

ELRON

Translation of Immediate Report Filed by the Company on September 29, 2020 with the Israeli Securities Authority

Tel-Aviv, September 29, 2020 - Elron Electronic Industries Ltd. (the "**Company**") announces that further to proceedings initiated on behalf of the debenture holders of IDB Development Corporation Ltd., a company controlled by the controlling shareholder of the Company ("**IDB Development**") under the Israel Insolvency and Economic Rehabilitation Law, 2018, on September 25, 2020, a judgment and decisions were issued by the court according to which an order was issued to initiate proceedings against IDB Development, as well as an order for liquidation and appointment of a trustee.

The court also appointed attorneys Raanan Kalir and Alon Binyamini as temporary receivers of the assets pledged for the benefit of the debenture holders of IDB Development, including the controlling shares in Discount Investment Corporation Ltd. (which holds approximately 61% of the Company's shares, "**DIC**"). It should be noted that in accordance with the court's decision, the appointment of the temporary receivers of DIC's shares is subject to the approval of the Israel Ministry of Communications (due to DIC's control of Cellcom Israel Ltd.).

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