

DISCOVER. INNOVATION

ELRON - INVESTOR PRESENTATION

August 2016

Forward-Looking Information

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. 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 Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995.

Certain statements made over the course of this presentation may be forward-looking in nature, as defined in Section 21E of the U.S. Securities Exchange Act of 1934, and 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 obtain regulatory approvals; failure to meet goals; failure or delay in recruiting the number of patients or samples necessary to complete clinical trials; failure or delay in correcting defects or the discovery of additional defects; clinical trial results; inability to realize technologies; modifications in technologies; modifications in work plan, goals and/or strategy; or if any risk associated with Elron and its group companies and the course of clinical trials and their results occurs.

RECENT DEVELOPMENTS

Dividend: THE BOARD APPROVED A \$15 MILLION DIVIDEND DISTRIBUTION

- + The dividend is payable on Sept. 26, 2016 to shareholders of record as of Sept. 12, 2016

Cloudyn: \$4 MILLION INVESTMENT BY INFOSYS

- + India-based global IT leader **InfoSys** invested \$4m in Cloudyn
- + Cloudyn has raised ~\$15m during the last year

BrainsGate: NEW IMPLANT THAT WILL REDUCE PROCEDURE TIME

- + BrainsGate introduced a new injectable implant that is simpler and quicker to implant
- + The FDA agreed to its integration in the current trial
- + To date ~650 patients have been enrolled in the trial

Cyber: NEW INVESTMENT IN ALCIDE

- + Alcide develops security and management tools for hybrid data centers
- + Our investment: \$1.5m; our holding: 30%
- + We have invested in 3 new cyber companies during 2016

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...)*



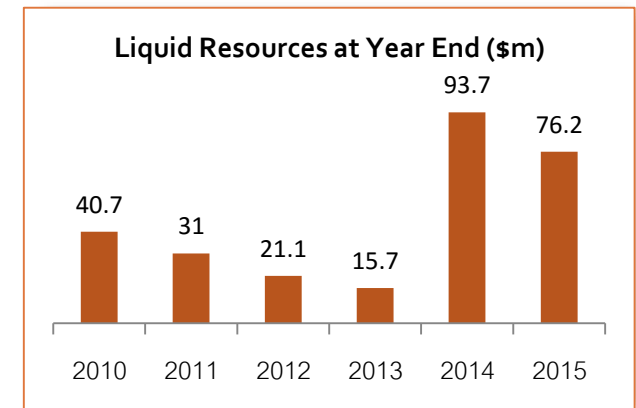
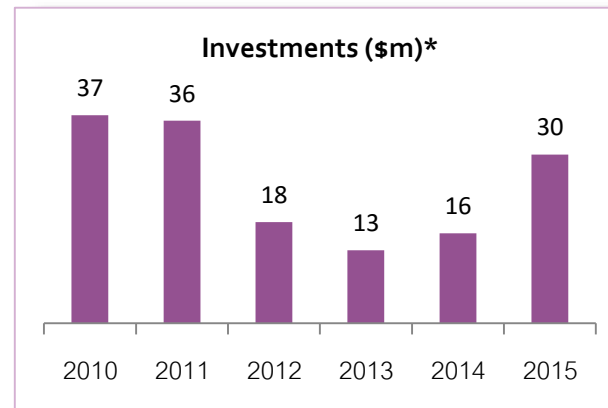
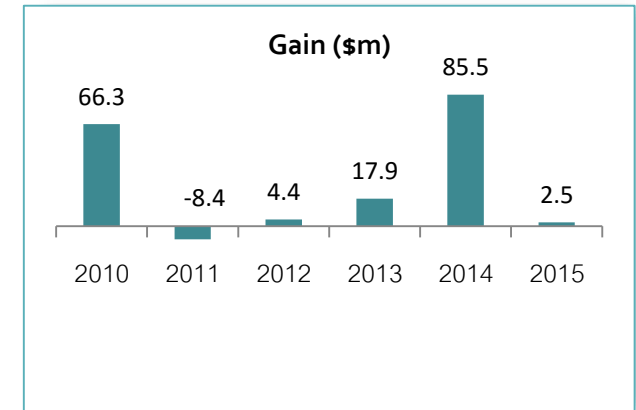
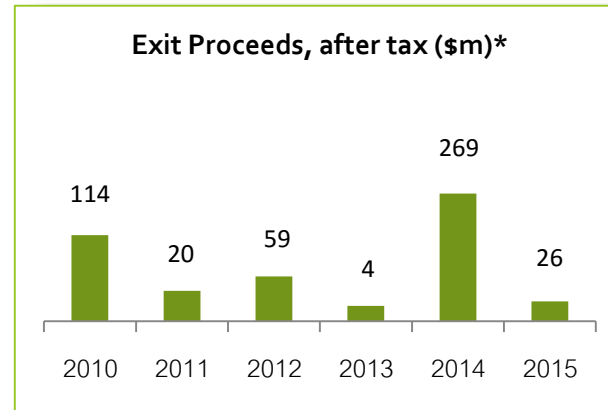
SINCE 2010: AGGREGATE PROFIT OF \$159M; \$140M IN DIVIDENDS

