

RADA ELECTRONIC INDUSTRIES LTD
Form 424B5
November 28, 2018

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-226845

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 21, 2018)

4,545,454 Ordinary Shares

We are offering 4,545,454 of our ordinary shares, NIS 0.03 nominal value per share, or the Shares, to the Israeli institutional investors, or the Investors, listed under “Plan of Distribution” herein, at a price of \$2.75 per Share, pursuant to this prospectus supplement and the accompanying prospectus and an Order Form, or the Agreement, entered into with each of the Investors. The Form of the Agreement was filed as an exhibit to a report on Form 6-K on November 28, 2018.

The aggregate market value of our ordinary shares held by non-affiliates pursuant to General Instruction I.B.5 of Form F-3 is \$ 69,512,428 which was calculated based on 23,969,803 of our ordinary shares outstanding and held by non-affiliates as of the date of this prospectus supplement and a price of \$2.90 per share, the closing price of our common shares on November 27, 2018. As a result, we are currently eligible to offer and sell up to an aggregate of \$ 23,170,809 of our ordinary shares pursuant to General Instruction I.B.5 of Form F-3.

Our Ordinary Shares are listed on the Nasdaq Capital Market under the symbol “RADA.” On November 27, 2018, the last reported sale price of our ordinary shares was \$2.90 per share.

We will receive an aggregate of \$12,499,998.50 in proceeds from this offering, before expenses.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. SEE “RISK FACTORS” BEGINNING ON PAGE S-4 AND UNDER SIMILAR HEADINGS IN THE OTHER DOCUMENTS THAT

ARE INCORPORATED BY REFERENCE INTO THIS PROSPECTUS FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE SECURITIES OFFERED HEREBY.

NONE OF THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE ISRAELI SECURITIES AUTHORITY NOR ANY STATE SECURITIES COMMISSION HAVE APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We expect that the Shares offered hereby will be issued to the Investors in book-entry form on or about November 28, 2018.

The date of this prospectus supplement is November 28, 2018.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus dated August 21, 2018 are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration process. This prospectus supplement and the accompanying prospectus relate to the offer by us of our ordinary shares to certain investors. We provide information to you about this offering of our ordinary shares in two separate documents that are bound together: (1) this prospectus supplement, which describes the specific details regarding this offering; and (2) the accompanying prospectus, which provides general information, some of which may not apply to this offering. Generally, when we refer to this “prospectus,” we are referring to both documents combined. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus—the statement in the document having the later date modifies or supersedes the earlier statement as our business, financial condition, results of operations and prospects may have changed since the earlier dates. You should read this prospectus supplement, the accompanying prospectus and the documents and information incorporated by reference in this prospectus supplement and the accompanying prospectus when making your investment decision. You should also read and consider the information in the documents we have referred you to under the headings “Where You Can Find More Information” and “Information Incorporated by Reference.”

You should rely only on information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the placement agent has not, authorized anyone to provide you with information that is different. We are offering to sell and seeking offers to buy our ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying prospectus and the documents and information incorporated by reference in this prospectus supplement and the accompanying prospectus are accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement or of any sale of our ordinary shares.

Unless we have indicated otherwise or the context otherwise requires, references in this prospectus and any supplement to this prospectus to “the Company,” “RADA,” “we,” “us” and “our” refer to RADA Electronic Industries Ltd., a company organized under the laws of the State of Israel, and its wholly owned subsidiaries. All references in this prospectus to “dollars” or “\$” are to United States dollars, and all references to “Shekels” or “NIS” are to New Israeli Shekels.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated in it by reference contain forward-looking statements which involve known and unknown risks and uncertainties. We include this notice for the express purpose of permitting us to obtain the protections of the safe harbor provided by the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements. Examples of forward-looking

statements include: projections of capital expenditures, competitive pressures, revenues, growth prospects, product development, financial resources and other financial matters. You can identify these and other forward-looking statements by the use of words such as “may,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “potential” negative of such terms, or other comparable terminology.

Our ability to predict the results of our operations or the effects of various events on our operating results is inherently uncertain. Therefore, we caution you to consider carefully the matters described under the caption “Risk Factors” and certain other matters discussed in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in the accompanying prospectus, and other publicly available sources. Such factors and many other factors beyond the control of our management could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary may not contain all the information that you should consider before investing in our ordinary shares. You should read the entire prospectus supplement and the accompanying prospectus carefully, including “Risk Factors” contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in the accompanying prospectus, before making an investment decision. This prospectus supplement may add to, update or change information in the accompanying prospectus.

RADA Electronic Industries Ltd.

