

Elron Ventures Ltd.
(the "Company")

March 5, 2025

The Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit Street
Tel Aviv-Yafo 6525216

Via Magna

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Re: Immediate Report regarding the convening of a special general meeting of the Company's shareholders and an Immediate Report in accordance with the Securities Regulations (Private Offer of Stock of a Registered Company), 5760-2000

An immediate report is hereby made (the “**Report**”) in accordance with the Companies Law, 5759-1999 (the “**Companies Law**”), the Securities Law, 5728-1968 (the “**Securities Law**”), the Securities Regulations (Immediate and Periodic Reports), 5730-1970 (the “**Immediate Report Regulations**”), the Companies Regulations (Notice and Announcement of General Meetings and Class Meetings in a Public Company and the Addition of an Issue to the Agenda), 5760-2000 (the “**Notice and Announcement Regulations**”), the Companies Regulations (Voting in Writing and Position Statements) 5766-2005 (the “**Voting Regulations**”), Securities Regulations (Private Offering of Stock of a Registered Company) 5760 - 2000 (the “**Private Offering Regulations**”), and Securities Regulations (Transaction between a Company and its Controlling Shareholder) 5761 – 2001 (the “**Controlling Shareholder Regulations**”), concerning the convening of a special general meeting of the shareholders of the Company, which will be held on Thursday, April 10, 2025, at 15:00 (Israel time), in the Company’s offices at 114 Yigal Alon St., TOHA Tower, Floor 22, Tel Aviv (the “**Company’s Offices**”), the agenda of which meeting shall consist of the issues described in this Report below.

Part A – details regarding the summoning of the General Meeting

1. The Matter on the Agenda and a Summary of the Proposed Resolution

The following is a summary of the matter and proposed resolution on the agenda of the General Meeting.

1.1. Approval of the Terms of Office and Employment of the Incoming CEO.

For further details regarding this resolution see Part B of this Report below.

Form of Proposed Resolution: To approve the terms of office and employment of Mr. Yaniv Shnieder, as the Company's CEO, with effect from the date he assumed office (February 18, 2025), including the grant of options, as detailed in Section B, hereinbelow.

1.2 Item No. 2 – Approval of Measurable Criteria for the Chairperson of the Board of Directors of the Company, as part of the terms of office.

Form of Proposed Resolution: To approve the measurable criteria for Ms. Lisyah Bahar Manoah's annual bonus, as part of her terms of office and engagement as the Chairperson of the Company's Board of Directors, as detailed in Parts C and D hereinbelow.

2. Record Date

The record date for the purpose of a shareholder's entitlement to participate in and vote at the Meeting and an Adjourned Meeting, pursuant to Section 182 of the Companies Law and Regulation 3 of the Voting Regulations, is the end of the trading day on the Tel Aviv Stock Exchange occurring on Tuesday, March 11, 2025 (the "**Record Date**"). In the event that no trading is carried out on the Record Date, the Record Date shall be the last trading day preceding such date.

3. Legal Quorum and Adjourned Meeting

3.1. A legal quorum shall be constituted upon the presence, either in person or by proxy, of at least two shareholders holding, in total, more than 33.3% of the issued shares conferring voting rights in the Company, within one half hour of the time scheduled for the opening of the Meeting (the "**Legal Quorum**"). If legal quorum is not present at the general meeting at the end of one half hour from the time scheduled for commencement of the meeting, the general meeting shall be adjourned to the same day the following week, at the same time and location ("**Adjourned Meeting**"), namely on Thursday, April 17, 2025 at 15:00. If no legal quorum is present at the Adjourned Meeting one half hour after the time scheduled for the meeting, then one shareholder holding at least 25% of the issued share capital of the Company, who is present in person or by proxy, shall constitute a legal quorum.

3.2. A general meeting at which a Legal Quorum is present is entitled to resolve to postpone the Meeting for another date and place that will be determined. At the Adjourned Meeting, no matter that was on the agenda for the original meeting and with respect to which no resolution was passed, shall be raised.

4. Required Majority

4.1. The majority required for adoption of the proposed resolution on the agenda set forth in Section 1.1 above is a simple majority of the shareholders entitled to vote and participating in the vote, in person or by an attorney (including by a voting card) provided that one of the following is fulfilled:

- (1) The majority vote count at the general meeting will include a majority of all votes of shareholders who are neither the controlling shareholders at the Company nor have any personal

interest in the approval of the resolution, participating at the vote; the vote count of such shareholders shall exclude the abstaining votes; The provisions of Section 276 of the Companies Law, shall apply, mutatis mutandis, to a shareholder who has a personal interest.

- (2) The total dissenting votes from among the shareholders specified in Section (1) above does not exceed two percent (2%) of the total voting rights in the Company.

It should be noted that the Company's Board of Directors may approve the terms of office and employment of the CEO (according to Section 1 above) even if the General Meeting opposes its approval, provided that the Compensation Committee and the Board of Directors will decide, on the basis of detailed reasons and after reconsidering the CEO's terms of office and employment and the grant of options to the CEO, that its approval, notwithstanding the objection of the General Meeting, is for the benefit of the Company.

The Company is not a "public granddaughter company", as such term is defined in Section 267 A (c) of the Companies Law.

4.2. The majority required for adoption of the proposed resolution on the agenda set forth in Section 1.2 above, is a majority of the shareholders entitled to vote and participating in the vote, in person or by proxy (including via ballot) provided that one of the following is fulfilled:

- (1) The majority vote count at the general meeting will include a majority of all votes of shareholders participating in the vote who do not have personal interest in approving the transaction and who participate in the vote. The vote count of such shareholders shall not take into account abstaining votes; The provisions of Section 276 of the Companies Law, shall apply, mutatis mutandis, to a shareholder who has a personal interest.
- (2) The total dissenting votes among the shareholders specified in Sub-section 1 above, does not exceed two percent (2%) of the total voting rights in the Company.

4.3 A shareholder participating in the vote for the resolutions on the matters set out on the agenda shall notify the Company, prior to the vote at the meeting, or if the vote is via ballot – on the ballot, in respect of each resolution in which he votes, if he is a controlling shareholder in the Company or if he has a personal interest in approving the resolution or not; If a shareholder fails to so notify, he shall not vote and his vote shall not be counted

5. Manner of Voting

5.1 A shareholder of the company is entitled to participate and vote in the meeting personally, may appoint a proxy to participate in the general meeting and vote on his behalf (in accordance with the company's bylaws), and may vote by written ballot or through the electronic voting system.

5.2 A document appointing a proxy for voting (the "**Letter of Appointment**"), as well as an original power of attorney by virtue of which the Letter of Appointment was signed (if any), must be deposited at the Company's registered office at least 48 hours before the scheduled time of the meeting. The Letter of Appointment shall state both the full names of the principal and of his proxy, as appears at the Registrar of Companies or in the I.D. card (as the case may be), their number at the Registrar of Companies or their I.D. numbers (as the case may be), and the place of their incorporation or their passport country (as the case may be).

5.3 In accordance with the Companies Regulations (Proof of Ownership of Shares for the Purpose of Voting at the General Meeting), 5760 – 2000 ("**Confirmation of Ownership Regulations**"), a shareholder who holds a share registered with a TASE member, and that share is registered in the Company's register of shareholders, and wishes to vote at the meeting, will provide the Company with confirmation regarding his ownership of the share on the Record Date, which must be received from the TASE member with which his right to the share is registered, as required by the Confirmation of Ownership Regulations.

6. **Confirmation of Ownership**

6.1. Pursuant to the Confirmation of Ownership Regulations a non-registered shareholder who wishes to vote at the Meeting, by himself or by his proxy, will provide the Company with confirmation regarding his ownership of the share on the Record Date, which must be received from the TASE member with which his right to the share is registered, as required by the Confirmation of Ownership Regulations ("**Confirmation of Ownership**").

6.2. A shareholder whose shares are registered with a TASE member may receive confirmation of the ownership from the TASE member through which he holds his shares, at a branch of the TASE member or by mail to his address, if he shall have so requested, provided that a request in this regard shall be made in advance for a specific securities account. According to the Confirmation of Ownership Regulations, an electronic message approved under Section 44K5 of the Securities Law, concerning the data of users of the electronic voting system – is deemed a confirmation of ownership for every shareholder included therein.

7. **Voting by Voting Cards and Position Statements**

7.1. According to the Voting Regulations, a shareholder may vote at the Meeting on the proposed resolution that is on the agenda, as detailed in Section 1 above, by a voting card as specified below. The language of the voting card and position statements in respect of the Meeting may be found on the Distribution Website of the Israel Securities Authority at <https://www.magna.isa.gov.il> (the "**Distribution Website**") and on the website of the Tel Aviv Stock Exchange Ltd. at <http://maya.tase.co.il> (the "**TASE Website**"). A shareholder may approach the Company directly and receive therefrom, free of charge, the language of the voting card and the position statements.

7.2. A TASE member will send, free of charge, via e-mail, a link to the language of the voting card and the position statements, if any, on the Distribution Website

to all non-registered shareholders, unless the shareholder shall have notified such TASE member that he is not interested therein, provided that the notice shall have been given with respect to a specific securities account and on a date prior to the Record Date.

- 7.3. The vote shall be cast on the second part of the voting card, as posted on the Distribution Website.
- 7.4. The (non-electronic) voting card of a non-registered shareholder will be provided to the Company together with the Confirmation of Ownership, such that the voting card will reach the Company's registered office **no later than four hours before the time of convening the meeting** (i.e. – no later than **Thursday, April 10, 2025 at 11:00**). In this respect, the “delivery time” is the time on which the voting card and its attachments have reached the Company’s offices.
- 7.5. A shareholder who is registered in the shareholders' register, will deliver to the Company the voting card together with a photocopy of an identity card or passport or a photocopy of the incorporation certificate, such that the voting card will reach the Company's registered office **up to six hours before the time of convening of the general meeting** (i.e. – until **Thursday, April 10, 2025, at 09:00**).
- 7.6. A shareholder may approach the registered office of the Company and after proving his identity, may withdraw his voting card and Confirmation of Ownership **up to 24 hours prior to the time of convening of the meeting**.
- 7.7. **A shareholder participating in a vote with respect to a resolution on the agenda, will provide the details required as specified in Section 10 below, insofar as the provisions of the section are relevant to him.**
- 7.8. A voting card to which a Confirmation of Ownership is not attached (or alternatively, a confirmation of ownership has not been submitted via the electronic voting system) or with regard to a record shareholder, his identity document, passport, or certificate of incorporation, as applicable, has not been attached, will be invalid.