PERFORMANCE IN 2016:

LOSS (H1/16): \$9.2M

LIQUID RESOURCES *: \$116M

INVESTMENTS *: \$31.7M



* Including RDC

VALUE POTENTIAL

SUMMARY OF OUR ASSETS:

**MARKET VALUE LESS CASH
AND FINANCIAL ASSETS =
\$58M**

DIVIDEND:

Our board of directors declared a **\$15m** dividend, payable on Sept. 26, 2016 to shareholders of record as of Sept. 12, 2016

<u>Holdings in companies</u> ¹	Book value at June 30, 2016 (\$m)	Amount invested (\$m)
Associates and consolidated companies:		
Pocared (61%)	18.0	59.9
BrainsGate (30%)	(0.4)	24.5
PLYmedia (25%)	-	2.5
Others	16.5	28.1
Companies presented at fair value:		
Notal Vision (21%)	17.0	11.4
Others	4.6	18.6
<u>Total Holdings</u>	<u>55.8</u>	<u>145.0</u>
Fair value of contingent consideration from sale of companies ²	4.5	4.5
Cash (as of Aug. 28, 2016) ²	58.3	58.3
Financial assets, net (as of Aug. 28, 2016) ²	27.6	27.6
<u>TOTAL</u> ³	<u>146.2</u>	<u>235.4</u>
Price per share on TASE (in \$) (as of Aug. 28, 2016)		4.92
Elron's market value (as of Aug. 28, 2016)		144.3

¹ Includes Elron's direct holdings and its effective indirect holdings through RDC and RDSeed. Includes investments made after June 30, 2016.

² Includes Elron's balance and 50.1% of RDC's balance.

³ 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:

\$29M

ESTABLISHED: 2000

FIRST INVESTMENT: 2005

TOTAL INVESTMENT: \$96M

MAIN PARTNERS: Johnson & Johnson, Boston Scientific, Medtronic, Pitango, Cipro 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:

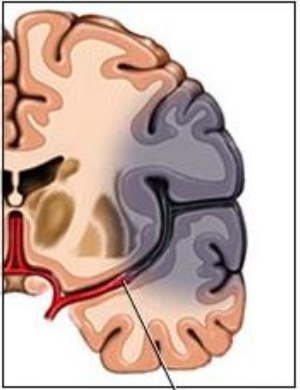
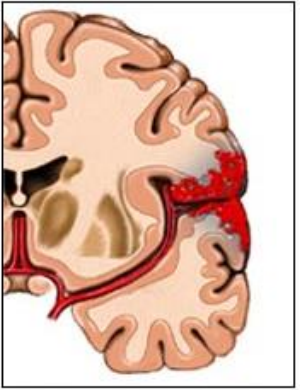
30%

