

Translation of Immediate Report Filed by Elron on December 11, 2021 with the Israeli Securities Authority

Tel-Aviv, December 11, 2021 – Elron Electronic Industries Ltd. (“Elron”) (TASE: ELRN) hereby announces further to Sections 18.4.4.2 and 24 of “Part I – Description of Corporation's Business” in Elron’s annual periodic report for 2020, and following Section 2 of Part I of Elron's quarterly report for the third quarter of 2021, BrainsGate Ltd. (“BrainsGate”) has updated that on December 10, 2021 BrainsGate's premarket approval application (PMA) to the U.S. Food and Drug Administration (“FDA”) was reviewed by an external advisory panel. The panel held a public discussion in which various and varied opinions were presented, at the end of which it gave its opinion on BrainsGate's ISS system designed for the treatment of cortical ischemic stroke (“ISS”) and voted as follows:

On the question whether there is reasonable assurance that BrainsGate's ISS system is safe for use in patients who meet the criteria specified in the proposed indication, all 13 panel members voted in favor, 0 voted against, and 0 abstained.

On the question whether there is reasonable assurance that BrainsGate's ISS system is effective for use in the patients who meet the criteria specified in the proposed indication, 3 panel members voted in favor, 7 voted against, and 3 abstained.

On the question whether the benefits of BrainsGate's ISS system outweigh the risk for use in the patients who meet the criteria specified in the proposed indication, 3 panel members voted in favor, 7 voted against, and 3 abstained.

The panel was convened to discuss, make recommendations, and vote on information regarding the PMA for BrainsGate's ISS system. The FDA is expected to take the content of the panel discussion (which is as stated, public) into consideration in reaching a final decision on the PMA.

Based on the expected timeline, the FDA's decision regarding the PMA for BrainsGate's ISS system is expected in the first quarter of 2022.

Elron holds approximately 28% of BrainsGate's outstanding share capital, and approximately 25% on a fully diluted basis.