8. **Voting through the electronic voting system**

- 8.1. As provided hereinabove, a non-registered shareholder may vote on the resolutions that are on the agenda also via the electronic voting system (“**E-Voting Card**”).
- 8.2. A shareholder in whose favor a share is registered with a member of Tel Aviv Stock Exchange Ltd. (TASE) is entitled to receive from the TASE member an identifying number and an access code as well as additional information with respect to the meeting, and after a secure identification process, will be able to vote through the electronic voting system. A shareholder voting via the E-

Voting Card is not required to furnish the Company with a Confirmation of Ownership in the manner specified above.

8.3. The E-Voting Card will be available for voting at the end of the Record Date. Voting by the electronic voting system will end **6 hours before the time of the Meeting** (i.e., on Thursday, April 10, 2025 at 09:00), at which time the electronic voting system will be locked.

8.4. The electronic voting may be modified or revoked until the electronic voting system is locked and may not be modified through the electronic voting system after such time. If a shareholder shall have voted by more than one method, his later vote shall be counted. For this purpose, the vote of a shareholder in person or by proxy shall be deemed later to a vote via an E-Voting Card.

9. **Position statements and response of the Board**

9.1. The last date for delivery of position statements to the Company is **up to ten (10) days before the date of the Meeting**.

9.2. The last date for delivery of the board response to position statements, if and to the extent position statements of shareholders shall be submitted and the board shall elect to submit its response to the said position statements, is no later than **five (5) days before the date of the Meeting**.

10. **Notice of personal interest and disclosure regarding the manner of vote**

10.1. According to Section 276 of the Companies Law, a shareholder participating in a vote regarding the proposed resolutions on the agenda whether himself or by proxy, will notify the Company before the vote at the meeting, or if the vote is by a voting card – on the voting card by an indication on Part B of the voting card in the space designated therefor, if he is considered a controlling shareholder of the Company and/or has personal interest in the approval of the resolutions on the Meeting's agenda or not, and the description of the relevant personal interest, and shall also indicate it in Section 10.3 below.

10.2. The vote of a shareholder who fails to indicate the existence or absence of personal interest and/or of his being a controlling shareholder of the Company (or shall indicate that he has personal interest but fails to specify the nature of the matter), shall not be counted.

10.3. Furthermore, according to the Voting Regulations and according to the directive of the ISA as of November 30, 2011, on the issue of disclosure regarding the manner of voting of interested parties, senior officers and institutional bodies in meetings ("**Directive**"), an interested party, a senior officer and an institutional investor (the "**Voters**") as defined in the Regulations and in the Directive, who are voting at the meeting on resolutions on the agenda, will provide to the Company, within their vote, the details required according to the Regulations and Section 2(b) of the Directive, and if they voted by proxy, then the voter or the proxy shall also provide the details regarding

the proxy. In addition, specification shall be provided regarding any relationship between the voter or the proxy (who does not have a personal interest) and the Company or any of the controlling shareholders or the senior officers, including employment relations, business relations etc., while specifying their nature.

11. Changes in the agenda; the deadline for submission of a request to add an issue to agenda by a shareholder

11.1. After the publication of this Report, there may be changes in the agenda, including adding an issue to the agenda. In such a case, it will be possible to review the latest agenda and position statements in the Company's reports that will be published on the Distribution Website and on the TASE Website.

11.2. A shareholder's request under section 66(b) of the Companies Law to include an issue in the agenda of the General Meeting shall be furnished to the Company up to seven days after the general meeting is summoned. If such a request is made, the issue may be added to the agenda and its details will appear on the Distribution Website. In such a case, the Company will publish a revised Notice Summoning the Meeting no later than seven days after the deadline for the submission of a shareholder's request to include an issue on the agenda, as stated above.

12. Inspection of documents

12.1. A copy of this Report and the relevant documents pertaining to the proposed resolution and the language of the proposed resolution are available for inspection at the Company's offices by prior telephone coordination with the Company's secretariat, at 03-6075555, on Sundays – Thursdays (excluding holiday eves and holidays) between 9:00 and 16:00, until the date of convening of the Meeting, and on the Distribution Website of the ISA and on the TASE Website.

12.2. In addition, the language of the English translation of this Report will also appear on the Company's website at: <https://elronventures.com>.

Part B – Further details regarding Resolution 1.1 on the agenda – Approval of the Terms of Office and Employment of Company's CEO

13. Background

13.1. On January 12, 2025, the Company's Board of Directors approved the appointment of Mr. Yaniv Shnieder (hereinafter: the "CEO") as the CEO of the Company, and he began serving in this position on February 18, 2025 (hereinafter: the "Commencement Date") (see the Company's Immediate Report dated January 13, 2025, reference number: 2025-01-003662). In this context, the Company's Board of Directors (after receiving the approval and

recommendation of the Compensation Committee) approved the terms of office and employment of the CEO, as detailed below.

13.2. The Compensation Committee and the Company's Board of Directors determined that the proposed terms of office and employment are consistent with the Company's Compensation Policy, which was approved by the Company's general meeting on January 2, 2025 (see the supplementary report to the meeting summons, to which the new policy was attached, reference number: 2024-01-621020) (hereinafter: the "**Compensation Policy**").

13.3. In light of the above, the terms of office and employment of the CEO, which take effect starting from the Commencement Date, are brought for the approval of the meeting.

14. Details of the CEO's Education and Experience

14.1 The CEO holds a Bachelor's degree in Computer Science and a Master's degree in Information Management Engineering from the Technion – Israel Institute of Technology.

14.2. The CEO has approximately 25 years of experience in senior development and management roles at Rafael Advanced Defense Systems Ltd. ("**Rafael**"), including serving as Head of the Algorithms Department and as the founder and head of Rafael's development center in Tel Aviv – a multidisciplinary development center with hundreds of employees.

14.3. The CEO served as the Chief Technology Officer (CTO) at RDC Rafael Development Corporation Ltd. (hereinafter: "**RDC**"), a subsidiary of the Company, and as a director at Wonder Robotics Ltd. on behalf of RDC.

15. The CEO is not a family member of an interested party in the Company.

16. Description of the Position and the matters dealt in its framework: The position is CEO position, including performing of all CEO roles under law (including service as an officer in the Company's held companies) and in accordance with the decisions of the Board of Directors.

17. Below is a description of the CEO's proposed terms of office and employment:

17.1. The CEO shall serve in a full time position.

17.2. The CEO's employment agreement is for an indefinite period, starting from the Commencement Date and continuing as long as he serves as the Company's CEO. Either party shall have the right to notify the other party, at any time, of their intention to terminate the CEO's employment, with a prior notice period of 3 months. The Company shall have the right to waive the CEO's services during the notice period, in whole or in part, in which case the CEO shall be entitled to receive the compensation due to him in lieu of the notice period, including all terms and benefits or their equivalent, even in the case of immediate termination of employment.

17.3. Salary

The CEO shall be entitled to a monthly salary (in this Report, " **Monthly Salary**" or "**Gross Salary**" means the monthly salary for the purpose of social contributions (i.e., excluding additional terms, social contributions from the Company, bonuses, equity compensation, and other benefits)) in the amount of NIS 75,000.

17.4. Social and related benefits

17.4.1. The CEO shall be entitled to social and related benefits as customary at the Company and in accordance with law, including a study fund, disability insurance and sick days; annual leave of 24 days, which cannot be accumulated or redeemed above a two year annual quota; recuperation days per law, as updated from time to time according to the law, and entitlement to severance pay (managers Insurance, pension fund or a combination of both, at the CEO's choice), which shall serve, for all intents and purposes, in place of the full severance pay, if the employee is entitled to such, pursuant to Section 14 of the Severance Pay Law, 1963 (hereinafter: "**Severance Pay Law**"), and in accordance with the general approval of the Minister of Labor and Welfare regarding employer payments to a pension fund and an insurance fund in place of severance pay..

17.4.2. The Company shall provide the CEO with a cellular phone (including maintenance expenses) including gross up of the value of the benefit for tax purposes; Company car (including maintenance expenses) at a monthly leasing cost which will not exceed NIS 6,000 (or car expenses in lieu of the above leasing cost); and further reimbursement of expenses related to the fulfilment of his office, in accordance with the Company's policy.

17.4.3. The CEO shall be entitled to a letter of exemption and indemnity as is customary in the Company and as issued to its officers, subject to required approvals in accordance with law. In addition, the CEO shall be included in the Company's D&O policy, in accordance with its terms, as shall be acquired from time to time at the discretion of the Company's corporate organs.

17.4.4. For the sake of completion, it is noted that the Compensation Committee is authorized to approve non-material changes to the terms of office and employment of the CEO, as defined in Section 14.1 of the Company's Compensation Policy, which was last approved at the shareholders' meeting on January 2, 2025 (see the Supplementary Report to the Meeting Summons to which the new policy was attached, reference number: 2024-01-621020).

17.5. Bonuses

17.5.1. In accordance with the Company's Compensation Policy, the CEO shall be entitled to an annual bonus in accordance with measurable criteria in an amount which will not exceed four and a half (4.5) times his gross monthly salary, based on the last salary, while the annual bonus shall be comprised

of the components specified in the Company's Compensation Policy (as shall be from time to time) and will be subject to the terms thereof¹.

17.5.2. For details regarding the ability of the Board of Directors, following the recommendation of the Compensation Committee, to grant an additional equity award in place of granting an annual cash bonus for the measurable component for that year, see Section 5.4.5 of the Company's Compensation Policy.

17.5.3. In addition to the provisions of Section 17.5.1 above, the Company's Board of Directors, following the recommendation of the Compensation Committee, shall be entitled to approve a discretionary bonus of up to one and a half (1.5) gross monthly salaries, subject to, in accordance with, and under the terms set forth in the Company's Compensation Policy, as in effect from time to time.

17.5.4. In addition, the Company's Board of Directors, following the recommendation of the Compensation Committee, shall be entitled to approve the payment of a special bonus of up to two (2) gross monthly salaries, subject to, in accordance with, and under the terms set forth in the Company's Compensation Policy, as in effect from time to time².

17.5.5. Upon termination of his employment with the Company, the CEO shall be entitled to severance payment in accordance with the provisions of the Company's Compensation Policy, at the discretion of the Compensation Committee and the Board of Directors.

17.6. Equity Compensation

The CEO shall receive Options in accordance with an equity compensation plan as set forth in Section 17.10 below. Subject to and in accordance with the terms of the Company's current Compensation Policy (as amended from time to time), in any year when the board of directors decides that no annual cash bonus will be granted for the measurable component for that year, as detailed in Section 5.4.5 of the Compensation Policy, the annual economic value cap of the equity compensation that may be granted to the Company's CEO shall increase in accordance with the cap specified in Section 7.1.2.2 of the Compensation Policy, plus the value of the cap of the annual cash bonus for the measurable component, as detailed in Section 5.4.1 of the Company's Compensation Policy.

17.7. In accordance with the Compensation Policy, throughout the term of the Compensation Policy, the Company is entitled to approve or to act in accordance with plans to grant equity compensation to officers.