We are an Israel-based defense electronics contractor We develop, manufacture and sell defense electronics, including avionics solutions (including avionics for unmanned aerial vehicles), airborne data/video recording and management systems, tactical land-based radars for defense forces and border protection systems, and inertial navigation systems. While we continue to sell and support our commercial aviation products and services, in 2016 we decided to actively pursue the sale of our Chinese subsidiary, Beijing Hua Rui Aircraft Maintenance and Service, Co., Ltd., known as CACS which is the main platform for our test and repair shop activity.

Corporate Information

We were incorporated under the laws of the State of Israel on December 8, 1970. We are a public limited liability company under the Israeli Companies Law 1999-5759, or the Israeli Companies Law, and operate under this law and associated legislation. Our registered offices and principal place of business are located at 7 Giborei Israel Street, Netanya 4250407, Israel, and our telephone number is +972-9-892-1111. Our website address is www.rada.com. The information on our website is not incorporated by reference into this prospectus supplement.

The Offering

Ordinary shares offered	4,545,454
Offering price	\$2.75 per share

Ordinary shares to be
outstanding immediately
after the offering

37,516,892

Use of proceeds

We intend to use the net proceeds from this offering for working capital and other general corporate purposes.

NASDAQ Capital Market
symbol

“RADA”

Risk factors

Investing in our securities involves a high degree of risk. You should read the “Risk Factors” section of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement for a discussion of factors to consider before deciding to invest in our ordinary shares.

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RISK FACTORS

Investing in our securities involves significant risks. Please see the risk factors under the heading “Risk Factors” in our most recent Annual Report on Form 20-F on file with the SEC, as revised or supplemented by our reports subsequently filed after the date hereof with the SEC and incorporated by reference in this prospectus supplement. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus supplement. The risks and uncertainties we have described are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. The occurrence of any of these risks might cause you to lose all or part of your investment in the offered securities. The discussion of risks includes or refers to forward-looking statements; you should read the explanation of the qualifications and limitations on such forward-looking statements discussed elsewhere in this prospectus supplement.

Risks Related to the Offering

We will have broad discretion in how we use the proceeds; we may use the proceeds in ways with which you and other shareholders may disagree.

We intend to use the net proceeds from this offering for working capital and other general corporation purposes. Our management will have broad discretion in the application of the proceeds from this offering and could spend the proceeds in ways that do not necessarily improve our operating results or enhance the value of our ordinary shares.

If you purchase ordinary shares sold in this offering, you will experience immediate and substantial dilution in the net tangible book value of your shares. In addition, we may issue additional equity or convertible debt securities in the future, which may result in additional dilution to investors.

The offering price per ordinary share in this offering is considerably more than the net tangible book value per share of our outstanding ordinary shares. As a result, investors purchasing ordinary shares in this offering will pay a price per share that substantially exceeds the value of our tangible assets after subtracting liabilities. Investors will incur immediate dilution of \$1.62 per share, based on the public offering price of \$2.75 per share and our net tangible book value as of June 30, 2018. For a more detailed discussion of the foregoing, see the section entitled “Dilution” below. To the extent outstanding options or warrants are exercised, there will be further dilution to new investors. Furthermore, to the extent we need to raise additional capital in the future and we issue additional equity or convertible debt securities, our then existing shareholders may experience dilution and the new securities may have rights senior to those of our ordinary shares offered in this offering.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of Shares, after deducting fees and expenses, including a \$250,000 finder's fee payable to an Israeli broker, will be approximately \$12.5 million.

We intend to use the net proceeds from this offering for working capital and other general corporate purposes. As a result, our management will have broad discretion to allocate the net proceeds from this offering. Pending application of the net proceeds as described above, we intend to invest the net proceeds to us from this offering in a variety of capital preservation investments, including short-term, investment-grade and interest-bearing instruments.

EXPENSES

The following are the estimated expenses of the issuance and distribution of the Shares being registered under the registration statement of which this prospectus supplement forms a part, all of which will be paid by us.

SEC registration fee	\$	*
Legal fees and expenses	\$20,000.00	
Total	\$20,000.00	

* Previously paid

DILUTION

If you invest in our ordinary shares in this offering, your interest will be diluted to the extent of the difference between the public offering price per share and the net tangible book value per share after this offering. As of November 27, 2018, we had 32,971,437 ordinary shares outstanding. As of September 30, 2018, our net tangible book was \$30.3 million, or \$0.92 per share, based on the amount of our total tangible assets reduced by the amount of our total liabilities, divided by the total number of our ordinary shares outstanding as of such date. After giving effect to our sale in this offering of 4,545,454 ordinary shares at the offering price of \$2.75 per share, and after estimated offering costs payable by us, our net tangible book value as of September 30, 2018 would have been \$20.7 million, or \$1.13 per share. This represents an immediate increase of net tangible book value of \$0.21 per share to our existing shareholders and an immediate dilution of \$1.62 per share to investors purchasing shares in this offering. The following table illustrates this per share dilution.

