for transaction with controlling shareholders	Capital reserve for financial assets measured at fair value through other comprehensive income	Capital reserve from translation differences	Capital reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	\$ thousands									
<b>Balance at January 1, 2024</b>	9,592	245,278	351	(1,192)	18	7,218	(132,257)	129,008	12,557	141,565
Total net income (loss)	-	-	-	-	-	-	22,577	22,577	2,007	24,584
Total other comprehensive loss	-	-	-	-	(18)	-	-	(18)	-	(18)
Dividend to equity holders of the Company	-	-	-	-	-	-	(35,861)	(35,861)	-	(35,861)
Dividend which does not comply the profit test	-	-	-	-	-	-	(5,621)	(5,621)	-	(5,621)
Share-based payments	-	-	-	-	-	-	576	576	-	576
Exercise options for ordinary shares	(*							(*		(*
<b>Balance at December 31, 2024</b>	<u>9,592</u>	<u>245,278</u>	<u>351</u>	<u>(1,192)</u>	<u>-</u>	<u>7,218</u>	<u>(150,586)</u>	<u>110,661</u>	<u>14,564</u>	<u>125,225</u>

\*) Represents amount less than \$1 thousand.

The accompanying notes are an integral part of the interim consolidated financial statements.

**Consolidated Statements of Cash Flows**

	For the six months ended June 30		For the year ended December 31 2024
	2025	2024	
	Unaudited		Audited
	\$ thousands		
<b>Cash flows from operating activities</b>			
Net income (loss)	(1,764)	(2,178)	24,584
<u>Adjustments to reconcile net income (loss) to net cash used in operating activities:</u>			
<u>Adjustment to the profit or loss items:</u>			
Depreciation and amortization	130	131	263
Finance, net	(3,448)	(1,008)	(2,094)
Stock based compensation	123	382	576
Gain from sell, revaluation, realization of activity and changes in holdings, net	(1,452)	(5,862)	(41,285)
Equity in losses of associates, net	4,350	6,595	8,106
Taxes on income, net	123	34	4,922
Finance income related to accounts receivable from CartiHeal's cancelled transaction in 2023 statements)	-	-	-
Other	6	(8)	(6)
	(168)	264	(29,518)
<u>Changes in Assets and Liabilities:</u>			
Increase in other accounts receivable	(198)	(270)	(200)
Increase (decrease) in trade payables	34	15	(139)
Decrease in other accounts payable	(479)	(486)	(513)
	(643)	(741)	(852)
<u>Cash paid and received during the period for:</u>			
Taxes paid	(84)	(585)	(585)
Interest paid	(16)	(23)	(42)
Interest received	1,610	1,302	2,552
	1,510	694	1,925
<b>Net cash used in operating activities</b>	<b>(1,065)</b>	<b>(1,961)</b>	<b>(3,861)</b>

The accompanying notes are an integral part of the interim consolidated financial statements.

**Consolidated Statements of Cash Flows (Cont.)**

	For the six months ended June 30		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	\$ thousands		
<b>Cash flows from investment activities</b>			
Purchase of property and equipment	(5)	-	(4)
Investment in associates and other companies	(6,894)	(854)	(4,959)
Proceeds from sale of associates and other companies	28,052	44,540	65,073
Sale of other investments in securities, net	-	2,250	3,250
Taxes paid on gains from the sale of investee companies	(5,343)	-	-
Withdrawal of (investment in) deposits, net	(2,877)	3,600	(24,745)
<b>Net cash provided by (used in) investment activities</b>	<b>12,933</b>	<b>49,536</b>	<b>38,615</b>
<b><u>Cash flows from financing activities</u></b>			
Dividend distribution	(8,782)	(26,482)	(41,482)
Partial repayment of the RDC loan from non-controlling interests	(2,500)	-	-
Repayment of lease liability	(144)	(127)	(261)
<b>Net cash used in financing activities</b>	<b>(11,426)</b>	<b>(26,609)</b>	<b>(41,743)</b>
<b>Exchange rate differences in respect of cash and cash equivalents</b>	<b>2,047</b>	<b>58</b>	<b>74</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>2,489</b>	<b>21,024</b>	<b>(6,915)</b>
<b>Cash and cash equivalents as of beginning of the period</b>	<b>33,221</b>	<b>40,136</b>	<b>40,136</b>
<b>Cash and cash equivalents as of end of the period</b>	<b>35,710</b>	<b>61,160</b>	<b>33,221</b>

(\*) In July 2025, after the reporting date, the remaining escrow deposit in the amount of \$2.8 million was received in respect of the sale of CartiHeal.

