

# DISCOVER. INNOVATION

ELRON - INVESTOR PRESENTATION

March 2016

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# RECENT DEVELOPMENTS

## **BrainsGate:** THE 610<sup>TH</sup> PATIENT FOR THE FDA TRIAL WAS ENROLLED

- + BrainsGate began the follow-up period after enrolling the 600<sup>th</sup> patient in Dec. 2015
- + The DSMB is expected to conduct the interim analysis in Q2/16

## **Notal Vision:** MEDICARE COVERAGE IN THE AMOUNT OF \$74 / PATIENT / MONTH

- + Notal Vision achieved coverage from a Medicare carrier amounting to \$74 per patient per month
- + The company estimates the eligible population at about 2.5m people in the U.S.

## **Pocared:** THE FDA TRIAL RESULTS FOR UTI DIAGNOSIS DO NOT MATCH EXPECTATIONS

- + Pocared is currently learning the reason for and nature and meaning of the gaps including whether this is due to a technical fault in the systems
- + This examination is expected to continue for a few weeks

## **CartiHeal:** FINANCING ROUND LED BY JOHNSON & JOHNSON

- + CartiHeal completed a \$15m financing round led by Johnson & Johnson Innovation – JJDC
- + Elron's share in the round: \$5.4m
- + Elron's holding following the round: 35%

**DISCOVER.** ELRON

# OPERATIONAL HOLDING COMPANY IN THE VC SPACE

## WE SPECIALIZE IN MEDICAL DEVICE TECHNOLOGIES WITH SIGNIFICANT EXIT POTENTIAL

- + WE HAVE 50 YEARS EXPERIENCE IDENTIFYING OPPORTUNITIES, BUILDING TECHNOLOGY LEADERS, AND EXITING HOLDINGS
- + WE INVEST PRIMARILY IN EARLY STAGE COMPANIES
- + WE RELY ON A PROVEN STRATEGY OF HANDS-ON INVOLVEMENT IN THE DAY-TO-DAY OPERATIONS OF OUR GROUP COMPANIES
- + OUR COMPANIES BENEFIT FROM OUR SKILL AT TAKING AN IDEA THROUGH R&D & REGULATION, WHILE CREATING MAJOR VALUE

### Elron was established in 1962

THE IDEA: *to bridge the gap between Israeli R&D and industry, and create "a knowledge-based industry" (later named hi-tech...)*



# PERFORMANCE

SINCE 2010:

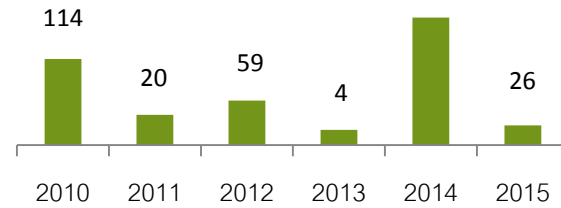
**CUMULATIVE PROFIT:** \$168M

**DIVIDENDS:** \$125M

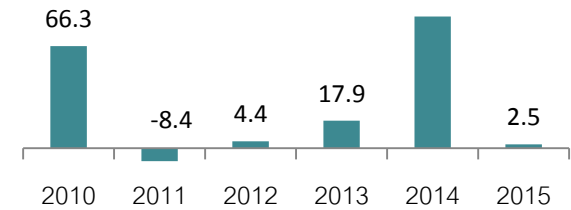
**EXITS\*:** \$1.5B

**INVESTMENTS\*:** \$150M

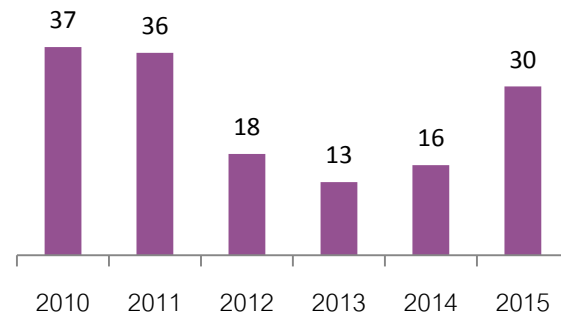
Exit Proceeds, after tax (\$m)\*



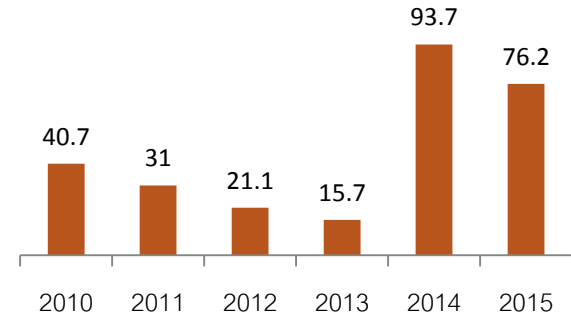
Gain (\$m)



Investments (\$m)\*



Liquid Resources at Year End (\$m)



\* Including RDC

# VALUE POTENTIAL

## SUMMARY OF OUR ASSETS:

**MARKET VALUE LESS CASH AND FINANCIAL ASSETS = \$28M**

### **DIVIDEND:**

We announced a resolution to apply to the court to approve a \$15m dividend distribution

