



English Translation of Immediate Release Filed by Elron Ventures Ltd (the “Company”) with the Israeli Securities Authority on May 27, 2024

RE: Approach by Potential Purchaser to Board of Directors

Pursuant to the Company’s immediate releases of February 22, 2024 and May 5, 2024, regarding the application and approval of the court for distribution not out of profits, the Company's Board of Directors has been approached by the Potential Purchaser of the control of the Company, who has entered into a non-binding memorandum of understanding with the Company’s controlling shareholder (the "Potential Purchaser") as stated in the immediate release dated May 5, 2024. In its said approach, the Potential Purchaser stated that it has extensive experience in investing in technology companies, and that on the basis of initial checks which it conducted and based on its experience, it believes that maintaining the Company's current liquidity is necessary to implement its investment strategy, which will enable investment in new companies together with support for the Company's existing portfolio companies. The Potential Purchaser also noted that it believes in the Company's ability to maximize its full potential and increase long-term returns to shareholders by combining its experience and expertise with the Company's existing knowledge and ability and financial resources.

The Company's Board of Directors held a preliminary discussion on the approach and decided to engage in discussions with the Potential Purchaser in order to consider the approach in light of the best interests of the Company and all its shareholders, without any decision being made regarding the execution of a distribution.

To the best of the Company's knowledge, at this stage, there is no certainty as to whether a binding agreement will be signed between the Potential Purchaser and the Company’s controlling shareholder, and to the extent signed, as to the terms thereof.