The accompanying notes are an integral part of the interim consolidated financial statements.

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 1 – General**

Elron Ventures Ltd. ("Elron" or "the Company") is an operational holding company that focuses on building technology companies. Elron's group of companies includes companies in various stages of development that are engaged in various technological fields, mainly cybersecurity, enterprise software and medical devices, and is evaluating investment opportunities primarily in companies engaged in deep technologies (deep tech, including defense tech) and in cybersecurity and software (SaaS). The Company is an Israeli-resident company incorporated in Israel, traded on the Tel-Aviv Stock Exchange, its main market. Its registered address is ToHa Tower, 114 Yigal Alon St., 22nd floor, Tel Aviv.

As of the reporting date, the Company's parent company is Arieli E.L. Ltd. ("Arieli"), which as of that date, holds 59.01% of Elron's share capital.

The accompanying consolidated financial statements have been prepared as of June 30, 2025, and for the six months then ended ("interim consolidated financial statements") in accordance with International Financial Reporting Standards ("IFRS") in condensed format. The interim consolidated financial statements are presented in U.S. dollar, the Company's functional currency, and are rounded to the nearest thousand. These interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2024 and the year then ended and accompanying notes ("the annual consolidated financial statements").

In the absence of the Company's Chief Financial Officer, Ms. Rony Gur Arie, at the time of the approval of these financial statements, the Company's Board of Directors authorized Mr. Dan Hoz, a Director, to sign these financial statements in lieu of the Chief Financial Officer.

These financial statements were approved for release by the Company's Board of Directors on August 10, 2025.

**Small Corporation**

The Company is a "small corporation" as defined in regulation 5C of the Reports Regulations (Periodic and Immediate Reports), 5730-1970. In accordance with the decision of the Company's Board of Directors, the Company has adopted all the reliefs available to small corporations by Regulation 5d of the Securities Regulations, including the semi-annual reporting format.

**Note 2 – Significant Accounting Policies and Basis of preparation**

The interim consolidated financial statements were prepared in accordance with generally accepted accounting policies for the preparation of financial statements for interim periods as prescribed in IAS 34 – Interim Financial Reporting, and in accordance with Section D of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 ("the Regulations").

The significant accounting policies followed in the preparation of the interim consolidated financial statements are identical to those applied in preparation of the annual consolidated financial statements.

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 2 – Significant Accounting Policies and Basis of preparation (Cont.)**The impact of the “Swords of Iron” War

Further to what is stated in Note 1.a to the annual consolidated financial statements regarding the impact of the “Swords of Iron” war, on June 13, 2025 the State of Israel launched an attack against Iran, as part of Operation Rising Lion. On June 24, 2025 a ceasefire between the parties came into effect.

As of the date of approval of these financial statements, the impact of the aforementioned war on the Company’s operating results is not material. However, as of the date of the publication of these financial statements, and given the dynamic nature of the situation and the high level of uncertainty involved, the extent of potential impact of various security scenarios - including escalation in Gaza, rising tensions on the Syrian and Lebanese fronts, escalation in the West Bank, and any further escalation with Iran — on the Group’s future operations is currently unknown.

**Note 3 – Material Changes During the Reporting Period****A. IronScales**

IronScales Ltd. (“IronScales”) develops and provides a cloud-based (SaaS) solution, which aims to protect the organization from targeted email attacks (spear-phishing). Prior to its sale, IronScales was held by RDC Rafael Development Corporation Ltd. (“RDC”), a 50.1% owned subsidiary of Elron, at a rate of approximately 8% of outstanding shares. The investment in IronScales was accounted for as a financial asset measured at fair value through profit or loss until it was classified as held for sale in November 2024.

As described in Note 7.a to the annual consolidated financial statements, On November 2024, RDC (through RDSeed Ltd, a fully owned subsidiary of RDC) signed a binding agreement to sell its entire holdings in IronScales to PSG Equity LLC, an existing shareholder in IronScales (the “Transaction”), for approximately \$25,500. In January 2025, the Transaction was completed and the aforementioned consideration was received.

