

ELRON

Translation of Immediate Report Filed by Elron on September 13, 2020 with the Israeli Securities Authority

Tel-Aviv, September 13, 2020 - Elron Electronic Industries Ltd (the “Company”) announced that IDB Development Corporation Ltd., a company controlled by the controlling shareholder of the Company (“IDB Development”), published an immediate report on September 10, 2020 in accordance with Regulation 37K of the Israeli Securities Regulations (Periodic and Immediate Reports), 5733-1970 which concerned a proposal for a debt settlement due to financial difficulties, to which was attached a summary of an economic report (“Economic Report”) assessing, among other things, the value of the Company, which was prepared by an external and independent economic advisor of the audit committee of IDB Development (“Appraiser”).

It is clarified that nothing in the aforesaid and in drawing the investors' attention to the aforesaid, constitutes incorporation of the said Economic Report in this report. It is further clarified that as noted by IDB Development in its immediate report, the said Economic Report was prepared at the request of and for the audit committee of IDB Development and it reflects independent evaluations of the Appraiser who prepared it. The Economic Report was not performed for or on behalf of the Company, and the Company is not responsible for its content and its conclusions.

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