REGULATED INFORMATION
PRESS RELEASE
November 25, 2026
18:00 CET

Nine-month period ending September 30, 2026 Report

Strong 89% growth in Order Backlog to USD 32,903 thousand as of September 30, 2026 (December 31, 2025 – USD 17,401 thousand)
Sales Revenues of USD 31,346 thousand
Net profit USD 3,934 thousand

Ness-Ziona (Israel) – Payton Planar Magnetics Ltd. today announced its financial results for the first nine months of 2026 (nine-month period ending September 30, 2026).

Net profit for the first nine months of 2026 totaled USD 3,934 thousand.

Sales revenues for the first nine months of 2026 totaled USD 31,346 thousand.

The Group's sales revenues for the nine-month period ended September 30, 2026, were USD 31,346 thousand compared with USD 36,234 thousand in the nine-month period ended September 30, 2025.

Despite the ongoing global economic slowdown, the Group's order backlog as of September 30, 2026 reached USD 32,903 thousand, a strong increase of approximately 89% compared with December 31, 2025 (USD 17,401 thousand) and approximately 71% compared with September 30, 2025 (USD 19,231 thousand). This reflects the accelerated backlog growth that began in the second quarter of 2026 and even intensified during the third quarter, providing a positive indication of future growth.

It is noted that the above statements are forward-looking statements as defined below.

Key financial highlights for the first nine months of 2026

Sales revenues

The Group's sales revenues for the nine-month period ended September 30, 2026 were USD 31,346 thousand compared with USD 36,234 thousand in the nine-month period ended September 30, 2025, reflecting a decrease of 13%. The decrease in sales is attributable to the global slowdown across the traditional industrial sectors, communications and consumer products, and specifically to a decrease in sales of two previously high-volume projects: one related to principal customer A, whose project reached its End of Life, and the second, related to principal customer B, due to a slowdown in demand for electric vehicles incorporating the Company's transformers. The Group continues to invest efforts in generating sales growth among other customers. As a result, in the third quarter of 2026, sales growth with one customer elevated it, for the first time, to principal-customer status.

Gross result

The Group's gross profit for the nine-month period ended September 30, 2026 amounted to USD 12,667 thousand (40% of sales) compared with USD 16,897 thousand (47% of sales) in the nine-month period ended September 30, 2025. Gross margin was affected by the decrease in sales volume, which was not offset by the additional sales of SI, due to its lower margins, and was also influenced by product mix and production sites.

Expenses

The Group's General & Administrative expenses for the nine-month period ended September 30, 2026 were USD 5,180 thousand, compared with USD 4,207 thousand for the corresponding period in 2025. The increase in these expenses was attributable to various factors mainly: higher labor costs denominated in local currencies and translated into USD, an increase in professional services expenses and the consolidation of SI's G&A expenses.

The Group's selling & marketing expenses are mainly comprised of: (1) commissions to the Group's reps and Marketing Personnel, which are calculated as a portion of sales, however it is further explained that not all the sales are subject to reps' commissions and of (2) other selling expenses (fixed) based on management policy. The Group's marketing efforts are concentrated through participation in major power electronic shows around the world and by collaborating with its worldwide reps Network. The Group's selling & marketing expenses for the nine-month period ended September 30, 2026 were USD 1,946 thousand (6.2%) and USD 1,674 thousand (4.6%) in the nine-month period ended September 30, 2025. The increase in selling and marketing expenses was mainly driven by expansion of the technical marketing team, the consolidation of SI's marketing team, higher local-currency labor costs, accompanied by increased participation in trade exhibitions and related travel.

The Group's development costs - Payton's strategy is aimed at maintaining the leadership of Planar Technology. The Engineering Department works in conjunction with the engineering departments of the forerunners of today's global technology. Development costs are mainly incurred to design and customize products for specific orders. These development costs, mainly engineering labor costs, are based upon time expended by the department's employees. During the first nine months of 2026, the Group's Development Costs were USD 1,944 thousand compared with USD 1,388 thousand in the same period last year (9M/2025). The increase in these expenses was mainly attributable to the expansion of the engineering team resulting from SI's consolidation, as well as to an increase in labor costs fixed in local currency due to the strengthening of local currencies against the U.S. dollar.

Operating & financial results

The total operating profit for the first nine months of 2026 amounted to USD 3,605 thousand compared to USD 9,127 thousand in the same period last year. The Group recorded net finance income of USD 1,502 thousand for the nine-month period ended September 30, 2026, compared with USD 2,415 thousand for the corresponding period in 2025. The decrease was mainly attributable to foreign exchange differences and to the lack of gains from derivative financial instruments.

