

ELRON

Translation of Immediate Report Filed by Elron Electronic Industries Ltd. (TASE: ELRN) (the "Company") on June 3, 2019 with the Israeli Securities Authority

1. The Company hereby updates that, in accordance with the resolution of the Company's Board of Directors, it is examining the possibility to carry out a public offering of the Company's ordinary shares. The share offering, insofar as conducted, shall be by way of publishing a shelf offering report (pursuant to the shelf prospectus dated February 25, 2019), including a tender to qualified investors (as defined under the Israeli Securities Regulations (Manner of Offering Securities to the Public), 5767-2007). Discount Investment Corporation Ltd. ("DIC"), the Company's controlling shareholder, has notified the Company of its intention to participate in the offering, in a manner that will allow it at least to preserve its holdings percentage in the Company.
2. In addition, the Company has received a notice from each of its five officers who are not directors, of each of their intention to participate in the public tender. The aforementioned officers' notices indicate that they expect to bid for units amounting to approximately NIS 1 million in the aggregate.
3. It is clarified that the publication of the shelf offering report and the execution of the offering, insofar as carried out, are subject to attaining the approvals and permits required under applicable law, including TASE approval to list the shares to be issued in the offering (insofar as issued) and an approval by the Company's Board of Directors (including in respect of the offering structure and terms).
4. It should be emphasized that the offering, its timing, scope and terms have not been conclusively determined, and there is no certainty that the intended offering shall indeed occur. The offering, insofar as carried out, shall be upon the terms to be determined by the Company's Board of Directors and which shall be specified in the shelf offering report to be published by the Company.

Furthermore, concerning the notices of DIC (see Section 1 above) and officers at the Company (see Section 2 above): these are notices of intent, and not a legal obligation to bid for the units as aforesaid, i.e. the said intention may not actually materialize or may materialize under conditions different to the aforesaid, including at a different unit price and/or in a different amount of units.

5. Nothing in this report shall be deemed as an undertaking by the Company to carry out the offering and nothing herein shall constitute a public offer or invitation to purchase securities.

**Sincerely,
Elron Electronic Industries Ltd.**

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