¹ For details regarding the Company's current compensation policy, see the supplementary report for convening a meeting to which the new policy was attached (ref. no. 2024-01-621020), included herein by reference, including section 5 to the Compensation Policy regarding the annual bonus.

² For additional details see section 6 to the current Compensation Policy regarding the special bonus.

17.8. On February 24, 2025, the Company's board of directors, following the approval of the compensation committee and based on its recommendation, decided to grant the CEO non-tradable options exercisable into the Company's Ordinary Shares, in the amount specified in Section 17.10 below (hereinafter in this Part B: the "**Options**" or the "**Option Warrants**"), and this as part of the Company's employees and officers option plan approved by the Company's Board of Directors on November 21, 2018, and in accordance with its terms (the "**Option Plan**").

17.9. The allotment of the Options in accordance with the Option Plan shall be implemented as an allocation under the capital gains route through a trustee as defined in Section 102(b)(2) of the Income Tax Ordinance (new version), 5721-1961 (hereinafter: the "**Ordinance**"; the "**Tax Route**"), and subject to Tax Rules (Tax Relief When Allocating Options To Employees), 5763-2003, as updated from time to time (hereinafter: the "**Income Tax Rules**"), and the Options will be granted in accordance with the Company's Option Plan and Compensation Policy.

17.10. The scope of the allotment, the value and quantity of the Options - In accordance with the Compensation Policy, and the resolutions of the Compensation Committee and the Board of Directors made pursuant thereto, the allocation to the CEO will be in terms of the bonus year, where the economic value of the Options allocated to the CEO under this grant shall be in an amount equal to 10 times the gross salary of the CEO for the following grant years, as follows: (a) For each of the years 2025–2026 – three (3) gross salaries; and (b) For the year 2027 – four (4) gross salaries (on a linear basis and not on an accounting basis), all in accordance with the Compensation Policy. Accordingly, the total fair value of the Options to be allocated to the CEO is NIS 750 thousands (hereinafter: the "**Fair Value**").

17.11. **Approval and Allotment Date** – The allotment date shall be the date of approval by the General Meeting, provided that all necessary approvals for the allotment have been received (and if such approvals are not received before this date, the actual allotment date shall be set as the first business day after the date on which all such approvals are received). The allotment is subject to the receipt of all legally required approvals, including the approval of the Tax Authority (including tax rulings), if required, and the approval of the TASE to list all the shares that will derive from the exercise of the Options.

17.12. Details in accordance with Private Offering Regulations

17.12.1. The grant of Options to the CEO constitutes a "material private offering" as defined in Regulation 1 of the Private Offering Regulations.

17.12.2. Offeree Identity

Mr. Yaniv Shnieder, CEO of the Company. The offeree is not an "interested party" within the meaning of the term in Section 270 of the Companies Law.

The Offeree is an interested party in the Company by virtue of his position, as this term is defined in the Securities Law.

17.12.3. The terms of the securities offered to be issued, their quantity and the percentage they will constitute of the voting rights and the issued and paid up share capital of the Company after the allotment and on a fully diluted basis.

The CEO will be allocated 415,121 Options, which, subject to the vesting conditions, may be exercised into 415,121 shares, representing 0.78% of the Company's share capital (after the allocation) and 0.73% on a fully diluted basis³.

The number of Options to be granted to the CEO was determined on February 24, 2025, with the economic value of the options granted to the CEO being equal to 10 salaries of the CEO as mentioned above for the years 2025–2027, as described in Section 17.10 above.

17.12.4. Rights as shareholder

The underlying shares of any Options exercised under the Option Plan (hereinafter: the “**Underlying Shares**”) shall have equal rights to the Company's shares for all intents and purposes and shall be entitled to any dividend or other benefit, such that the date determining the right to receive them applies on the date of allotment of the Underlying Shares or thereafter.

In any event where the offeree is entitled to receive rights and/or bonus shares and/or any other right granted to the offeree by virtue of the Options and/or the Underlying Shares (hereinafter: the “**Rights**”), in accordance with the provisions of the Plan, and provided that on the record date on which the Rights were allocated, the Options and/or the Underlying shares were held by the trustee, then the rights (if any) shall be transferred to the trustee, which shall withhold tax at source according to applicable law, and all the rights shall be allocated to the trustee for the benefit of the offeree and shall be held by the trustee at least until the end of the lock-up period (as defined in section 8.2 to the Option Plan) of the Options with respect to which the rights were granted, and the tax route terms shall apply to these additional rights.

In any event that the Company distributes a cash dividend and on the record date for the dividend distribution, the trustee held Underlying shares for the Offeree, the Company shall pay the dividend to the trustee in respect of such shares. The trustee who receives the dividend in respect of the said shares for each offeree shall deduct tax, if and to the extent that it has not yet been deducted, and shall transfer the dividend it received for each share to the offeree

³ It shall be clarified that this is an amount of maximum underlying shares and maximum shareholding and voting rights percentage deriving from the underlying shares and in light of a net exercise mechanism. In practice, the shareholding percentage will be lower due to the said net exercise mechanism as set forth in section 18.9.9 below.

for which it is held, in accordance with the instructions of the administrator; subject to the provisions of the law; to terms of Section 102 and to the rules of Section 102 in accordance with the tax authorities guidelines.

For adjustments in respect of the distribution of a dividend prior to exercise of an option, see section 17.12.5 below.

17.12.5. Adjustments

- 17.12.5.1. Should the Company distribute to its ordinary shareholders, in the option period (as defined in Section 17.12.10 below), bonus shares, the rights of the offeree shall be preserved as follows: immediately after the record date of the distribution of the bonus shares (hereinafter: and for this section the "**Effective Date**"), the number of shares resulting from the exercise of Options shall increase by the number of shares that the offeree would have been entitled to as bonus shares had he exercised the Options (which were not yet exercised) prior to the Effective Date for the distribution of the bonus shares. The exercise price of each option shall not change as a result of the increase in the number of exercise shares to which the offeree is entitled following the distribution of bonus shares.

It is hereby clarified that the number of Underlying Shares to which the offeree is entitled shall be adjusted only in the event of the distribution of bonus shares, as stated in this subsection above, but not in the case of any other offerings (including issuances to interested parties). It is also clarified that the offeree's right to increase the number of shares due to the distribution of bonus shares as aforesaid shall apply in practice only in respect of Options actually exercised by the offeree under the terms of the Plan.

The Company shall maintain a sufficient number of ordinary shares of par value in its registered capital, to ensure the execution of the right to exercise the Options offered by it and, if necessary, increase its registered capital. The said provisions shall be subject to a tax ruling of the Tax Authority, if any. It is also clarified that other provisions in the Plan relating to the Underlying Shares shall also apply to the bonus shares added to the Underlying Shares as aforesaid, *mutatis mutandis*.

- 17.12.5.2. Unless otherwise determined in accordance with the authority of the Administrator under the Plan, in any case of a merger, split and/or other restructuring of the Company, the Options or the Underlying Shares held by the trustee, which were allotted under the Plan will be canceled and/or sold and/or be exchanged and/or converted in exchange for cash or in exchange for alternative options and/or an alternative share of the Company or of the new company, as the case may be, and following the merger, split and/or other restructuring of the Company as aforesaid, an action and/or adjustment shall be made in connection with the Options and/or the Underlying Shares held by the trustee, and its terms (including the possibility to pay in consideration thereof a certain sum as determined by the Board of Directors), all subject to the absolute discretion of the Company's Board of Directors, subject to the provisions of the Options award letter and to additional

approvals as required by law, and without obtaining the consent of the offeree, including with respect to one or more of the following:

- 1) If and how the vesting period of the unvested Options shall be accelerated and if the Options whose vesting period is not accelerated, will be canceled, sold, redeemed by the Company or exchanged in Options of another company, and to accordingly perform changes in the exercise price, if and to the extent required;
- 2) If and how vested Options (including Options whose vesting period has been accelerated as aforesaid) shall be canceled, exercised, exchanged and/or sold by the trustee or the company (as the case may be) for the offeree;
- 3) How the Underlying Shares held for the benefit of the offeree by the trustee shall be exchanged and/or sold and/or converted by the trustee for the offeree; and also
- 4) Prescribe any instruction and carry out any action and/or adjustment in connection with the Options and their terms, to the extent required by its discretion.

17.12.5.3. In the event of a rights issue by the Company to the shareholders, the exercise price shall be adjusted to the rights' benefit component, such that the exercise price will be divided by the rights' benefit component. For this purpose, the "rights benefit component" means: the ratio between the closing price of the share on TASE on the last trading day before the "x" date and the base price of the share "x rights".

17.12.5.4. If the Company distributes a cash dividend to all of its shareholders, and the date determining the right to receive this dividend applies after the date of grant of the Options, but before their actual exercise date, the exercise price of each option not exercised before the end of the above effective date shall be reduced by the full amount of the gross dividend per share which was distributed. It is hereby clarified that if the Company distributes a cash dividend as stated in foreign currency, the gross amount of the dividend per share that will be deducted as aforesaid from the exercise price shall be calculated in the currency in which the exercise price was determined, at the representative rate of the said effective date or alternatively at the representative rate on the payment date of the dividend. For the avoidance of doubt, the exercise price shall in no event be less than the par value of the share.

17.12.5.5. In any event of a split or consolidation of the Company's share capital, the Company will make the necessary changes or adjustments to prevent dilution or an increase in the offeree's rights under the Plan with respect to the number of Underlying Shares in respect of Options not yet exercised by the offeree and

not yet expired and/or in relation to the exercise price of each option.

17.12.5.6. In the event that as a result of the adjustment specified above, the Company is required to allocate fractions of a share, the Company shall not allocate fractions of such share, and the number of rights allocated to the offeree shall be rounded to the nearest whole number (upward or downward, as the case may be).

17.12.5.7. It is hereby clarified that no conversion of Options into shares of the Company on the record date for distribution of bonus shares, dividend distribution, rights offering, capital consolidation, split or capital reduction (each of which shall be called a "**Company Event**") shall take place.

17.12.5.8. Moreover, it is clarified that where the x-day of a Company Event occurs prior to the record date of a Company Event, no conversion shall be made on the x-day as aforesaid.

17.12.5.9. It should be clarified that the aforesaid in Section 17.12.5 above is subject to the instructions of the TASE and of any other stock exchange on which the Company's shares shall be traded, as shall be from time to time.

17.12.6. The price of the offered securities and their price on the TASE of the same series on the day preceding the date of publication of the immediate report, and the ratio in percentages between them

17.12.6.1. The Options shall be allotted to the offeree for no consideration at the time of their allotment and the exercise of the Options into shares.

17.12.6.2. In accordance with the Compensation Policy and the Compensation Committee's and Board of Directors' resolutions, the exercise price of all Options as set forth in section 17.12.7 below, shall be the higher of: the average share price from the 30 trading days preceding the date of the Board of Directors' resolution; or the share price at the end of the trading day on February 24, 2025 (the last trading day before the Board of Directors' resolution) of NIS 4.754, plus a 10% premium on the said price, i.e., NIS 5.229 (the "**Exercise Price**").