~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**

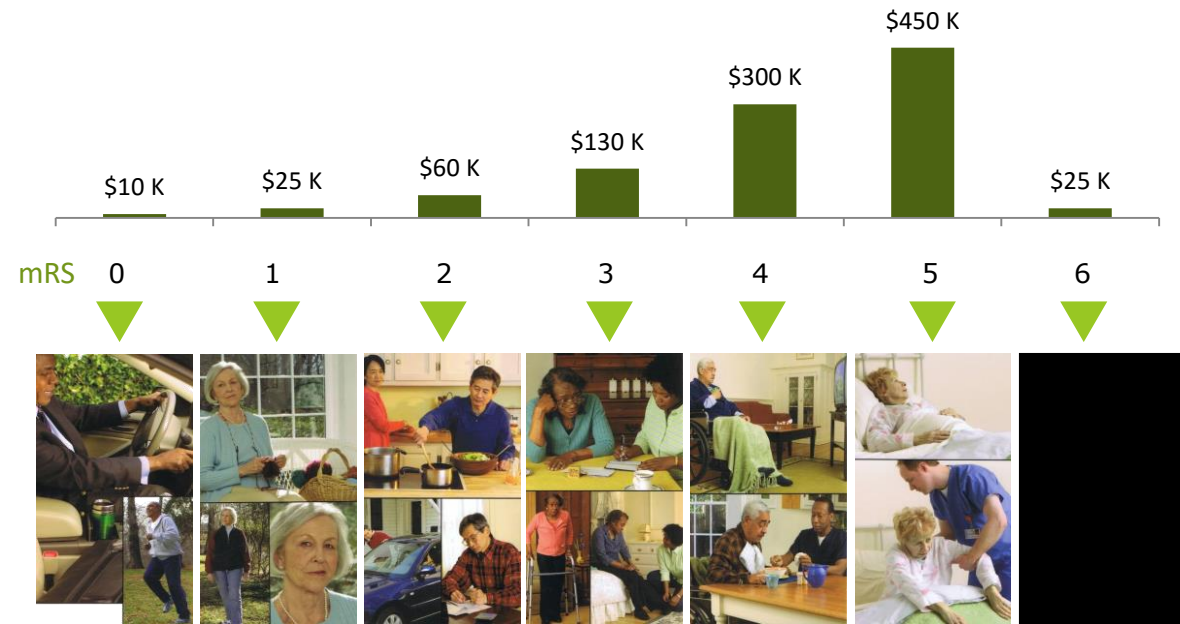
THERE ARE 2 TYPES OF STROKE.

Ischemic stroke	HEMORRHAGIC STROKE
	
<p>Blood flow to the brain is blocked by a blood clot</p> <p>87% of strokes are ischemic</p> <p>BRAINSGATE'S DEVICE IS INTENDED TO TREAT ISCHEMIC STROKE</p>	<p>Blood leaks into the brain from a ruptured blood vessel</p> <p>13% of strokes are hemorrhagic</p>
<p>A clot blocks blood flow to an area of the brain</p>	<p>Bleeding occurs inside or around brain tissue</p>

