This presentation is for information purposes only. By this presentation, Elron does not intend to solicit offers to purchase its securities and the presentation does not constitute an invitation to receive such offers, and nothing said therein constitutes a “public offering”, as defined in the Israel Securities Law, 5728-1968. Some of the data in Slide 17 of this presentation that refer to the Company's share in holdings (in the group companies presented therein) based on the value of the last financing round were first included in the presentations the Company makes public after its last annual reports were issued. Elron may make improvements and/or changes in the features or content presented herein at any time. Elron shall not be liable for any loss, claim, liability or damage of any kind resulting from the investor’s reliance on or reference to any detail, fact or opinion presented herein.

The presentation is not intended to provide a comprehensive description of Elron’s activities, and Elron urges investors to consider the information presented herein in conjunction with its public filings including its annual and other periodic reports.

Nothing in this presentation should be considered "investment advice", as defined in the Israel Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995. Certain statements made over the course of this presentation may be forward-looking in nature, as defined in Section 32A of the Israel Securities Law, 5728-1968. Such forward-looking statements involve known and unknown risks, uncertainties, forecasts, assessments, estimates or other information, which relates to a future event or matter whose occurrence is not certain and which is not within the sole control of Elron, and other factors which may cause the actual results, performance and achievements of Elron to be materially different from any future results, performance and achievements implied by such forward-looking statements. These forward looking statements are not proved facts and are based on Elron's subjective assessments which rely on analysis of general information, public publications, researches and reviews, which do not include any liability as to the accurateness or completeness of the information contained there and their accurateness hasn't been examined by Elron. The realization of these forward looking statements will be affected by factors that cannot be assessed in advance and which are not within the control of Elron. Elron assumes no obligation to update the information in this presentation and disclaims any obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. 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 Elron's and its group companies’ fields of operation; failure to meet goals; inability to realize technologies; delays or malfunctions in development or manufacture; inability to obtain financing; modifications in technologies; modifications in work plan, goals and/or strategy; failure or delay in recruiting patients for clinical trials; interim analysis results; clinical trial results and analysis thereof, which may alter their implication on the regulatory pathways to be pursued for marketing and reimbursement approval of products around the world as well as the actual filing of marketing and reimbursement approval applications; feedback from the medical and scientific community; failure to obtain regulatory approvals; guidance and determinations by regulatory and insurance authorities; or if any risk associated with Elron and its group companies and the course of product development, clinical trials and their results, data analysis and/or regulatory filings occurs. All amounts are fully attributed to Elron and RDC unless specified otherwise.
BUILDING VALUE IN VENTURE CAPITAL INVESTMENTS

10 exits totaling $1.5b, including proceeds in excess of $500m for Elron and RDC

Long-standing focus in the medical device field

Experienced team leading the company over the last decade

Successful entry into the cyber/IT space

A portfolio of companies in which we invested $185m

$140m cumulative dividends since 2012

1960s
Defense
Elbit

1970s
Medical Imaging
Elsint

1980s
Semiconductors
Orbotech | Zoran

1990s
Communications
Netvision | Partner

2000s
Multi-strategy
Given Imaging

2010s
Medical Devices
Medingo

2020s
Cyber/IT
BUILDING VALUE IN VENTURE CAPITAL INVESTMENTS

MEDICAL DEVICES
Elron’s field of focus in the last decade

BALANCED MATURITY BETWEEN INITIAL R&D STAGE START-UPS THROUGH COMPANIES IN ADVANCED STAGES

Current portfolio:
6 companies, in which a total of ~$390m was invested

4 exits
in the last decade generating ~$466m in proceeds for Elron & RDC, reflecting a 2.6x multiple on investment

~$150m by Elron & RDC

ELRON

CYBER/IT
Developing the field for the next decade

NEW VERTICAL IN THE LAST 3 YEARS

Current portfolio:
11 companies, in which a total of ~$122m was invested

2 exits
in the last 2 years generating ~$35m in proceeds for Elron & RDC, reflecting a 3.25x multiple on investment, in an avg. of ~3 years

~$35m by Elron & RDC
TEAMWORK

An experienced team which led 10 exits, dozens of investments, and follow-on financings totaling hundreds of millions of $s over the last decade

ARI BRONSHTEIN
CEO
Extensive experience in managing and investing in hi-tech companies. Served as a director in several large companies, including CellCom, Hadera Paper, Maxima, and Given Imaging until its sale to Covidien in 2014. Has been with Elron since 2009.

