

Electro-Sensors, Inc. to be Acquired by steute Technologies

Electro-Sensors shareholders to receive \$7.75 per share in cash

Minnetonka, MN – April 21, 2026: Electro-Sensors, Inc. (Nasdaq: ELSE), a leader in industrial monitoring systems, and steute Technologies GmbH & Co. KG., a portfolio company of investment firm Battery Ventures, announced today that they have entered into a Definitive Agreement and Plan of Merger, pursuant to which steute Technologies will acquire Electro-Sensors.

Under the terms of the merger agreement, shareholders of Electro-Sensors will receive \$7.75 in cash per share of common stock, which represents a premium of approximately 75% to the closing price of Electro-Sensors common stock on April 20, 2026, the last trading day prior to this announcement. The merger agreement has been unanimously approved by the special committee of the board of directors of Electro-Sensors as well as the full board of directors of the company and is subject to approval by the shareholders of Electro-Sensors and the satisfaction of other customary closing conditions.

Closing of the transaction is expected to occur within ten business days following satisfaction of customary closing conditions, including shareholder approval, which the parties expect to occur in the first half of 2026. Certain significant shareholders of Electro-Sensors have entered into voting and support agreements obligating them to vote their shares in favor of the merger.

Following the transaction, Electro-Sensors will become a wholly owned subsidiary of steute Technologies GmbH & Co. KG, and shares of Electro-Sensors common stock will no longer be traded on the Nasdaq Capital Market.

steute, founded in 1961, specializes in the development and manufacture of high-quality switching devices, sensors, and wireless networks for complex medical and industrial applications.

“Electro-Sensors significantly enhances steute Technologies’ product and service offerings in the industrial market with an extensive, complementary line of solutions we feel will strengthen the value our customers gain from our products,” said Martin Kunz, steute’s CEO. “The acquisition dovetails with our strategy of delivering focused safety and monitoring solutions for the industrial market whilst expanding our manufacturing footprint in the USA.”

David Klenk, CEO of Electro-Sensors, said, “We strongly believe that this transaction is in the best interest of our shareholders and that becoming part of steute Technologies will be advantageous for the customers and employees of Electro-Sensors. Joining steute is an exciting opportunity to collaborate with an ambitious, focused group and create new opportunities for our business.”

“Electro-Sensors has built a strong reputation for reliable machine monitoring and hazard monitoring solutions in demanding industrial environments,” said Maximilian Jessen, a Battery Ventures investor involved with steute’s board. “Bringing those capabilities together with steute’s existing portfolio strengthens the combined group’s ability to serve customers with a broader set of safety and monitoring solutions.”

Other Information about the Merger and Related Transactions

Additional information about the proposed transaction, including a copy of the merger agreement, will be provided in a Current Report on Form 8-K to be filed by Electro-Sensors with the SEC and made available at www.sec.gov. More information about the proposed transaction will also be described in Electro-Sensors' proxy statement relating to the merger, which it will file with the SEC.

The Company Board received a fairness opinion from Lake Street Capital Markets, the Company's financial advisor.

Advisors

TCF Law Group, PLLC is legal counsel to steute on the transaction. Lake Street Capital Markets is financial advisor and Holland & Hart, LLP is legal counsel to Electro-Sensors for the transaction.

About steute Technologies

steute Technologies GmbH & Co. KG is a German-based international technology company, owned by Battery Ventures, that specializes in the development and manufacture of high-quality switching devices, sensors, and wireless networks for complex medical and industrial applications. Founded in 1961, the company is headquartered in Löhne, Germany, employing approximately 560 people globally, and is represented in over 40 countries through dedicated facilities, sales subsidiaries and partners.

About Electro-Sensors, Inc.

Electro-Sensors, Inc. is an industry leading designer and manufacturer of rugged machine monitoring sensors, hazard monitoring systems, and wireless safety technology. These products improve processes by protecting people, safeguarding systems, reducing downtime, and preventing waste. Founded in 1968 and located in Minnetonka, Minnesota, Electro-Sensors provides its loyal customers with reliable products that improve safety and help plants operate with greater efficiency, productivity, and control.

Important Information and Where to Find It

A full description of the terms of the transaction will be provided in a proxy statement that Electro-Sensors will file with the SEC. ELECTRO-SENSORS URGES INVESTORS, SHAREHOLDERS AND OTHER INTERESTED PERSONS TO READ, WHEN AVAILABLE, THE PROXY STATEMENT AS WELL AS OTHER DOCUMENTS FILED WITH THE SEC BECAUSE THESE DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION ABOUT ELECTRO-SENSORS AND THE PROPOSED TRANSACTION. When final, the definitive proxy statement will be mailed to Electro-Sensors' shareholders as of a record date to be established for voting on the proposed transaction. Shareholders will also be able to obtain a copy of the documents (when available), without charge, by directing a request to: Electro-Sensors, Inc., 6111 Blue Circle Drive, Minnetonka, MN 55343. These documents, once available, can also be obtained, without charge, at the SEC's website (www.sec.gov).

Participants in the Solicitation

Electro-Sensors, Inc. and its directors and executive officers may be considered participants in the solicitation of proxies by Electro-Sensors, Inc. in connection with the proposed transaction. Information about the directors and executive officers of Electro-Sensors, Inc. is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which was filed with the SEC. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies from Electro-Sensors' shareholders in connection with the proposed merger will be included in the definitive proxy statement that Electro-Sensors intends to file with the SEC.

Non-Solicitation

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom.

Forward Looking Statements

This press release includes certain forward-looking statements concerning Electro-Sensors and the proposed transaction within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding future financial performance, future growth, and the development of future products and services; the benefits of the proposed transactions, including anticipated growth and synergies; the combined company's plans, objectives and expectations and intentions; the expected timing of the proposed transactions; and future acquisitions. These statements are based on current expectations or beliefs and are subject to uncertainty and changes in circumstances. There can be no guarantee that the proposed transaction described in this press release will be completed, or that they will be completed as currently proposed, or at any particular time. Actual results may vary materially from those expressed or implied by the statements here due to changes in economic, business, competitive or regulatory factors, and other risks and uncertainties affecting the operation of Electro-Sensors. Many of these risks, uncertainties and contingencies related to Electro-Sensors are presented in Electro-Sensors' Annual Report on Form 10-K and, from time to time, in Electro-Sensors' other filings with the SEC. These and other risks related to the business will be presented in the proxy statement to be filed with the SEC.

The information here should be read considering these risks and the following considerations: the conditions to the closing of the merger may not be satisfied or an event, change or other circumstance could occur that could give rise to the termination of the merger agreement; the merger may involve unexpected costs, liabilities or delays, resulting in the merger not being consummated within the expected time period; risks that the announced merger may disrupt current Electro-Sensors plans and operations or that the business or stock price of Electro-Sensors may suffer as a result of uncertainty surrounding the merger; the outcome of any legal proceedings related to the merger; and Electro-Sensors may be adversely affected by other economic, business, or competitive factors.

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MEDIA CONTACT

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