As a result of the above, and based on the consideration from the Transaction, the fair value of the investment in IronScales was estimated at approximately \$25,500, resulting in a gain of approximately \$19,600, recorded under the line item “Gain from sale, revaluation, realization of activities, and change in holding percentage in investee companies, net” in the statement of profit or loss (the gain attributable to Elron's shareholders amounted to approximately \$9,800). In addition, in the same year, tax expenses of approximately \$4,500 were recorded against an increase in deferred tax liabilities (attributed to the increase in the temporary difference between the carrying amount of the investment in IronScales in Elron's books and its tax basis). Upon completion of the sale transaction in January 2025, as mentioned, and the recognition of the related gain, the deferred tax liability was reversed.

**B. Cynerio**

Cynerio Israel Ltd. (“Cynerio”) develops and markets a security platform to protect healthcare systems from cyber threats, in particular medical devices and medical information systems and infrastructures. Cynerio's platform combines learning the behavior of the medical equipment and systems with work process analysis to ensure the safety of patients and the protection of sensitive medical information. Prior

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 3 – Material Changes During the Reporting Period (Cont.)****B. Cynerio (Cont.)**

to its sale, RDC held approximately 17% of Cynerio's outstanding shares and the investment in Cynerio was accounted for under the equity method of accounting.

During the first half of 2025, an aggregate amount of approximately \$3,500 was invested in Cynerio by existing shareholders under a SAFE (Simple Agreement for Future Equity) agreement. RDC's share was approximately \$1,500.

On July 30, 2025, after the reporting date, Cynerio Ltd. ("Cynerio") and its shareholders entered into a binding agreement with Axonius Inc., a subsidiary of Axonius Solutions Ltd. (the "Purchaser"), for the sale of all of Cynerio's share capital to the Purchaser (the "Transaction"). In August 2025, after the reporting date, the transaction was completed.

Pursuant to the Transaction, RDC received consideration in Axonius' preferred shares, which constitute approximately 0.6% of the equity interests in Axonius on a fully diluted basis. Of the consideration in Axonius equity described above, an amount of approximately 12% was deposited in escrow for a period of 12 months from the date of completion of the Transaction, primarily to secure certain indemnification obligations of the sellers in the Transaction towards the Purchaser, as is customary in transactions of this type. An amount of approximately 1% was deposited in escrow for a period of 90 days from the date of completion of the Transaction in connection with financial adjustments to be made after the completion of the Transaction (as is customary in transactions of this type).

As a result of the Transaction, RDC is expected to recognize a gain in its annual financial statements, in an amount equal to the fair value of the Axonius shares it will hold, as determined through a valuation, net of the carrying amount of the investment in Cynerio in its books as of the completion date. The share of the gain attributable to Elron shareholders is expected to be approximately 50% of the gain recognized by RDC. As of the reporting date, the carrying amount of RDC's investment in Cynerio was approximately \$670.

Pursuant the Transaction, and in accordance with IFRS 5, the investment in Cynerio was classified as held for sale in Elron's financial statements as of the reporting date.

**C. Red Access**

RA Red Access Security Ltd. ("Red Access") provides cyber protection to organizations for safe internet browsing and access to cloud resources. As of the reporting date, RDC holds approximately 21% of Red Access's outstanding shares and the investment in Red Access is accounted for under the equity method of accounting.

In January 2025, an investment agreement in Red Access was signed with the participation of existing and new shareholders, in the amount of \$14,600, in consideration for preferred shares. RDC's share was approximately \$2,000. As part of this investment round, the remaining balance of the SAFE agreement from April 2024 was converted as part of this investment round (RDC's share of the total SAFE amount was approximately \$700).

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 3 – Material Changes During the Reporting Period (Cont.)****D. CyberRidge**

CyberRidge Ltd., an Israeli company, is developing a photonic encryption solution designed to make fiber optic communication invisible to tapping.

In April 2025, Elron and RDC made their initial investment in CyberRidge, in an aggregate amount of approximately \$2,000 (in equal parts), in consideration for preferred shares and warrants. As of the reporting date, Elron holds approximately 6% of CyberRidge's outstanding shares. The investment in CyberRidge is accounted for as a financial asset measured at fair value through profit or loss.

In August 2025, after the reporting date, Elron and RDC made an additional investment in CyberRidge, in an aggregate amount of approximately \$500 (in equal parts), as part of a secondary transaction.

