

paragon presents key figures for 2024 and provides an outlook for the next five years

- Revenue expected to be around EUR 165 million in the coming year
- EBITDA of EUR 18 to EUR 20 million targeted
- Start of own representation in the American market expected for Q2/2024
- Successful debt reduction frees up resources for product initiative
- Major orders initiated offer potential for exceeding the EUR 300 million sales threshold in the coming years

Delbrück, December 11, 2023 - paragon GmbH & Co. KGaA [ISIN DE0005558696] today presented framework data for its business planning for the coming year and provided an outlook for the expansion of its business activities in the coming years.

In the 2024 financial year, the direct supplier to the automotive industry plans to generate revenue of around EUR 165 million. This takes into account the fact that customer demand has recently normalized after working off the high order backlog of vehicle orders resulting from material bottlenecks at car manufacturers. paragon expects this market phase to continue in the coming months and demand not to pick up again before the end of the second quarter of the coming year.

EBITDA of between EUR 18 and EUR 20 million is expected in 2024; this takes into account the fact that there will be no one-off financial effects from the sale of the subsidiary paragon semvox GmbH and assets of the Power business unit in the coming year. However, the rationalization successes of this year will take full effect in 2024 and sustainably strengthen profitability.

On November 6, 2023, paragon launched an exchange-based bond buyback program for EUR 20.2 million. The buyback program runs until July 5, 2025 and replaces the further partial

redemption on January 5, 2024 in accordance with the bond terms and conditions amended on March 10, 2022. This buyback obligation was triggered by the successful completion of the sale of paragon semvox GmbH in accordance with the current bond terms and conditions.

"Thanks to the successful debt reduction and the EBITDA expected for 2023, a net leverage ratio of less than 2.5 is expected at the end of the year, which means that the interest payable on the EUR bond will be 7.5% in the future," emphasizes paragon CFO Dr. Martin Esser. "The incredible feat of the past four years to bring net debt to a level that is appropriate for the size of the company is now freeing up resources for a growth strategy that includes both regional expansion and a product initiative for the coming years," explains CEO Klaus Dieter Frers, founder and majority shareholder of paragon GmbH & Co. KGaA. In the second quarter of 2024, a dedicated sales office in the USA will replace the current representation by external employees.

In addition to the regional expansion, which also includes the intensification of sales activities in China, India and South Korea, paragon is expanding its presence with other premium manufacturers in Europe and will also expand its offering towards commercial vehicles and motorcycles, Frers added. "The increased cooperation between the four business units is currently creating opportunities for new products that address the growth drivers of the automotive industry," adds Frers. paragon is focusing on the development of standardized components that can be used not only in vehicles but also in other markets such as heat pumps and household appliances.

Due to the high order backlog, paragon expects to have exceeded the EUR 300 million revenue threshold by the end of the current planning period from 2024 to 2028. In the coming years, paragon hopes to see a significant increase in revenue and profit from further major orders that are in the pipeline, meaning that the management believes this revenue mark could be reached much earlier.

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), Dover (USA), Bengaluru (India) and Oroslavje (Croatia).

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

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