Since 2012, we have distributed **\$125m** in dividends

<u>Holdings in companies</u> <sup>1</sup>	Book value at Dec. 31, 2015 (\$m)	Amount invested (\$m)
Associates and consolidated companies:		
Pocared (58%)	15.6	53.4
BrainsGate (30%)	0.4	24.5
PLYmedia (25%)	-	2.5
Others	13.0	22.8
Companies presented at fair value:		
Notal Vision (21%)	15.7	10.1
Others	4.6	18.6
<u>Total Holdings</u>	<u>49.3</u>	<u>131.9</u>
Fair value of contingent consideration from sale of companies <sup>2</sup>	3.9	3.9
Cash (as of Mar. 9, 2016) <sup>2</sup>	77.5	77.5
Financial assets, net (as of Mar. 9, 2016) <sup>2</sup>	29.5	29.5
<u>TOTAL</u> <sup>3</sup>	<u>160.2</u>	<u>242.8</u>
Price per share on TASE (in \$) (as of Mar. 9, 2016)		4.55
Elron's market value (as of Mar. 9, 2016)		135.4

<sup>1</sup> Includes Elron's direct holdings and its effective indirect holdings through RDC and RDSeed. Includes investments made after Dec. 31, 2015.

<sup>2</sup> Includes Elron's balance and 50.1% of RDC's balance.

<sup>3</sup> The above financial data are based on publicly available information and do not represent a valuation, investment advice, or a financial opinion of any kind.

**DISCOVER.** BRAINSGATE



# BRAINSGATE



OUR  
INVESTMENT:

\$25M

**ESTABLISHED:** 2000

**FIRST INVESTMENT:** 2005

**TOTAL INVESTMENT:** \$81M

**MAIN PARTNERS:** Johnson & Johnson, Boston Scientific, Medtronic, Pitango, Cipio Partners

**VISION:** To increase the potential number of stroke victims who receive treatment from ~7% to ~80%

**PRODUCT:** Electrode used to electrically stimulate a nerve center behind the nasal cavity (the SPG), to induce dilation of cerebral blood vessels and increase blood flow to the brain

OUR  
HOLDING:

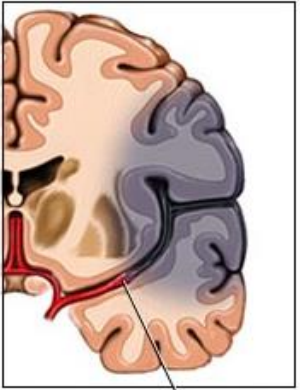
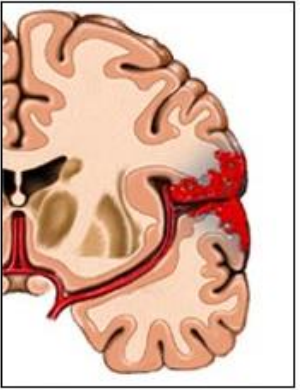
30%

~800,000 PEOPLE SUFFER A STROKE EACH YEAR IN THE U.S.

## STROKE: INTERRUPTION OF BLOOD FLOW TO THE BRAIN

- ▶ When blood flow to an area of the brain is cut off **blood cells begin to die**
- ▶ When brain cells die, functions controlled by that part of the brain (e.g. memory, muscle control) **are lost**
- ▶ **THE EFFECTS OF A STROKE DEPEND ON HOW MUCH DAMAGE TO THE BRAIN OCCURRED**

**THERE ARE 2 TYPES OF STROKE.**

Ischemic stroke	HEMORRHAGIC STROKE
	
<p>A clot blocks blood flow to an area of the brain</p>	<p>Bleeding occurs inside or around brain tissue</p>

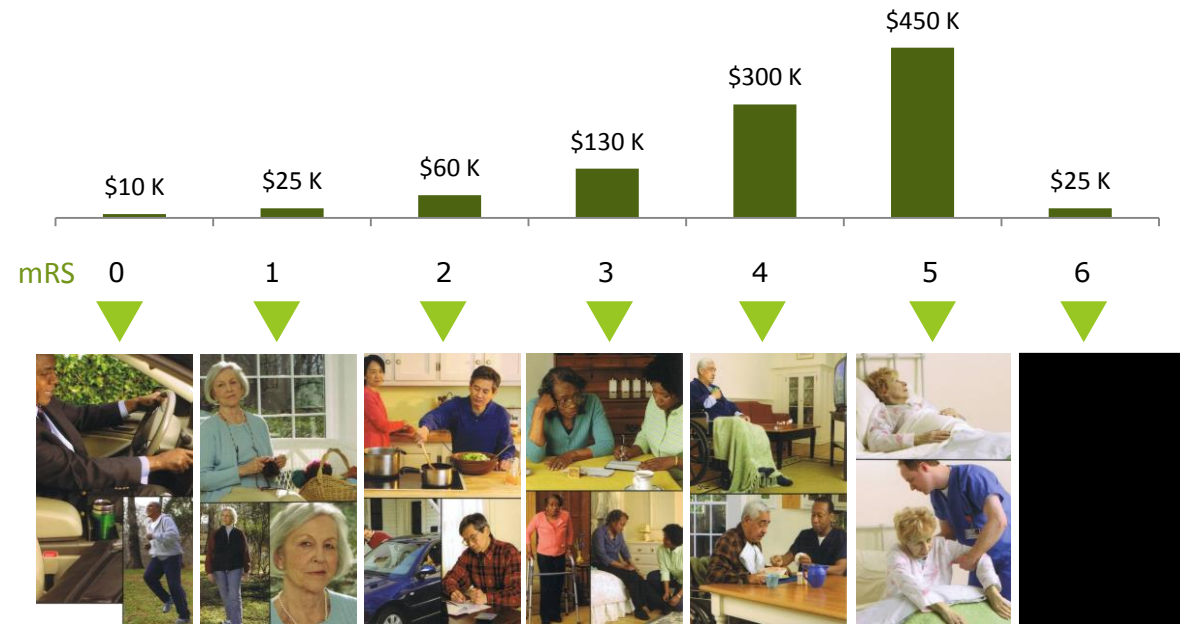
**ISCHEMIC STROKE**  
Blood flow to the brain is blocked by a **blood clot**  
**87%** of strokes are ischemic  
**BRAINSGATE'S DEVICE IS INTENDED TO TREAT ISCHEMIC STROKE**