YARON ELAD
CFO
Extensive finance experience. Established and manages Elron’s portfolio of IT investments. Led Elron’s investment in Cloudyn which was successfully sold to Microsoft in 2017, and the sale of Jordan Valley and Safend. Has been with Elron since 2007.

ZVIKA SLOVIN
VP Medical Devices
Broad experience in the medical device space as an entrepreneur and investor. Led Elron’s investment in Medingo which was successfully sold to Roche in 2010, and the investment and sale of Sync-Rx and Kyma. Has been with Elron since 2008.

ZOHAR ROZENBERG
VP Cyber Investments
Col. Ret. Headed the IDF’s Cyber Division in the Intelligence Corp 8200 unit. Established Elron’s cyber portfolio and successfully led the investment and exit of Secdo in 2018. Has been with Elron since 2016.
EXITS AT A VALUE OF $1.5B

- Sold to ROCHE May 2010
- Sold to ENABLENCE June 2010
- Sold to WAVE SYSTEMS CORP Sept. 2011
- Sold to ALVARION Nov. 2011
- Sold to VOLCANO Nov. 2012
- Acquired by COVIDIEN Feb. 2014
- Sold to ZOLL Sept. 2015
- Sold to BRUKER Oct. 2015
- Sold to MICROSOFT July 2017
- Sold to PALO ALTO NETWORKS Apr. 2018

Our share in proceeds $550M

Including RDC
AT THE PIVOT OF OUR ACTIVITY

**CartiHeal**
Implant for cartilage and bone regeneration in load-bearing joints

- Total investment in company: $51m
- $17m (29%) by Elron

**BrainsGate**
Electrical stimulation-based treatment for ischemic stroke

- Total investment in company: $97m
- $29m (30%) by Elron

**OpenLegacy**
Automated API integration platform that speeds digital transformation

- Total investment in company: $37.4m
- $8.2m (29%) by RDC

**Main Partners:**
- **CartiHeal:** Johnson & Johnson, Accelmed, aMoon, Bioventus
- **BrainsGate:** Johnson & Johnson, Medtronic, Boston Scientific, Pitango, Cipio Partners
- **OpenLegacy:** CommerzBank, Cardiff/Cathay, OG Tech, Leumi Partners, Prytek, Silverhorn
Cartilage injuries affect millions of patients worldwide. The need for a simple, fast, and off-the-shelf solution to restore cartilage is an **unmet challenge facing medicine today**.

- **>400 patients** were treated to date with the implant in a series of clinical trials.
- **In Sep. 2017** a pivotal clinical trial was initiated for FDA marketing approval of the implant in the treatment of traumatic and osteoarthritic defects in the knee: ~190 patients enrolled to date.
- **CE mark in hand with a broad indication allowing for sales in Europe**.
- **IN THE NEXT YEAR: After 250 patients are enrolled, an interim analysis of the trial’s results will take place**.

---

This slide contains forward-looking information as defined in Section 32A of the Israel Securities Law, 5728-1968. See Slide 2 of this presentation.

CartiHeal’s system is an investigational device in the U.S., not approved for marketing there.
ELECTRICAL STIMULATION-BASED TREATMENT FOR ISCHEMIC STROKE

The annual number of new ischemic strokes in the USA is approximately 700,000. The current treatment for stroke is very limited.

