

paragon confirms nine-month figures

- Revenue from continuing operations increases to EUR 122.0 million in the first nine months (previous year: EUR 118.6 million)
- EBITDA from continuing operations grows to EUR 16.3 million in the first nine months (previous year: EUR 8.5 million)
- Asset deal with Clarios leads to positive earnings contribution and reduces debt
- Debt (bank and bond liabilities less cash and cash equivalents) down to EUR 49.0 million (end of 2019: EUR 121.3 million)
- Positive net profit of EUR 4.4 million after nine months leads to earnings per share of EUR 0.97
- Bond buyback program launched
- Development work for vehicle manufacturer ElectricBrands AG proceeding according to plan

Delbrück, November 13, 2023 - paragon GmbH & Co. KGaA [ISIN DE0005558696] today published its interim report as of September 30, 2023, confirming the nine-month figures already communicated in October. paragon increased its revenue in the first nine months of 2023 to EUR 122.0 million (previous year: EUR 118.5 million) and at the same time further reduced its net debt.

The 2.9% increase in sales in the first nine months of the 2023 financial year is slightly lower than in the same quarters of the previous year due to the scheduled discontinuation of a sensor product in summer 2023 and extended plant vacations at car manufacturers. Overall, automotive manufacturers' production has normalized somewhat in recent months after working off high order backlogs.

paragon generated EBITDA from continuing operations of EUR 16.3 million in the first nine months of 2023; this includes the sale of production facilities to Clarios, the world's largest manufacturer of starter batteries, for a mid-single-digit million amount. This is an increase of

90.9% compared to the same period of the previous year (EUR 8.5 million). EBITDA from discontinued operations (including the effect from the deconsolidation of paragon semvox GmbH) amounted to EUR 7.6 million, meaning that the paragon Group's total EBITDA after nine months amounted to EUR 23.8 million (prior-year period: EUR 12.0 million).

The proceeds from the sale of the asset deal with Clarios reduced paragon's net debt as at the reporting date. The sum of bank and bond liabilities (less cash and cash equivalents) amounted to EUR 49.0 million as at the reporting date. In December 2019, this figure was almost two and a half times higher at EUR 121.3 million. The management considers the net leverage ratio now achieved to be appropriate for paragon and will now increasingly emphasize other topics in its communication with stakeholders. The increase in profitability, the expansion of sales activities in China, the USA, India and South Korea and development work on new products for the automotive industry, as well as other sectors, are now increasingly the focus of activities. paragon will provide comprehensive information on these exciting topics in the near future.

As announced, paragon began the stock exchange buyback of its 2017/2027 bonds (ISIN: DE000A2GSB86; WKN: A2GSB8) on November 6, 2023. The buyback is being carried out by an independent securities service provider. With regard to the purchase price and purchase volume, the latter must observe the ban on market abuse (so-called "safe harbor rules"). As a result, no more than 25% of the average daily turnover (20-day average) in the bonds may be purchased on the stock exchange on any one day. It is not the primary objective of the buyback program to further reduce paragon's debt; in view of the low net leverage ratio achieved, paragon reserves the right to borrow corresponding funds on the market to finance the buyback.

Development work is progressing on the basis of the existing cooperation and supply agreement with the vehicle manufacturer ElectricBrands AG. The plan is for paragon to supply VDL Netcar, ElectricBrands' contract manufacturer, with traction batteries for the XBUS light commercial vehicle from 2025. These will consist of a permanently installed lithium-ion battery that can be expanded with exchangeable batteries. The flow-shape design technology from paragon will be used, which offers decisive weight and cost

advantages. Ralf Haller, founder and current Chief Strategic Officer of ElectricBrands, recently had paragon Managing Director Klaus D. Frers to explain the status of the development work.



An outlook for the 2024 financial year will be communicated in a few weeks after the planning has been agreed with the Supervisory Board.

The company's consolidated interim report as of September 30, 2023 is available for download at <https://ir.paragon.ag/>

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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