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

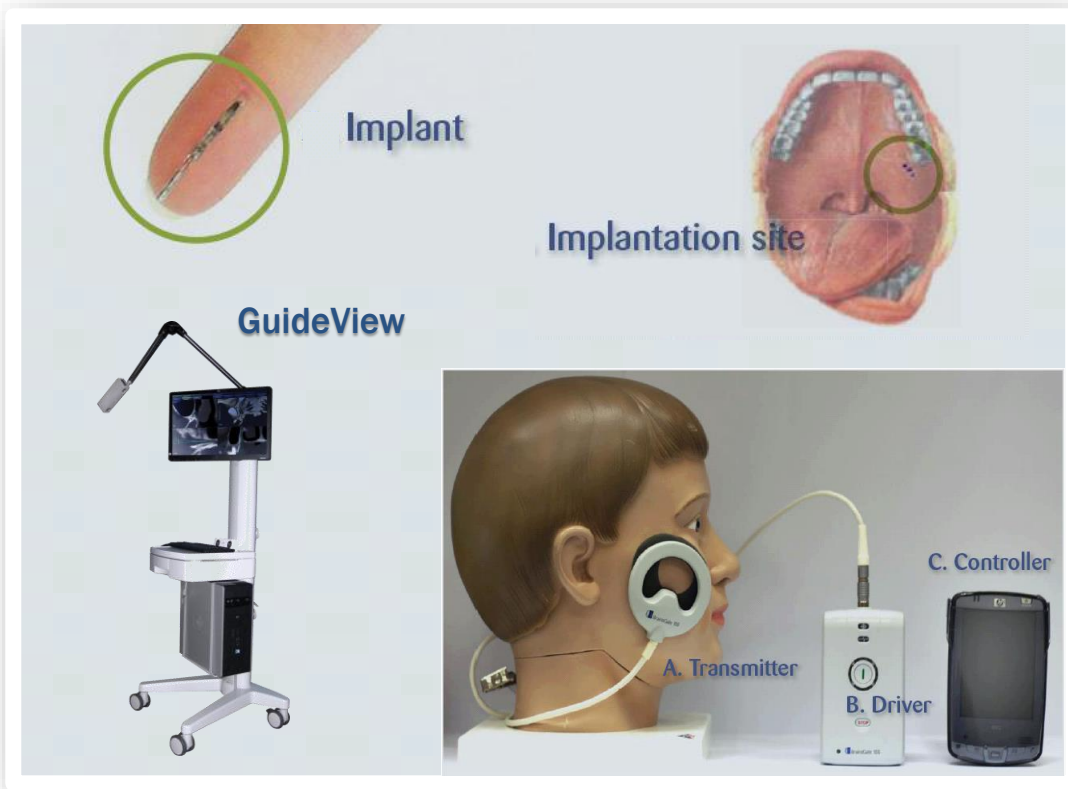
3

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, ON 800-1000 PATIENTS:

JUN '11

FDA trial commences

APR '14

Green light from DSMB (Data Safety and Monitoring Board) to continue the trial based on an interim analysis of the safety results of 350 patients

MAY '16

Green light from DSMB to continue the trial based on a second (and final) interim analysis of 600 patients

AUG '16

~650 patients enrolled in the trial

DISCOVER. POCARED

POCARED



OUR
INVESTMENT:

\$64M

ESTABLISHED: 2004

FIRST INVESTMENT: 2007

TOTAL INVESTMENT: \$107M

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:

67%

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

BACTERIA CULTURING: THE DIAGNOSTICS OF YESTERDAY

Since the 19th 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 21st 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"

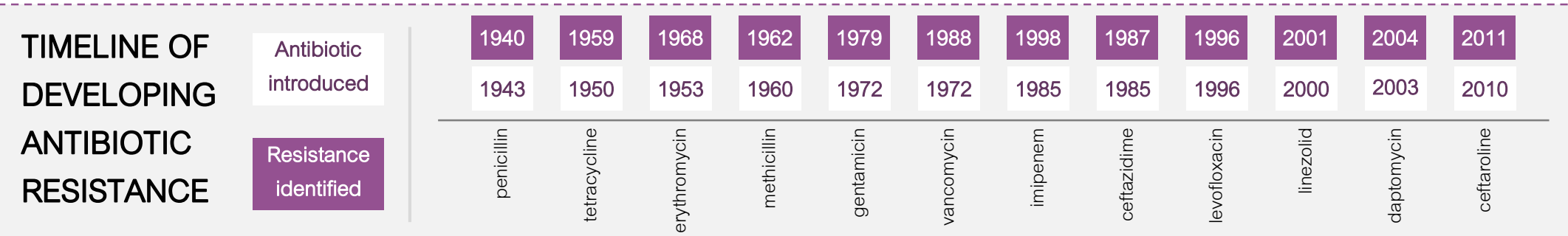
(Margaret A. Hamburg, M.D., Commissioner of the FDA, 2009-2015)

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

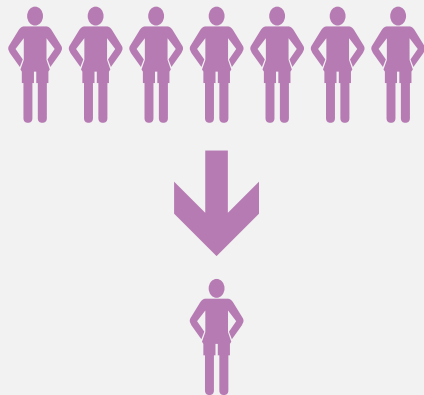
WHAT ARE THE CONSEQUENCES?



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”

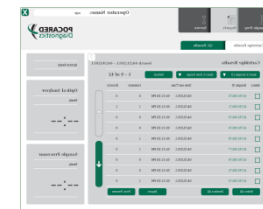
P-1000 Analyzer



STAGE 3: REPORTING

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

User interface



The P-1000 Analyzer is investigational in the U.S., and CE-marked in the EU. The Sample Processor is exempt from regulatory approvals.