17.12.6.3. The closing price of the Company's share on the TASE on March 4, 2025 is NIS 4.674 (hereinafter: the "**Closing Price**"). The ratio between the Closing Price and the Exercise Price is 1:1.12.

17.12.7. Vesting periods and Option grant tranches

17.12.7.1. Subject to the CEO being an employee or a service provider who is serving as an office holder in the capacity of a service provider in the Company or in a company of the Company's group⁴, on each tranche's vesting date (unless the termination of employment in the Company or in a company of the Company's group was the result of death or disability (as defined in the Option Plan) as mentioned in Section 17.12.8 below)⁵:

A. 1/3 of the Options will vest after one year of their Allotment Date (hereinafter: "**First Tranche**");

B. 1/3 of the Options (hereinafter: "**Second Tranche**") will vest after two years of their allocation;

C. 1/3 of the Options (hereinafter: "**Third Tranche**") will vest after three years of their allocation;

17.12.7.2. The number of Options in every tranche shall be rounded down for each fraction of an option lower than 0.5, and rounded up for each fraction of an option equal to or greater than 0.5.

17.12.7.3. The vesting periods mentioned in section 17.12.7 above are consistent with the provisions of the Company's Compensation Policy with respect to vesting periods of a variable remuneration equity component.

17.12.8. Accelerated Vesting In accordance with the Compensation Policy, the grant letter to be delivered to the CEO will state that, without derogating from the powers of the plan administrator⁶, vesting will be accelerated for all unvested options in the event of death, disability, medical reasons, and a change of control in the Company that results in the cessation of trading in the Company's shares. Additionally, a provision will be established for the acceleration of options in the event of termination of employment resulting from a transfer or change of control, in which case the acceleration will apply to the next unvested tranche.

17.12.9. Manner of exercising Options

17.12.9.1. Options will be exercised by way of net realization (i.e. by the value of the benefit inherent in them "cashless"), so that the exercise price will be theoretical only, for the purpose of calculating the value of

⁴ The "Company's group" is defined in the Company's current Compensation Policy as a company and/or a subsidiary and/or related companies and/or held companies and/or controlling shareholder in the Company. "Control" is defined in the Company's current Compensation Policy as defined in the Companies Law, unless otherwise defined.

⁵ In accordance with the provisions of the Option Plan, any period during which the offeree is on unpaid leave (except in cases of maternity leave, illness or absence due to military reserve service) shall be added to the vesting period above, and the vesting dates shall be postponed accordingly.

⁶ In accordance with the provisions of the Option Plan: "The Company's Board of Directors or the Company's Compensation Committee or another committee (comprising two or more members) appointed by the Company's Board of Directors and authorized by it to manage this Plan in accordance with any applicable law."

the benefit in accordance with the provisions of the Option Plan and not actually paid by the CEO.

17.12.9.2. The exercise of the options by the offeree will be done by sending a written exercise notice, signed by the offeree, to the Company's registered office and to the Trustee. The notice will include, among other things, the name and identification number of the offeree, the number of options the offeree wishes to exercise, and the exercise price for them (hereinafter: the "**Exercise Notice**"). The Exercise Notice shall be delivered to the Company and the Trustee (if applicable) on a trading day no later than 13:00. If received after 13:00, the Exercise Notice will be deemed to have been received on the next trading day (hereinafter: the "**Exercise Notice Receipt Date**"). The Plan Administrator may modify the wording of the Exercise Notice or the method of its submission.

17.12.9.3. On the first trading day following the Exercise Notice Receipt Date (hereinafter: the "**Exercise Date**"), the Company will allocate the exercised shares to the Trustee (in accordance with the applicable trust period) or to the offeree, as applicable, provided that the Exercise Notice was received when it is completed and signed by the offeree, and the full exercise consideration was paid. In accordance with the net exercise mechanism, the number of exercised shares will be calculated according to the following formula:

$$\frac{(A \times B) - (A \times C)}{B}$$

| | | |
|----------|---|--|
| A | = | The number of options the offeree wishes to exercise as specified in the Exercise Notice |
| B | = | The closing price in NIS of the Company's share on the TASE on the trading day preceding the Exercise Date |
| C | = | The exercise price in NIS for each option as specified in the grant letter |

17.12.9.4. In any event where, as a result of the calculation detailed above, the Company would be required to allocate fractional shares, the Company will not allocate such fractional shares. The number of shares to be allocated to the offeree shall be rounded down for any fraction of a share lower than 0.5, and rounded up for any fraction of a share equal to or greater than 0.5

17.12.9.5. In any allocation of exercise shares, the Company shall capitalize the nominal value of the exercise shares allocated from profits as defined in Section 302(b) of the Companies Law, from share premium, or from

any other source included in its equity in its financial statements, all in accordance with and subject to the provisions of Section 304 of the Companies Law, 1999

17.12.10. Option Period

Unless expired earlier in accordance with the provisions of the Option Plan, each Option granted but not exercised under the Option Plan, including a vested Option, shall be exercisable as of its vesting date and shall expire and be annulled at the end of a period of five (5) years from the Allocation Date (hereinafter: the “**Option Period**”). Subject to receipt of the approvals by law, the administrator may decide, in its sole discretion, that certain circumstances justify an extension of the Option Period, subject to the Compensation Policy.

17.12.11. End of Engagement

In the event of termination of employment of, or service by, the offeree to the Company for any reason (hereinafter: “**End of Engagement**”) that is not explicitly described in this Section 17.12.11, then:

17.12.11.1. The right of the offeree to exercise Options granted to him under this Option Plan shall only be for the Options that the right to exercise has been vested until the date of termination of the employment or service and they may be exercised, if they have not expired earlier, on the earlier of: (a) 90 days from the date of termination of the employment or service, as the case may be; or (b) the expiration date of the Option Period. The offeree's entitlement to the remaining Options granted to him shall expire.

17.12.11.2. Termination of employment or service for Cause

The administrator may prescribe limitations on the exercise of Options, including provisions regarding cancellation of grant of Options, whether vested or not, granted to the offeree, if his employment by or service to the Company (or any related company, as the case may be) is terminated for Cause⁷.

17.12.11.3. Change of place of employment

Unless otherwise determined by the administrator, the offeree's right to the Options granted to him under the Option Plan or the right to its vesting shall not end or expire only as a result of the

⁷ "Cause" - in connection with the termination of an employer-employee relation of an offeree or termination of service or tenure of an offeree at the Company or at a related company - cause or basis for termination of such employment or service or tenure, for an act or omission that denies severance pay in accordance with the provisions of the law, including but not limited to: dishonesty towards the Company or a related company, malice, breach of fiduciary duty, disclosure of confidential information about the business of the Company or a related company, behavior that harms the business of the Company or a related company, and material breach by the offeree of: (1) the employment or service agreement, (2) any other obligation to the Company or the related company.

fact that the offeree has relocated to serve as an employee or officer or service provider at the Company and/or a related company or vice versa or from a related company to another related company.

17.12.11.4. Exceptions

In exceptional cases relating to the end of employment relations between the Company or a related company to a specific offeree or events related to the Company itself, the administrator may, at its sole discretion, extend the periods specified in Sections 17.12.11.1 to 17.12.11.3 above.

17.12.12. The Trust Arrangement and the Offeree's Taxation

17.12.12.1. The Options shall be allocated to the offeree in accordance with the provisions of Section 102 of the Ordinance, and the rules thereof according to the capital gains through a trustee tax track, as defined in section 102(b)(2) to the Ordinance. According to the Company's Option Plan and Compensation Plan, including the provisions under Section 8.2 of the Option Plan regarding the provisions pertaining to the grant through trustee tracks, the Options shall be allotted to a trustee who shall hold in trust for the offeree the Options and the Underlying Shares following the exercise of the Options.

17.12.12.2. The lock-up period of the Options for the purposes of the tax provisions, and without derogating from the provisions of Section 17.12.7 above, shall be 24 months from the date of allotment of the Options to the trustee for the benefit of the offeree or for a different period, as shall be determined in any amendment to Section 102 of the Ordinance and the rules that shall apply to the offeree (hereinafter "**Trust Period**" or "**Lock-up Period**").

17.12.12.3. During the Trust Period and subject to the terms of Section 102 and to the rules, an offeree shall not be able to receive from the trustee Options or Underlying Shares granted and/or exercised pursuant to the Option Plan by the offeree, sell such Options or Underlying Shares, or to perform any action with the Options or with the Underlying Shares as aforesaid, including following their vesting period, unless an appropriate approval has been received from the tax authorities, including confirmation of the continued application of the exemption under section 102 of the Ordinance with regard to the said Options and/or the Underlying Shares. If an offeree will instruct to sell or transfer from the trustee the Options or the Underlying Shares as aforesaid before the end of the period (hereinafter: "**Breach**"), the Offeree shall pay all the taxes due to the Breach pursuant to Section 7 of the Section 102 Rules. Until all taxes

are paid pursuant to Section 7 of the Section 102 Rules, such rights may not be transferred, assigned, pledged or mortgaged, and the offeree shall not be able to grant any power of attorney or transfer deed, whether for immediate or future use, except for actions as stated in Section 17.12.20.5 below and subject to its provisions).

17.12.12.4. The Underlying Shares and the additional rights that were allotted by the Company to the trustee shall be held by the trustee in favor of the offeree for a period not to exceed 3 years from the date of termination of the Option Period. The Administrator shall instruct the trustee as to the manner of transfer of the Underlying Shares and the aforesaid additional rights to the offeree.

17.12.12.5. The plan shall be subject to, construed by and shall comply with all the requirements of the Ordinance as a whole, and Section 102 and the Section 102 Rules in particular, and any written approval from the Israeli tax authorities. All tax implications in accordance with any law deriving from it, inter alia, as a result of the grant of Options (or any other security that is allocated under the Plan) by or for the offeree, shall be paid by the offeree. The offeree shall indemnify the Company and/or the trustee and/or a related company, as the case may be, and shall hold them harmless for any liability for any payment of any tax or fine, interest or indexation. If the Company chooses to grant Options under the terms of the income tax route without a trustee, and if before the exercise of any or all of the aforesaid Options, the offeree ceases to be an employee, service provider, officer or director of the Company or of the related company, the offeree shall submit the Company with a guarantee or any other security required by law for securing the payment of the appropriate tax upon the exercise of the said Options.

17.12.13. The Fair Value of the Options

The calculation of the amount of Options shall be made on the Allotment Date, as defined above, as a derivative of the fair value of the Options to the CEO which is NIS 750,000 according to Black & Scholes (hereinafter - the "**Fair Value**"). For the purpose of calculating the number of Options deriving from the Fair Value, the calculation of the number of Options given the Fair Value was based on the following assumptions:

- A. A share price which is the higher of the average price of the Company's share on the TASE during the last 30 trading days prior to February 24, 2025 and the share price at the end of the trading on February 24, 2025 (soon after decision of the Compensation Committee and the Board of Directors), NIS 4.754, plus a 10% premium.

