

# ELRON

## Translation of Immediate Report Filed by Elron on November 2, 2017 with the Israeli Securities Authority

Tel-Aviv, November 2, 2017 – Further to Note 4 to Elron Electronic Industries Ltd.'s ("Elron") Financial Statements for the Second Quarter of 2017 published on August 27, 2017, and Note 14.A to Elron's Financial Statements for 2016 published on March 21, 2017, pertaining to the legal proceedings in the matter of Elscint Ltd., Elron hereby announces that the Haifa District Court approved today the complementary settlement agreement signed by the plaintiffs, Elron and the former directors of Elron pursuant to which Elron's liability to the plaintiffs, out of the total compensation, will be NIS 4.45 million (approximately US\$1.27 million), which includes compensation to the plaintiffs, court costs and attorney fees. According to the Court's decision, Final Approval and the effect of a court ruling will be given after the parties will submit a notice to Court correcting the settlement agreement in accordance with what is set forth in the Court's decision. Elron has made an applicable provision in its financial statements in respect of said lawsuit.