

paragon announces preliminary nine-month figures and raises earnings outlook for the full year

- According to preliminary figures, paragon increased sales in the first nine months to EUR 122.0 million (previous year EUR 118.5 million)
- Asset deal in the context of the cooperation with Clarios leads to a positive earnings contribution in the mid single-digit million range
- Cash inflow used consistently to further reduce debt of the paragon Group: Net debt reduced to below EUR 50 million (end of 2019: EUR 121.3 million)
- Consolidated EBITDA already amounts to EUR 23.8 million after nine months
- Positive net income of EUR 4.4 million leads to earnings per share of approximately EUR 1.00
- Expectations for 2023 updated: EBITDA now between EUR 25 and 27 million, sales at EUR 160 to 170 million.

Delbrück, October 23, 2023 - paragon GmbH & Co. KGaA [ISIN DE0005558696] today announced preliminary figures for the first nine months. In addition to a further increase in sales, debt was reduced at the same time.

According to preliminary figures, paragon generated sales of EUR 122.0 million in the first nine months of fiscal year 2023 (previous year: EUR 118.5 million). The 2.9% increase in sales reflects the scheduled discontinuation of a sensor product in the middle of the year; in addition, extended plant vacations by automotive manufacturers had an impact.

Management had already reported in August on the cooperation with Clarios, the world's leading supplier of starter batteries. The related sale of production facilities resulted in other operating income in the mid single-digit million range. paragon continues to supply the electronics for battery management of the low-voltage batteries, which are assembled into finished batteries by Clarios.

The cash inflow from the asset deal with Clarios further reduced paragon's net debt. Thus, the sum of bank and bond liabilities (less cash and cash equivalents) amounts to less than EUR 50 million as of the reporting date. In December 2019, this figure was still almost two and a half times higher at EUR 121.3 million. The net gearing ratio has fallen to 1.7 as a result of the significantly reduced debt and the greatly improved profitability.

"In recent quarters, we have managed to reduce our net debt ratio to well below 2.0. This makes us interesting for the capital market. We have thus achieved the target we set ourselves - despite a difficult market environment," explains Dr. Martin Esser, CFO of paragon GmbH & Co. KGaA.

Klaus Dieter Frers, founder and CEO, further explains. "The reduction of our debt is now completed and frees up forces for further corporate development. We remain committed to further increasing our profitability, but are paying more attention than ever to expanding our sales activities in China, the USA and South Korea. At the same time, development work is underway in the background on new products for the automotive industry, but also for other sectors. We are literally shifting up a gear."

In the first nine months of the current year, paragon generated EBITDA from continuing operations of EUR 16.3 million. This is - also taking into account the positive earnings contribution from the asset deal with Clarios - a significant increase compared to the prior-year period (EUR 8.5 million). EBITDA from discontinued operations (including the effect from the deconsolidation of paragon semvox GmbH) amounts to EUR 7.6 million, bringing the total EBITDA of the paragon Group in the first nine months of 2023 to EUR 23.8 million (previous year: EUR 12.0 million). The result of this very pleasing profitability in the first nine months is earnings per share of EUR 0.97.

For fiscal year 2023, paragon had communicated a sales forecast of approximately EUR 170 million and an EBITDA of between EUR 20 and 25 million. In the short term, paragon's sales revenues are affected by the extended plant vacations of the car manufacturers in the summer and also at the upcoming turn of the year compared to previous years. Taking into account the significant increase in profitability and the present customer call-offs, the management therefore adjusts the outlook for the full year 2023 as follows:

- EBITDA is expected to be between EUR 25 and 27 million, higher than previously communicated (EUR 20 to 25 million).
- Sales are expected to be between EUR 160 and 170 million (previously communicated: approx. EUR 170 million)

The consolidated interim report with the final figures for the first nine months will be published as scheduled on November 13, 2023.

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's Power business unit supplies battery management systems and traction batteries.

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.

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