+++ Corporate News +++

Preliminary figures from paragon for 2025 show a strong increase in earnings despite a decline in revenue

- **Revenue declined in 2025 by 18.6% to €110.9 million due to low customer order volumes and the phase-out of various models**
- **EBITDA rose by €0.6 million year-over-year to €14.9 million despite the decline in revenue**
- **EBITDA margin improved to 13.4% from 10.4% in the prior year; measures and strict cost discipline are having an effect**
- **EBIT rose from €3.3 million (2024) to €5.2 million (2025) - an increase of 58.3%**
- **The EBIT margin improved from 2.4% in the prior year to 4.7% in 2025**
- **Consolidated net income rose by €7.9 million to a positive €1.2 million**
- **Automotive order intake at €215 million; very encouraging order backlog for 2028 and beyond**
- **Forecast for 2026: revenue of €110 million to €115 million with an EBITDA margin of 13%**

Delbrück, July 23, 2026 – paragon [ISIN DE0005558696] announces preliminary figures for the year 2025. Although revenue declined to €110.9 million last year, EBITDA increased by €0.6 million to €14.9 million thanks to cost discipline and the measures implemented. This corresponds to an EBITDA margin of 13.4% (previous year: 10.4%). Consolidated net income is now positive. The East Westphalian automotive supplier aims to maintain revenue at the €110 to €115 million level in the current year and achieve an EBITDA margin of 13%. New orders will not make a noticeable contribution to revenue until 2027/2028. Final figures will be published once the auditors have completed their review.

Orders from paragon’s customers remained at a low level last year and, in some cases, declined further due to automakers’ sales difficulties in China, the U.S. tariff issue, and the suspension of certain vehicle platforms mandated by EU cybersecurity regulations. New orders have not yet been able to offset this. The new “Consumer Products” business segment has not yet taken off for a variety of reasons.

The by automakers forecasted improvement of the second half of 2025 failed to materialize. While business with Porsche and Chinese customers picked up, it was not enough to offset the overall lower call-off levels from the remaining customers. Among the top three customers, the poor sales figures in China were particularly noticeable.

Order intake last year reached a record-breaking level of €215 million over the contract period. In 2024, it was only approximately €200 million.

Klaus Dieter Frers, founder and CEO of paragon: “Even though we were unable to escape the global slump in demand for higher-end vehicles, this has nothing to do with our medium-term business outlook. In terms of orders and order expectations, our future looks very encouraging.”

paragon is constantly working on new products, new customers, and additional sales regions to increase revenue and earnings.

Frers continued: “Our DustProtect plasma filter deserves special mention; we’ve already received our fifth order for it, most recently based on the now-available second generation, which is fully scalable and can be applied across platforms and manufacturers. Automotive manufacturers in Europe, China, the U.S., Canada, and Mexico are using this cutting-edge technology in vehicles ranging from compact cars to vans and luxury vehicles.”

Other growth products include high-quality folding tables, which are used in various versions worldwide - including in Chinese vehicles - and are becoming a significant source of revenue.

Although paragon’s revenue declined by 18.6% during the reporting period, from €136.2 million to €110.9 million, however, when taking into account revenue from the sold starter battery business (€2.4 million of which was still generated in 2024), the revenue decline attributable solely to lower order volumes and the phase-out of vehicle platforms amounts to €22.9 million, or 16.8%. Thanks to ongoing efficiency improvement programs and strict cost management, the EBITDA margin actually improved significantly to 13.4% (previous year: 10.4%). EBITDA rose from €14.2 million in 2024 to €14.9 million in the reporting year. At the same time, EBIT rose from €3.3 million (2024) to €5.2 million (2025) - an increase of 58.3%! The EBIT margin improved from 2.4% in the prior year to 4.7% in 2025. This was also reflected in consolidated net income, which rose by €7.9 million from the previous year to a positive €1.2 million.

Frers: “We are very proud of these results, especially given the industry-wide slump in sales! Step by step, we are strengthening our financial position.”

Measures to strengthen financial strength also include expanding the company's financial flexibility. Management has received a written financing commitment for a double-digit million amount and expects the funds to be received shortly.

When assessing the results for the reporting year, it must be taken into account that a comparison with previous figures is not - or is no longer - easily possible. In the course of preparing the annual report for fiscal year 2025, regulatory changes regarding the accounting treatment of intangible assets had to be implemented.

Due to continued subdued customer orders, paragon's management expects revenue in the automotive segment for 2026 to range from €110 million to €115 million, which would roughly correspond to the revenue for 2025. Taking into account the reported changes in accounting, the EBITDA margin is expected to be 13%. The aforementioned adjustments have an impact here, meaning that, as already mentioned, a direct comparison with the earnings figures for 2024 and earlier years is not possible.

The delay in publishing the audited financial statements for 2025 is due not only to the aforementioned discussions regarding financing but primarily to a confluence of various external factors. The switch to a new Big Four auditor resulted in a significantly increased audit workload, which exceeded the original timeline. The auditor first had to familiarize itself with the business model of the technology company paragon, which differs significantly from that of other automotive suppliers. The aforementioned change in accounting - which also applied to the previous year - was extremely time-consuming for the finance department, as all development projects had to be analyzed and reclassified accordingly. The introduction of new accounting software and the planned transition from the Prime Standard to the Scale segment of the Frankfurt Stock Exchange also played a role.

Management expects the auditor to complete its audit procedures, including the review of the report, within a few weeks, and that the 2025 Annual Report can now be published on August 26, 2026.

paragon has been listed on the Prime Standard of the Frankfurt Stock Exchange for over 25 years. However, paragon's management believes that this trading venue is no longer the right fit for a company of paragon's size. In light of the high administrative and regulatory costs, the company is pursuing a segment change to Scale, the Frankfurt Stock Exchange's segment for growth-oriented small and medium-sized enterprises. The public was informed of this via an ad hoc announcement on April 22, 2026. Management expects that the segment change can be completed following the publication of the annual report.

About paragon GmbH & Co. KGaA

paragon GmbH & Co. KGaA (ISIN DE0005558696), listed on the Regulated Market (Prime Standard) of Deutsche Börse AG in Frankfurt am Main, develops, manufactures, and markets cutting-edge solutions in the fields of automotive electronics, body kinematics, and electromobility. The portfolio of this market-leading direct supplier to the automotive industry includes, in the Electronics segment, innovative air quality management, modern display systems, and high-end acoustic systems. In the Mechanics segment, paragon develops and manufactures active mobile aerodynamic systems. In the rapidly growing automotive market for battery systems, paragon's Power division supplies battery management systems and drive batteries.

In addition to its headquarters in Delbrück (North Rhine-Westphalia), paragon GmbH & Co. KGaA and its subsidiaries maintain locations in Suhl (Thuringia), Landsberg am Lech and Nuremberg (Bavaria), St. Georgen (Baden-Württemberg), Limbach (Saarland), as well as in Kunshan (China), Detroit (USA), Bengaluru (India), and Oroslavje (Croatia).

For more information about paragon, visit www.paragon.ag.

Capital Markets Contact:

paragon GmbH & Co. KGaA

Klaus Dieter Frers

Bösendamm 11
D-33129 Delbrück
Phone: +49 (0) 52 50 - 97 62-100
Fax: +49 (0) 52 50 - 97 62-102
Email: investor@paragon.ag

Press Contact

paragon GmbH & Co. KGaA

Brigitte Frers

Bösendamm 11
D-33129 Delbrück
Phone: +49 (0) 52 50 - 97 62-142
Fax: +49 (0) 52 50 - 97 62-102
Email: info@paragon.ag