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Translation of Immediate Report Filed by Elron on September 5, 2017 with the Israeli Securities Authority

Tel Aviv, September 5, 2017 – Elron Electronic Industries Ltd. (TASE: ELRN) ("Elron") announced with respect to BrainsGate Ltd. ("BrainsGate") and Pocared Diagnostics Ltd. ("Pocared") as follows:

BrainsGate:

Further to Item 4 of Elron's Form 20F for 2016 published on March 21, 2017, BrainsGate updated that as of the date of this immediate report, 890 patients have been recruited for the clinical trial which BrainsGate is conducting and also that the average monthly rate of recruitment is currently 20 patients per month. BrainsGate expects the patient recruitment to be completed during the first quarter of 2018 and not during 2017 as previously reported.

BrainsGate's above estimates are forward-looking in nature, as defined in Israel Securities Law, 5728-1968, and are based on BrainsGate's estimations of its patient recruitment rate potential and information existing in BrainsGate as of the date of 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 BrainsGate's field of operation, failure to obtain regulatory approvals to continue development, failure to meet goals, failure to recruit the number of patients necessary to complete the trial, trial results, 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.

BrainsGate is approximately 30% held by Elron.

Pocared:

Further to Item 4 of Elron's Form 20F for 2016 published on March 21, 2017, Pocared updated that due to the slower than expected accumulation of inventory of disposable units required for the trial, it currently expects that it will commence the trial in the first quarter of 2018 and will complete it in April 2018 and not during 2017 as reported previously.

Pocared's above estimates are forward-looking in nature, as defined in Israel Securities Law, 5728-1968, and are based on Pocared's estimations of the potential of its development and business and the direction and strategy of Pocared as of the date of this immediate report as well as on information existing in Pocared as of the date of this immediate report. These estimates, in whole

ELRON

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 Pocared's field of operation, failure to obtain regulatory approvals to continue development, failure to meet goals, inability to realize technologies, modifications in technologies, delays or malfunctions in development or manufacture, modifications in the business plan, goals and/or strategy, or if any risk associated with the preparations for the trial and its results occurs.

Pocared is approximately 69% held by Elron (including an approximately 18% holding by RDC Rafael Development Corporation – 50.1% held by Elron).