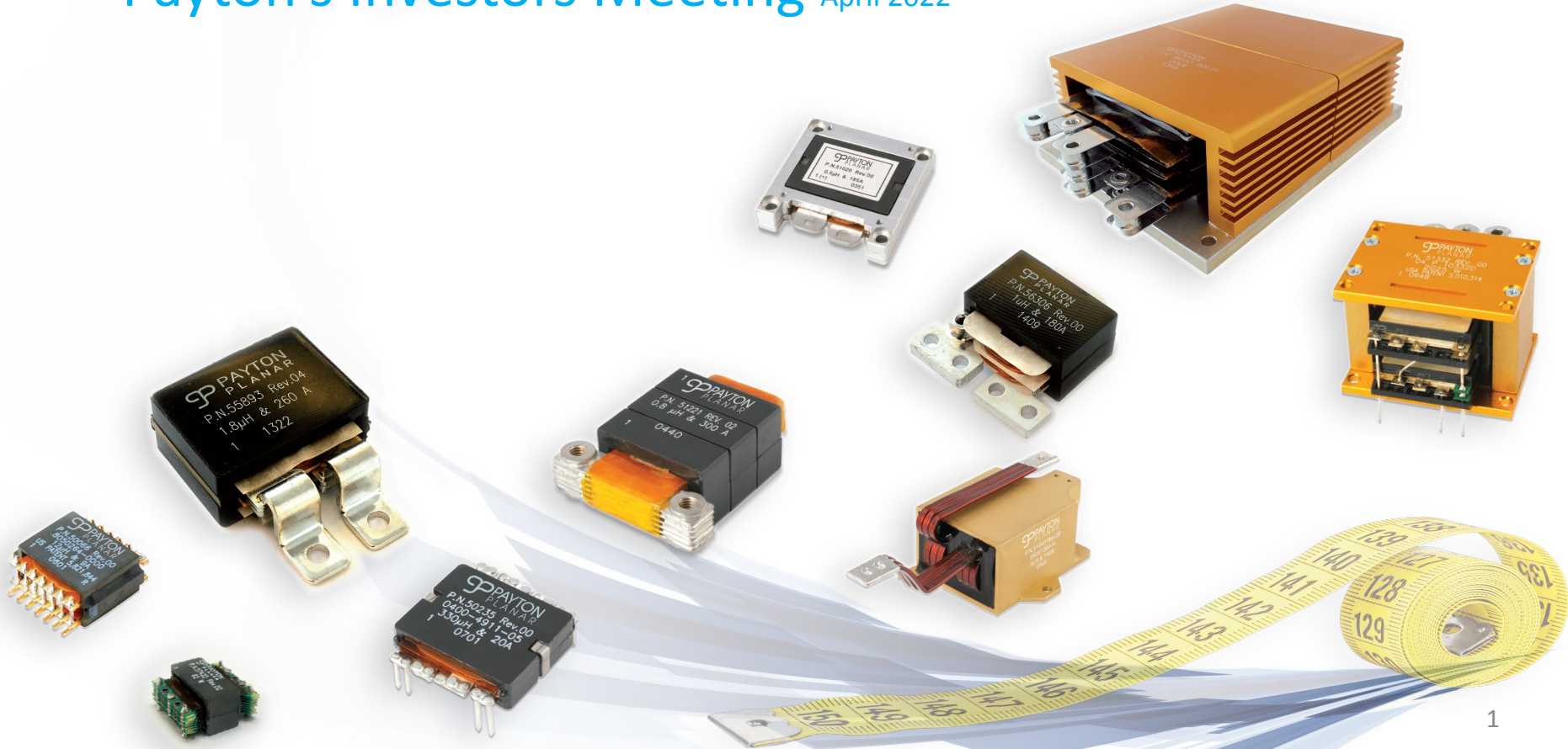


Payton's Investors Meeting April 2022



Forward-Looking Statements

This presentation 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. The Management emphasizes that the assumptions do not in any way imply commitment towards realization. The outcome of which is subject to certain risks and other factors (such as: Currency exposure, material prices, manufacturing partners, global economy), 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.