STATUS

FIRST APPLICATION – Diagnosis of urinary tract infection

Pocared is preparing to conduct a new FDA trial, planned for 2017

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. 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:

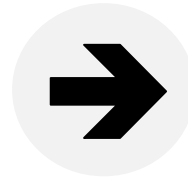
35%

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 **~185 PATIENTS** THROUGHOUT EUROPE, MOSTLY TO TREAT TRAUMATIC AND DEGENERATIVE KNEE LESIONS

THE COMPANY HELD A **PRE-IDE MEETING** WITH THE FDA

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
- + Continue to move forward with the FDA
- + First-in-man trial on new hemicondyle implant (that covers half of the knee)

DISCOVER. CLOUDYN

CLOUDYN



OUR
INVESTMENT:

\$6M

ESTABLISHED: 2011

FIRST INVESTMENT: 2011

TOTAL INVESTMENT: \$18M

MAIN PARTNERS: InfoSys, Carmel Ventures, Titanium Investments

VISION: To enable enterprises to fully realize their cloud potential

PRODUCT: SaaS tools for monitoring and optimizing hybrid cloud costs and usage

OUR
HOLDING:

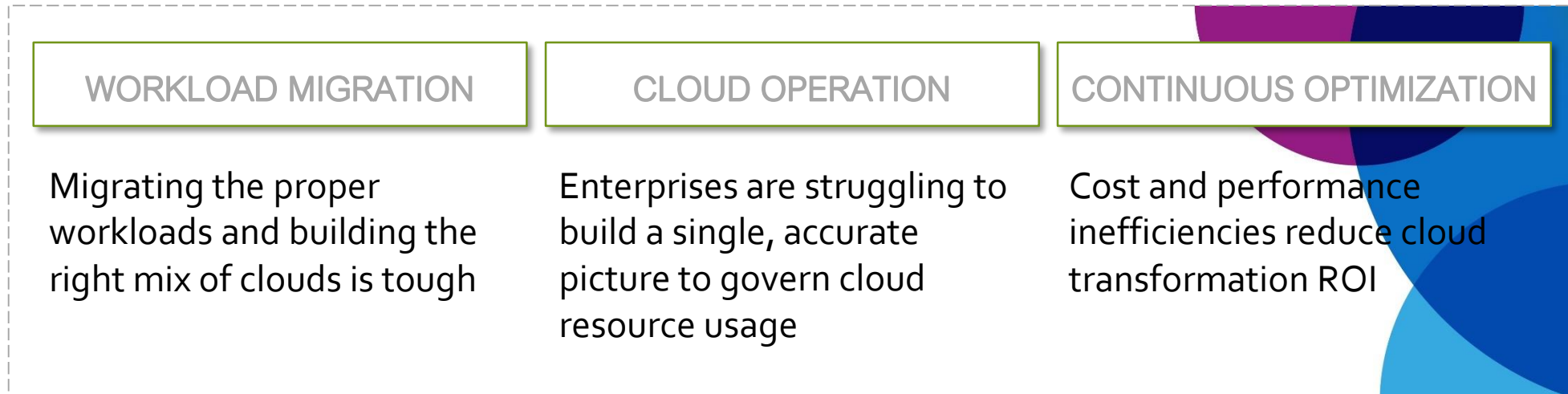
40%

~80% OF ENTERPRISES HAVE HYBRID CLOUD ENVIRONMENTS

THE PROBLEM:

62% OF HYBRID CLOUD MANAGERS HAVE LITTLE VISIBILITY | 52% DON'T HAVE A WAY TO DETERMINE WHAT THEY ARE PAYING FOR | 75% DON'T HAVE A WAY TO CONTROL THEIR CLOUD SPRAWL

THE CHALLENGE:



CLOUDYN PROVIDES UNPRECEDENTED INSIGHTS DERIVED FROM OPERATIONAL & FINANCIAL METRICS

THE SOLUTION:

VISIBILITY

Cloudyn's solutions enable enterprises to gain granular, real-time visibility into consumption, cost & performance of multi-platform hybrid clouds

ACCOUNTABILITY

Cloudyn empowers enterprise-wide cloud accountability through accurate and reliable cost allocation and chargeback

OPTIMIZATION

Cloudyn provides businesses with optimized recommendations for maintaining the most efficient deployment, both cost- and performance-wise



Cloudyn monitors:

▶ *8,000 cloud apps*

▶ *300,000 concurrent virtual machines (VMs)*

▶ *13% of AWS, Google & MS cloud resources*

CLOUDYN RAISES \$4M FROM INFOSYS

Cloudyn raises \$4m from India's Infosys



f t g+ in [print icon] [email icon] A- A+

India's second largest software company has taken a minority stake in the Israeli cloud optimizations company.