**HEMORRHAGIC STROKE**  
Blood leaks into the brain from a **ruptured** blood vessel  
**13%** of strokes are hemorrhagic

# THE COST OF STROKE EACH YEAR IN THE U.S.: \$34 BILLION

**15-30%** OF STROKE SURVIVORS ARE LEFT PERMANENTLY DISABLED

Average Lifetime Cost Per Stroke Patient



**mRS: measure of degree of disability of stroke patients (0=complete recovery, 6=death)**

Sources: Samsa et al, Performing Cost-Effectiveness Analysis by Integrating Randomized Trial Data with a Comprehensive Decision Model: Application to Treatment of Acute Ischemic Stroke, J Clin Epidemiol Vol. 52, No. 3, pp. 259-271, 1999  
Savings calculated by: Expected mRS Distribution X Effect X Tx Cost Savings

# WHY ARE SO MANY STROKE SURVIVORS LEFT DISABLED?

**THE GOAL OF ALL STROKE TREATMENTS IS TO RESTORE BLOOD FLOW TO THE AFFECTED AREA AS QUICKLY AS POSSIBLE, AND PREVENT BRAIN CELL DEATH**

- Cells in the affected area die almost immediately, and cannot be salvaged
- ✚ However, surrounding the blockage are regions of viable tissue at risk – the ischemic penumbra – which can be salvaged if blood flow is restored in time



**DRUG TREATMENT FOR RESTORING BLOOD FLOW TO THE AFFECTED AREA IS AVAILABLE, BUT ONLY ~7% OF STROKE VICTIMS RECEIVE IT, AS SAFETY FACTORS LIMIT THE TREATMENT WINDOW TO 4.5 HOURS**

# tPA: THE ONLY FDA APPROVED DRUG TREATMENT SINCE 1996

THE GOAL OF ALL STROKE TREATMENTS IS TO RESTORE BLOOD FLOW TO THE AFFECTED AREA AS QUICKLY AS POSSIBLE, AND PREVENT BRAIN CELL DEATH

1

CLOT-BUSTING DRUG

2

CLOT RETRIEVING DEVICES

3

ELECTRICAL STIMULATION

## tPA: 4.5-HOUR TREATMENT WINDOW

- The risk of hemorrhage just 3 hours after stroke onset increases 10X
- Certain patients are eligible for treatment up to 4.5 hours after symptoms first start
- tPA is not approved for use after 4.5 hours from stroke onset
- **MOST PATIENTS DO NOT GET TO THE HOSPITAL IN TIME FOR tPA TREATMENT, DUE IN PART TO FAILURE TO RECOGNIZE SYMPTOMS AND DISTANCE FROM HOME-TO-HOSPITAL**

# ENDOVASCULAR THERAPY: AN EFFECTIVE TREATMENT BASED ON RECENT STUDIES

THE GOAL OF ALL STROKE TREATMENTS IS TO RESTORE BLOOD FLOW TO THE AFFECTED AREA AS QUICKLY AS POSSIBLE, AND PREVENT BRAIN CELL DEATH

1

CLOT-BUSTING DRUG

2

CLOT RETRIEVING DEVICES

3

ELECTRICAL STIMULATION

## CLOT RETRIEVERS: ADD-ON TREATMENT

- In the past this treatment was used in an 8-hour treatment window, but was not widely adopted due to lack of proven clinical benefit
- 2015: Several large multicenter trials were published showing that treatment with endovascular treatment in a limited time window has significant clinical benefits for stroke patients
- **THIS MODE OF TREATMENT IS EXPECTED TO GRADUALLY INCREASE THE NUMBER OF STROKE VICTIMS WHO RECEIVE TREATMENT**

# BRAINSGATE: ALTERNATE THERAPY THAT EXPANDS THE TREATMENT WINDOW TO 24 HOURS

THE GOAL OF ALL STROKE TREATMENTS IS TO RESTORE BLOOD FLOW TO THE AFFECTED AREA AS QUICKLY AS POSSIBLE, AND PREVENT BRAIN CELL DEATH