Taxes on income

Taxes on income for the nine-month period ended September 30, 2026 were USD 1,023 thousand compared with USD 2,096 thousand in the nine-month period ended September 30, 2025.

Result of the period

The total result for the first nine months of 2026 was a net profit of USD 3,934 thousand, compared to USD 9,440 thousand for the nine-month period ended September 30, 2025.

Balance sheet - cash position

Cash and cash equivalents, Short-term Deposits and Marketable Securities – these items amounted to a total of USD 56,488 thousand as at September 30, 2026, compared to USD 58,248 thousand as at December 31, 2025 and USD 64,324 thousand as at September 30, 2025.

The decrease in the cash position as at September 30, 2026, compared to December 31, 2025, is mainly attributable to the dividend payment, in the amount of USD 5,036 thousand, made in July 2026, the majority of which was offset by cash accumulated by the Group as a result of its profitability during the period.

Trade accounts receivable – these amounted to USD 7,357 thousand as at September 30, 2026, compared with USD 7,875 thousand as at December 31, 2025, and USD 8,659 thousand as at

September 30, 2025. The changes in this item were mainly affected by the business volume near the reporting dates.

Inventory – amounted to USD 6,740 thousand as at September 30, 2026, compared with USD 5,339 thousand as at December 31, 2025, and USD 3,524 thousand as at September 30, 2025. The inventory increase compared with September 30, 2025, mainly reflects the consolidation of a sub-subsidiary's ('SI') inventory. The increase compared with December 31, 2025, mainly reflects higher raw-material inventory, resulting from the Group's purchasing planning in line with the growth in the order backlog.

Trade payables – amounted to USD 2,758 thousand as at September 30, 2026, compared with USD 2,521 thousand as at December 31, 2025 and USD 1,870 thousand as at September 30, 2025. The increase in this item compared with September 30, 2025 was primarily attributable to lower advance payments to a principal subcontractor.

Cash flow

Cash flows generated from operating activities for the nine-month period ended September 30, 2026, amounted to USD 4,102 thousand, compared with cash flows generated from operating activities of USD 12,012 thousand for the nine-month period ended September 30, 2025. The decrease in cash flows from operating activities was mainly attributable to the decrease in the net profit for the period, as well as to changes in working capital items, primarily an increase in inventory.

Cash flows used for investing activities in the nine-month period ended September 30, 2026, amounted to USD 19,487 thousand, compared with cash flows generated from investing activities of USD 405 thousand in the nine-month period ended September 30, 2025. Cash flows used for investing activities in the period were mainly attributable to net investments in bank deposits (USD 11,397 thousand) and in marketable securities (USD 7,774 thousand, net).

Cash flows used for financing activities in the nine-month period ended September 30, 2026, amounted to USD 5,036 thousand, representing a dividend payment (announced on July 5, 2026) paid in July 2026. Cash flows used for financing activities in the nine-month period ended September 30, 2025, amounted to USD 5,301 thousand, representing a dividend payment (announced on March 27, 2025) that was paid in June 2025.

Outlook & Global Environment changes

In the first nine months of 2026, the global business environment continued to be marked by instability and uncertainty, alongside elevated raw-material prices, higher labor costs and increased lead times. Nevertheless, the accelerated growth in the order backlog that began in the second quarter of the year continued and even intensified during the third quarter, providing a positive indication of future growth. In management's assessment, these trends are expected to continue in the coming months.

Alongside its ongoing activities across a broad range of markets and sectors, the Group intends to continue directing marketing and engineering resources towards growth sectors, including Satellite Communications, where a customer reached principal-customer status for the first time during the third quarter of 2026; the Space sector, which continues to grow; and Artificial Intelligence (AI) infrastructure, which is receiving significant engineering investment. Although the AI infrastructure sector has not yet generated revenues, management believes that it may create new business opportunities for the Group. In addition, the Group continues to pursue its strategy of partnering with leading semiconductor manufacturers worldwide, promoting the adoption of its products in advanced applications by providing samples for reference designs.

It is noted that the above statements include a forward-looking statement as defined below.

The complete financial statements and the quarterly report are available for downloading in the investors section of www.paytongroup.com.

Note - forward-looking statements:

This document contains certain **forward-looking statements** *and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with*

respect to future events. Management emphasize that the assumptions do not in any way imply commitment towards realization. The outcome of which is subject to certain risks and other factors which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended.