**E. Cyvers**

CyVers.AI Ltd. ("Cyvers") develops a platform to detect and prevent fraud in digital assets in the web3 zone, using advanced artificial intelligence. As of the reporting date, Elron holds approximately 26% of Cyvers's outstanding shares and the investment in Cyvers is accounted for under the equity method of accounting.

In June 2025, a SAFE investment in Cyvers was completed, with the participation of existing investors, in the amount of \$500. Elron's share was approximately \$300.

**F. Notal**

Notal Vision Inc. ("Notal") develops and provides ophthalmic diagnostic services for managing age-related macular degeneration (AMD) from home and improving vision outcomes. As of the reporting date, Elron holds approximately 8% of Notal's outstanding shares. The investment in Notal is accounted for as a financial asset measured at fair value through profit or loss.

Further to what is stated in Note 7.B to the annual consolidated financial statements, in May 2024, the investment agreement from May 2021 was further extended with the participation of Notal's existing shareholders, up to \$70,000. During the first half of 2025, an amount of \$9,200 was invested in Notal. Elron did not participate in this investment.

The fair value of the investment in Notal was determined with the assistance of an independent appraiser and was estimated at approximately \$7,150 as of June 30, 2025 (compared to approximately \$7,500 as of December 31, 2024). As a result, Elron recognized as part of its financial statements for the first half of 2025 a loss of approximately \$350 under line item gain from sale, revaluation, realization of operation and changes in holdings, net.

The valuation was conducted in accordance with the Option Pricing Model (OPM) and calculated the fair value of the investment in Notal based on the last investment round from May 2021 and its extension

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 3 – Material Changes During the Reporting Period (Cont.)****F. Notal (Cont.)**

in June 2025 as described above using the Black and Scholes formulas, to allocate Notal's value to different classes of shares and to determine the value of Elron's interest accordingly. In addition, the valuation reflected a 20% probability of a failure scenario. The main assumptions used in the valuation are: a standard deviation of 61.35% (based on six comparable publicly traded companies), and risk-free interest of 4.13%.

**G. Wonder Robotics**

Wonder Robotics Ltd. ("Wonder Robotics") develops autonomous vertical and horizontal awareness solutions for drones in both the defense and civilian markets. As of the reporting date, RDC holds approximately 31% of Wonder Robotics' outstanding shares and the investment in Wonder Robotics is accounted for under the equity method of accounting.

During the first half of 2025, the investment agreement from January 2022 was further extended, with the participation of RDC and a new investor, in an amount of approximately \$700. RDC's share was approximately \$600.

**H. Sayata**

Sayata Labs Ltd ("Sayata") developed and marketed software that combines the expertise of insurance professionals, IT developers and data scientists to help insurance companies in underwriting insurance policies across various product lines tailored for small and medium businesses, enabling them to address their clients' risk and accordingly provide the right insurance quotes. RDC holds approximately 20% of Sayata's outstanding shares and the investment in Sayata is accounted for under the equity method of accounting. In August 2025, after the reporting date, Sayata signed an agreement for the sale of the majority of its assets (tangible and intangible, excluding its remaining cash balance) (the "Transaction"). As of the reporting date, the carrying amount of the investment in Sayata was approximately \$1,900, which reflects RDC's estimated share in the remaining cash balance that will remain in Sayata. In light of the above, the Company does not expect the Transaction to have a material impact on its results of operations.

**I. Creednz**

Creednz developed a fraud detection and prevention solution in B2B payment process, enabling businesses to conduct transactions securely and prevent financial losses. In May 2025, Creednz's Board of Directors resolved to voluntarily liquidate the company. As of the reporting date, the carrying amount of the investment in Creednz was approximately \$350, which approximates the amount expected to be recovered upon the company's liquidation.

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 3 – Material Changes During the Reporting Period (Cont.)****J. Dividend Distribution**

On March 27, 2025, a cash dividend was announced in the amount of \$8,782 to the Company's shareholders (which constitute approximately USD 0.16613 per share). The dividend was distributed from the Company's surplus reserves, after the company's board of directors examined the company's compliance with the profit test and the solvency test and confirmed that the distribution will not impair the Company's ability to meet its overall obligations and/or its existing operational structure. The remaining profits eligible for distribution under the profit test according to Section 302 of the Companies Law, 1999, as of the approval date of the distribution (before the approval of the distribution as mentioned), amounted to \$8,782 (which is the amount of the aforementioned distribution). The distribution related to the proceeds from the sale of Sixgill Ltd. ("Sixgill"), which was completed in 2024 and was not included in the Company's dividend distribution policy (as approved by the Company's Board of Directors in January 2025), and also included an early distribution on account of the proceeds received from the sale of Ironscales, which was completed in January 2025 and was included in the Company's dividend distribution policy.