1

CLOT-BUSTING DRUG

2

CLOT RETRIEVING DEVICES

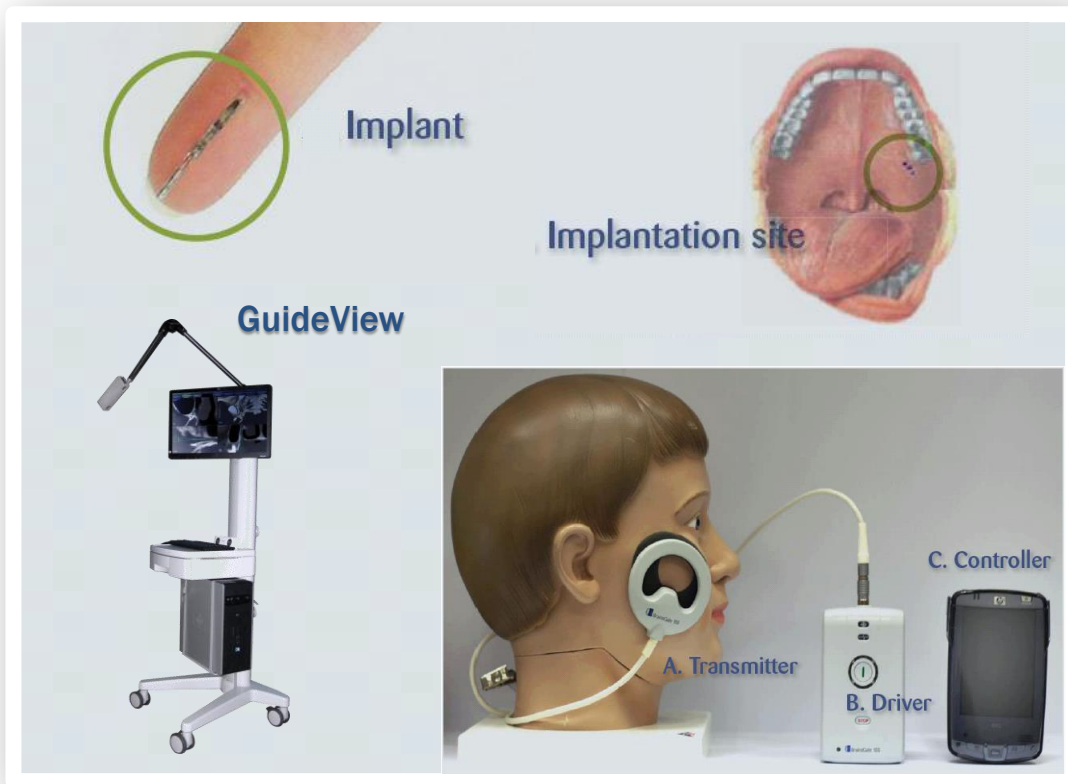
3

ELECTRICAL STIMULATION

## **ELECTRODE: 24-HOUR TREATMENT WINDOW**

- Electrical stimulation of the SPG (a nerve center behind the nasal cavity) using a miniature electrode
- The electrode's activation induces dilation of cerebral blood vessels, and augments cerebral blood flow; without affecting central blood pressure
- **THE RISK OF HEMORRHAGE IS NOT INDUCED, THEREFORE THE TREATMENT MAY BE GIVEN DURING A BROAD WINDOW OF UP TO 24 HOURS**

# ISS: THE ISCHEMIC STROKE SYSTEM



## TREATMENT REGIMEN:

- ▷ 5 daily stimulation sessions, of 4 hours each
- ▷ The neurologist performs the implantation (which is brief and simple), with the aid of a navigation system

**SPG (sphenopalatine ganglion)** = supplies parasympathetic innervation to the anterior cerebral circulation and some of the posterior circulation

**Transmitter** = emits RF waves which energize the implant

**Implant** = delivers electrical pulses to the SPG

**GuideView** = helps navigate the implant through the canal to its correct position near the SPG using a patient's CT



# STATUS

BRAINSGATE IS CONDUCTING AN **FDA TRIAL** FOR U.S. MARKETING APPROVAL OF THE ISS:

## GOAL 1

Completion of an interim analysis of the results of 600 patients by the DSMB (Data Safety and Monitoring Board)

## GOAL 2

Green light from DSMB to continue the trial in its current format (the DSMB's recommendation will be to continue the trial in the event it has a 20% probability of meeting its endpoints)

**DISCOVER.** POCARED

# POCARED



OUR  
INVESTMENT:  
  
\$53M

**ESTABLISHED:** 2004  
**FIRST INVESTMENT:** 2007  
**TOTAL INVESTMENT:** \$95M  
**MAIN PARTNER:** SCP Vitalife

**VISION:** To promote antibiotic stewardship and significantly reduce lab costs by providing a method for rapid infectious diseases diagnostics

**PRODUCT:** Rapid and automated microbiology lab system for infectious diseases diagnosis

OUR  
HOLDING:  
  
58%

# THE METHODS USED IN ORGANISM IDENTIFICATION HAVEN'T CHANGED IN MORE THAN 100 YEARS

## BACTERIA CULTURING: THE DIAGNOSTICS OF YESTERDAY

Since the 19<sup>th</sup> century, microbiology testing has been done by culturing bacteria in petri dishes



- ▶ **Expensive:** Requires reagents and skilled lab technicians
- ▶ **Manual:** Prone to human error, limited throughput
- ▶ **Inefficient:** Large lab footprint
- ▶ **Lengthy:** Diagnosis that relies on culturing bacteria to reach sufficient concentration levels takes days

## CONSEQUENCES

Over-/mis-prescribing antibiotics while awaiting lab results (promotes antibiotic resistance)

