

ELRON

Translation of Immediate Report Filed by Elron on November 21, 2018 with the Israeli Securities Authority

Tel Aviv, November 21, 2018 – Elron Electronic Industries Ltd. (TASE: ELRN) ("Elron") announces with respect to Pocared Diagnostics Ltd. ("Pocared") as follows:

Further to Sections 25.7 to 25.10 of Part I of Elron's Annual Report for 2017 published on March 22, 2018 and Elron's Immediate Report issued on August 22, 2018, Pocared is continuing in its development activities in order to improve the system's capabilities and at the same time is expected to explore a possibility for building value by conducting the clinical trial and subsequently filing for FDA approval based on the system's and mathematical models' capabilities at the time of the clinical trial and the filing for FDA approval, even if the capabilities haven't reached their full potential as planned. Should that be the case, the need to conduct an additional trial will be examined upon completing the models' development to their full planned potential.

In light of the prolonged development activity being carried out in order to improve the capabilities of the mathematical models for pathogen identification and quantification, Pocared is currently expected to commence the trial in the first half of 2019 and not as reported previously, and during this time Elron and RDC will consider its future investments in Pocared, among other things, in light of its progress in its development, clinical, and regulatory efforts, and its ability to raise funds from additional investors.

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 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, obtaining the financing Pocared requires, 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 70% held by Elron (including an approximately 22% holding by RDC Rafael Development Corporation ("RDC") – 50.1% held by Elron).