

paragon wins another record contract - OEM orders anti-virus filters worth EUR 45 million

- **OEM order for DUSTPROTECT exceeds the largest contract in the company's history to date from January for a novel AI infotainment system.**
- **CEO Frers: "These two most recent major orders prove our superior technology and show that our customers are convinced of paragon's sustainable growth path."**
- **2026 total sales now seen at upper end of EUR 250 - 300 million target range**

Delbrück, April 04, 2022 – Starting in 2025, one of the leading international automotive groups will install the electric anti-virus filter DUSTPROTECT developed by paragon GmbH & CO. KGaA [ISIN DE0005558696] in large numbers further vehicle platforms in China and Germany. The innovative product will be used by the long-standing paragon customer in a vehicle in China as early as 2025.

Thus, paragon benefits from its many years of experience and innovation leadership in electrical cabin air filters for passenger cars and secures the largest order in its history in the amount of EUR 45 million.

"Our DUSTPROTECT air particle system is a typical paragon product. We recognized the need for a high-performance system that keeps the smallest fine dust particles out of the vehicle interior at an early stage. In addition, it has been scientifically proven that our electrical filter is extremely effective in filtering out even corona viruses. We approached car manufacturers with these development results and convinced them based on our decades of experience in sensor technology and high-voltage/high-frequency technology. We are technologically far ahead of the competition. I expect such high-performance filter systems to be standard on every car in around 10 years," said Klaus Dieter Frers, founder and Chairman of the Management Board of the personally liable partner of paragon GmbH & Co. KGaA.

As recently as January of this year, paragon subsidiary semvox GmbH received an order worth EUR 40 million from another leading OEM for an AI-based, adaptive infotainment system. Frers continued, "I am particularly pleased that the vehicle manufacturers are thus making a clear commitment with regard to our sustainable future viability."

With DUSTPROTECT, paragon has developed a high-voltage plasma particle filter that can also filter ultra-fine dust particles from the cabin air of passenger cars. DUSTPROTECT does not replace existing filter systems in vehicles but increases their performance many times over and also extends their range of application to include viruses.

DUSTPROTECT is used by the OEM in parallel with the paragon particle sensor DUSTDETECT. This sensor has been on the market in its original form for around six years, has been continuously developed since then and is used in numerous vehicle types in Germany and abroad. The innovative product detects fine dust particles inside and outside the vehicle and transmits exact values to the vehicle so that, for example, the air recirculation flap can be closed. The system also informs the vehicle occupants about the air quality.

The paragon management is convinced that the product portfolio of the Sensors business unit for improving air quality in vehicle interiors has by no means exhausted its market potential. In addition to particle sensors and electrical filters, this consists of air quality sensors and ionization systems. CEO Frers: "The importance of air quality has already increased significantly in recent years and has certainly received a further boost, not least as a result of the Covid-19 pandemic."

paragon aims to grow continuously and dynamically not only in the Sensors business unit, but in all core areas; group sales of 250 to 300 million are targeted for 2026. Profitability is to increase further step by step to an EBITDA margin of 20% in the same period through targeted measures. Based on the latest order placements, paragon's management now expects Group sales for 2026 to be at the upper end of the previous forecast.

According to preliminary business figures, sales in 2021 at group level increased by 15.5% to EUR 146.9 (2020: 127.2 million), while the EBITDA margin in 2021 increased to a good level of 13.6% (previous year: 10.8%).

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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