References in this document to forward looking statements shall be by stating that such information is given by way of estimation, evaluation, assessment, intentions, expectations, beliefs and similar terms, but it is possible that such information shall be given under other phrases.

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, the United States (including, since October 1, 2025, its subsidiary SI Manufacturing Inc. in California) and in the U.K. Payton Planar Magnetics is publicly traded on the Euronext stock exchange in Brussels (ticker: PAY).

For more information, please visit Payton's website at www.paytongroup.com
or contact Michal Lichtenstein, CFO at +972-3-9611164 Michal@paytongroup.com
or Nick Orbaen, Dir. at Citigate Dewe Rogerson Belgium + 32 (0) 468 10 06 23
nick.orbaen@cdrconsultancy.com

Annex: Selected Financial Statements

Key financial figures – Payton Planar Magnetics Ltd.

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

- unaudited -

	For the nine months ended September 30	
	2026	**2025**
	$ thousands	**$ thousands**
Revenues	**31,346**	36,234
Cost of sales	**(18,679)**	(19,337)
Gross profit	**12,667**	16,897
Development costs	**(1,944)**	(1,388)
Selling and marketing expenses	**(1,946)**	(1,674)
General and administrative expenses	**(5,180)**	(4,207)
Other income (expenses), net	**8**	(501)
Operating profit	**3,605**	9,127
Finance income	**1,612**	2,441
Finance expenses	**(110)**	(26)
Finance income, net	**1,502**	2,415
Share of loss of equity accounted investee	**(150)**	(6)
Profit before taxes on income	**4,957**	11,536
Taxes on income	**(1,023)**	(2,096)
Net profit	**3,934**	9,440
Other comprehensive income (loss) items that will not be transferred to profit and loss		
Share of other comprehensive income of equity accounted investee	**8**	9
Total other comprehensive income, net of tax	**8**	9
Total comprehensive income	**3,942**	9,449
Earnings per share		
Basic and diluted earnings per share (in $)	**0.22**	0.53

Condensed Interim Consolidated Statement of Financial Position

- unaudited -

	September 30	
	USD 000	**USD 000**
	2026	**2025**
Current assets	**71,931**	78,194
Non-current assets	**21,374**	13,837
Total assets	**93,305**	92,031
Current liabilities	**7,198**	7,127
Non-current liabilities	**1,713**	1,608
Equity	**84,394**	83,296
Total liabilities and Equity	**93,305**	92,031

Condensed Interim Consolidated Statements of Cash Flows

- unaudited -

	For the nine months ended September 30	
	2026	**2025**
	$ thousands	**$ thousands**
Operating activities		
Net Profit	**3,934**	9,440
Adjustments:		
Depreciation and amortization	**877**	645
Taxes on income	**1,023**	2,096
Share of loss of equity accounted investee	**150**	6
Gain on sale of property, plant and equipment, net	**(8)**	-
Share-based compensation provided by controlling shareholder	**300**	352
Finance income, net	**(1,508)**	(1,925)
	4,768	10,614
Decrease (increase) in trade accounts receivable	**518**	(734)
Decrease (increase) in other accounts receivable	**141**	396
Decrease (increase) in inventory	**(1,401)**	398
Increase in trade payables	**207**	532
Increase (decrease) in other payables	**(841)**	441
Change in employee benefits	**59**	91
	3,451	11,738
Interest received	**2,088**	2,036
Interest paid	**(70)**	-
Income taxes paid	**(1,367)**	(1,762)
Cash flows generated from operating activities	**4,102**	12,012
Investing activities		
Proceeds from (investments in) deposits, net	**(11,397)**	769
Dividend received from an equity accounted investee	**-**	154
Acquisition of property, plant and equipment	**(357)**	(518)
Investments in marketable securities measured at fair value through profit or loss	**(10,003)**	-
Proceeds from sale of property, plant and equipment	**41**	-
Proceeds from sale of marketable securities measured at fair value through profit or loss	**2,229**	-
Cash flows generated from (used for) investing activities	**(19,487)**	405
Financing activities		
Dividend paid	**(5,036)**	(5,301)
Cash flows used for financing activities	**(5,036)**	(5,301)
Net increase (decrease) in cash and cash equivalents	**(20,421)**	7,116
Cash and cash equivalents at the beginning of the period	**30,315**	23,148
Effect of exchange rate fluctuations on cash and cash equivalents	**(2)**	270
Cash and cash equivalents at the end of the period	**9,892**	30,534

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements as at December 31, 2025.