



Translation of Immediate Report Filed by Elron on November 20, 2024 with the Israeli Securities Authority

Re: Agreement for the Secondary Sale of holdings of Ironscales

Tel-Aviv, November 20, 2024 - Elron Ventures Ltd. (TASE: ELRN) ("Elron") today announced that RDC Rafael Development Corporation Ltd (through its wholly owned subsidiary RDSeed Ltd., "RDC") has signed a binding definitive agreement for the sale of all of its holdings of Ironscales Ltd. ("Ironscales") to PSG Equity LLC, an existing shareholder of Ironscales (the "Transaction").

IronScales Ltd. develops and provides a cloud-based (SaaS) solution, which protects the organization from targeted email attacks (spear-phishing) by using an automated and multi-layered solution combining machine learning and active identification by employees of the organization. RDC holds approximately 8% of IronScales' outstanding shares and 7% on a fully diluted basis.

Transaction Consideration:

RDC's total consideration for the Transaction, amounts to approximately \$25.5 million to be received in a one-time cash payment at closing of the Transaction (attributable to holdings in which RDC originally invested \$1.1 million). The Transaction consideration reflects a company valuation of Ironscales of approximately \$340 million.

As a result of the Transaction and subject to its completion, RDC is expected to recognize a consolidated net income (after taxes) in the amount of approximately \$15 million and Elron is expected to recognize a \$7.5 million net income (after taxes) attributable to the Company's shareholders (representing its part of the net income expected to be recorded by RDC).

Transaction Closing:

The completion of the Transaction is subject to the satisfaction of conditions precedent as are customary in such Secondary transactions, including exercise or waiver of the rights of first refusal of existing shareholders as well as receipt of approval of the Ironscales' board of directors.

Forward Looking Statements: The forecasted data and estimates noted above are forward-looking in nature, as defined in the Israel Securities Law, 5728- 1968, based on the Company's and the acquirer's estimates at this time, of which there is no assurance as to their existence or they may exist in a different manner than expected, inter alia, due to the non-fulfillment of conditions stipulated in the Transaction and also due to other events related to the parties to the Transaction as well as external factors and events including receipt or the non- receipt of the approval of Ironscales' Board of Directors. It should be noted that Elron does not have any representation on Ironscales' Board of Directors and therefore there is no certainty as to when Ironscales' Board of Directors Board will convene or as to its decision on the matter (considering among other things that Ironscales and some of its shareholders are not a party to the Transaction). In these circumstances, there is no certainty as to the closing of the



Transaction and/or the timing thereof and/or regarding the results and various effects of the Transaction on the Company and its reports.

The date and time when the Company first became aware of the event or matter:

On October 22, 2024 at 22:29.

The reason for which the submission of the report was delayed:

The reporting of the Transaction, was delayed in accordance with Regulation 36(b) of the Securities Regulations (Periodic and Immediate Reports), 1970 due to the Company's assessment, including according to information provided to it by the Acquirer, because the publication of the report prior to the signing of the binding agreement may prevent the conclusion of the agreement and the existence of the Transaction.

On November 20, 2024 at 10:24 the restriction on reporting was removed.