

English translation of Immediate Report filed with the Israeli Securities Authority on August 11, 2025

1. We hereby announce that on August 10, 2025, it was decided to pay a dividend in respect of the Company's shares.
2. The amount of the dividend to be paid is \$5,500,000
3. The balance of the Company's profits as defined in Section 302 of the Israel Companies Law, 1999 following the distribution reported herein, amounts to \$0
4. The approval procedure of the dividend distribution: Approval of the Board of Directors on August 10, 2025, based, amongst others, on the approval of the Court of August 5, 2025, to approve a distribution that does not meet the profits test (as such term is defined in the Companies law – 1999)

This distribution is with the Court's approval in accordance with Section 303 of the Israel Companies Law, 1999: Yes

5. The record date: August 25, 2025. The payment date: September 16, 2025
6. Payment details:

Dividend distributed by an Israel-resident company (for the composition of the dividend resources and tax rates- see section 7.A).

Eligible security no.	Security name	Dividend amount per share	Dividend amount currency	Payment currency	Exchange rate date for payment	Taxation of individual holders %	Taxation of corporate holders %
749077	Ordinary shares	0.10404	U.S. dollar	NIS	September 12, 2025	25	23

Is the dividend amount per security final: No

The dividend amount per share is subject to changes due to: the possibility of option exercises.

7. The tax rates detailed below are for tax deduction

7A. Composition of Dividend Sources Distributed from an Israeli resident company and financial instruments, except for Reit fund

	% of Dividend	Individuals	Companies	Non-residents
Income subject to Corporate Tax (1)	0	25%	0%	25%
Income sourced outside of Israel (2)	0	25%	23%	25%
Income from "Approved Enterprise"/beneficiaries (3)	0	15%	15%	15%
Income from Ireland "Approved Enterprise" until 2013 (4)	0	15%	15%	4%
Income from Ireland "Approved Enterprise" from 2014 (5)	0	20%	20%	4%
Preferred Income	0	20%	0%	20%
Income from tourist/agricultural "Approved Enterprise" (6)	0	20%	20%	20%
Income from "Approved Enterprise" who gave a waiver notice (7)	0	15%	0%	15%
Distribution classified as capital gain	100	25%	23%	0%
Distribution by participation unit	0	0	0	0
Other	0	0	0	0

Explanation:

- (1) Income subject to Corporate Tax – income from distribution of profits or from dividend, sourced from income produced or generated in Israel and received, directly or indirectly, from another company which is subject to Corporate Tax.

- (2) Income sourced outside of Israel is income generated outside of Israel which was not taxed in Israel.
- (3) Including income from a tourist beneficiary enterprise in which the election year is until 2013.
- (4) Ireland Approved Enterprise in which the election year is until 2013.
- (5) Ireland Approved Enterprise in which the election year is from 2014 onwards.
- (6) Including income from a tourist beneficiary enterprise in which the election year is from 2014 onwards.
- (7) Approved Enterprise that gave a waiver notice until June 30, 2015, after deduction of corporate tax.

7B. Dividends distributed by a non-resident company

	Individual	Companies	Non-resident Companies
Dividends distributed by a non-resident company	25%	23%	0%

7C. Dividends distributed by Real Estate Investment Fund

	% of Dividend	(1) Individuals	Companies	Non-resident Companies	Exempt Trust Funds	Provident Funds (2)
Real estate appreciation, capital gain and depreciation (3)	-	25%	23%	23%	0%	0%
Other taxable income (such as: rent)	-	47%	23%	23%	23%	0%
From yielding real estate for rental housing purposes	-	20%	20%	20%	0%	0%
Income charged by the fund (4)	-	25%	0%	25%	0%	0%
Extraordinary income	-	70%	70%	70%	60%	70%
Other	-	-	-	-	-	-
% weighted withholding tax	100%	-	-	-	-	-

(1) Individuals - including the introduction of a compulsory trust fund, non-resident individuals

(2) Provident fund for annuity or rewards or compensation as defined in the Income Tax Ordinance as well as a foreign provident fund or pension fund that is a resident of a compensating country.

(3) Real estate appreciation or capital gain, except from the sale of real estate held for a short period, as well as from income in the amount of depreciation expenses

(4) Distribution from income taxed by the fund in accordance with Section 64a4 (e).

8. Number of the Company's dormant securities non-eligible for dividend payment, in respect of which a dividend payment waiver must be provided: _____

9. The dividend distribution's impact on convertible securities:

Name of security	No. of Security	Comments
Elron Op for Employees	7490253	If the Company distributes cash dividend to its shareholders, and the Ex-dividend date will be after the date of allotment of the options but before the date of exercise, the exercise price of each un-exercised option prior to the lapse of the aforementioned Ex-dividend date will be reduced by the full amount of the gross per-share dividend which was distributed.

10. Recommendations and decisions of the Board of Directors in connection with the dividend distribution pursuant to section 37(a)(1) of the Israel Securities Law, (Periodic and Immediate Reports, 1970):

The following are the factors examined by the Board of Directors at the time of taking the distribution decision:

1. The Company's Board of Directors examined the Company's compliance with the solvency test set forth in the Companies Law, 1999 (hereinafter: "Companies Law"), and following this examination, confirmed that the company meets the solvency test with respect to the distribution of the said dividend, as detailed below.
2. Regarding compliance with the solvency test, the Board of Directors considered the following factors concerning the company's financial condition, including its capital structure, the extent of existing and expected liabilities, the minor financial obligations, its liquidity status, its investment plans, and the remaining cash balance in the Company after the dividend distribution:
 - a. Data regarding the Company's financial condition, including liquid assets as of August 5, 2025 and the remaining liquid assets after the distribution.
 - b. The Company's expected future cash flows, taking into account, among other things, estimates regarding operating expenses, expected investments, and the expected receipt of additional cash from the share sale.
 - c. The company's low leverage ratio.
3. Based on the examination of the above matters, the Board of Directors concluded that the Company meets the solvency test regarding the dividend distribution, that there is no reasonable concern that the distribution will prevent the Company from being able to meet its existing and expected obligations when due, and that the distribution is not expected to have a material effect on the Company's operations in its current form, among other things, considering the Company's capital structure, its leverage, its liquidity, expected cash flow, and obligations.
4. The distribution is not from profits and was approved by the competent court after it found there is no reasonable concern that the distribution will prevent the Company from being able to meet its existing and expected obligations when due.
5. The Board of Directors also stated that the proposed dividend distribution is a reasonable and appropriate way to share the Company's profits and positive results from its operations with its shareholders.
6. The expected data and estimates mentioned in Section 10(3) above are forward-looking information, as defined in the Securities Law, 1968, based on the analysis of the data detailed in Section 10(3) above, conducted by the Company. These expectations and estimates may not materialize, in whole or in part, or may materialize in a way that is significantly different from what was expected, among other things, due to changes in capital market conditions, changes in venture capital industry conditions, exchange rates, interest rates, political and security developments including with regard to developments in the Iron Sword War, regulatory changes that may affect the Company's activities and its held companies, market conditions in the various markets where the Company's held companies operate, and exposure to liability for representations and assets group in trust in connection with divestment transactions carried out by the Company.