In Mar. 2018 the company completed the largest stroke trial ever done: 1,000 patients, treated on average 19 hours after stroke onset

Trial results among cortical stroke patients (50% of the trial population*) demonstrated that SPG stimulation:
- reduced disability
- reduced the no. of dependent pts. by ~1/3 compared with the control group

In May ‘19, the FDA trial results were published in the scientific journal The Lancet

IN THE NEXT YEAR: The company intends to submit an application for FDA marketing approval

tPA (clot-busting drug)
- ~7% of stroke patients receive tPA

MECHANICAL THROMBECTOMY: clot removal or aspiration with a catheter
- ~5% of stroke patients undergo the procedure

---

This slide contains forward-looking information as defined in Section 32A of the Israel Securities Law, 5728-1968. See Slide 2 of this presentation.
BrainsGate’s system is an investigational device, not approved for marketing.
* BrainsGate estimates that ~25% of ischemic strokes are cortical.
# BRAINSGATE’S FDA TRIAL RESULTS

**ImpACT-24B: SPG stimulation started within 24 hours reduced disability in a broad category of cortical stroke patients (50% of the trial population)**

<table>
<thead>
<tr>
<th>PROFILE</th>
<th>The longest clinically tested treatment window – on average, patients were treated 19 hrs after stroke onset. Performed by MDs (mostly neurologists)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFFICACY</td>
<td>Large effect size (9.7%) among cortical stroke patients, marginally missed statistical significance (p=0.0257) Pooled analysis of ImpACT-24A &amp; B showed a statistically significant (p=0.005) and clinically relevant benefit among cortical stroke patients Neutral effect in general trial population</td>
</tr>
<tr>
<td>SAFETY</td>
<td>SPG stimulation was safe across all patient groups</td>
</tr>
<tr>
<td>MODE OF ACTION</td>
<td>A strong dose-response relationship between stimulation level and patient outcomes was revealed (p&lt;0.001)</td>
</tr>
</tbody>
</table>

ImpACT-24A: Randomized clinical trial that enrolled 300 patients during 2009-2011
ImpACT-24B: Randomized clinical trial that enrolled 1,000 patients during 2011-2018
FROM LEGACY SYSTEM TO APPLICATION IN RECORD SPEED

- Raised $30m in financing round from leading strategic investors
- Team of 100 employees, in 8 locations worldwide
- Over 20 customers worldwide, including 1st-tier insurance & banking corps
- The co’s first multi-million-$ transaction with a global banking customer (money transfer API production) demonstrated:
  - API performance: 5x faster than existing solution
  - >75% reduction in labor cost (20 vs. 120 FTEs)
  - Multiple middleware products bypassed ($mn savings)

IN THE NEXT YEAR: Leverage latest financing round to accelerate global sales

This slide contains forward-looking information as defined in Section 32A of the Israel Securities Law, 5728-1968. See Slide 2 of this presentation.
ELRON CYBER/IT
THE NEXT DECADE: CYBER & IT

LEADERSHIP

ZOHAR ROZENBERG
VP Cyber Investments
Over 20 years of experience; previously Head of the IDF’s Cyber Department; joined Elron in 2016 and established its cyber activities

YARON ELAD
CFO
Leads the IT field; led the investment in Cloudyn which was successfully exited in 2017

RAFAEL

RAFAEL (through RDC, a joint venture)
Vast experience in technological projects, extensive knowledge in the cyber and IT spaces, well-established practice of serving as a design partner / beta site for group companies, and often as their first major customer

INVESTMENT

$45m
A total of 13 investments to date

$35m
$60m
proceeds from 2 exits
based on last financing round in our 11 portfolio co’s
Seed
Round A
Round B
Exit

CYBER & IT – GROWTH CATALYST IN THE NEXT DECADE
Microsoft confirms Cloudyn acquisition, sources say price is between $50M and $70M

Ingrid Lunden, Ron Miller 2 years ago

Palo Alto Networks buys Israeli cybersecurity co Secdo for $100m

Cybersecurity Startup Alcide Raises $7 Million

Alcide's cloud security platform provides DevOps, security, and engineering teams with simplified tools to manage and protect data centers against cyber attacks