Costly lab tests

## AUTOMATED LAB SYSTEM: THE DIAGNOSTICS OF TOMORROW

In the 21<sup>st</sup> century, **POCARED** developed a technology for automatically identifying bacteria in body fluids, by identifying their optical "fingerprint"

## RAPID & AFFORDABLE TESTING



# "Few issues in public health today are as critical and time urgent as combating the growing threat of antibiotic resistance"

(Margaret A. Hamburg, M.D., Commissioner of the FDA, 2009-2015)

“ Simply using antibiotics creates resistance. ”

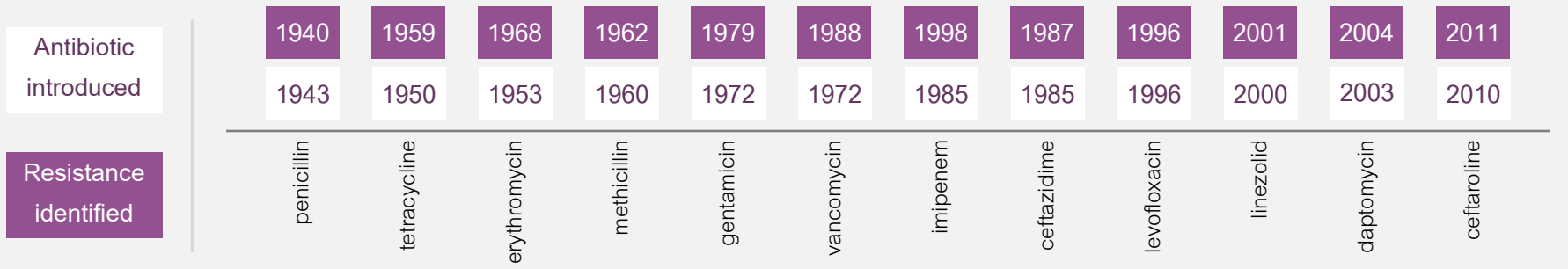
## HOW DOES ANTIBIOTIC RESISTANCE HAPPEN?

- ▶ The use of antibiotics is the single most important factor leading to antibiotic resistance around the world
- ▶ Antibiotics are among the most commonly prescribed drugs
- ▶ Up to 50% of all the antibiotics prescribed are not needed or are not optimally effective as prescribed

## WHAT ARE THE CONSEQUENCES?



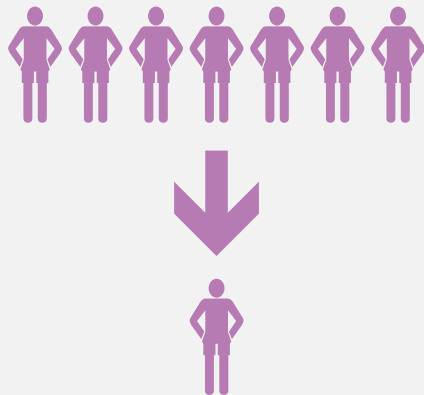
## TIMELINE OF DEVELOPING ANTIBIOTIC RESISTANCE



# THE MICROBIOLOGY LAB: THE LAST LAB TO IMPLEMENT FULL AUTOMATION

## THERE IS A DEMAND FOR AN AUTOMATED MICROBIOLOGY LAB WITH THE PROMISE FOR:

- FEWER SKILLED WORKERS



The average age of the lab workforce in the U.S. is about **50**, and increasing  
About **70%** of training programs have closed in the U.S. over the last 40 years

- HIGHER THROUGHPUT



Testing volumes are increasing **10-15%** per year, due to factors such as:  
technological innovation, aging population, infection control legislation, and more

- GREATER EFFICIENCY



Economic pressures drive the need to contain costs while maintaining high accuracy:  
**"DO MORE WITH LESS"**

# POCARED'S AUTOMATED LAB SYSTEM

## A DIAGNOSTIC TEST BASED ON OPTICAL TECHNOLOGY

- + Micro-organisms are identified based on their unique optical signatures in response to different UV wavelengths
- + Culture-free, lab assistant operated
- + Gold standard accuracy
- + A full batch of 42 samples takes 2 hours to diagnose



### STEP 1: SAMPLE PREPARATION

Filtration using “wet foam” technology to isolate micro-organisms

Sample Processor



### STEP 2: FLUORESCENCE ANALYSIS

The Analyzer employs algorithms that determine which wavelength to choose, and detect the organism’s “optical fingerprint”

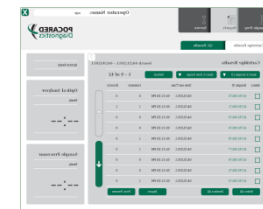
P-1000 Analyzer



### STAGE 3: REPORTING

A report with data on specimen screening (positive/negative), organism identification and enumeration is received

User interface



# STATUS

## STATUS OF FDA TRIAL FOR 1<sup>ST</sup> APPLICATION – Diagnosis of urinary tract infection:

- + In February 2016, with the completion of sample collection at 3 of the 4 centers at which the trial is taking place, data was received from the three centers and the analysis of the results commenced.
- + From an examination of the results received to date, it would appear that they do not match Pocared's expectations.
- + Pocared ceased sample collection at the fourth center and is currently learning the reason for and nature and meaning of the gaps, including whether this is due to a technical fault in the systems at these centers. This examination is expected to continue for a few weeks.



