

October 17, 2018

2 pm CET

Payton Planar Magnetics Ltd. (“Payton”) announces the execution of a USD 1 million strategic investment in its manufacturing partner in China.

Ness-Ziona, Israel, 17 October 2018 - Payton Planar Magnetics Ltd., the Israel-based designer and manufacturer of Planar transformers and inductors, announced today that it has executed a strategic investment of USD 1 million in its manufacturing partner in Dongguan, China through its parent Hong Kong holding company. This strategic investment agreement, executed today, after all requirements were met, grants Payton 20% of the rights (with an option of Payton to increase it up to 35%) in the subsidiary's Hong Kong based parent holding company. This investment may enable Payton a better foothold and exposure to the Chinese local market.

This news comes in addition to the information provided in the Company's Board of Directors' report (paragraph B) for the six months ended on June 30, 2018 (released on August 16, 2018).

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

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).