

ELRON

Translation of Immediate Report Filed by Elron Electronic Industries Ltd. (TASE: ELRN) (the "Company") on April 20, 2021 with the Israeli Securities Authority

In accordance with the provisions of Section 30 of the Israeli Securities Law, 5728-1968 and the provisions of the Israeli Securities Regulations (Notification of Prospectus' Offering Results), 5730-1969, the Company hereby announces the results of the offering of the Company's shares, pursuant to a shelf offering report dated April 20, 2021 (the "**Shelf Offering Report**"), published pursuant to a shelf prospectus dated February 25, 2019¹.

1. Pursuant to the Shelf Offering Report, the Company offered to the public between 2,744,100 and 8,232,400 registered ordinary shares of the Company of par value NIS 0.003 each (the "**Ordinary Shares**"), offered in units as specified below (the "**Units**"), by way of a uniform offering with a range of quantities, as stated in Regulation 4A to the Israeli Securities Regulations (Manner of Offering Securities to the Public), 5767-2007 (the "**Manner of Offering Regulations**"), in a quantity of between 27,441 Units and 82,324 Units, by way of a tender for the Unit price (the "**Tender**"), with the composition and price of each Unit being as follows:

100 Ordinary Shares at a price of NIS 11.90 per share	NIS 1,190
Total minimum price per Unit	NIS 1,190

all as detailed in the Shelf Offering Report.

In addition, in accordance with the Shelf Offering Report, the Company may allocate to all the bidders who submitted bids at the Uniform Price (as defined below) or at a higher price, as the case may be, an additional quantity of Units not exceeding 15% of the maximum amount offered according to the Shelf Offering Report, that is, an additional amount of up to 12,348 Units, that includes up to 1,234,800 Ordinary Shares in the event of an over-allotment, as defined in the Manner of Offering Regulations (the "**Additional Allotment**").

2. The subscription list for the purchase of the offered Units opened on April 20, 2021 at 09:30 and ended at 17:30 on the same day.
3. Below are the results of Tender:
 - 3.1. As part of the Tender, 94 bids were received for the purchase of 106,601 Units, with a total of approximately NIS 146 million.
 - 3.2. The uniform price that was set for the Tender is NIS 1,260 (the "**Uniform Price**").

¹ The shelf prospectus was published on February 24, 2019

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- 3.3. As stated above, due to the over-allotment in the issuance, the Company will make the Additional Allotment and will allocate 6,230 additional Units, that include up to 623,000 Ordinary Shares.
- 3.4. Within the range of quantities, it was decided to respond to 61 bids for the purchase of 88,554 Units, and to issue to the public a total of 8,855,400 Ordinary Shares. The allocation of the Units in the Tender was made in accordance with the provisions of Section 3.5 of the Shelf Offering Report, as follows:
 - 3.4.1. 61 bids for the purchase of 88,554 Units, in which the Uniform Price was specified or a higher price, were answered in full.
 - 3.4.2. 33 bids for the purchase of 18,047 Units, in which a price lower than the Uniform Price was specified, were unanswered.
4. The offer of the Units was not secured by underwriting.
5. In light of the aforesaid, the Company allotted according to the results of the Tender, a total of 8,855,400 Ordinary Shares. The total gross consideration that will be received by the Company in respect of the issuance amounts to approximately NIS 111.6 million.

The Company thanks the investing public for responding to the offer according to the Shelf Offering Report.

**Sincerely,
Elron Electronic Industries Ltd.
Signed by: Niv Levy, CFO**