# THE NEXT APPLICATIONS FOR POCARED'S P-1000:

**1**

## THROAT SWABS

*(streptococci)*

41m tests in the U.S. annually

**STATUS:** clinical validation, ready for regulatory studies

**2**

## NASAL SWABS

*(MRSA/MSSA)*

8m tests in the U.S. annually

**STATUS:** clinical feasibility

**3**

## BLOOD CULTURES

*(sepsis)*

50m tests in the U.S. annually

**STATUS:** clinical proof of concept

**4**

## ANTIBIOTIC RESISTANCE

*(rapid AST)*

NO rapid solution currently available

**STATUS:** clinical feasibility

**DISCOVER.** NOTAL VISION

# NOTAL VISION



OUR  
INVESTMENT:  
  
\$10M

**ESTABLISHED:** 2000

**FIRST INVESTMENT:** 2002

**TOTAL INVESTMENT:** \$45M

**MAIN PARTNERS:** Ganot, Evergreen

**VISION:** To save the eyesight of Age-related Macular Degeneration (AMD) patients

**PRODUCT:** Home-monitoring system that sends out an alert when a change for the worse is detected in the condition of dry AMD patients

OUR  
HOLDING:

21%

# AMD: THE LEADING CAUSE OF BLINDNESS IN THE ELDERLY POPULATION IN THE WESTERN WORLD

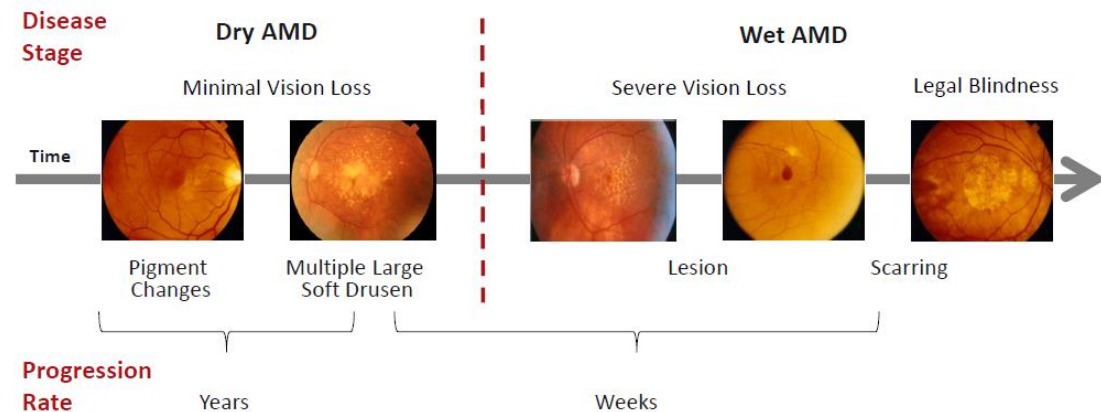
## AMD: AGE-RELATED MACULAR DEGENERATION

AMD destroys sharp, central vision, necessary for common tasks such as facial recognition, driving, reading, & watching television



## SUDDEN AND DEVASTATING DISEASE

- ▶ AMD has 2 stages: “dry” (non-neovascular) and “wet” (neovascular)
- ▶ ~90% of blindness due to AMD is associated with the wet stage
- ▶ AMD PROGRESSES FROM THE DRY STAGE TO THE WET STAGE **SILENTLY** AND VISION LOSS OCCURS **RAPIDLY** (WITHIN WEEKS)



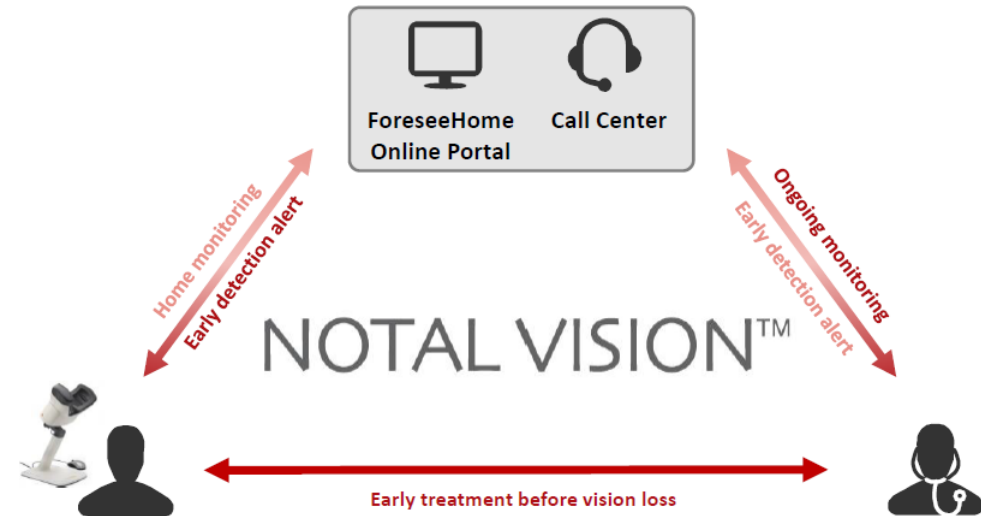
# ~9.1M INDIVIDUALS WITH DRY AMD IN THE U.S. ARE AT RISK OF CONVERSION TO WET AMD