- B. Accordingly, the exercise price of the Options - NIS 5.229.
- C. The expected duration of the Options - the Options granted to the CEO are for a contractual period of 5 years from the date of grant. It was assumed that the Options will be exercised at the end of 5 years from the date of grant.
- D. Options tranches - the Options shall vest in three equal tranches over a period of three years.
- E. Expected volatility - The historical standard deviation of the Company was used for a period consistent with the expected duration of the Options at the date of grant. The volatility used in calculating the option's fair value is 39.66%.
- F. The exercise price of the Options is subject to adjustments in respect of the distribution of dividends and bonus shares, and therefore it was assumed that the expected dividend rate is 0.
- G. Risk-free interest rate - The interest rate taken is consistent with the expected duration of the Options and based on data of the Israeli government bonds that are not indexed to the CPI. The interest rate used in the calculation of the option's fair value is 4.16%.
- H. The option value is approximately NIS 1.8067.

17.12.14. The Company's issued and paid up share capital

The issued share capital of the Company prior to the allotment specified in this report is 52,861,186 ordinary shares of the Company of NIS 0.003 par value each.

17.12.15. Interested Parties' Holding Percentages

| Holder name | On March 2, 2025 ⁸ (prior to allotment of Options subject of this Report) | | Immediately after private allotment | | After the private allotment and assuming the exercise (by the offeree) of the full amount of Options offered ⁹ | | On a fully diluted basis (exercise of all existing and offered convertible securities of the Company) ¹⁰ | |
|--|---|---------------------------------|--|---------------------------------|--|---------------------------------|---|---------------------------------|
| | No. of shares | % of equity and voting | No. of shares | % of equity and voting | No. of shares | % of equity and voting | No. of shares | % of equity and voting |
| Arieli E.L Ltd | 31,194,982 | 59.01 | 31,194,982 | 59.01 | 31,194,982 | 58.55 | 31,194,982 | 54.77 |
| The Phoenix Investment House Ltd. – Mutual Funds Management Companies | 24,189 | 0.05 | 24,189 | 0.05 | 24,189 | 0.05 | 24,189 | 0.04 |
| The Phoenix Holdings Ltd. - Provident Funds and Provident Fund Management Companies | 3,248,267 | 6.14 | 3,248,267 | 6.14 | 3,248,267 | 6.10 | 3,248,267 | 5.70 |
| The Phoenix Investment House Ltd. - Market Maker | 15.19 | 0.00 | 15.19 | 0.00 | 15.19 | 0.00 | 15.19 | 0.00 |
| Dan Hoz | - | - | - | - | - | - | 646,100 | 1.13 |
| Roni Gur Arie | - | - | - | - | - | - | 355,859 | 0.62 |
| Yaniv Shnieder | - | - | - | - | 415,121 | 0.78 | 415,121 | 0.73 |

17.12.16. Consideration details

The Options shall be allocated to the CEO without any monetary consideration as part of the terms of office and employment. As aforesaid, the exercise price is theoretical only and shall not actually be paid to the Company.

⁸ It is clarified that this Report includes the data known to the Company regarding the holdings of interested parties as of December 31, 2024 (as reported in the Company's latest holdings report dated January 7, 2025, reference number: 2025-01-002727) and includes changes that have occurred regarding the Company's senior officers from December 31, 2024, until the date of this Report.

⁹ It shall be clarified that this is an amount of maximum underlying shares and maximum shareholding and voting rights percentage deriving from the underlying shares and in light of a net exercise mechanism. In practice, the shareholding percentage will be lower due to the said net exercise mechanism.

¹⁰ Including exercise of options granted to additional officers of the Company, who are not directors, as stated in Section 17.8 above, under similar assumptions for the calculation of the amount of options proposed for approval to the CEO as stated in this Report.

17.12.17. The name of any substantial shareholder or officer of the Company which, to the best of the Company's knowledge, has a personal interest in the consideration and the nature of the personal interest of each of them

To the best of the Company's knowledge, except for the CEO's personal interest in the allotment of the Options, no substantial shareholder or officer of the Company has a personal interest in the Consideration.

17.12.18. The required approvals or the conditions prescribed for the performance of the allotment pursuant to the offer, whether they were accepted or fulfilled, and if not, at what date they are expected to be received or to exist

The allotment of the Options to the CEO pursuant to this Report shall be made after receipt of the cumulative approvals detailed below, and their receipt is a precondition for the grant to the offeree:

- A. The approvals of the relevant organs in the Company as required by law. On February 24, 2025, the Company's Board of Directors approved the grant of the Options, after the approval of the Compensation Committee. Therefore, the approval of the General Meeting convened pursuant to this Report is still required.
- B. Obtaining all the required approvals from the TASE, including listing for trading the underlying shares deriving from the exercise of the Options.

17.12.19. Agreements between the Offeree and the shareholders or other Company's Offerees

To the best of the Company's knowledge, there is no agreement between the CEO and a shareholder of the Company regarding the purchase or sale of the Company's securities or voting rights therein.

17.12.20. Description of prevention or restriction in carrying out transactions with the securities offered which will apply on the offeree, in accordance with the TASE articles, in accordance with law or a commitment undertaken by the offeree, to the Company's best knowledge

17.12.20.1. In accordance with the provisions of the Securities Law and the Securities Regulations (Details regarding Sections 15A to 15C of the Law), 5760-2000, the Offeree will be subject to restrictions on the resale of the shares that will derive from the exercise of the offered Options pursuant to the provisions of Section 15C of the Law and the said Securities Regulations which shall be from time to time, when the allotment to the offeree shall be deemed an allotment under Section 15A (a) (1) of the Law.

17.12.20.2. Subject to the contents of the Option Plan, the trustee shall not perform any transaction or action with the Options

and/or the Underlying Shares, shall not transfer, assign, withdraw, foreclose or pledge them voluntarily and shall not issue a power of attorney or a deed of transfer for them, whether with immediate or future effect, other than a transfer by virtue of a probate will or by law, except following payment of the applicable tax due from their allotment or after securing such tax payment; If the shares were transferred by virtue of a probate will or by law, the provisions of Section 102 and the provisions of the 102 Rules shall apply to the offeree's heirs or transferees, as the case may be. The trustee shall not transfer the Options to any third party, including the Offeree, except in accordance with instructions received from the administrator.

17.12.20.3. The Options and all the other rights of the Offeree under the option plan, and during the Lock-Up Period - the underlying shares and any rights deriving therefrom - may not be transferred, assigned, sold, pledged or foreclosed, and no right may be granted to any third party other than to transfer to heirs by law subject to the terms of the Plan and the Options and subject to the Lock-Up Period and the provisions of Section 102 and the 102 Rules.

17.12.20.4. Prior to the payment of the applicable tax as stated in Section 102 to the Ordinance and the rules, or prior to securing its payment, Options or Underlying Shares may not be transferred, assigned, pledged, foreclosed or otherwise voluntarily encumbered, and no power of attorney or transfer deed, whether immediate or of future effect, may be issued, except by virtue of a probate will or by law; If the Options or the Underlying Shares were transferred by virtue of a probate will or by law as aforesaid, the provisions of section 102 to the Ordinance and the rules shall apply to the Offeree's heirs or transferees.

17.12.20.5. Transfer of rights to Options or to underlying shares granted under this plan and/or rights deriving therefrom pursuant to a probate will or in accordance with the law shall be valid and binding on the Company only after the Company has been furnished with the following notarized documents:

- A. Written request for transfer and a copy of a legal document that creates or confirms the right of such person to act in relation to the Offeree's estate and which creates or approves the right of the transferee;
- B. Written consent by the transferee to pay any amount in respect of the Options or the underlying shares and consent to pay any payment required in accordance with the provisions of the Option Plan and consent to comply with all the provisions of the Option Plan and the Options award letter;
- C. Any other evidence required by the Administrator in order to establish the right to transfer the Options or the underlying

shares granted under the Option Plan and/or any right deriving therefrom, and the validity of the transfer.

17.12.21. Options Grant Date

The Allocation Date is as set forth in Section 17.11 above.

17.12.22. Administrator's Authorities

Subject to the provisions of the Law, the Company's Articles of Association, the Compensation Policy and any other resolution of the Company's Board of Directors, the Administrator or a Board of Directors' committee so authorized by the Board of Directors, shall be authorized, in its sole discretion, to exercise all powers and authorities (subject to Board of Directors' approval, if such an approval is required by law) and to interpret, whether such powers and authorities have been expressly given to them in the Option Plan or whether such powers or powers are required or desirable for the purpose of administering the plan, including:

A. To determine:

- 1) Who shall be the offerees under the Plan, number of Options to be granted to each offeree in accordance with the Compensation Policy, the vesting conditions, the vesting and lock-up periods for each offeree and the exercise price of the Options (subject to the approval of the authorized organs, if such approval is required by law);
- 2) Date or dates at which Options will be granted;
- 3) Whether, to which extent and under which circumstances, shall it be possible to repay, cancel, foreclose, replace, return to the Company or waive Options or an underlying share held in trust;
- 4) Any provision or condition according to which Options are granted, in addition to those specified in the Option Plan;
- 5) Whether all or part of the Underlying Shares are allocated out of dormant shares of the Company, including those that the Company intends to purchase for this purpose;
- 6) To resolve whether to deposit shares, in advance in trust in the hands of the trustee, that are to be purchased for the purpose of their grant to the trustee in favor of the offerees as underlying shares.
- 7) To approve adjustments in the terms of the Options whose manner of execution was not explicitly determined in accordance with the provisions of the Option Plan;
- 8) Take any measures or actions necessary or desirable for the management and implementation of the Option Plan.

B. Interpret any provision of the Option Plan and take any action required as a result of this interpretation, including:

- 1) In accordance with the provisions of the Option Plan for vesting acceleration, to accelerate the dates according to which the Options are to be vested;
- 2) Exercise the powers vested in it in accordance with the provisions of the Option Plan;
- 3) If necessary - to interpret and guide how each of the provisions of the Option Plan has to be implemented.

Notwithstanding the foregoing, any interoperation, resolution or action of the Administrator will not contradict the provisions of Section 102 and the rules, and any waiver or amendment of a term of the Option Plan, which are not set forth under the Option Plan or under the grant letter, will not significantly derogate from the rights of the offerees under the option granted under the Option Plan, unless consented in advance by those offerees.

