

paragon grows by 14.1% in the first six months of 2022 and again raises revenue forecast for the year

- Despite the difficult economic environment in the first six months of 2022, paragon brings in record revenue of € 86.4 million (prior year: € 75.7 million)
- Delbrück-based automotive supplier proves to be sustainable and robust in the face of negative external factors (coronavirus lockdowns, war in Ukraine, scarcity of chips, supply chain problems)
- EBITDA of € 8.9 million in the first six months (prior year: € 11.2 million) primarily influenced by noncash one-time effects of € 3.1 million
- Increases in the costs of materials, logistics and energy largely offset by improved efficiency along the value chain
- Revenue forecast for 2022 of € 165 million now raised to € 170 million – operating EBITDA margin still expected to be more than 15%

Delbrück, Germany, August 22, 2022 – Today, paragon GmbH & Co. KGaA [ISIN DE0005558696] published its condensed interim financial statements as of June 30, 2022 and updated its outlook for the year as a whole.

“In these times, our continued focus on successful premium manufacturers and our broad, innovative product range are our success formula,” Klaus Dieter Frers, founder and Chairman of the Board of paragon GmbH, the general partner of paragon GmbH & Co. KGaA, commented on the half-year financial statements that were presented. “Our target growth of 14.1% underlines our unique position in the market, which faced a stiff headwind in the first six months of 2022 due to the war in Ukraine, supply chain problems, coronavirus lockdowns and chip scarcity.”

Contrary to the general trend in the industry, paragon GmbH & Co. KGaA increased Group revenue from € 75.7 million to € 86.4 million, in what were the highest-revenue six months in the company’s history. Revenue in the second quarter was even 22.5% higher than in the same quarter of the prior year. All five operating segments achieved growth, though the Kinematics division achieved an above-average profit by selling large quantities of adaptive spoiler systems, as did Interior, with its particularly in-demand display instruments.

EBITDA in the first six months of 2022 was € 8.9 million; due to non-cash one-time effects, this was lower than EBITDA in the first six months of 2021 (€ 11.2 million). In addition to noncash exchange rate losses totaling € 0.9 million, the result was negatively impacted by book losses of € 1.75 million due to both the sale of peripheral activities at the Aachen site (€ 0.45 million) and the sale of a production building that was originally leased to Voltabox AG. Overall, the one-time negative effects total € 3.1 million. Taking into account these one-time effects, operating EBITDA in the first six months is in line with forecasts.

With the presentation of the first quarter report in May 2022, Management had already substantiated the expected revenue for 2022 at € 165 million, placing it at the higher end of the previous forecast. “We see potential for further improvement and will wait for now to see how things develop over the next two to three months,” Mr. Klaus Dieter Frers explained at the time.

“With the significant increase in revenue in the first half of 2022 to € 86.4 million and the existing customer orders for the second half of the year, our confidence is growing. paragon is raising the forecast for the 2022 fiscal year to approximately € 170 million,” says paragon CFO Dr. Martin Esser. “We expect organic growth of 15% for 2022 as a whole, which is significantly higher than the expert forecast of 0.7% for the sector in Europe.”

Order backlog to the end of 2026 increased by 17% to € 630 million compared to same period of the prior year. New orders in 2022 alone amount to approximately € 100 million; paragon expects additional orders in the same range by the end of the current year.

Management continues to be dissatisfied with the current share price level, which they do not believe represents the positive development of the company. In current studies, analysts see the target share price to be € 15.20 or € 19.60 per share, a considerable upside potential of up to four times the current share.

Following the successful prolongation of the € 50 million bond by five years in March 2022, an additional important step in the first half of 2022 was the second partial repayment (CHF 8.75 million) of the CHF bond in April 2022. This means that 40% of the CHF bond has already been repaid; what remains is a volume of CHF 21 million which will be due in April 2023, together with partial repayment of the EUR bond. In the fall of 2022, paragon will

provide the capital market with comprehensive information on the promising activities in place to ensure repayment.

About 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. With Voltabox AG (ISIN DE000A2E4LE9), a subsidiary that is also listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, the Group is also active in the Electromobility operating segment with its cutting-edge lithium-ion battery systems developed in-house. Following the sale of the Voltabox share, paragon and its Power operating segment are now acting independently in the rapidly growing automotive market for battery systems.

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 and Nuremberg (Bavaria, Germany), St. Georgen (Baden-Württemberg, Germany), Limbach (Saarland, Germany), Aachen (North Rhine-Westphalia, 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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