## THE NEED FOR HOME MONITORING

- ▷ It is not possible to predict who will develop wet AMD, and if so, when
- ▷ Dry AMD patients are monitored once or twice a year, in routine check-ups at the eye doctor
- ▷ Wet AMD can be treated, but due to late diagnosis, 64% of eyes end with dysfunctional vision even after treatment

### ForeseeHome: a 3-min home eye exam

- The device is easy to use (“plug & play”)
  - The patient takes a brief daily test
    - The system detects visual changes before symptoms appear
      - The Call Center alerts the patient and doctor when the disease progresses



# FORESEEHOME: SAVING THE PATIENT'S VISION BEFORE IT'S TOO LATE

MORE THAN 1,500,000 TESTS TO DATE

- ✓ FDA CLEARED
- ✓ CE MARKED
- ✓ CLINICALLY PROVEN
- ✓ ESTABLISHED REIMBURSEMENT
- ✓ ADOPTED IN THE AAOS's CLINICAL GUIDELINES



## PROVEN PREVENTION OF VISION LOSS

AREDS2: Notal Vision conducted a trial in collaboration with the NIH on 1,520 patients in 44 eye clinics:

**94%** of patients who used the device as directed preserved functional vision at diagnosis vs only **62%** of patients using other detection methods

# STATUS

NOTAL VISION ACHIEVED **MEDICARE  
COVERAGE AMOUNTING TO \$74 PER  
PATIENT PER MONTH**

## WHO IS ELIGIBLE FOR MEDICARE COVERAGE?

At this stage, dry AMD patients at high risk of developing wet AMD who received a doctor's prescription are eligible for Medicare coverage.

Notal Vision estimates this population at about **2.5m patients in the U.S.**

**DISCOVER.** CARTIHEAL



# CARTIHEAL

OUR  
INVESTMENT:

\$12M

**ESTABLISHED:** 2009

**FIRST INVESTMENT:** 2012

**TOTAL INVESTMENT:** \$30M

**MAIN PARTNERS:** Johnson & Johnson, Accelmed



**VISION:** To treat joint surface lesions, and to halt the progression of knee osteoarthritis and delay or prevent knee replacement

**PRODUCT:** Implant for cartilage and bone repair in the joint

OUR  
HOLDING:

35%

# OSTEOARTHRITIS AFFECTS ~14% OF ADULTS AGED 25 YEARS AND OLDER IN THE U.S.

## CARTILAGE DEFECTS ARE PAINFUL AND IMPAIR PHYSICAL ACTIVITY

- ▶ Cartilage does not possess spontaneous healing potential

**No current treatment has succeeded in regenerating native cartilage**



## CARTILAGE DEFECTS LEFT UNTREATED MAY PROGRESS TO OSTEOARTHRITIS

- ▶ There are no treatments that halt the progression of osteoarthritis (OA)

**Patients who do not respond to pain relievers and are not yet candidates for knee replacement lack a solution**

### KNEE PROCEDURES IN THE U.S.

During 2004-2011 ~2 million people underwent a surgical procedure addressing a cartilage defect in the knee

**The most common procedures:** microfracture and debridement

In 2010 ~720,000 total knee replacements were performed

Persons with knee OA spend ~50% of their postdiagnosis life expectancy in between treatments **while waiting for total knee replacement**

# AGILI-C: IMPLANT FOR CARTILAGE & BONE REPAIR IN JOINTS

The implant has a unique structure, composed of calcium carbonate with hyaluronic acid



▶ 3 weeks post-op



▶ 6 weeks post-op



▶ 12 weeks post-op

# STATUS

CARTIHEAL'S AGILI-C HAS BEEN IMPLANTED IN **165 PATIENTS** THROUGHOUT EUROPE, MOSTLY TO TREAT TRAUMATIC AND DEGENERATIVE KNEE LESIONS

## 2016 GOALS

- + Implant an additional 50 patients for various indications such as knee OA, great toe & ankle
- + Product freeze of Agili-C & high manufacturing capacity build-up
- + Pre-IDE meeting with the FDA
- + First-in-man trial on new hemicondyle implant (that covers half of the knee)

**DISCOVER.** CORAMAZE

# CORAMAZE



OUR  
INVESTMENT:

€1.75M

**ESTABLISHED:** 2013

**FIRST INVESTMENT:** 2015

**TOTAL INVESTMENT:** €4.5M

**MAIN PARTNERS:** HTGF, SeedCapital

**VISION:** To offer functional mitral valve regurgitation (fMR) patients a minimally invasive treatment in lieu of open heart surgery

**PRODUCT:** Transcatheter mitral valve repair system with atraumatic anchoring

OUR  
HOLDING:

28%\*

\* 28% after the funding round will be completed; currently 17%.