Our Vision

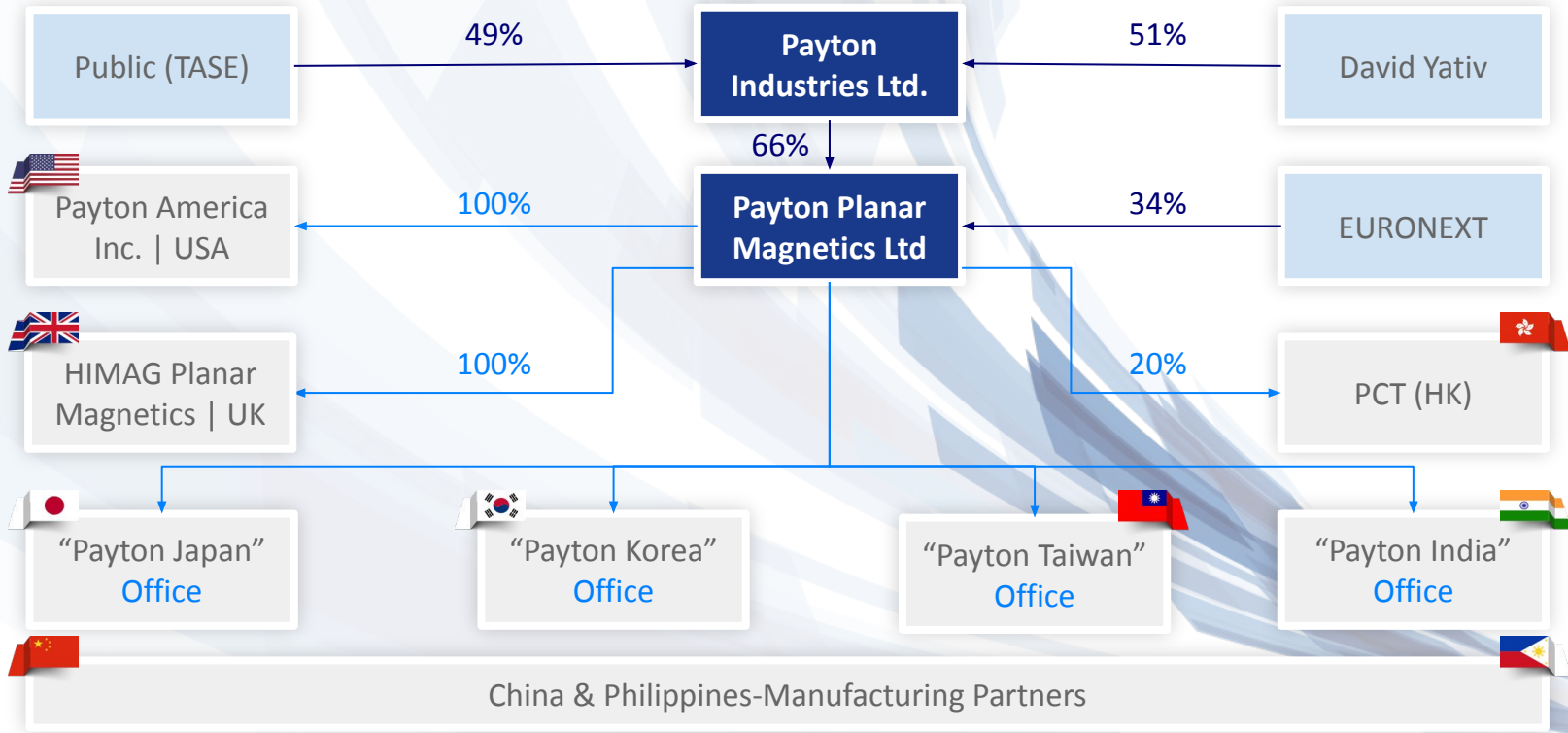
INNOVATION | DESIGN | PERFORMANCE

To make the best
technological products
that provides the customer
competitive advantage

Payton's Milestones

- Founded in 1987, publicly traded in TASE since 1993 and in Euronext Brussels since 1998
- Payton Designs, manufactures and sells Magnetic components
- A world leader in the Planar Magnetics technology
- Custom design capabilities
- Long term partnership with customers and suppliers
- Worldwide offices and sales network
- Widely used in Automotive, Telecom and Power Electronics
- Profitable for over 16 years in a row

Payton Group Structure



The Planar Technology

The **Same Physics** - used in an innovative way
which results in:

Tremendous **decrease in size/volume**

Incredible **weight reduction**

Very **High efficiency** - 99% typical

Excellent parameter **repeatability and consistency**

Operating frequency range **50 kHz – 4 MHz**

Unique **safety** solution.