Offering price per share		US\$2.75
Net tangible book value per ordinary share as of September 30, 2018	US\$0.92	
Increase in net tangible book value per ordinary share attributable to this offering	US\$0.21	
Pro forma net tangible book value per share after this offering		US\$1.13
Dilution in net tangible book value per share to purchasers		US\$1.62

To the extent that outstanding exercisable options or warrants are exercised, you may experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital by issuing equity or convertible debt securities, your ownership will be further diluted.

PLAN OF DISTRIBUTION

We are offering the Shares directly to the Investors in a proposed takedown from our shelf registration statement pursuant to this prospectus supplement and the accompanying prospectus. The Shares are being sold to the Investors pursuant to the Agreement dated November 28, 2018, a form of which was filed as an exhibit to the Company's Report on Form 6-K filed with the Commission on November 28, 2018. We will receive an aggregate of approximately \$12.5 million before expenses from the sale of the Shares.

The breakdown of the Shares being purchased by the Investors is as follows:

Name of Investor	Number of Purchased Shares	Price Per Share (\$)	Purchase Amount (\$)
Psagot Provident Funds and Pension Ltd.	1,818,182	2.75	5,000,000.50
Psagot Securities Ltd.	1,818,182	2.75	5,000,000.50
Shotfut Menayot Israel - HaPhoenix Amitim Ltd.	909,090	2.75	2,499,997.50

Confirmations and definitive prospectus supplements will be distributed to the Investors, informing them of the closing date as to the purchase and sale of the Shares subject to this prospectus supplement. We currently anticipate that the closing of the purchase and sale of the Shares will take place on or about November 28, 2018. The Investors will also be informed of the date and manner in which they must transmit the purchase price for the offered securities. We expect that the Shares initially offered hereby will be issued to each Investor in book-entry form on or about November 28, 2018.

We have agreed to pay Barak Capital Underwriting, an Israeli company, a fee of approximately \$250,000 (2% of the gross proceeds) in connection with this offering.

Our ordinary shares are listed on The Nasdaq Capital Market under the symbol “RADA.”

LEGAL MATTERS

The validity of the ordinary shares offered in this offering will be passed upon for us by S. Friedman & Co., Tel Aviv, Israel, our Israeli counsel. Carter Ledyard & Milburn LLP, New York, New York, will be passing upon matters of United States law for us with respect to securities offered by this prospectus supplement.

EXPERTS

The consolidated financial statements of Rada Electronic Industries Ltd., appearing in Rada Electronic Industries Ltd.’s Report on Form 20-F as filed with the SEC on March 28, 2018, have been audited by Kost Forer Gabbay & Kasierer, a Member of Ernst & Young Global, independent registered public accounting firm, as set forth in their report thereon, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The address of Kost Forer Gabbay & Kasierer is 3 Aminadav St., Tel-Aviv, Israel 6706703.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement is a part of a registration statement on Form F-3 that we filed on August 21, 2018, with the SEC under the Securities Act. We refer you to this registration statement, for further information about us and the securities offered hereby.

We file annual and special reports and other information with the SEC (Commission File Number 000-15375). These filings contain important information that does not appear in this prospectus supplement or the accompanying prospectus. For further information about us, you may read and copy these filings at the SEC’s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0102. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330, and may obtain copies of our filings from the public reference room by calling (202) 551-8090. Our SEC filings are also available on the SEC Internet site at <http://www.sec.gov>, which contains periodic reports and other information regarding issuers that file electronically. In addition, we make available, without charge, through our website, www.rada.com, electronic copies of various filings with the SEC, including copies of our Annual Report on Form 20-F. The information on our website is not and should not be considered part of this prospectus supplement and is not incorporated into this prospectus supplement by reference.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to “incorporate by reference” information into this prospectus supplement, which means that we can disclose important information to you by referring you to other documents which we have filed or will file with the SEC. We are incorporating by reference in this prospectus supplement the documents listed below and all amendments or supplements we may file to such documents, as well as any future filings we may make with the SEC on Form 20-F under the Exchange Act, before the time that all of the securities offered by this prospectus supplement have been sold or de-registered.