18. Specification of terms of office and employment

18.1. Following is a summary of the maximum compensation (including receiving 100% of the annual bonus cap but excluding a special bonus equal to 2 salaries, which the company has not paid to any previous CEO) of the CEO's expected compensation, according to the proposed terms of office and employment (including the grant of Options to the CEO), insofar as they will be approved by the general meeting, under the assumption that the CEO will serve for a full calendar year and under the assumption the CEO will serve until the end of the year (in terms of gross salary, NIS in thousands):

| Details of the receiver of the compensation | | | | Compensation for services | | | Total |
|---|---------------------|--|--------|----------------------------|-----------------------------------|-------|-------|
| Position | Scope of office (%) | Rate of holding in the corporation's share capital ¹¹ (%) | Salary | Annual Bonus ¹² | Equity Compensation ¹³ | other | |
| CEO | 100% | 0.73% | 1,269 | 450 | 250 | - | 1,969 |

18.1.1. Ratio between fixed and variable components

The ratio according to expected data for 2025 (given theoretical entitlement to a maximum¹⁴ cap for the annual bonus for 2025 and the equity compensation) between the annual cost of the variable components and the annual total cost of the CEO's terms of office and employment for 2025 (assuming the CEO serves for a full calendar year and remains in office until the end of the year), will be approximately 28%.

18.1.2. The Ratio between the CEO's terms of office and employment and the terms of service of the Company's employees.

¹¹ With respect to the rate of holdings in the Company's share capital it should be clarified that the holding rate is based on a fully diluted basis and an assumption of maximum exercise. In practice, the holdings may be lower due to the existence of a net exercise mechanism. This holding rate includes the shares that will result from the allocation being submitted for approval.

¹² The actual amount of the annual bonus shall only be determined following the end of the year, based on the same year's results. The indicated sum is the CEO's annual bonus cap based on the proposed terms.

¹³ The amount of the equity compensation is spread over three years of vesting.

¹⁴ Including a special annual bonus as detailed above.

The expected cost of the CEO's terms of office and employment for 2025 (assuming the theoretical entitlement to the maximum cap for the annual bonus for 2025) is approximately 3.5 times the average cost and approximately 3.8 times the median cost of the terms of employment of the Company's employees¹⁵ (including other Company officers, with the exception of the CEO, based on the expected data for 2025 and assuming the CEO serves for a full calendar year).

18.1.3. The total salary cost expected to be paid to the CEO for a one-year period under the proposed terms of office and employment (including bonuses and equity) will be approximately 1 million NIS less than the total salary cost to the outgoing CEO. The bonus cap, which is calculated based on the gross salary, will be calculated accordingly.

18.2. Process for approval of the grant of Options to the CEO and reasons of the Compensation Committee and the Board of Directors for the approval

18.2.1. The following data and information have been reviewed and considered, inter alia, during the meetings of the Board of Directors and of the Compensation Committee:

- 18.2.1.1. The Company's Compensation Policy and Option Plan;
- 18.2.1.2. The terms of office of the outgoing CEO;
- 18.2.1.3. The terms of employment of the Company's employees (including the data required for reference pursuant to the Companies Law);
- 18.2.1.4. An economic opinion prepared by the Appraiser for the purpose of calculating the number of Options derived from the Fair Value;

18.2.2. The members of the Compensation Committee who participated in the Committee's meeting approving the terms of office and employment are: Barak Mashraki (External Director and Chairman of the Committee), Ronit Ritz-Bueno (External Director) and Shalom Tourgeman (Independent Director).

18.2.3. The members of the Board of Directors who participated in the meeting of the Board of Directors approving the terms of office and employment were: Lisya Bahar Manoah (Chairperson), Evan Renov, Ariel Bentov, Barak Mashraki (External Director), Ronit Ritz-Bueno (External Director), Dan Hoz and Shalom Tourgeman (Independent Director).

18.2.4. Compensation Committee and the Board of Directors reasons for approving the resolution on the agenda regarding the CEO:

¹⁵ The Company does not regularly employ subcontractors, but only occasionally and for limited and defined periods of time. Accordingly, it appears that examining the ratio between the terms of office and employment of the Company's CEO and the employment terms of subcontractors is not relevant.

- A. The CEO has proven, extensive, and diverse managerial, technological, and business experience.
- B. The proposed compensation terms were determined, among others, in view of the CEO's education, qualifications, expertise and professional experience
- C. The CEO is familiar with the Company's business areas, as well as with the operations of the subsidiary RDC.
- D. The terms of office and employment for the CEO have been reviewed in accordance with legal requirements and are consistent with, and based on, the Company's amended Compensation Policy. In light of the recent amendments to the aforementioned policy, they are lower when compared with the employment terms of the immediately prior CEO¹⁶.
- E. The maximum ratio between the fixed component and the variable component in the CEO's employment terms, as reflected in the caps which were determined, is proportionate and balanced, given the Company's field of business.
- F. The ratio between the fixed compensation and the variable compensation (including equity compensation in options) in the CEO's employment terms is proportionate and balanced, considering the scope of responsibility imposed on the CEO and the desire to incentivize the CEO to achieve the Company's goals. It aligns with the ratio established for this purpose in the Compensation Policy.
- G. The grant of Options is in line with the interests of the Company and shall strengthen the CEO's identification with the Company. The total remuneration proposed to the CEO includes components intended to secure the CEO's activity for the purpose of maximizing the Company's profits both in the short term and in the medium and long term.
- H. The Options' terms, including the amount of Options and their vesting periods, are in compliance with the guidelines determined for officers under the Company's Compensation Policy approved by the General Meeting of the shareholders.
- I. The Option Plan and the grant of Options to the CEO aim to balance between the fixed and variable components – the equity compensation, in order to ensure that the variable components do not create a conflict of interest and encourage taking unreasonable risks. The amount of Options at the Allocation Date is limited by a cap which is aligned with the limitations set forth in the Compensation Policy, such that the connection between the fixed component and the variable component

¹⁶ The main distinctions between the terms of office and employment of the incoming CEO and those of the outgoing CEO are that the incoming CEO's monthly salary will be NIS 75,000 compared to a salary of NIS 85,000 for the outgoing CEO (which was linked to the index and, as of the end of his term, stood at approximately NIS 98,000). Additionally, the annual bonus cap for the incoming CEO will be six (6) monthly salaries, compared to an annual bonus cap of nine (9) monthly salaries for the outgoing CEO. Furthermore, due to the Company's new Compensation Policy, the amount of the special bonus that can be granted has been reduced from six salaries to two salaries, and the new policy does not allow for a bonus based on the increase in the share value instead of granting equity-based compensation.

is preserved and the variable component is capped at the Allocation Date.

- J. The recommendation to approve the grant of Options to the CEO is provided after examination of the ratio between the CEO's office and employment terms and the salary cost of the other Company's employees. The Compensation Committee and the Board of Directors estimate that the gaps should not have an influence over the labor relations in the Company.
- K. The Compensation Committee and the Board of Directors of the Company were presented with data pertaining to the ratio between the terms of office and employment of the CEO and the median and average salary of the other Company's employees. It is noted that due to the fact that the Company is a holding company with a reduced management headquarters, in the estimate of the Compensation Committee and the Board of Directors, these ratios have less significance in the Company. The Compensation Committee and the Board of Directors found that these ratios have no effect on the employment relations in the Company. In light of the foregoing reasons, approval of the terms of office and employment offered to the CEO, including the approval of the grant of Options to the CEO, are reasonable and fair in the circumstances
- L. There were no dissenting votes at the Compensation Committee and the Board of Directors for the approval of the proposed terms of office and employment.

19. The identity of the Controlling shareholder and the rights conferring control over the company

Arieli E.L. Ltd. ("Arieli") is considered a controlling shareholder of the company, by virtue of its holdings as of the date of this report of 59.01% of the issued share capital of the company and the voting rights in the company (and approximately 55.17% of such rights on a fully diluted basis).

20. Directors with a personal interest and the nature of their personal interest

None of the members of the Board of Directors has a personal interest in the resolution under Section 1.1 above.

Part C – Additional Details Regarding the Detailed Resolution on Item No. 2 on the Agenda (Section 1.2) – Approval of Measurable Targets for the Chairperson of the Company’s Board of Directors as Part of Her Terms of Office and Employment

1. Background

1.1. On September 4, 2024, Ms. Lisyah Bahar Manoah was appointed as the Chairperson of the Company’s Board of Directors (“Ms. Bahar Manoah” or the “Chairperson of the Board”).

1.2. Ms. Bahar Manoah is one of the controlling shareholders of the Company, and therefore, she is subject to the rules established in the Israel Securities Authority’s position regarding permissible bonuses. In addition, according to the provisions of the Companies Law, 1999 (the “Companies Law”), her terms of office and employment, including their various components, constitute a transaction between the Company and its controlling shareholder.

1.3. Under the Company’s new Compensation Policy, which was approved by the General Meeting of Shareholders on January 2, 2025, provisions were set regarding compensation for a Chairperson of the Board who is also a controlling shareholder (see Section 9.4 of the Compensation Policy). According to these provisions, the Company may grant an annual bonus to the Chairperson of the Board, based on measurable components determined in accordance with the legal requirements and the guidelines of the Israel Securities Authority regarding compensation to a controlling shareholder.

1.4. On January 2, 2025, the General Meeting approved the terms of office and employment of Ms. Bahar Manoah as the Chairperson of the Board (the "**Terms of Office and Employment of the Chairperson**"), which included the fixed terms of her office. It was also determined, subject to the approval of the Compensation Committee, the Board of Directors, and the General Meeting of the Company, that in addition to the bonus component of 3 grant units as defined in the terms of office and employment of the Chairperson¹⁷, the criteria for which will be set by the Compensation Committee and the Board of Directors, the Chairperson will also be entitled to an additional annual bonus of up to five (5) grant units, for meeting criteria pre-approved by the aforementioned corporate bodies concerning a specific period, which may exceed one year.

1.5. Therefore, on February 24, 2025, the Company’s Board of Directors (after the approval of the Compensation Committee and subject to the approval of the General Meeting) approved the measurable criteria for an annual bonus of 5 grant units as detailed in Section 2 below, as part of the Chairperson’s terms of office and employment, for the year 2025 (the “Criteria”).

¹⁷ "Grant Unit" is defined as a total of NIS 95,000 (linked to the index), in accordance with scope of employment of approximately 80% (hereinafter: "the **Grant Unit**")

2. List of Criteria Determined by the Compensation Committee and the Company's Board of Directors for Approval by the General Meeting:

| Target No. | Relative Weight (%) | Criteria |
|------------|---------------------|--|
| 1 | 35% | At least 2 new investments in deep technology fields (deep tech, including defense tech), cybersecurity, and/or software (SaaS). |
| 2 | 33% | Maintaining general and administrative expenses (headquarters expenses) at a sum not to exceed \$2.9 million at Elron (solo)*. |
| 3 | 32% | Improving the "Elron" brand image, reflected in an increase in Elron's stock price. This component of the annual bonus will be calculated based on the annual stock return, where the minimum return for awarding 50% of the bonus ceiling for this component is 15% ("Minimum Threshold"), and for a stock return of 20%, the Chairperson will be awarded 100% of the bonus ceiling attributed to this bonus component ("Maximum Threshold"). The bonus for performance levels between the minimum threshold and the maximum threshold will be calculated linearly**. |

(*) Excluding stock-based compensation that is not paid in cash.