Decrease inner **temperature** of Power Supply

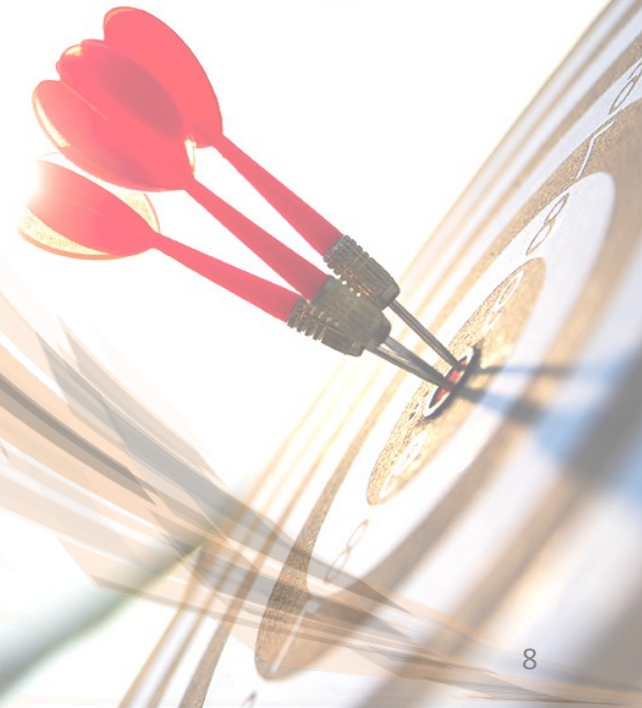
What are the Planar Technology advantages?

- Small size and weight (up to 10 times compared to conventional technology)
- High efficiency up to 99.5%
- Easy to cool
- low profile

Who are our customers?

Every customer/Industry who faces design challenges such as :

- Size/volume/ weight
- Efficiency
- Cooling
- High frequency complexity



Wide range of industries

- Telecom equipment/ Datacenter
- Automotive
- Portable equipment
- Charging systems
- Medical equipment
- Power electronics systems

Macro environment & current challenges

- Significant global shortage and price increase of raw materials
- Significant increase of materials lead-time
- Increase in shipping & transportation costs and shortage in such means
- Changes in customers' demands and postponing of delivery dates
- Lack of manpower and increase in labor costs
- Energy shortage in China that might result in production capacity shortage.
- Traveling constraints
- Lack of semiconductors influence
- Russia Ukraine war
- USD/NIS Exchange rates

The COVID-19 Crisis Effect- Successfully handled

- Group's flexibility and global spread → successfully handling this crisis
- Manufacturing lines in Israel operated continuously
- Subsidiaries in England and United States continued their business operations
- Manufacturing facilities and geographically spread of the Group's production sites in China, the Philippines, Israel, England and the United States minimized the effect of the COVID-19 epidemic

Market trends

- Custom made solutions
- Fast response to market needs
- Miniaturization/higher power density
- Increased switching frequency
(supported by the semiconductors trend)
- Green Energy/ electrification/efficiency
- environmental trends

Automotive market

- Mostly in Battery Chargers
- Long design cycle
- Demand for compact design
- Electric Vehicle (EV)/ Hybrid Electric Vehicle (HEV)
- Very competitive market

Looking forward

- Busy R&D with new projects (2-4 year design to production cycle time)
- Many new projects across different applications
- The Automotive market presents new opportunities



Financials Highlights

- Backlog - Highest ever backlog

As at December 31, 2021 Order Backlog amounted to USD 31,525 thousand, and as of March 13, 2022 to USD 44,032 thousand (December 31, 2020 - USD 18,921 thousand). The backlog is composed of the Company and its two fully owned subsidiaries firm orders.

Most of the backlog as of 31.12.2021 will be supplied until December 31, 2022.

Financials Highlights

- Revenues year 2021 USD 43,980 thousands
[USD 43,874 thousands in year 2020].
- Gross margin year 2021 of 40%, USD 17,373 thousands
[41%, USD 18,140 thousands, in 2020].
- Operating margin year 2021 of 24% (EBIT = USD 10,368 thousands)
[27%, USD 11,651 thousands, in 2020].
- EPS year 2021 - USD 0.48
[USD 0.56 for the year 2020].
- Cash and cash equivalents, Deposits(ST+LT) & marketable securities
as at 31.12.2021 of \$43.6 million.
[USD 44.4 million as at 31.12.2020].

Financials Highlights

Dividends

March 28, 2022, Payton Planar Magnetics Board of Directors decided to pay the shareholders a dividend at the amount of USD 8,023 thousand (USD 0.454 per share, to be paid during June 2022).

Paid dividends during the last years:

	Dividend amount	Announced on	Paid on
1	3,092,000 USD	5.6.2017	19.7.2017
2	3,092,000 USD	26.3.2018	24.5.2018
3	5,300,000 USD	27.3.2019	6.6.2019
4	7,422,000 USD	24.3.2021	17.6.2021
5	8,023,000 USD	28.3.2022	To be defined

Summary

Payton Planar Magnetics is the market Leader in the Planar Technology. It has the highest engineering capability and excellent reputation. Payton has presented continuous profitability and is well positioned for further growth given the market trends and increase demand for high efficiency in small packaging.

**THE BEST
WAY
TO PREDICT
THE
FUTURE
IS TO
INVENT IT**

ALAN KAY

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