



**English Translation of Registrant's Immediate Report filed with the Israeli Securities Authority on May 29, 2025**

**Elron Ventures Ltd.  
Registration No. 520028036**

**Form 67**

**Immediate Release Regarding Approach to Court To Approve Distribution**

Regulation 31 (i) of the Securities Regulations (Periodic and Immediate Reports)- 1970

1. On May 29, 2025 an application to approve a distribution in accordance with Section 303 of the Israeli Companies Law, 1999 was filed in the District Court of Tel Aviv.
2. The total available profits of the Company prior to the distribution in accordance with section 302 to the Israeli Companies Law: 0.
3. The aggregate amount which the Company is requesting to distribute: Up to \$6,500,000.
4. The amount which the Company is requesting to distribute not out of retained earnings: Up to \$6,500,000.
5. The last date for filing objections to approval of the distribution: 29/06/2025.
6. The place where and the times at which the documents relating to the subject matter of the report may be examined: Company's offices located at ToHa Tower, 114 Yigal Alon St, Tel Aviv. Sunday to Thursday, following coordination by phone with Miss Chen Lir Hendelsman at 03-6075555 during ordinary working hours.
7. Attached is the notice to creditors in accordance with section 3 of the Companies Regulations (Approval of Distribution).
8. Attached is a disclosure regarding the forecasted cash flow in accordance with Regulation 31(i)(3) of the Securities Regulations (Periodic and Immediate Reports), 1970:

Further to Note 11.g to the Company's Consolidated Annual Financial Statements for the Year 2024, notice is hereby given that on May 29, 2025, a petition was filed with the court for approval of a distribution pursuant to the provisions of Section 303 of the Companies Law, 1999 ("Companies Law"), for a distribution in an amount of up to USD 6.5 million (an additional dividend distribution, and possibly also partly for a share repurchase (in all in such proportions and at such times as shall be determined by the Company's Board of Directors)).

It should be clarified that the distribution is subject to court approval as stated (which is not guaranteed), as well as to a further final approval by the Company's Board of Directors, following receipt of court approval (if and to the extent such approval is granted), at its sole discretion. Accordingly, it is clarified that as of the date of this report, there is no certainty that the distribution will be made, nor of its timing or amount.



**Notice to creditors in accordance with section 3 of the Companies Regulations**  
**(Approval of Distribution):**

Notice is hereby given in accordance with the provisions of the Companies Act, 1999 (the “Companies Law”) and the Companies Regulations (Approval of Distribution), 2001, that on May 29, 2025, Elron Ventures Ltd. (the “Company”) filled an application to the Economic division of the District Court of Tel Aviv- Jaffa, within the framework of which the Company is seeking court approval to make a distribution under section 303(a) of the Companies Law (the “Application”).

The Company’s creditors are entitled to apply to court to object to the Application within thirty (30) days from the date of the filing of the Application or by such later date as determined by the court.

Subject to the approval of the Court, the requested distribution which will be used for an additional dividend distribution, and possibly also partly for a share repurchase (in all in such proportions and at such times as shall be determined by the Company's Board of Directors), not out of its profits, in the amount of up to US \$6.5 million, as detailed on the Application. The Company’s shareholders equity according to its annual Financial Statements as of December 31, 2024, is approximately \$110,661 thousand. Following the requested distribution (as well as additional distribution made in April 2025) the Company’s shareholders’ equity will amount to \$95,379 thousand.

The Company’s creditors are permitted to examine the entire Application, and also make a copy at the creditor’s expense, at the Company’s registered office at ToHa Tower, 114 Yigal Alon St, Tel Aviv, Sunday through Thursday during ordinary working hours, after prior coordination by telephone: 03-6075555. In addition, the Company’s creditors are permitted to receive information regarding the proceedings and decisions taken by the Court, including information about deadline for filing objections to the Application for approval of the distribution, if the court determined a date later than thirty days from the date of the filing of the Application. Adv. Zvi Fisher from Levin Fisher Law Offices, may be contacted at 03-6887330.



**Forecasted Cash Flow in Accordance with Regulation 31(i)(3) of the Securities Regulations (Periodic and Immediate Reports), 1970:**

Tel Aviv, May 29, 2025, Elron Ventures Ltd. (TASE: ELRN) ("Elron") announces that in accordance with Regulation 31(i)(3) of the Israeli Securities Regulations (Periodic and Immediate Reports), 1970, below is the forecasted cash flow of the company for a period of two and a half years period starting on January 1, 2025, and ending on June 30, 2027.