(**) Stock return calculation: At the beginning of each bonus year, the average stock price at the close of the last 30 trading days before January 1 of that year will be calculated. At the end of the bonus year, the average stock price at the close of the last 30 trading days of that year will be calculated. The stock return calculation will include standard adjustments such as dividend payouts (adding the dividend amount to the stock return but deducting it from the trading days before the ex-date) and adjustments for capital structure changes such as stock splits, reverse splits, and stock grants.

2.1. According to the Compensation Policy, if the Chairperson's term ends after March 31 in any given year but before the end of the calendar year, she will be entitled to a pro-rata portion of the annual bonus. The achievement of the bonus criteria will be determined at the end of the full calendar year, and the Chairperson will be entitled to a proportional part of the bonus based on her term length during that year.

3. Rationale of the Compensation Committee and the Board of Directors for Approving the Targets:

3.1. The approval of the criteria set for the Chairperson is consistent with the Company's Compensation Policy and serves the best interests of the Company.

3.2. In light of the above considerations, the approval of the annual bonus component for the Chairperson is reasonable and fair under the circumstances.

3.3. The criteria set for the Chairperson are aligned with the nature of the Company as an operational holding company in the high-tech field, linking the Company's performance and shareholder returns with the Chairperson's compensation. The Compensation Committee and the Board of Directors considered the fact that since the Chairperson is a controlling shareholder, she was not granted equity-based compensation due to the positions of the institutional investors.

3.4. There were no dissenting votes in the Compensation Committee or the Company's Board of Directors regarding the approval of the criteria set for the Chairperson.

Part D – Information Required Under the Regulations on Transactions with a Controlling Shareholder Regarding Items on the Agenda

1. Identity of Controlling Shareholders:

The controlling shareholder of the Company is Arieli E.L. Ltd. (the "**Controlling Shareholder**"). Mr. Ariel Bentov, Mr. Even Yonatan Ranov, and Ms. Lisya Bahar Manoah are considered controlling shareholders of the Controlling Shareholder (the "**Controlling Shareholders**"). For details regarding the holdings of the Controlling Shareholders, see the Company's Immediate Report dated October 9, 2024 (Reference No. 2024-01-609644) and the Company's Immediate Reports dated September 4, 2024 (Reference Nos. 2024-01-600889 and 2024-01-600878), which are incorporated herein by reference.

2. Nature of Personal Interest of the Controlling Shareholders:

Agenda Item No. 2 - To the best of the Company's knowledge, the Chairperson of the Board, Ms. Lisya Bahar Manoah, has a personal interest in decisions regarding the approval of the measurable criteria set by the Compensation Committee and the Company's Board of Directors in connection with the terms of office and employment of the Chairperson of the Board. For the sake of caution, Mr. Ariel Bentov and Mr. Even Yonatan Ranov may also be considered to have a personal interest in this decision due to their relationship.

3. Names of Directors with a Personal Interest in the Transactions Submitted for Approval and the Nature of Their Personal Interest

Agenda Item No. 2 – To the best of the Company's knowledge, the Chairperson of the Board, Ms. Lisya Bahar Manoah, has a personal interest in decisions regarding the approval of the measurable criteria set by the Compensation Committee and the Company's Board of Directors in connection with the terms of office and employment of the Chairperson of the Board. For the sake of caution, Mr. Ariel Bentov and Mr. Even Yonatan Ranov may also be considered to have a personal interest in this decision due to their relationship.

4. Method of Determining the Compensation and the Rationale of the Compensation Committee and the Company's Board of Directors

Agenda Item No. 2 – The measurable criteria set for the Chairperson of the Board in connection with the terms of office and employment of the Chairperson of the Board, which are submitted for approval under Agenda Item No. 2 in this Report, were approved by the Compensation Committee and the Company's Board of Directors. For details regarding the rationale of the Compensation Committee and the Board of Directors, see Section 3 of Part C above.

5. Required Approvals for the Transaction

The approvals required for the resolution detailed in Section 1.2 (Agenda Item No. 2) are:

- Approval of the Company's Compensation Committee, which has been obtained;
- Approval of the Company's Board of Directors, which has been obtained; and
- Approval of the Shareholders' Meeting convened by this Report, by a special majority as detailed in Section 4.1 above.

In accordance with Section 275(d) of the Companies Law, the Compensation Committee and the Board of Directors examined whether the transaction detailed in Section 1.2 above includes a distribution, as defined in the Companies Law, and determined that it does not include a distribution.

6. Similar Transactions in the Last Two Years:

The Company has not had any transactions of the type detailed above or similar transactions between the Company and the Controlling Shareholders, or in which the Controlling Shareholders had a personal interest, that were executed within the two years preceding the date of the transaction's approval by the Board of Directors or that are still in effect as of this date, except for:

- Approval of compensation for directors from among the Controlling Shareholders;
- Approval of the inclusion of directors from among the Controlling Shareholders in the Company's directors and officers insurance;
- Approval of the provision of indemnification letters to directors from among the Controlling Shareholders; and
- Approval of the terms of office and employment of the Chairperson of the Board of Directors, as approved by the meeting on January 2, 2025, which serve as the basis for the requested approval at this Meeting's agenda item.

7. Names of the directors who participated in the decisions of the Compensation Committee and the Board of Directors:

7.1. The members of the Compensation Committee who participated in the discussion and approval of the decision detailed in Section 1.2 above (Agenda Item No. 2) are Barak Mashraki (External Director and Chairman of the

Committee), Ronit Ritz-Bueno (External Director) and Shalom Tourgeman (Independent Director).

7.2. The members of the Board of Directors who participated in the discussion and approval of the decision detailed in Section 1.2 above (Agenda Item No. 2) are Barak Mashraki (External Director), Ronit Ritz Bueno (External Director), Shalom Turgeman (Independent Director) and Dan Hoz.

8. Securities Authority's Authority:

8.1. In accordance with Regulation 10 of the Transactions with a Controlling Shareholder Regulations, the Israel Securities Authority or an employee authorized by it may, within 21 days from the date of submission of this Report, instruct the Company to provide an explanation, details, information, and documents regarding the transaction subject of this Report, within a timeframe to be determined. The Authority may also instruct the Company to amend this Report in a manner and at a time to be determined. In such event, the Authority may instruct that the date of the general meeting be postponed to a date no earlier than three business days and no later than 35 days from the date of publication of the amendment to this Report.

8.2. If the Company is required to amend this Report as stated above, the Company will submit the amendment in the manner prescribed in the Transactions with a Controlling Shareholder Regulations, send it to all its shareholders to whom this Report was sent, and publish a notice regarding this matter in the manner prescribed in the Transactions with a Controlling Shareholder Regulations, unless otherwise instructed by the Authority. If an order is given to postpone the date of the general meeting, the Company will notify the order in an immediate report.

9. Company Representative:

Company representative handling this report: Adv. Paul Weinberg, located at ToHa Tower, Yigal Alon 114, Tel Aviv (Tel: 03-6075555).

Sincerely,

Elron Ventures Ltd.

Identity of signatories of the Report on behalf of the Company and their title:

Yaniv Shnieder, CEO

Roni Gur Ariel, CFO

Elron Ventures Ltd. (the "Company")

Ballot in accordance with the Israel Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (the "Regulations")

1. **Name of Company:** Elron Ventures Ltd.
2. **Type of General Meeting, Time and Location for the Convening thereof:**
Special General Meeting of the Company's shareholders to be convened on **Wednesday, April 10, 2025, at 15:00 (Israel time)**, at the Company's offices at ToHa Tower, 114 Yigal Alon St., 22nd Floor, Tel Aviv, Israel.
3. **The Items on the Agenda that May Be Voted on with This Ballot:**

A summary of the items on the meeting agenda that may be voted on with this ballot is set forth below. For additional details regarding the issues on the agenda see the immediate report published by the Company on **March 5, 2025**, on the distribution website of the Israel Securities Authority at www.magna.isa.gov.il and on the website of the Tel Aviv Stock Exchange Ltd. at maya.tase.co.il, to which this ballot is attached (the "**Immediate Report**").

The following items are on the meeting agenda:

- 3.1. **Item No. 1 - Approval of the Terms of Office and Employment of the Incoming CEO.**

Form of Proposed Resolution: To approve the terms of office and employment of Mr. Yaniv Shnieder, as the Company's CEO, with effect from the date he assumed office (February 18, 2025), including the grant of options, as detailed in Section B of Immediate Report regarding the convening of a special general meeting of the Company's shareholders (the "**Report**").

For further details regarding Item No. 1 on the agenda, see Section 1.1 of the Report.

- 3.2. **Item No. 2 – Approval of Measurable Criteria for the Chairperson of the Board of Directors of the Company, as part of the terms of office.**

Form of Proposed Resolution: To approve the measurable criteria for Ms. Lisya Bahar Manoah's annual bonus, as part of her terms of office and the engagement as the Chairperson of the Company's Board of Directors, as detailed in Parts C and D of the Report.

For more details regarding Item No. 2 on the agenda, see Parts C and D of the Report.

4. **Location and Hours for Inspecting the Proposed Resolutions in Full:**

Copies of the Immediate Report and the proposed resolutions on the meeting's

agenda are available for inspection at the Company's offices in ToHa Tower, 114 Yigal Alon St., 22nd Floor, Tel-Aviv, Israel, after prior coordination with the Company's secretariat, at 972-3-6075555, Sunday through Thursday (excluding holidays and the eves of holidays) between 09:00 and 16:00, until the date of the meeting, as well as on the website of the Israel Securities Authority at <https://www.magna.isa.gov.il> and on the website of the Tel Aviv Stock Exchange Ltd. at <https://maya.tase.co.il>. In addition, this English translation of this Report will appear on the Company's website at <https://elronventures.com>.

5. **The Required Majority for Approval of the Resolutions on the Agenda:**

5.1. The majority required for adoption of the proposed resolution set forth in Section 3.1 above, is a majority of the shareholders entitled to vote and participating in the vote, in person or by proxy (including via ballot) provided that one of the following is fulfilled:

5.1.1. The majority vote count at the general meeting will include a majority of all votes of shareholders participating in the vote who are not controlling shareholders in the Company or have personal interest in approving the appointment and who participate in the vote; the vote count of such shareholders shall not take into account abstaining votes; a shareholder with a personal interest will be subject to the provisions of Section 276 of the Companies Law, with such changes as may be relevant.

5.1.2. The total dissenting votes among the shareholders specified in Section 5.1.1 above, does not exceed two percent (2%) of the total voting rights in the Company.