חברת הייעוץ הבינ-הישראלית

חברת קלאודין, המנח 4 מיליון דולר מחצטרפת למשקיעים (ELNRF), קרן הון תהליך ההשקעה יש

ירון אלעד, מחברת Infosys למשקיעי החברה, יתרום רבון חונן ניר, שותף כללי לצורך ההולך וגובר הביצועים ולהפחית את ההוצאות על שירותי ענן. מסיק לעבר עם צוות ההנהלה של קלאודין יחד עם בסיס המשקיעים המצויין. בדרך לחיזוק מעמדה של כשחקן מוביל בשוק זה שרק הולך ומתעצם."



קלאודין מגייסת 4 מיליון דולר כדי לעשות אופטימיזציה לשירותי הענן

ניב אביטל | לפני 4 ימים 2 שעות | אין תגובות | **סטארטאפ והון סיכון**

אהבתי שתף/שתפי 25 | שמור/שמרי בפייסבוק | שליחה | צייץ | G+ | 0

ענקית ה-IT ההודית Infosys הובילה את הגיוס. Cloudyn עוזרת לארגונים לקצץ בהוצאות מיחשוב הענן שלהם על ידי ניטור וניתוח של הפעילות בענן הציבורי, הפרטי וההיברידי

אינפוסיס ההודית משקיעה 4 מיליון דולר בקלאודין הישראלית

קלאודין מתמחה בניטור סביבות ענן בארגונים וגייסה עד היום כ-22 מיליון דולר ממגוון משקיעים. הסבב הנוכחי מתווסף לגיוסים רבים בתחום מחשוב הענן מהימים האחרונים

אסף גלעד

11:49, 04.08.16

Like 1 | G+ 0

הסטארט-אפ קלאודין השלים גיוס של 4 מיליון דולר

החברה שהוקמה ב-2011 מפתחת כלי לניהול ואופטימיזציה של שירותי ענן ■ החברה מעסיקה 40 עובדים בראש העין

שמור | 5 | התראות במייל

אלירן רובין | 13:20 04.08.2016

חברת קלאודין (Cloudyn) הישראלית שמפתחת מוצר לניהול תשתיות ענן היברידיות, הודיעה היום על השלמת סבב גיוס הון בסך 4 מיליון דולר בהובלת ענקית התוכנה ההודית אינפוסיס. עוד השתתפו בגיוס המשקיעים הקיימים של קלאודין בהם RDC - זרוע להשקעות של רפא"ל ואלרון, קרן ההון סיכון כרמל ונצ'רס מקבוצת ויולה וטיטניום השקעות. החברה גייסה בסך הכל 20 מיליון דולר.



DISCOVER. OPENLEGACY

OPENLEGACY



OUR
INVESTMENT:

\$3.1M

ESTABLISHED: 2013
FIRST INVESTMENT: 2014
TOTAL INVESTMENT: \$4.3M
MAIN PARTNERS: Entrepreneurs

VISION: To deliver any core application as a digital service

PRODUCT: Tools that rapidly extract the services and information from legacy systems, and automatically transform them into mobile, web, & cloud applications




OUR
HOLDING:

37%

NUMEROUS ENTERPRISES RUN ON IT SYSTEMS THAT ARE FROZEN IN TIME

LEGACY SYSTEM = AN OUTDATED COMPUTER SYSTEM, SOMETIMES DATING BACK TO THE 1970s-1980s

WHY DO ENTERPRISES RELY ON OUTDATED IT SYSTEMS FOR CRITICAL APPLICATIONS?