The said cash flow is based on the cash flow principles included in the financial opinion regarding the solvency test submitted to the court as part of the application for approval of a distribution based on conservative assumptions and excluding realization assumptions. Furthermore, the aforementioned cash flow pertains to Elron and does not include the liquid asset balances held by the subsidiary RDC Rafael Development Corporation Ltd. ("RDC").

\$ thousands	Note	2025	2026	First Half of 2027
<b>Cash and cash equivalents opening balance</b>	<b>1</b>	43,338	23,138	14,756
<b><u>Cash flows from operating activities</u></b>				
Interest income		1,300	961	307
Operating expenses		(3,304)	(3,388)	(1,934)
Provisions and changes in working capital		(3,503)	45	46
<b>Total cash flows from operating activities</b>		<b>(5,507)</b>	<b>(2,382)</b>	<b>(1,581)</b>
<b><u>Cash flows from investment activities</u></b>				
Investments in group companies	<b>2</b>	(10,481)	(7,000)	(3,000)
Redemption of investments in tradeable debentures	<b>3</b>	1,750	1,000	-
Proceeds from sale of group companies	<b>4</b>	6,820	-	-
Partial repayment of a shareholders' loan granted to a subsidiary	<b>5</b>	2,500	-	-
<b>Total cash from investment activities</b>		<b>589</b>	<b>(6,000)</b>	<b>(3,000)</b>
<b><u>Cash flows from financing activities</u></b>				
Dividend distribution on April 23, 2025		(8,782)	-	-
Request for additional distribution	<b>6</b>	(6,500)	-	-
<b>Total cash flows from financing activities</b>		<b>(15,282)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents closing balance</b>		<b>23,138</b>	<b>14,756</b>	<b>10,175</b>

Below are the assumptions considered for the items detailed above, which were included in the cash flows forecast:



- (1) The cash opening balance is the cash, cash equivalents and deposits balance in the Company's books as of December 31, 2024 (solo) in the amount of approximately \$43,295 thousands and an additional amount of approximately \$43 thousands sourced from Elbit Ltd. and DEP Technology Holdings Ltd., which are both wholly owned subsidiaries of Elron. The deposits are immediately convertible to cash as needed.
- (2) Investments in group companies in the amounts of approximately \$10.5 million, \$7 million, and \$3 million during the years 2025, 2026 and the first half of 2027, of which the company committed to invest \$0.9 million.
- (3) Redemption of investments in tradeable debentures– the aforementioned flow assumes redemption of the face value of the tradeable debentures upon their maturity.  
Consideration from sales of held Companies – as described in notes 3.B.2.a) and 3.B.2.b) to the Company's Financial Statements as of December 31, 2024 (the "Financial Statements"), the aforementioned balance is comprised of proceeds from escrow deposits attributed to the sale of CartiHeal (2009) Ltd. ("CartiHeal") and SixGill Ltd. in the amounts of approximately \$5 million (half of which was received during January 2025) and \$2.3 million, respectively. As part of the said cash flow, and for conservative reasons only, it was assumed that the company will receive in 2025 only 90% of the outstanding funds deposited in escrow.  
Additionally, in accordance with the Cartiheal sale agreement, the Company is entitled to receive its share of the contingent consideration in the amount of approximately \$40 million, payable subject to compliance with milestones as defined in the agreement. For conservative reasons, potential proceeds from the contingent consideration were not taken into account as part of the forecasted cash flow.
- (4) Partial loan repayment from RDC - as described in the Financial Statements, in March 2021, the company and Rafael – Advanced Defense Systems Ltd. advanced a loan to RDC in an aggregate amount of approximately \$16,000 thousands (in equal parts).  
In March 2025, the Board of Directors of RDC decided on a partial early repayment of \$5 million from the outstanding loan granted to RDC by Elron and Rafael in March 2021.  
Elron's share amounts to \$2.5 million, which is expected to be received in the coming weeks.
- (5) Request for additional distribution - in the amount of up to \$6.5 million, subject to court approval and a further resolution of the Company's Board of Directors.

The cash flow forecast, as presented above, the data included in it, the assumptions, comments, and forecasts underlying it, include forward-looking information, as defined in the Israel Securities Law, 5728- 1968. Forward-looking information is uncertain information about the future, based on information or Company's existing estimations and includes the Company's current estimations or intentions. This information, in whole or in part, may not materialize, or may materialize differently, among others, due to developments in the company's and/or its group companies' (including RDC) condition, changes in the business environment and/or regulatory changes, as well as the realization of any of the risks factors described in Section 20 of the chapter "Description of Corporation's Business" under the Company's periodic report for 2024, published on March 30, 2025.