It should be noted that the Company's Board of Directors will be entitled to approve the terms of the CEO's appointment and employment (according to Section 3.1 above), even if the general meeting opposes the approval of the decision, provided that the Compensation Committee and, subsequently, the Board of Directors, based on detailed reasoning and after reconsidering the CEO's terms of office and employment and the grant of options to the CEO, decide that its approval, despite the opposition of the general meeting, is in the best interests of the Company.

5.2. The majority required for adoption of the proposed resolution set forth in Section 3.2 above, is a majority of the shareholders entitled to vote and participating in the vote, in person or by proxy (including via ballot) provided that one of the following is fulfilled:

5.2.1. The majority vote count at the general meeting will include a majority of all votes of shareholders participating in the vote who do not have personal interest in approving the transaction and who participate in the vote. The vote count of such shareholders shall not take into account abstaining votes; a shareholder with a personal interest will be subject to the provisions of Section 276 of the Companies Law, with such changes as may be relevant.

5.2.2. The total dissenting votes among the shareholders specified in Section

5.2.1 above, does not exceed two percent (2%) of the total voting rights in the Company.

- 5.3. A shareholder participating in the vote for the resolutions on the matters set out on the agenda shall notify the Company, prior to the vote at the meeting, or if the vote is via ballot – on the ballot, in respect of each resolution in which he votes, if he is a controlling shareholder in the Company or if he has a personal interest in approving the resolution or not; If a shareholder fails to so notify, he shall not vote and his vote shall not be counted.

6. **Legal Quorum and Adjourned Meeting:**

A legal quorum shall be constituted when at least two shareholders, holding collectively more than 33.3% of the issued shares conferring voting rights in the Company, are present in person or by proxy, within half an hour from the time set for the meeting to begin. If a quorum is not present in the general meeting within half an hour from the time set for the meeting to begin, the meeting shall stand adjourned to next week on the same day at the same time and place – on Thursday, April 17, 2025, at the Company's offices in ToHa Tower, 114 Yigal Alon St., 22nd Floor, Tel-Aviv, Israel, at 3 pm (the "**Adjourned Meeting**"). If a legal quorum is not present at the Adjourned Meeting within half an hour from the time set for the meeting, then one shareholder, holding at least 25% of the issued share capital of the Company, present in person or by proxy, shall constitute a legal quorum.

7. **Record Date:**

The record date entitling a shareholder to participate in and vote at the general meeting, in accordance with Section 182 of the Companies Law, is Tuesday, March 11, 2025 (henceforth: the "**Record Date**"). If there is no trading on the Record Date, the record date will be the last trading day preceding such date.

8. **Manner of Voting and Validity of Ballot:**

- 8.1. A shareholder whose shares are registered with a TASE member (henceforth: "**Non-registered Shareholder**") is entitled to receive confirmation of ownership from such TASE member, at the TASE member's branch or via post to his or her address for the cost of postage only, upon request, provided such request was made in advance for a specific securities account. A Non-registered Shareholder may request to have the ownership confirmation sent to the Company via the internet voting system.

- 8.2. Regarding a Non-registered Shareholder, the ballot (if non-electronic) will be valid only if such confirmation of ownership is provided along with it or if a confirmation of ownership was sent to the Company via the internet voting system. The ballot of a Non-registered Shareholder should be delivered to the Company along with the confirmation of ownership, such that the ballot will arrive at the Company's registered offices **no later than four hours prior to the time set for the meeting (i.e., no later than Thursday, April 10, 2025 at 11:00).**

- 8.3. Regarding a shareholder that is registered in the Company's register of

shareholders, the ballot will be valid only if a photocopy of his identity card or passport or in case of a corporation - certificate of incorporation, is provided along with it. A registered shareholder's ballot shall be delivered to the Company, along with a photocopy of his identity card or passport or certificate of incorporation, **up to six hours prior to the time set for the general meeting** (i.e., by **Thursday, April 10, 2025 at 9:00**).

8.4. A ballot in which a shareholder has indicated his manner of voting, which has reached the Company by the deadline set for this as stated above, will be considered present at the meeting regarding the existence of the legal quorum.

8.5. Written voting will be done through the second part of this ballot, in which the shareholder will indicate the manner in which he votes on the resolutions on the agenda and will deliver it to the Company or send it by registered mail. In this regard, the "date of service" is the date on which the written ballot and the documents attached to it were received at the Company's offices as detailed below.

9. **Voting via Internet Voting System:**

9.1. A Non-registered Shareholder may vote on a resolution that is on the agenda as described above, by submitting a ballot via the internet voting system (henceforth: "**Electronic Ballot**").

9.2. The Electronic Ballot will open for voting at the end of the Record Date. Voting via the internet voting system will close **6 hours prior to the time set for the meeting** (i.e., by **Thursday, April 10, 2025 at 9:00**), at which time the internet voting system will be closed.

9.3. The internet voting may be amended or cancelled up until the internet voting system is closed, after which it will not be possible to change it via the internet voting system. Should a shareholder vote via more than one method, the later vote will be counted. In this regard, a vote cast in person or by proxy will be considered to have been cast later than a vote cast by Electronic Ballot

10. **Address for Delivering Ballots and Position Statements:**

The Company's offices at ToHa Tower, 114 Yigal Alon St., 22nd Floor, Tel-Aviv, Israel.

11. **Deadlines for Submitting Position Statements and the Board of Directors' Response:**

11.1. The deadline for submitting position statements to the Company is **up to ten days prior to the date set for the meeting**.

11.2. The deadline for submitting the board of directors' response to position statements, insofar as shareholders have submitted position statements to the board of directors and the board of directors has elected to submit a response to such position statements, is **no later than five days prior to the time set for the meeting**.

12. **Distribution Website and TASE Website Addresses for Accessing Ballots and Position Statements:**

The addresses of the Israel Securities Authority and TASE websites on which the ballot and position statements may be accessed are as follows: Israel Securities Authority distribution website:

<https://www.magna.isa.gov.il>; TASE website: <https://maya.tase.co.il>.

13. **Receipt of Ballot and Position Statements:**

A Non-registered Shareholder is entitled to receive via email (to the email address in the TASE member's possession), free of charge, a link to copies of the ballot and position statements on the distribution website from the TASE member with whom his shares are registered, unless such shareholder notified the TASE member that he does not wish to receive the link, or wishes to receive ballots by post for a fee. The notification regarding ballots will apply to position statements as well.

14. **Inspection of Ballots:**

One or more shareholders, who on the Record Date hold at least five percent (5%) of all voting rights in the Company, and also a shareholder who holds the aforementioned percentage of the voting rights in the Company that are not held by a controlling shareholder of the Company as defined in Section 268 of the Companies Law ("**Controlling Shareholder**"), is entitled following the general meeting, in person or by proxy, to inspect the ballots at the Company's offices (whose address appears in Section 4 above) during regular business hours, as detailed in Regulation 10(A) of the Regulations.

The number of shares constituting 5% of all voting rights in the Company is 2,643,059 ordinary shares of the Company.

The number of shares constituting 5% of all voting rights in the Company that are not held by a Controlling Shareholder, including through institutional parties under the control thereof, is 1,083,310 ordinary shares of the Company.

15. **Changes in Meeting Agenda:**

After the ballot is published, there may be changes in the agenda, including the addition of an item to the agenda, position statements may be released; the updated agenda and the position statements released in the Company's filings will be available on the distribution website, whose address appears in Section 12 above.

16. **Deadline for Submitting Amended Ballot:**

A shareholder's request under section 66(b) of the Companies Law to include an issue in the agenda of the general meeting shall be furnished to the Company **up to seven (7) days after the general meeting is summoned**. If such a request is made, the issue may be added to the agenda and its details will appear on the distribution website. In such a case, the Company will publish a revised summon **no later than seven days after the deadline for the submission of a shareholder's request to include an issue on the agenda**, as stated above. The

Company will publish an amended ballot on the day the amended summon is published.

Shareholders should mark their votes on the items on the agenda in Part Two of the ballot.

Ballot – Part Two

Company name: Elron Ventures Ltd., Corporation Number 520028036.

Company address (for submitting and delivering ballots): The Company's offices in ToHa Tower, 114 Yigal Alon St., 22nd Floor, Tel-Aviv, Israel.

Time of meeting: Thursday, April 10, 2025 at 15:00.

Type of meeting: Special General Meeting.

Record date for entitling a shareholder to vote at the general meeting: Tuesday, March 11, 2025 (henceforth: the "**Record Date**"). If there is no trading on the Record Date, the record date will be the last trading day preceding such date.

Shareholder Information

1. Name of shareholder: _____

2. I.D. No.: _____

3. If the shareholder does not have an Israeli identity card –

Passport No.: _____

Country of issue: _____

Valid until: _____

4. If the shareholder is a corporation –

Corporation No.: _____

Country of incorporation: _____

5. Related Party, Senior Officer and Institutional Investor: Please indicate if you are:

| | Yes* | No |
|---|------|----|
| Related Party (as defined in section 1 of the Securities Law, 5728-1968) | | |
| Senior Officer (as defined in section 1 of the Securities Law, 5728-1968) | | |
| Institutional Investor (as defined in regulation 1 of the Companies Regulations (voting in writing and positions statements, 5766-2005) | | |

*If the answer is positive – please specify any relationship between the voter (who does not have personal interest) or his proxy and the Company or any of the controlling shareholders or a senior officer, including employer-employee relations, business relations, etc. and details of their nature:

Mark Vote:

| | Issues on the Agenda | Mark vote¹ | | | Regarding transactions with a controlling shareholder or shareholders with a personal interest - do you have a personal interest in approving the transaction? ² | |
|----|---|------------------------------|----------------|----------------|---|-----------|
| | | FOR | ABSTAIN | AGAINST | Yes** | No |
| 1. | Approval of the terms of office and employment of Mr. Yaniv Shnieder, as the Company's CEO, with effect from the date he assumed office (February 18, 2025), including the grant of options, as specified in Section 3.1 above. | | | | | |
| 2. | Approval of the measurable criteria for Ms. Lisyah Bahar Manoah's annual bonus, as part of her terms of office and engagement as the Chairperson of the Company's Board of Directors, as specified in Section 3.2 above. | | | | | |

** If the answer is positive – please specify why you are considered a controlling shareholder or someone on his behalf or why you have a personal interest in the decision:

¹ No mark will be considered to have been voted ABSTAIN on the applicable issue.

² A shareholder who does not complete this column or who marks "yes" and does not specify, his vote will not be counted.

For shareholders who hold shares through a TASE member in accordance with Section 177(1) of the Companies Law – this ballot is valid only if confirmation of ownership is attached or if a confirmation was sent to the Company via the internet voting system.

For shareholders registered in the Company's shareholders register – this ballot is valid only if a photocopy of identity card / passport / certificate of incorporation, as applicable, is attached.

Date

Signature

