

paragon with good start to the year and growing order backlog - outlook specified

- First-quarter sales up 6.3% to EUR 41.7 million (prior-year quarter: EUR 39.2 million) despite carmakers' supply chains torn by war
- Current order backlog increased by approx. 17 %
- Long-term refinancing secured
- Outlook for 2022 lifted to upper end of target, now at EUR 165 million in sales with an EBITDA margin of more than 15%
- paragon CEO-Frers: "The financials demonstrate the innovative strength and resilience of our business model. Regardless of the challenging market conditions, we now expect sales at the upper end of the previous forecast."

Delbrück, May 16, 2022 – paragon GmbH & Co. KGaA [ISIN DE0005558696] managed a solid first quarter of 2022 despite the production interruptions at many European car manufacturers caused by the war in Ukraine. According to the latest quarterly report, paragon increased its consolidated sales by 6.3% to EUR 41.7 million, contrary to the general industry trends.

The growth illustrates the encouraging trend in all five business units; the Digital Assistance unit registered an above-average increase of 16.0 % to 2.7 million euros. In particular, the latest major orders for the Digital Assistance (for the geni:OS voice assistance system in the amount of 40 million euros) and Sensors (for the DUSTPROTECT electrical anti-virus filter in the amount of 45 million euros) business units have caused the order backlog (as of May 1, 2022) to grow by around 17% to approximately 630 million euros by the end of 2026; a year ago, the order backlog ("booked business") for the next 55 months was approximately 540 million euros.

"We are proud of our innovative strength and see ourselves as a technology provider. paragon is not a classic automotive supplier, which is why we were able to perform better than many of our competitors in the difficult industry environment," said Klaus Dieter Frers, founder and CEO of the personally liable partner of paragon GmbH & Co. KGaA. "It certainly also plays a role here that we were able to release energies as if released from a burden after the sale of the heavily loss-making financial investment Voltabox. For a long time, the capital market's view on paragon was distorted by Voltabox and the fact that the automotive sector has been outperforming the industry for years was overlooked."

EBITDA for the current period, including negative special effects from non-cash losses arising from exchange rate differences and an asset sale amounting to a total of EUR 0.9 million, was EUR 5.0 million (previous year: EUR 6.1 million). For the full year, an improved EBITDA margin of more than 15% continues to be achievable in the management's view.

"We are very concerned about the suffering of the people in Ukraine. In this respect, the impact of the war on our company is of a rather secondary nature. In recent weeks, it has also become apparent that our customers' war-related production interruptions have largely been overcome and that catch-up effects are now taking hold," said paragon CFO Dr. Martin Esser.

As to refinancing, things are also positive for paragon: On March 10, the EUR bond maturing on July 5, 2022, was successfully extended by a further five years with 99.9 percent approval from bondholders. "This secures the financing of paragon's future growth," emphasized Klaus Dieter Frers.

In 2021, the consolidated financial statements showed an encouraging increase of 15.5% to EUR 146.9 million (2020: EUR 127.2 million) despite temporary supply chain problems on the part of automotive manufacturers. This means that paragon fully met its 2021 sales forecast. The increase in the EBITDA margin to 13.6% (previous year: 10.8%) was also within the target corridor for 2021. paragon had thus already clearly set itself apart from a difficult industry environment in 2021. From April 2021, the impact of the chip crisis was more noticeable for OEMs with temporary production closures. This effect has decreased significantly in the ongoing year.

The management specifies its expectations for sales in 2022 at EUR 165 million, which is at the upper end of the previous forecast. This represents a 12% increase in sales compared to the previous year. The EBITDA margin is expected to remain unchanged at over 15%. In the first four months of the current year, the company generated sales of EUR 54.3 million (prior-year period: EUR 51.1 million). Together with the actual sales and the orders on the books until the end of 2022, 99% of the sales expectation is currently already covered. "We see potential for a further improvement in the forecast and are initially waiting for the further development of the next 2 to 3 months," explained Klaus Dieter Frers. "For 2023, an increase in sales of at least 10% is already foreseeable as the coverage by Booked Business already amounts to about 80% of our planned annual sales."

Profile: paragon GmbH & Co. KGaA

paragon GmbH & Co. KGaA (ISIN DE0005558696), which is listed in the regulated market (Prime Standard) of the Frankfurt Stock Exchange, develops, produces and distributes forward-looking solutions in the field of automotive electronics, body kinematics and e-mobility. As a market-leading direct supplier to the automotive industry, the company's portfolio includes the Electronics operating segment's innovative air-quality management, state-of-the-art display systems and connectivity solutions, and high-end acoustic systems. In the Mechanics operating segment, paragon develops and produces active mobile aerodynamic systems. In the rapidly growing automotive market for battery systems, paragon now acts independently with the Business Unit Power after the sale of the Voltabox share.

In addition to the company headquarters in Delbrück (North Rhine-Westphalia, Germany), paragon GmbH & Co. KGaA and its subsidiaries operate sites in Suhl (Thuringia, Germany), Landsberg am Lech, Nuremberg (Bavaria, Germany), St. Georgen (Baden-Württemberg, Germany), Limbach (Saarland, Germany) as well as in Kunshan (China), Bangalore (India) and Oroslavje (Croatia).

Additional information about paragon can be found at www.paragon.ag.

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