



PRESS RELEASE
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**PAYTON PLANAR MAGNETICS Ltd. AND PAYTON INDUSTRIES Ltd.
ANNOUNCE DECISION TO TERMINATE FURTHER NEGOTIATIONS IN
RESPECT OF A MERGER AGREEMENT**

Ness Ziona (Israel) –

On 6 April 2026, Payton Planar Magnetics Ltd. (the “**Company**”) and its Parent Company, Payton Industries Ltd., a public company traded on the Tel Aviv Stock Exchange (“**Parent**”) announced that they were in advanced stages of negotiating an agreement with respect to a triangular cash merger transaction (the “**Cash Merger**”). Pursuant to the contemplated Cash Merger Agreement, shareholders of the Company, other than Parent, would have received, in exchange for their shares of the Company, cash in the amount of EUR 7.38 per each share of the Company.

The Cash Merger was intended to be subject to certain conditions, including the approval by the Company’s shareholders’ meeting.

Taking into account perceived market feedback and, in particular, the increase in the share prices of both the Company and Parent, the two companies have, with the assistance of their respective advisers and in consultation with each other, analysed that the approval of the Cash Merger at the currently proposed terms by the Company’s shareholders’ meeting would likely not be reasonably achievable.

Following such analysis, the Company and the Parent have each decided to terminate the negotiations for a merger agreement and to withdraw the proposal to delist the Company and combine it with the Parent.

The Company and the Parent will for the time being continue to exist as separately listed entities. The Parent intends to continue to support the Company as a long term shareholder. The Company and the Parent remain convinced of the business rationale to evolve to a single listing of the group and regret that the proposed transaction cannot be concluded. While there is currently no immediate intention to do so, the parties may at a certain point in the future re-examine the possibility and the structure of a combination.

For more information, please visit Payton's website 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, cellular infrastructure, welding machines, High-reliability/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, United States and in the U.K. Payton Planar Magnetics is publicly traded on the Euronext stock exchange in Brussels (ticker: PAY).