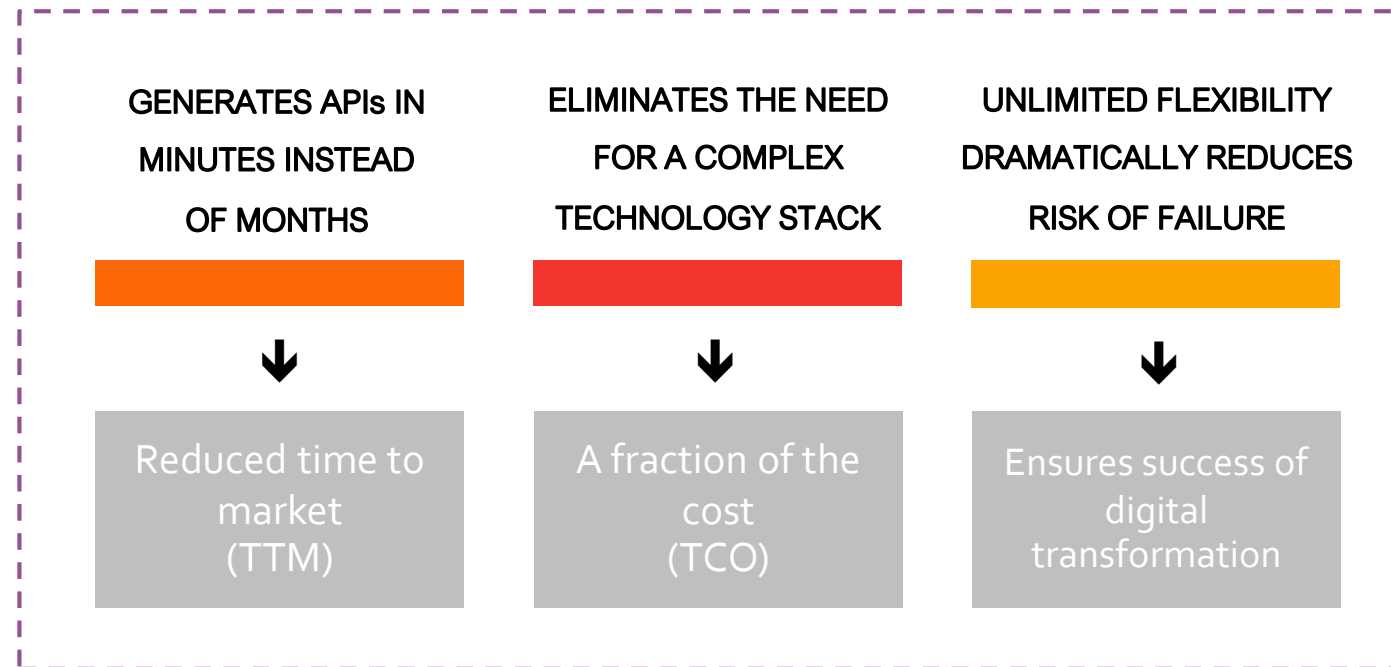
-  Legacy systems preserve **valuable business knowledge**
-  Replacing/upgrading IT systems involves significant **costs** and **risks** (security, compatibility, data loss)
-  While replacing/upgrading legacy systems is **highly complex**, documentation is poor and skill with these systems in short supply

THE COST OF MAINTAINING LEGACY SYSTEMS

In both the public and private sectors in the U.S. (e.g. federal agencies & banks), maintaining legacy systems consumes **three-quarters of IT budgets**

OPENLEGACY: INSTANT DELIVERY OF ENTERPRISE CORE APPLICATIONS AS DIGITAL SERVICES AT A FRACTION OF THE COST

OPENLEGACY REVOLUTIONIZES LEGACY MODERNIZATION, OFFERING INDEPENDENCE FROM EXPENSIVE VENDORS, AND ELIMINATING HIGH COSTS AND HIGH RISK



IRONSCALES



ESTABLISHED: 2014

FIRST INVESTMENT: 2015

TOTAL INVESTMENT: \$0.75M

OUR
INVESTMENT:

\$0.75M

OUR
HOLDING:

27%*

IRONSCALES: PROTECTING ENTERPRISES FROM CYBER PHISHING ATTACKS

- + IronScales addresses one of the most common cyber attacks against corporations, by protecting employees from spear-phishing attempts
- + Based on a training program, IronScales increases employee awareness and responsiveness
- + When a phishing attack is reported by employees, an automatic response is immediately executed

* 27% after the funding round will be completed; currently 16%.

ELRON. OPPORTUNITY

Thank you.
elron.com