In May 2025 a petition was filed with the court Tel Aviv – Jaffa District court for approval of a distribution pursuant to the provisions of Section 303 of the Israel Companies Law, 1999 ("Companies Law"), for a distribution in an amount of up to \$6.5 million (through a dividend distribution to the Company's shareholders, and possibly also partly through a share repurchase).

On August 5, 2025, approval was received from the Court for the distribution petition, which is valid for a period of 180 days. On August 10, 2025, the Company's Board of Directors resolved to distribute a cash dividend to shareholders in the amount of approximately \$5.5 million (\$0.10404 per share). The Board of Directors further resolved that the record date for the payment will be August 24, 2025, and the payment date will be September 8, 2025. The Company's Board of Directors examined the Company's compliance with the solvency test and confirmed that the distribution will not impair the Company's ability to meet all of its obligations in full and/or its existing operational framework.

Additionally, on that date, the Company's Board of Directors approved a share repurchase program, consistent with the Israel Securities Authority staff's "safe harbor" position, in an aggregate amount of up to \$1 million for approximately five-month period (the "Share Repurchase Program"). The Share Repurchase Program may be implemented from August 26, 2025 through January 30, 2026, with the timing of repurchases to be from time to time as determined by the Company's management, in its sole discretion and subject to applicable law. Repurchases may be executed on the stock exchange or in off-exchange transactions. The Board of Directors established additional conditions. There can be no assurance that the program will be implemented or that it will be implemented for the full authorized amount.

**K. Loan agreement – RDC**

In March 2025, the Board of Directors of RDC decided on an early partial repayment in a total amount of \$5,000 (including principal and interest) of the balance of the loan granted to RDC by Elron and Rafael in March 2021 (in a total amount of \$16,000, which was granted by Elron and Rafael in equal parts). Elron's share of the repayment amounted to approximately \$2,500. The Board of Directors of

**Notes to the Interim Consolidated Financial Statements****(USD in thousands, except for price per share and number of shares)****Note 3 – Material Changes During the Reporting Period (Cont.)****K. Loan agreement – RDC (Cont.)**

RDC also resolved to extend the loan repayment period by three years, until March 2029, subject to the approval of the lenders (Elron

and Rafael). In June 2025, following receipt of the lenders' approval, the decision was made to extend the said repayment date and the early partial repayment was made.

As of June 30, 2025, Rafael's shareholders loan balance is approximately \$7,200, while the fair value of the loan balance is estimated at approximately \$6,500. As a result, the gap between the fair value of the loan and its nominal value in the amount of approximately \$700 was recorded against the Non-controlling interests balance.

In order to estimate the fair value of the said loan, the Company considered indicators obtained from banks regarding a similar loan, according to which the loan interest rate is estimated and carried out with the assistance of an independent appraiser for the purpose of determining the price of RDC's debt. Weighing the aforementioned indicators, the Company estimated the fair value of the loan using an interest rate of 7%.

**L. Share-based payments**

On April 10, 2025, the General meeting approved, after the approval of the Board of Directors, the grant of 415,121 options to Mr. Yaniv Shnieder, the Company's CEO, as part of his terms of office and employment and in accordance with the Company's compensation policy. The vesting period of the options granted as outlined in this section is as follows: 1/3 at the end of one year from the date of grant, an additional 1/3 at the end of the second year from the date of the grant and an additional 1/3 at the end of the third year from the date of the grant. The Options are exercisable up to a period of 5 years from the date of grant. Any Option not exercised by such date shall expire.

The exercise price of each option was determined as the higher of (i) the Company's average share price over the 30 trading days preceding the date of the Board's resolution and (ii) the share price at the close of trading on February 24, 2025, plus a 10% premium - i.e. NIS 5.23 (4.605 After dividend adjustments declared in March 2025).

The options will be exercised through a cashless exercise mechanism, whereby the number of shares to be issued to the employee will be calculated accordingly. The total fair value of the aforementioned options was estimated at approximately \$210.