KZen raises $4 million to bring sanity to crypto wallets

Encryption Startup Kindite Raises $4 Million

Kindite develops a cloud-based platform designed to automate the encryption of organizational data as well as process encrypted data without viewing its content

Mer Orbach 16:15 16.11.18

On The Forefront Of Israeli Cybersecurity Innovation And Investment Strategy

Hospital cybersecurity co Cynerio raises $7m
<table>
<thead>
<tr>
<th><strong>INVESTMENT PARTNERS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMSUNG NEXT</td>
</tr>
<tr>
<td>CARDIF</td>
</tr>
<tr>
<td>PRYTEK</td>
</tr>
<tr>
<td>bioventus SURGICAL</td>
</tr>
<tr>
<td>AXA</td>
</tr>
<tr>
<td>Leumi Partners</td>
</tr>
<tr>
<td>K1</td>
</tr>
<tr>
<td>Enterprise Software</td>
</tr>
<tr>
<td>Investors</td>
</tr>
<tr>
<td>COMMERZBANK</td>
</tr>
<tr>
<td>O.G. TECH VENTURES</td>
</tr>
<tr>
<td>COMMERCIAL</td>
</tr>
<tr>
<td>accelmed</td>
</tr>
<tr>
<td>techwald</td>
</tr>
<tr>
<td>arvato BERTELSMANN</td>
</tr>
<tr>
<td>TPY CAPITAL</td>
</tr>
<tr>
<td>VIOLA VENTURES</td>
</tr>
<tr>
<td>kamet</td>
</tr>
<tr>
<td>Mtip</td>
</tr>
<tr>
<td>Medtronic</td>
</tr>
<tr>
<td>Benson Oak Ventures</td>
</tr>
<tr>
<td>aMoon ACCELERATING CURE</td>
</tr>
<tr>
<td>Intel Capital</td>
</tr>
<tr>
<td>Johnson-Johnson INNOVATION</td>
</tr>
<tr>
<td>ELRON</td>
</tr>
<tr>
<td>Holdings in companies</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>Medical:</td>
</tr>
<tr>
<td>BrainsGate (27%)</td>
</tr>
<tr>
<td>CartiHeal (27%)</td>
</tr>
<tr>
<td>Pocared (55%)</td>
</tr>
<tr>
<td>Other medical companies</td>
</tr>
<tr>
<td><strong>Total Medical Holdings</strong></td>
</tr>
<tr>
<td><strong>Total Cyber/IT Holdings</strong></td>
</tr>
<tr>
<td><strong>Others</strong></td>
</tr>
<tr>
<td><strong>Total Holdings</strong></td>
</tr>
<tr>
<td>Contingent consideration and proceeds in escrow from sale of companies</td>
</tr>
<tr>
<td>Liquid resources (cash and marketable debentures) (as of May 31, 2019)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
<tr>
<td>Price per share on TASE (in $) (as of June 3, 2019)</td>
</tr>
<tr>
<td>Elron’s market value (as of June 3, 2019)</td>
</tr>
</tbody>
</table>

1 Includes Elron's direct holdings and its effective indirect holdings through RDC. Includes investments made after Mar. 31, 2019. Includes Elron's balance and 50.1% of RDC's balance.

2 The amount includes: A) $96.6m calculated based on the "post-money" valuation of the last financing round in the companies multiplied by our fully diluted holding percentage. It is clarified that these are financing rounds that were carried out in different companies at different dates, and since which, in some cases, significant time has passed. In some of the financing rounds Elron and/or RDC opted not to participate; B) investments in companies presented at fair value in Elron’s financial statements totaling $18.9m (mainly Notal Vision and Aqwise); C) $35.8m attributed to Pocared based on a valuation determined with the assistance of an external appraiser as of Dec. 31, 2018 and which is included in Elron’s periodic report for 2018.

