

ELRON

Translation of Immediate Report Filed by Elron on October 31, 2019 with the Israeli Securities Authority

Tel-Aviv, October 31, 2019 – Elron Electronic Industries Ltd. (“Elron”) (TASE:ELRN) hereby announces with respect to CartiHeal (2009) Ltd. (“CartiHeal”) as follows:

Further to the description set forth under Section 26 of "Part I – Description of Corporation's Business" in Elron's annual periodic report for 2018, published on March 18, 2019, CartiHeal updated that it has completed the enrollment of 250 patients for an interim analysis of the results of the pivotal clinical trial it is conducting for FDA marketing approval. CartiHeal is expected to conduct the interim analysis and report on its conclusions as to whether it will need to enroll additional patients for the trial by the end of 2019.

The trial design allows for enrollment of 250-500 patients. The upcoming interim analysis is the first being conducted to re-estimate the sample size. Additional interim analyses to re-estimate the sample size will be conducted as needed, if at all, following the enrollment of each additional group of 50 patients, up to 250 additional patients in total.

CartiHeal's above estimates are forward-looking in nature, as such term is defined in the Israeli Securities Law, 5728-1968, and are based on information existing in CartiHeal as of the date of filing this Immediate Report. These estimates, in whole or in part, may not materialize, or may materialize in a manner materially different than expected. The principal factors that may affect this are developments in the fields in which CartiHeal operates, failure to obtain regulatory approvals to continue development, unforeseen trial results, reliance on third parties including data analysis services, failure to meet goals, inability to realize technologies, modifications in technologies, modifications in the business plan, goals and/or strategy, or if any risk associated with the course of the trial and its results occurs.

CartiHeal is approximately 29% held by Elron.