According to the Option Plan, the grant of the Options which was conducted by the Company, is subject to the rules stipulated in Section 102 of the Israel Income Tax Act. According to the track selected by the Company and according to these rules, the Company is not entitled to claim as a tax expense the amounts reflected as a benefit to the employees, including amounts that are registered as a salary benefit in the Company's accounts, for the Options that the employees received in the framework of the Option Plan.

## Notes to the Interim Consolidated Financial Statements

(USD in thousands, except for price per share and number of shares)

**Note 4 – Financial instruments****A. Fair value**

The carrying amount of all of the Company's financial assets and liabilities, including cash and cash equivalents, bank deposits, other investments in securities, other accounts receivable, other investments measured at fair value, long term receivables, other accounts payable, trade payables and long-term loans, conform to or approximate their fair values.

**B. Classification of financial instruments by fair value hierarchy**

The financial instruments presented in the statement of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

*Financial assets measured at fair value:*

<b>As of June 30, 2025</b>			
<b>Unaudited</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Other investments measured at fair value	-	-	18,934
Other investments in securities	-	2,792	-
Contingent considerations from CartiHeal's sale	-	-	18,365
	-	2,792	37,299
<b>As of June 30, 2024</b>			
<b>Audited</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Other investments measured at fair value	-	-	22,866
Other investments in securities	-	3,753	-
Contingent considerations from CartiHeal's sale	-	-	21,300
	-	3,753	44,166

## Notes to the Interim Consolidated Financial Statements

(USD in thousands, except for price per share and number of shares)

## Note 4 – Financial instruments (Cont.)

## B. Classification of financial instruments by fair value hierarchy (Cont.)

	As of December 31, 2024		
	Audited		
	Level 1	Level 2	Level 3
Other investments measured at fair value	-	-	17,283
Other investments in securities	-	2,787	-
Contingent considerations from CartiHeal's sale (see	-	-	18,365
Investment in Ironscales classified as held for sale	-	-	25,497
	-	2,787	61,145

**Changes in financial assets classified in Level 3:**

For the six months period ended June 30, 2024:

	Financial assets measured at fair value
<u>Balance as of January 1, 2025 (audited)</u>	61,145
Total recognized income in profit or loss, net (*)	(349)
Investments (see Note 3.D above)	2,000
IronScales disposal (see Note 3.a above)	(25,497)
<b>Balance as of June 30, 2025 (unaudited)</b>	<b>37,299</b>

(\*) The entire income included in profit or loss relating to assets and liabilities held at the end of the reporting period.

For the six months period ended June 30, 2024:

	Financial assets measured at fair value
<b>Balance as of January 1, 2024 (audited)</b>	22,597
Total recognized income in profit or loss, net (*)	1,659
Contingent considerations from CartiHeal's sale	19,910
<b>Balance as of June 30, 2024 (audited)</b>	<b>44,166</b>

## Notes to the Interim Consolidated Financial Statements

(USD in thousands, except for price per share and number of shares)

## Note 4 – Financial instruments (Cont.)

## B. Classification of financial instruments by fair value hierarchy (Cont.)

*Changes in financial assets classified in Level 3: (Cont.)*

For the year ended December 31, 2024:

	<b>Financial assets measured at fair value Audited</b>
<b>Balance as of January 1, 2024</b>	22,597
Total recognized loss in profit or loss, net	15,900
Fair value asset measured for the first time	19,910
Investment	
Deduction of the contingent consideration from CartiHeal's cancelled transaction	483
Reclassification investment to associate company	2,255
<b>Balance as of December 31, 2024</b>	<b>61,145</b>

## C. Valuation techniques

For details on the fair value of investments in unquoted shares, see Note 2 to the annual consolidated financial statements.

## ANNEX TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**Details relating to investments in the interim consolidated financial statements as of June 30, 2024**

