

ELRON

Translation of Immediate Report Filed by Elron on November 24, 2019 with the Israeli Securities Authority

Tel-Aviv, November 24, 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, and the immediate report filed on October 31, 2019, CartiHeal updated that following an interim analysis of the results of the pivotal clinical trial it is conducting for marketing approval, and a review of the interim analysis by CartiHeal's Endpoint Adjudication Committee (henceforth: "EAC"), the EAC recommended as follows:

1. To stop patient accrual for anticipated success.
2. To continue follow-up of all currently enrolled patients, as per the trial protocol.
3. To perform a final analysis of the results upon completion of the follow-up period.

In addition, CartiHeal communicated that the trial protocol specified that a recommendation to stop enrollment for anticipated success would be given by the EAC if the interim analysis reveals that there is an over 95% chance to show superiority of over 98% in the trial group over the current standard of care at the final analysis.

CartiHeal is expected to stop enrollment of patients for the trial now and to perform a final analysis of the trial results after the last enrolled patient, who was enrolled in October 2019, completes the two-year follow-up period.

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 developments in the course of the clinical trial and the trial results, reliance on third parties including data analysis services, feedback from the medical and scientific community, unforeseen regulatory difficulties, 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.