



**English Translation of Immediate Release Filed by ElronVentures Ltd
(the “Company”) with the Israeli Securities Authority on July 4, 2024**

Further to the Company’s immediate release of February 20, 2024, regarding the resolution of the Company’s Board of Directors to make an application to the Court for a dividend distribution not out of its profits (the “Application” and “Distribution”), in the framework of which, the Board of Directors indicated that Distribution shall be subject, following the Court approval, to a further final approval of the Board of Directors; and further to the Company’s immediate release of February 22, 2024 regarding the submission of the Application; and further to the Company’s immediate release of May 5, 2024 regarding the Court approval of the Application which shall remain in effect for a period of six months therefrom; and further to the Company’s immediate releases of May 5, 2024, May 27, 2024 and June 17, 2024 regarding the Company’s controlling shareholder’s entrance into a non-binding memorandum of understanding with a potential purchaser for the sale of the control in the Company (the “Potential Purchaser”) (and a follow-up release regarding the extension of the exclusivity period with the Potential Purchaser), and the Potential Purchaser’s approach to the Company’s Board of Directors, whereby it stated it believes that combining its experience and expertise with the Company’s existing knowledge and ability and financial resources, will enable the maximization of the Company’s full potential and increase long-term returns to shareholders; and the decision of the Company’s Board of Directors to engage in discussions with the Potential Purchaser in order to consider the approach, without any decision being made regarding the execution of a Distribution, the Company hereby updates as follows:

On July 3, 2024, further to a resolution of the Company’s Audit Committee dated June 30, 2024, the Company’s Board of Directors resolved that it is in the Company’s best interests at this stage not to make a dividend distribution.

It is clarified that, 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.

Due to the fact that the Court approval for Distribution is valid until November 2024 (the “Approval Termination Date”), the Board of Directors resolved to re-examine a possible distribution prior to the Approval Termination Date, in its sole discretion and in accordance with law, and in view of, among others, the circumstances listed under 1-3 below. Insofar as the Company shall decide to distribute, it shall report the allocation date and amount in accordance with law.

The reasons behind the resolutions of the Audit Committee and the Board of Directors:

1. The Audit Committee and the Board of Directors made various examinations, including: the members of the Board of Directors met with the Potential Purchaser’s representatives and received oral explanations, and following the request of the Audit Committee, the

Potential Purchaser also provided clarifications in writing regarding its experience, its vision as to the investments the Company should make in its existing portfolio companies alongside new investments. The Board of Directors and the Audit Committee were impressed by the added value they estimate the Potential Purchaser can contribute to the Company. To the Board of Directors and the Audit Committee's estimation, a long-term certainty in the controlling shareholder's identity, in view of the Potential Purchaser's intentions, is an interest of the Company in view of its connections with venture capital funds and existing and new entrepreneurs, and may maximize the Company's potential, both in view of the Company's connections with its portfolio companies, in its ability to materialize new investment opportunities and also to provide maximum flexibility in the Company's outstanding investment strategies.

2. In addition, the Board of Directors and the Audit Committee estimate that certainty in the controlling shareholder's identity and the Potential Purchaser's intentions will enable the Company to deepen its relations and partnership with Rafael in RDC (RDC Rafael Development Corporation Ltd., a subsidiary of the Company).

3. The Board of Directors and Audit Committee further examined the portfolio companies' status and their near future needs; the changes in the market conditions pertaining to fund raising in the field of venture capital funds, and the Company's short and long-term plans.

In light of all the above circumstances, the Board of Directors and the Audit Committee are of the opinion that, at this stage, the advantages in not making a distribution embodies value enhancement potential for all of the Company's shareholders and are preferable to distribution.