	Rate of holdings in equity		Consolidated rate of holdings in equity	Elron's effective rate of holdings in equity (3)	Fully diluted consolidated rate of holdings	Elron's fully diluted effective rate of holdings (3)	Consolidated carrying value of investment June 30, 2025
	Elron (1)	RDC (2)	%				\$ thousands
<u>Investments in investee companies</u>							
<u>Associates:</u>							
Open Legacy Technologies Ltd.	-	22.20	22.20	11.12	18.28	9.16	-
Cynerio Israel Ltd.	-	17.15	17.15	8.59	14.79	7.41	676
BrainsGate Ltd.	27.84	-	27.84	27.84	24.93	24.93	-
Sayata Labs Ltd.	-	20.14	20.14	10.09	17.69	8.86	1,947
Edge 226 Ltd.	23.58	-	23.58	23.58	15.94	15.94	1,906
Scribe Security Ltd.	-	18.49	18.49	9.26	13.13	6.58	-
Ra Red Access Security Ltd.	-	21.21	21.21	10.63	18.68	9.36	3,659
Wonder Robotics Ltd.	-	31.23	31.23	15.65	26.41	13.23	491
Creednz Ltd.	-	15.55	15.55	7.79	14.06	7.04	347
CyVers.AI Ltd.	26.03	-	26.03	26.03	23.98	23.98	496
Breeze	-	13.23	13.23	6.63	11.89	5.95	1,139
<u>Other investments (4), (5):</u>							
Notal Vision Inc.	7.80	-	7.80	7.80	5.90	5.90	7,150
Nitiniotes Ltd.	13.61	-	13.61	13.61	11.26	11.26	2,100
N-Drip Ltd.	-	1.60	1.60	0.80	1.36	0.68	250
Zengo Ltd.	7.97	-	7.97	7.97	7.07	7.07	2,684
Tamnoon Inc.	-	6.56	6.56	3.29	5.74	2.88	2,120
Azura Ophthalmics Ltd.	1.77	-	1.77	1.77	1.51	1.51	570
Atlantium Technologies Ltd.	6.16	-	6.16	6.16	5.22	5.22	130
Forsight Vision6 Inc.	3.52	-	3.52	3.52	2.83	2.83	200
CyberRidge Ltd.	3.16	3.16	6.32	4.74	7.81	5.86	2,000

(1) Including holdings through Elron's fully-owned subsidiary.

(2) Including holdings through a fully-owned subsidiary of RDC.

(3) Elron's effective holdings include holdings by RDC multiplied by 50.10% (Elron's holding rate in RDC).

(4) Bark A.I. Ltd. is held by Elron through SAFE investment, its book value is \$1,200.

(5) Cyber Future, El Ciso Club, a limited partnership, established by Elron, its book value is approximately \$700.

(6) In August 2025, after the reporting date, the sale of Cynerio was completed in exchange for shares of Axonius. For further details, see Note 3.b above.

(\*) Held at less than 1%

**IT IS NOTED THAT THE BINDING VERSION OF THE MANAGERS' DECLARATION REGARDING THE EFFECTIVENESS OF INTERNAL CONTROL IS THE HEBREW VERSION REPORTED BY THE COMPANY ON THE ISRAELI SECURITIES AUTHORITY WEBSITE AT [WWW.MAGNA.ISA.GOV.IL](http://WWW.MAGNA.ISA.GOV.IL) AND ON THE TEL AVIV STOCK EXCHANGE LTD. WEBSITE AT [WWW.TASE.CO.IL](http://WWW.TASE.CO.IL). AND THE ENGLISH VERSION IS AN UNOFFICIAL TRANSLATION OF THE HEBREW VERSION WHICH IS NOT BINDING ON THE COMPANY AND IS SENT TO THE COMPANY'S SHAREHOLDERS FOR CONVENIENCE PURPOSES ONLY.**

# **Elron Ventures Ltd.**

## **Part IV**

### **English Translation of the Managers' Declaration regarding the Effectiveness of Internal Control**

**For June 30, 2025**

**Declaration of the Principal Executive Officer pursuant to Regulation 38C(d)(1):**

**Managers' Declaration**

Declaration of the Chief Executive Officer

I, Yaniv Shnieder, declare that:

- (1) I have examined the semi annual report of Elron Ventures Ltd. (the "**Corporation**") for the First Half of 2025 (the "**Reports**");
- (2) Based on my knowledge, the Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Reports;
- (3) Based on my knowledge, the financial statements and other financial information included in the Reports, fairly present, in all material respects, the financial condition, results of operations and cash flows of the Corporation, as of, and for the periods presented in the Reports;
- (4) I have disclosed to the Corporation's independent auditors, board of directors and audit committee of the Corporation's board of directors, any fraud, whether or not material, which involves the principal executive officer, a direct subordinate of the principal executive officer, or other employees who have a significant role in financial reporting and disclosure and control over the financial reporting.

Nothing in the aforesaid derogates from my responsibility or the responsibility of any other person, pursuant to any law.

