

# ELRON

## **Translation of Immediate Report Filed by Elron on August 3, 2021 with the Israeli Securities Authority**

Tel-Aviv, August 3, 2021 – Elron Electronic Industries Ltd. (“Elron”) (TASE: ELRN) hereby announces further to Section 25 of “Part I – Description of Corporation's Business” in Elron’s annual periodic report for 2020, that CartiHeal (2009) Ltd. (“CartiHeal”) updated Elron that it received the statistical report prepared by a third party, summarizing the final results of the pivotal clinical trial of the Agili-C implant.

The statistical report demonstrated that the primary endpoint and all four secondary confirmatory endpoints were met.

This includes demonstrating pivotal clinical trial success as defined in the investment and option agreements for the sale of CartiHeal to Bioventus (the “Transaction”). For details on the Transaction, including the Conditions Precedent to the Transaction, see Elron’s Immediate Report dated July 16, 2020. There is no assurance as to the Transaction’s consummation or the timing thereof.

The following is a summary of the trial’s results as reported by CartiHeal:

The primary endpoint for the trial was posterior probability of superiority of the Agili-C to the current surgical standard of care (SSOC) exceeding the prespecified threshold of 98%, as measured by the change from baseline to 24 months in average of the 5 subscales of the Knee injury and Osteoarthritis Outcome Score (KOOS Overall): Pain, Other Symptoms, Quality of Life - QOL, Activities of Daily Living - ADL and Sports. The KOOS Overall Score ranges from 0 to 100, where higher values represent better outcomes.

- The posterior probability of superiority of Agili-C to SSOC was 100% (1.000 in the primary endpoint: The baseline KOOS Overall score was similar in both groups: 41.2 in the Agili-C arm and 41.7 in the SSOC arm. At Month 24, the posterior mean for the treatment group improvement from baseline in the Agili-C arm was 42.7 compared to 21.4 for the SSOC arm.
- In the secondary endpoints of the subgroup of patients with mild-moderate osteoarthritis (Kellgren-Lawrence grade 2-3) and the subgroup of patients with total lesion(s) size  $>3\text{cm}^2$ , the degree of improvement for Agili-C compared to SSOC was similar to the Full Analysis Set population in the primary endpoint.
- The posterior probability of superiority of Agili-C relative to SSOC was also 1.000 for all 4 Secondary Confirmatory Endpoints: KOOS Pain, KOOS ADL and KOOS QOL and Responder Rate.
- The responder rate, which was *a-priori* defined as improvement of at least 30 points in Overall KOOS at 24 months compared to baseline, was 77.8% in the Agili-C arm compared to 33.6% in the SSOC arm.

CartiHeal is 27% held by Elron (25% on a fully diluted basis).

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