Our 2017 annual report Form 20-F, filed with the SEC on March 28, 2018;

Our reports of foreign private issuer on Form 6-K (including exhibits thereto) furnished to the SEC on May 7, 2018, May 23, 2018 (2018 First Quarter Earnings Summary included in Exhibit 99.1 thereto only), June 7, 2018, June 29, 2018 (excluding last paragraph of Exhibit 99.1 thereto), August 15, 2018 (2018 Second Quarter Earnings Summary included in in Exhibit 99.1 thereto only), September 27, 2018, November 14, 2018 (Third Quarter Earnings Summary included in Exhibit 99.1 thereto only) and November 28, 2018.

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Any future reports on Form 6-K to the extent that we indicate they are incorporated by reference into this registration statement;

Any future annual reports on Form 20-F that we may file with the SEC under the Exchange Act, prior to the termination of any offering contemplated by the prospectus; and

The description of our securities contained in Item 1 of our Registration Statement on Form 8-A filed with the SEC on February 4, 1987 under the Exchange Act and any amendment or report filed for the purpose of updating that description.

In addition, we may incorporate by reference into this prospectus supplement our reports on Form 6-K filed after the date of this prospectus supplement (and before the time that all of the securities offered by this prospectus supplement have been sold or de-registered) if we identify in the report that it is being incorporated by reference in this prospectus supplement.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all the information that has been incorporated by reference in this prospectus but not delivered with this prospectus (and any exhibits specifically incorporated in such information), at no cost, upon written or oral request to us at the following address:

Rada Electronics Ltd.

7 Giborei Israel Street

Netanya 4250407, Israel

Tel: 972-9-892-1111

Attn: Chief Financial Officer

You should rely only on the information contained or incorporated in this prospectus or any supplement. We have not authorized anyone else to provide you with different information. You should not rely on any other representations. Our affairs may change after this prospectus or any supplement is distributed. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of those documents. You should read all information supplementing this prospectus.

PROSPECTUS

\$50,000,000

Ordinary Shares

Subscription Rights

Warrants

Units

We may offer and sell under this prospectus, from time to time, any combination of the securities described in this prospectus, either individually or in units, in one or more offerings, up to an aggregate of \$50,000,000.

Our Ordinary Shares currently trade on the Nasdaq Capital Market under the symbol “RADA.” On August 14, 2018, the last reported sale price of our ordinary shares on the Nasdaq Capital Market was \$2.68 per share. We have not yet determined whether any of the other securities that may be offered by this prospectus will be listed on any exchange, inter-dealer quotation system or over-the-counter market. If we decide to seek listing of any such securities, a prospectus supplement relating to those securities will disclose the exchange, quotation system or market on which the securities will be listed and the date when we expect trading to begin.

This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide specific terms of the securities offered in a supplement to this prospectus. The prospectus supplement may also add, update, or change information contained in this prospectus. This prospectus may not be used to consummate a sale of securities unless accompanied by the applicable prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading “Where You Can Find More Information” and the documents incorporated or deemed to be incorporated by reference carefully before you make your investment decision.

We will sell these securities directly to our shareholders or to purchasers or through agents on our behalf or through underwriters or dealers as designated from time to time. If any agents or underwriters are involved in the sale of any of

these securities, the applicable prospectus supplement will provide the names of the agents or underwriters and any applicable fees, commissions, or discounts. The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering. For general information about the distribution of securities offered, please see “*Plan of Distribution*” in this prospectus on page 14.

The aggregate market value of our outstanding Ordinary Shares held by non-affiliates on July 18, 2018, as calculated in accordance with General Instruction I.B.5. of Form F-3, was approximately \$74.35 million. During the prior 12 calendar month period that ends on, and includes, the date of this prospectus, we have offered securities with an aggregate market value of approximately \$9.90 million pursuant to General Instruction I.B.5 of Form F-3. Pursuant to General Instruction I.B.5, in no event will we sell securities pursuant to this prospectus with a value of more than one-third of the aggregate market value of our Ordinary Shares held by non-affiliates in any 12-month period, so long as the aggregate market value of our Ordinary Shares held by non-affiliates is less than \$75,000,000.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. SEE “RISK FACTORS” BEGINNING ON PAGE 3 AND UNDER SIMILAR HEADINGS IN THE OTHER DOCUMENTS THAT ARE INCORPORATED BY REFERENCE INTO THIS PROSPECTUS FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE SECURITIES OFFERED HEREBY.