August 10, 2025

Yaniv Shnieder, CEO

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**Declaration of the Principal Financial Officer pursuant to Regulation 38C(d)(2):**

**Managers' Declaration**

Declaration of Principal Financial Officer

I, Dan Hoz, declare that:

- (1) I have examined the interim financial statements and other financial information which is included in the interim reports of Elron Ventures Ltd. (the "**Corporation**") for the First Half of 2025 (the "**Reports**" or the "**Interim Reports**");
- (2) Based on my knowledge, the interim financial statements and other financial information which is included in the Interim Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Reports;
- (3) Based on my knowledge, the interim financial statements and other financial information included in the Interim Reports fairly present, in all material respects, the financial condition, results of operations and cash flows of the Corporation, as of, and for the periods presented in the Reports;
- (4) I have disclosed to the Corporation's independent auditor, board of directors and the audit committee of the Corporation's board of directors, any fraud, whether or not material, which involves the principal executive officer, a direct subordinate of the principal executive officer, or other employees who have a significant role in financial reporting and disclosure and control over the financial reporting.

Nothing in the aforesaid derogates from my responsibility or the responsibility of any other person, pursuant to any law.

August 10, 2025

Dan Hoz, Director

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## English Translation of Liabilities report of the Company by repayment date

Section 36a to the Israel Securities Law (1968)

Report as of June 30, 2025

Following are the liabilities of the Company by repayment date:

The following data are presented in NIS and were translated from USD to NIS using the exchange rate as of June 30, 2025 (1 USD = 3.372 NIS)

A. Debentures issued to the public by the reporting Entity and held by the public, excluding debentures held by the Company's parent, controlling shareholder, companies controlled by one of the parties mentioned above or by companies controlled by the company - based on separate financial data of the Entity ("Solo" reports) (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

B. Private debentures and non-bank credit, excluding debentures or credit granted by the Company's parent, controlling shareholder, companies controlled by one of the parties mentioned above or by companies controlled by the company - based on separate financial data of the Entity ("Solo" reports) (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	337	0	29	366
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	337	0	29	366

C. Bank credit from Israeli banks - based on separate financial data of the Entity ("Solo" reports) (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

D. Bank credit from non-Israeli banks - based on separate financial data of the Entity ("Solo" reports) (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

E. Summary of tables A-D, totals of: bank credit, non-bank credit and debentures - based on separate financial data of the Entity ("Solo" reports) (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	337	0	29	366
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	337	0	29	366

F. Off-balance credit exposure - based on separate financial data of the Entity ("Solo" reports) (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

G. Off-balance credit exposure of all consolidated companies, excluding companies that are considered as reporting companies, and excluding the reporting Company's data described above in Table F (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

H. Totals of: bank credit, non-bank credit, and debentures of all consolidated companies, excluding companies that are considered as reporting companies and excluding the data of the reporting Entity described above in Tables A-D (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	20,011	0	7,986	27,997
Total	0	0	0	20,011	0	7,986	27,997

I. Total credit granted to the reporting Entity by the parent company or controlling shareholder, and total amounts of debentures issued by the reporting Entity that are held by the parent company or controlling shareholder (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

J. Credit granted to the reporting Entity by companies controlled by the parent company or by the controlling shareholder, and are not controlled by the reporting Entity, and debentures issued by the reporting Entity held by companies controlled by the parent company or by controlling shareholder and are not controlled by the reporting Entity (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

K. Credit granted to the reporting Entity by consolidated companies and debentures issued by the reporting Entity held by consolidated companies (NIS in thousands)

	Principle repayment					Gross interest payments (excluding deduction of tax)	Total by years
	NIS (CPI linked)	NIS (Not linked)	Euro	USD	Other		
First year	0	0	0	0	0	0	0
Second year	0	0	0	0	0	0	0
Third year	0	0	0	0	0	0	0
Fourth Year	0	0	0	0	0	0	0
Fifth year and thereafter	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Section H above refers to a loan granted to RDC Rafael Development Ltd., a subsidiary consolidated by the company. For further details regarding the aforementioned loan, as well as RDC's Board of Directors decision on a partial early repayment in the amount of \$5 million of the remaining loan. In addition, RDC's Board of Directors decided to extend the loan period by three years, until March 2029. The early repayment, was completed in June 2025, please refer to Note 3.K of the company's interim consolidated financial statements.