PRESS RELEASE

January 31, 2019
6 pm CET

Payton Planar Magnetics (the “Company”) reports extending two Framework Agreements with the automotive Industry

The Company is pleased to announce that on January 31, 2019 two framework agreements for the supply of magnetic components developed by the Company ("the Products") with a TIER 1 contractor[1] from the automotive industry (hereinafter: "the Customer”) were extended and updated. One of the frame agreements is for the amount of approximately $11 million and the second is for the amount of approximately $17 million, both for a 6 years period between 2019 and 2024. During the first three years of the project the estimated sales volume will amount to a total of approximately $8 million and approximately $11 million respectively and the rest of the amount is expected throughout the following three years. The Products are designed for Hybrid Vehicles (HEV).

The engagement is based on frame agreements and nomination Letters defining the basic conditions, such as prices (including annual estimations), terms of payment and the annual quantities expected over the project’s life. In addition, the Company and the Customer have an agreement that includes general and accepted terms of engagement in the industry (Terms & Conditions), which regulate the general commercial relations between the parties (the frame agreements, the nomination letters and the general terms of engagement are referred to above and hereinafter together as: "the Framework Agreement").

It is noted that the amounts and quantities specified in the Framework Agreements are not binding orders. The Customer is entitled to cancel or reduce his actual orders, compared with the scope specified in the Framework Agreement, without the Company having any cause of action against the Customer. However, the Framework Agreement forecasts commit the Company to supply the quantities specified in each Framework Agreement or as much as required.

The information presented in this press release, including the estimates detailed therein, contains a forward-looking statement that is not under the Company's control, based on forecasts provided by the Customer in the Framework Agreement which, as mentioned above, does not bind the Customer. If the estimates and forecasts do not materialize, which can be due to a large number of factors (such as: changes in customer taste, technological changes, changes in raw material prices, changes in the automotive industry and / or market demand, etc.), their impact on the Company's operations may be materially different than forecasted, as stated above.

[1] A different Frame order with the same Tier 1 contractor was reported on 28/08/2018 in a press release.

For more information, please visit Payton's web site at www.paytongroup.com
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About us

Payton Planar Magnetics Ltd., an Israeli-based high-tech company, designs, manufactures and markets Planetics®, its customized line of planar transformers, conventional transformers and inductors to Original Equipment Manufacturers and their suppliers of power electronics. The group currently employs about 200 people (including executive officers). Planar Magnetic Components are used in end products in various industries, including telecommunications, automotive, cellular infrastructure, Military/Avionics, portable equipment and consumer goods. Planar Magnetics is a revolutionary design technology that is superior to conventional transformers and inductors, and has already been accepted by electronics design engineers as the state-of-the-art in high frequency power electronics design. Payton Planar Magnetics is a subsidiary of Payton Industries, headquartered in Israel, and has manufacturing and marketing operations in Israel, U.K. and United States. Payton Planar Magnetics is publicly traded on the Euronext stock exchange in Brussels (ticker: PAY).