3 The above financial data do not represent a valuation, investment advice, or a financial opinion of any kind.
SUMMARY

~$220M
Total cash balance & investments in existing companies

10 EXITS
in recent years

IN THE NEXT YEAR
Value-building events in pivotal companies

EXPERIENCED TEAM
leading the company over the last decade

MATURE PORTFOLIO OF COMPANIES

INVESTMENT OPPORTUNITY IN A PUBLIC COMPANY IN THE VC SPACE, PROVIDING THE WIDER PUBLIC WITH ACCESS TO PRIVATE START-UPS

This slide contains forward-looking information as defined in Section 32A of the Israel Securities Law, 5728-1968. See Slide 2 of this presentation.
THANK YOU. ELRON

elron.com
## OUR MEDICAL DEVICE COMPANIES

<table>
<thead>
<tr>
<th>Company</th>
<th>Product Description</th>
<th>Our Investment</th>
<th>Our Investment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARTIHEAL</td>
<td>Implant for cartilage and bone regeneration in load-bearing joints</td>
<td>$17m</td>
<td>29%</td>
</tr>
<tr>
<td>BRAINSGATE</td>
<td>Electrical stimulation-based treatment for ischemic stroke</td>
<td>$29m</td>
<td>30%</td>
</tr>
<tr>
<td>POCARED</td>
<td>Rapid and automated microbiology laboratory system</td>
<td>$83m</td>
<td>71% by Elron &amp; RDC</td>
</tr>
<tr>
<td>NITINOTES</td>
<td>Minimally invasive endoscopic device for treatment of obesity</td>
<td>$3m</td>
<td>31%</td>
</tr>
<tr>
<td>CORAMAZE</td>
<td>Transcatheter mitral valve repair system</td>
<td>€5.2m</td>
<td>36%</td>
</tr>
<tr>
<td>NOTAL VISION</td>
<td>Remote monitoring of patients with age-related macular degeneration</td>
<td>$13.5m</td>
<td>14%</td>
</tr>
</tbody>
</table>
### OUR CYBER/IT COMPANIES

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Percentage</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIXGILL</strong></td>
<td>Cyber intelligence platform that automatically &amp; covertly analyzes the dark web</td>
<td>22%</td>
<td>$3.5m</td>
</tr>
<tr>
<td><strong>SECUREDTOUCH</strong></td>
<td>Behavioral biometrics-based user authentication for mobile apps</td>
<td>28%</td>
<td>$4.5m</td>
</tr>
<tr>
<td><strong>IRONSCALES</strong></td>
<td>Automated phishing prevention, detection &amp; response platform</td>
<td>24%</td>
<td>$2.5m</td>
</tr>
<tr>
<td><strong>CYNERIO</strong></td>
<td>Protecting the connected medical device ecosystem from cyber threats</td>
<td>24%</td>
<td>$2.3m</td>
</tr>
<tr>
<td><strong>KINDITE</strong></td>
<td>Encryption platform that makes the cloud blind to data &amp; encryption keys</td>
<td>28%</td>
<td>$2.5m</td>
</tr>
<tr>
<td><strong>OZCODE</strong></td>
<td>Debugging-as-a-Service (DaaS) that cuts debugging time to minutes</td>
<td>27%</td>
<td>$2.5m</td>
</tr>
<tr>
<td><strong>KZEN</strong></td>
<td>Crypto wallet that doesn't compromise between security and user experience</td>
<td>8%</td>
<td>$0.9m</td>
</tr>
<tr>
<td><strong>SAYATA</strong></td>
<td>Automated, AI-based cyber risk assessment solution for the insurance industry</td>
<td>21%</td>
<td>$2.5m</td>
</tr>
</tbody>
</table>

**OPENLEGACY**
- Automated API integration platform that speeds digital transformation
- Our investment: $8.2m

**ALCIDE**
- Universal security and management platform for hybrid data centers
- Our investment: $3.9m

**ALCIDE**
- Universal security and management platform for hybrid data centers
- Our investment: $3.9m