

ELRON

Translation of Immediate Report Filed by Elron on December 6, 2020 with the Israeli Securities Authority Reporting on Financing Round in BrainsGate Led by New Investor

Tel-Aviv, December 6, 2020 – Elron Electronic Industries Ltd. (“Elron”) (TASE:ELRN) hereby announces that BrainsGate Ltd. (“BrainsGate”) announced today the completion of a financing round of approximately \$14 million.

The round includes an equity investment by new investors, led by BNP Joint Capital LP, in the amount of approximately \$6 million, at a pre-money valuation of \$147 million, as well as an approximately \$8 million investment by existing shareholders (through the conversion of a SAFE agreement from March 2020). Elron’s share of the SAFE investment was \$2 million.

Following the completion of the investment, Elron’s holding in BrainsGate’s outstanding share capital decreased from approximately 30% to approximately 28%.

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