

ELRON

Translation of Immediate Report Filed by Elron on December 10, 2018 with the Israeli Securities Authority

Re: Notification Regarding Change in the Holdings of Interested Parties

Elron Electronic Industries Ltd. (“**Elron**”) has reported the following purchase of its shares by Discount Investment Corporation (“**DIC**”) to the Israel Securities Authority based on a report provided to it by DIC:

1. On December 10, 2018, DIC purchased 401,530 ordinary shares, NIS0.003 par value each (the “**Ordinary Shares**”) of Elron from other shareholder/s in a coordinated transaction outside of the stock exchange, at a price per share of NIS10.95. The total consideration was approximately NIS4.4 million.
2. Following the aforementioned purchase, DIC holds 17,691,582 Ordinary Shares of Elron representing approximately 59.48% of Elron’s issued and outstanding share capital.