

paragon continues to grow at an impressive rate in the third quarter

- paragon's revenue increases by 19.8% to € 40.7 million in the third quarter (prior year: € 34.0 million)
- Revenue totals € 127.1 million after nine months (prior year: € 109.7 million)
- Annual revenue forecast of € 170.0 million confirmed
- Additional customer orders for adaptive spoilers and display instruments received
- EBITDA of € 12.0 million in the first nine months (prior year: € 15.0 million) primarily influenced by noncash one-time effects of € 4.0 million

Delbrück, November 10, 2022 – paragon GmbH & Co. KGaA [ISIN DE0005558696] today published its Group interim financial report as of September 30, 2022, reporting revenue of € 40.7 million (prior year: € 34.0 million) for the third quarter of 2022. The top-tier supplier to the automotive industry is benefiting from its broad product and customer portfolio.

“The 19.8% growth we achieved in the third quarter of 2022 demonstrates our unabated growth momentum in a market environment that must be described as challenging due to the war in Ukraine, supply chain difficulties, coronavirus lockdowns and chip bottlenecks,” says Klaus Dieter Frers, explaining the report being presented. Frers is the founder and CEO of paragon GmbH, the entity that serves as the general partner of paragon GmbH & Co. KGaA.

After nine months, revenue amounted to € 127.1 million, which is 15.9% higher than the revenue in the first nine months of 2021 (€ 109.7 million). The driving forces behind the growth in sales were the adaptive spoilers (operating segment Kinematics), the innovative products in the field of air quality management (operating segment Sensors) and the display instruments product group (operating segment Interior).

The order backlog (“booked business”) is also at a gratifyingly high level for the next few years. Recent selection of the company for fulfillment of contracts totaling more than € 30 million contributed to well-filled order books. A Chinese automobile manufacturer has chosen paragon to supply adaptive spoilers for a future platform. This is already the fourth order for adaptive spoilers in China, with the first series order recently going into production at the Chinese paragon plant in Kunshan. In addition, a leading European manufacturer commissioned paragon to provide display instruments for an upcoming electric SUV.

After the first nine months of 2022, EBITDA stands at € 12.0 million (prior year € 15.0 million). As previously explained in the presentation of the figures for the first half of 2022, it is necessary to take noncash one-time effects into account. In addition to a book loss of € 0.45 million arising from the sale of the peripheral activities at the Aachen location, book losses of € 1.75 million associated with the sale of a production building also encumbered results. There were noncash exchange rate losses in the amount of € 1.8 million as well. One-time negative effects thus total € 4.0 million.

paragon has systematically continued its pursuit of debt reduction in recent months, with total bond liabilities and bank liabilities reduced by € 37.0 million to € 90.9 million since December 2019. The next step is repayment of the CHF bond with a volume of CHF 21 million and partial redemption of the EUR bond (€ 5 million) in April 2023. “In terms of the measures planned to make this a reality, we have made considerable progress in the meantime,” explains paragon CFO Dr. Martin Esser. “We expect to soon be able to inform the capital markets.”

In addition to these comments regarding the positive economic development of paragon GmbH & Co. KGaA, we would like to point out that Mr Klaus Dieter Frers - in his capacity as a shareholder of the company - informed the company on November 9, 2022 that, under circumstances that have not yet been conclusively legally clarified, a third party has acquired the rights to realize his entire paragon share package against his will and has announced their realization.

paragon GmbH & Co. KGaA regards these events as an attempt of a hostile takeover. Its general partner, paragon GmbH, has declared to the company that, irrespective of the outcome of the proceedings, the sole management of the company remains with paragon GmbH and Mr Frers remains its managing director. Mr Frers has announced legal actions against the realization of his share package.

The company's Group interim report as of September 30, 2022, is available for download at <https://ir.paragon.ag>.

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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