# fMR: ONE OF THE MOST COMMON STRUCTURAL HEART VALVE DISEASES

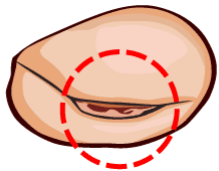
## fMR: FUNCTIONAL MITRAL VALVE REGURGITATION

- ▶ fMR affects up to **~3% of the general population**
- ▶ fMR patients suffer from severe symptoms and **increased mortality**



### HEALTHY MITRAL VALVE

The valve closes when the left ventricle contracts, preventing backflow of blood



### fMR:

An enlarged left ventricle prevents the valve sealing completely, causing backflow of blood

## CURRENT TREATMENT LIMITATIONS

**Open heart surgery** is very effective but severely limited in its applicability due to high risk & cost

**Minimally invasive devices** suffer from 1 or more of the following difficulties:

limited efficacy | complex delivery & deployment | invasive anchoring

**Currently, minimally invasive mitral valve treatment devices (existing and under development) aim to narrow the diameter of the valve's orifice (annuloplasty) or replace the entire mitral valve**

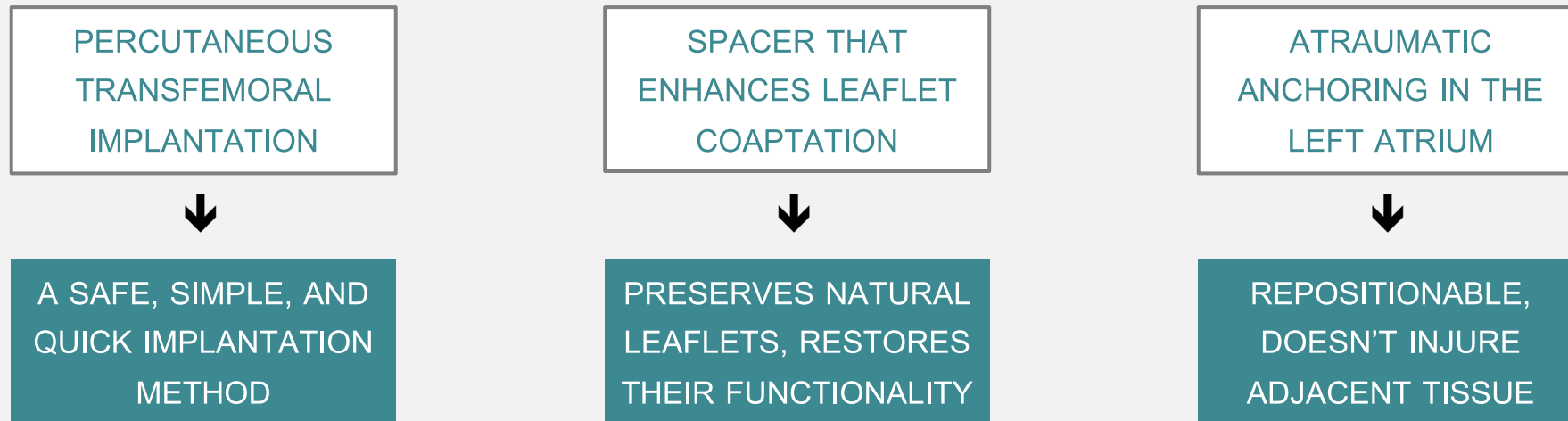
## THE CHALLENGES FACING MINIMALLY INVASIVE MITRAL VALVE REPAIR PROCEDURES:

- An asymmetrical valve that differs from patient to patient
- Lack of calcification or a rigid annulus wall for anchoring of a device
- A large valve that requires a larger device, restricting minimally invasive access

# FIRST TRANFEMORAL (THROUGH THE LEG) MITRAL VALVE SYSTEM WITH ATRAUMATIC ANCHORING BEING DEVELOPED



CORAMAZE IS DEVELOPING A DEVICE DESIGNED TO SELF-EXPAND ON SITE, AND BE POSITIONED BETWEEN THE VALVE'S LEAFLETS **TO RESTORE LEAFLET COAPTATION**





## 5 M&A DEALS IN 2015 OF TRANSCATHETER MITRAL VALVE TECHNOLOGIES

ACQUIRER	TARGET	DEAL SIZE	DEVICE	STAGE
Edwards Lifesciences	CardiAQ Valve Technologies	up to \$400m (\$350m upfront + milestone)	mitral valve replacement	clinical development
Abbott	Tendyne	up to \$250m (\$225m upfront + milestone)	mitral valve replacement	clinical development
Abbott	Cephea Valve Technologies	undisclosed purchase option	mitral valve replacement	clinical development
Medtronic	Twelve	up to \$458m (\$408m upfront + milestone)	mitral valve replacement	clinical development
Boston Scientific	Mvalve Technologies	\$200m purchase option	mitral valve replacement	clinical development

## DEVELOPMENTS IN OUR CYBER / IT COMPANIES

### IRONSCALES

Our 1<sup>st</sup> investment with Rafael (one of Israel's largest defense companies) in the cyber space, in a company that designed a spear phishing mitigation solution for enterprises

### CLOUDYN

The company closed an \$11m financing from Carmel Ventures and RDC (our subsidiary jointly held with Rafael)

### OPENLEGACY

Secured contracts with leading Israeli finance institutions; Andy Monshaw, formerly a senior operating executive with IBM Corporate, was appointed chairman

### PLYMEDIA

Revenues in 2015 amounted to \$34m compared to \$20m in 2014

## SUMMARY:

- 1** WE HAVE PROVEN EXPERTISE IN IDENTIFYING OPPORTUNITIES, BUILDING TECHNOLOGY LEADERS, AND EXITING HOLDINGS
- 2** WE ANTICIPATE SIGNIFICANT DEVELOPMENTS IN OUR MATURE COMPANIES THIS YEAR
- 3** OUR CURRENT MARKET VALUE IS \$135M, AND OUR LIQUID RESOURCES BALANCE IS \$107M

# ELRON. OPPORTUNITY

Thank you.  
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