NONE OF THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE ISRAELI SECURITIES AUTHORITY OR ANY STATE SECURITIES COMMISSION HAVE APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is

You should rely only on the information contained or incorporated by reference in this prospectus or any supplement. Neither we nor the Selling Shareholder have authorized anyone else to provide you with different information. The ordinary shares offered by this prospectus are being offered only in jurisdictions where the offer is permitted. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of each document. Our business, financial condition, results of operations and prospects may have changed since that date.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we filed with the Securities Exchange Commission, or the SEC. This prospectus and the documents incorporated by reference herein include important information about us, the securities being offered by us and other information you should know before investing. Any prospectus supplement may also add, update, or change information in this prospectus. If there is any inconsistency between the information contained in this prospectus and any prospectus supplement, you should rely on the information contained in that particular prospectus supplement. This prospectus does not contain all the information provided in the registration statement we filed with the SEC. You should read this prospectus together with the additional information about us described in the sections below entitled “Incorporation of Certain Information by Reference” and “Where You Can Find Additional Information.” You should rely only on information contained in, or incorporated by reference into, this prospectus. We have not authorized anyone to provide you with information different from that contained in, or incorporated by reference into, this prospectus. The information contained in this prospectus is accurate only as of the date on the front cover of the prospectus and information we have incorporated by reference in this prospectus is accurate only as of the date of the document incorporated by reference. You should not assume that the information contained in, or incorporated by reference into, this prospectus is accurate as of any other date.

Unless we have indicated otherwise or the context otherwise requires, references in this prospectus and any supplement to this prospectus to “the Company,” “RADA,” “we,” “us” and “our” refer to RADA Electronic Industries Ltd., a company organized under the laws of the State of Israel, and its wholly owned subsidiaries. All references in this prospectus to “dollars” or “\$” are to United States dollars, and all references to “Shekels” or “NIS” are to New Israeli Shekels.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This prospectus, including the information incorporated by reference into this prospectus, contains, and any prospectus supplement may contain, forward-looking statements within the meaning of the federal securities laws. The use of the words “projects,” “expects,” “may,” “plans” or “intends,” or words of similar import, identifies a statement as “forward-looking.” The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on the assumption that the Company will not lose a significant customer or customers or experience increased fluctuations of demand or rescheduling of purchase orders, that our markets will be maintained in a manner consistent with our historical experience, that our products will remain accepted within their respective markets and will not be replaced by new technology, that competitive conditions within our markets will not change materially or adversely, that we will retain key technical and management personnel, that our forecasts will accurately anticipate market demand, and that there will be no material adverse change in our operations or business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. In addition, our business and operations are subject to substantial risks which increase the uncertainty inherent in the forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives

or plans will be achieved. Factors that could cause actual results to differ from our expectations or projections include the risks and uncertainties relating to our business described in this prospectus at “Risk Factors.” We caution you to carefully consider these risks and not to place undue reliance on our forward-looking statements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we assume no responsibility for updating any forward-looking statements.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information about us, the securities that may be sold from time to time, and our financial statements and the notes to them, all of which appear elsewhere in this prospectus or in the documents incorporated by reference in this prospectus.

We are an Israel-based defense electronics contractor specializing in the development, manufacture, marketing and sales of defense electronics, including avionics solutions (including avionics for unmanned aerial vehicles) including inertial navigation systems, airborne data/video recording and management systems, and tactical land-based radars for defense forces and border protection systems. In addition, while we continue to sell and support our legacy commercial aviation products and services, in 2016 we decided to actively pursue the sale of our Chinese subsidiary, Beijing Hua Rui Aircraft Maintenance and Service, Co., Ltd., known as CACS, which is the main platform of our test and repair shop activity.

We were incorporated under the laws of the State of Israel on December 8, 1970. We are a public limited liability company under the Israeli Companies Law 1999-5759, or the Israeli Companies Law, and operate under this law and associated legislation. Our registered offices and principal place of business are located at 7 Giborei Israel Street, Netanya 4250407, Israel, and our telephone number is +972-9-892-1111. Our website address is www.RADA.com. The information on our website is not incorporated by reference into this prospectus.

RISK FACTORS

Investing in our securities involves a high degree of risk and uncertainty. You should carefully consider the risks and uncertainties described below before investing in our securities. Our business, prospects, financial condition and results of operations could be adversely affected due to any of the following risks. In that case, the value of our securities could decline, and you could lose all or part of your investment.

Risks Related to Our Business and Our Industry

We have a history of operating losses and although we returned to profitability in 2017, we may not be able to sustain profitable operations in the future. To the extent that we continue to incur operating losses in the future, we may not have sufficient working capital to fund our operations.

We incurred operating losses in three of the five years ended December 31, 2017. Although we achieved an operating profit of \$ 2.0 million in the year ended December 31, 2017 and net income of \$204,000 in the first quarter of 2018, we may not be able to achieve