

## paragon reports revenue success and significant debt reduction

- Revenues in the first half-year increased by 7.3% to EUR 86.6 million (previous year: EUR 80.7 million)
- Sale of the Digital Assistance business unit to CARIAD SE completed in the first half of 2023 - final purchase price instalment received in mid-July 2023
- Sale proceeds consistently used to reduce paragon group's debt: CHF bond and interim financing repaid in full, EUR bond reduced - net gearing now at 2.6
- EBITDA of continuing and discontinued operations, taking into account the deconsolidation effect of the Digital Assistance business unit, increases by 76% to EUR 15.7 million (previous year: EUR 8.9 million)
- Outlook for 2023 confirmed: approx. 170 million euros in revenue with EBITDA between 20 and 25 million euros at group level

**Delbrück, 21 August 2023** - paragon GmbH & Co. KGaA [ISIN DE0005558696] today published its half-year report. In the first half of 2023, sales revenues were further increased and at the same time debt was significantly reduced.

paragon increased its consolidated sales in the first six months to EUR 86.6 million. With this revenue increase of 7.3% compared to the same period of the previous year, paragon was able to more than compensate for the revenue loss due to the sale of the Digital Assistance business unit already in the first half of the year. This makes the first half of 2023 the strongest half-year in terms of revenue in the history of paragon-automotive and paragon's growth course unbroken.

In the first half of 2023, paragon successfully completed the sale of paragon semvox GmbH (Digital Assistance business unit) to CARIAD SE, the software company of the Volkswagen Group. The proceeds from the sale were consistently used to further reduce the paragon group's debt. The CHF bond issued in 2019 and the interim financing were repaid in full. Furthermore, the EUR bond was reduced by EUR 4.8 million. As a result, the total of bank and bond liabilities (less cash and cash equivalents) is less than EUR 60 million at the end of the first half of 2023. Immediately before the outbreak of the Covid pandemic - in December 2019 - this figure was more than double, at 121.3 million euros. The net gearing ratio fell to 2.6 as a result of the reduced debt and improved profitability.

paragon generated EBITDA from continuing operations of €8.1 million in the first half of 2023. This is an increase of 26.0% compared to the first half of 2022 (Euro 6.4 million). EBITDA from discontinued operations (including the effect from the deconsolidation of paragon semvox GmbH) amounts to Euro 7.6 million, so that the total EBITDA of the paragon group in the first half of 2023 amounts to Euro 15.7 million (previous year: Euro 8.9 million).

For the 2023 financial year, paragon has communicated a revenue forecast of approximately EUR 170 million and an EBITDA of between EUR 20 and 25 million. Taking into account the current sales development and customer call-offs for the further months, the sales and earnings forecast for 2023 is reconfirmed.

The management is not satisfied with the current share price level. Although the share gained 36.9% in the first half of 2023, the management believes that the current share price does not yet fully reflect the fair value and the positive company development. Independent analysts still see considerable upside potential here in current studies. The management is taking this as an opportunity to significantly increase investor relations activities.

#### **About paragon GmbH & Co. KGaA**

Listed on the Regulated Market (Prime Standard) of Deutsche Börse AG in Frankfurt a.M., paragon GmbH & Co. KGaA (ISIN DE0005558696) develops, produces and distributes pioneering solutions in the fields of automotive electronics, body kinematics and electromobility. The portfolio of the market-leading direct supplier to the automotive industry includes innovative air quality management, modern display systems and connectivity solutions, as well as high-end acoustic systems in the electronics segment. In the mechanics segment, paragon develops and produces active mobile aerodynamic systems. In the fast-growing automotive market for battery systems, paragon now operates independently with its power business unit following the sale of the Voltabox investment.

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

For more information on paragon, visit [www.paragon.ag](http://www.paragon.ag).

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