

August 28, 2018

6 pm CET

Payton Planar Magnetics (the "Company") reports entering into a framework agreement with the automotive Industry

The Company is pleased to announce that on August 28, 2018, it entered into a Framework Agreement¹ for the supply of magnetic components that were developed by the Company ("the Products") with a TIER 1 contractor from the automotive industry (hereinafter: "the Customer") for the total amount of approximately \$46 million over a period of about 7 years between 2019 and 2025. The products are designed for Hybrid/Electric Vehicles (HEV). During the first three years of the project, the sales volume, estimated by the Customer, will amount to a total of \$14 million, and the rest of the amount is expected throughout the next four years.

The engagement was done by means of a Nomination Letter 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 signed 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 Nomination Letter 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 Agreement 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 case against it. However, the Framework Agreement forecast commits the Company to supply the quantities specified in the Framework Agreement or as much as is 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 him. 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.

For more information, please visit Payton's web site at www.paytongroup.com
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¹ Through an agreement signed by its Parent company assigning it.

About us

Payton Planar Magnetix Ltd., an Israeli-based high-tech company, designs, manufactures and markets Planetix[®], 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 Magnetix 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 Magnetix is a subsidiary of Payton Industries, headquartered in Israel, and has manufacturing and marketing operations in Israel, U.K. and United States. Payton Planar Magnetix is publicly traded on the Euronext stock exchange in Brussels (ticker: PAY).