

GROUP INTERIM REPORT
AS OF JUNE 30, 2024
1ST HALF-YEAR



Key figures paragon Group ¹

€'000 or as stated	Jan. 1 to June 30, 2024	Jan. 1 to June 30, 2023	Change	Apr. 1 to June 30, 2024	Apr. 1 to June 30, 2023	Change
Sales (continuing operations)	75,360	86,637	-13.0%	34,442	41,942	-17.9%
EBITDA ² (continuing operations)	8,512	8,090	5.2%	4,390	4,248	3.3%
EBITDA margin in %	11.3%	9.3%	21.0%	12.7%	10.1%	25.8%
EBITDA paragon semvox GmbH (dis-continued operation)	n.a.	7,569	n.a.	n.a.	6,339	n.a.
EBITDA (continuing and discontinued operations)	n.a.	15,659	n.a.	n.a.	10,587	n.a.
EBIT (continuing operations)	2,178	1,180	84.6%	1,233	671	83.8%
EBIT margin in %	2.9%	1.4%	112.2%	3.6%	1.6%	123.8%
Result from continuing operations	-1,011	-5,617	82.0%	-533	-3,301	83.9%
Result from discontinued operations	n.a.	6,999	n.a.	n.a.	6,413	n.a.
Group result	-1,011	1,383	-173.1%	-533	3,114	-217.1%
Earnings per share in € (basic and diluted) from continuing operations	-0.22	-1.24	82.0%	-0.11	-0.73	184.5%
Earnings per share in € (basic and diluted) from discontinued operations	n.a.	1.55	n.a.	n.a.	1.42	n.a.
Earnings per share in € (basic and diluted) from continuing and discontinued operations	n.a.	0.31	n.a.	n.a.	0.69	n.a.
Investments (CAPEX) ³	2,583	486	431.5%	1,088	13	8,270.5%
Operating cash flow	2,622	-5,427	148.3%	2,274	-3,145	172.3%
Free cash flow ⁴	39	-5,913	100.7%	1,186	-3,158	137.5%

€'000 or as stated	June 30, 2024	Dec. 31, 2023	Change	June 30, 2024	June 30, 2023	Change
Balance sheet total	102,492	108,520	-5.6%	102,492	122,216	-16.1%
Equity	-5,085	-4,084	-24.5%	-5,085	2,094	-342.8%
Equity ratio in %	-5.0%	-3.8%	-31.8%	-5.0%	1.7%	-389.5%
Cash and cash equivalents	957	3,209	-70.2%	957	563	69.9%
Bank and bond liabilities less cash and cash equivalents	59,243	57,650	2.8%	59,243	59,920	-1.1%
EBITDA last 12 months	18,087	25,234	-28.3%	18,087	21,717	-16.7%
Net gearing ratio ⁵	3.28	2.28	43.4%	3.28	2.76	18.7%
Employees (continuing operations) ⁶	734	740	-0.8%	734	761	-3.5%

Share

	June 30, 2024	Dec. 31, 2023	Change	June 30, 2024	June 30, 2023	Change
Closing price Xetra in €	3.22	3.84	-16.1%	3.22	5.90	-45.4%
Number of shares issued	4,526,266	4,526,266	0.0%	4,526,266	4,526,266	0.0%
Market capitalization in million euros	14.6	17.4	-2.8	14.6	26.7	-12.1

1 The paragon Group comprises the Electronics and Mechanics segments. Due to the sale of paragon semvox GmbH in 2023, the Digital Assistance segment is presented as a discontinued operation in the previous year.

2 With regard to the calculation of EBITDA, please refer to the explanations in the combined management report of the annual report.

3 CAPEX = investments in property, plant and equipment + investments in intangible assets

4 Free cash flow = operating cash flow - investments (CAPEX)

5 As defined in section 3 of the bond terms and conditions WKN A2GS88 (loans plus bonds less cash and cash equivalents divided by EBITDA)

6 Plus 8 temporary employees (December 31, 2023: 39)

Highlights in the 1st half of 2024

- As expected, sales revenue fell to EUR 75.4 million after six months following the sale of the starter battery business in autumn 2023 (prior-year period: EUR 86.6 million)
- The current sales trend also reflects the slow recovery in customer call-off behavior
- Despite the challenging market environment, EBITDA (continuing operations) improved from EUR 8.1 million (prior-year period, ratio 9.3%) to EUR 8.5 million thanks to various optimization measures – EBITDA ratio now at 11.3%
- Reduced net debt leads to a significant reduction in financing expenses
- Earnings after interest and taxes significantly improved from EUR –5.6 million in H1/2023 to EUR –1.0 million in the first half of 2024 – slightly positive result expected for the year as a whole
- Improved profitability also reflected in operating cash flow – significant increase in the first half of the year from EUR –5.4 million (same period of the previous year) to EUR 2.6 million
- New plant in Kunshan (China) officially opened – new building lays the foundation for further future growth with Chinese OEMs
- Numerous development projects with a potential order volume of EUR 880 million in progress – various major orders expected in the second half of the year
- Management anticipates a moderate upturn in the automotive industry in the second half of the year – in conjunction with various new product launches, this year's sales target of EUR 160 to 165 million remains achievable
- Solid further increase in EBITDA to EUR 18 to 20 million in 2024 as a whole underpinned by numerous measures

Foreword by the management

Dear shareholders,
dear customers and
business partners,
dear employees,

In the first six months of the 2024 financial year, we generated sales revenue of EUR 75.4 million (previous year: EUR 86.6 million). The reduction in sales compared to the same period last year was anticipated and is mainly due to the sale of the starter battery business in autumn 2023 and the slow recovery in customer call-off behavior. However, when classifying revenue in the first half of 2024, it should also be taken into account that the second half of 2023 was the strongest half-year in terms of revenue in the history of paragon Automotive.

Alongside revenue growth, increasing paragon's profitability is the most important target for us. We made further progress here in the first half of 2024. For example, we were able to increase EBITDA in continuing operations from EUR 8.1 million in the same period of the previous year to EUR 8.5 million in the first half of 2024 – despite a reduction in revenue. As a result, the EBITDA ratio rose from 9.3% in the first half of 2023 to 11.3% in the first half of 2024.

Due to the significant reduction in debt and the elimination of the one-off costs of interim financing from the first half of 2023, financing expenses also fell significantly from EUR 7.4 million in the same period of the previous year to EUR 3.2 million in the reporting period. As a result, earnings after interest and taxes from continuing operations improved to EUR -1.0 million (after EUR -5.6 million in the same period of the previous year). We expect further measures to result in slightly positive earnings after interest and taxes for the year as a whole.

We are proud to have inaugurated our new plant in Kunshan, China. This ultra-modern plant replaces the plant in

the immediate vicinity, which had become too small and was opened nine years ago, and creates the conditions for the planned growth with Chinese car manufacturers. paragon Kunshan currently employs 70 people and now supplies 30 different customers in China. In addition to various products for improving the air quality in vehicle interiors, the product portfolio has long included cable bracing and, for a few years now, adaptive spoilers for extending the range, which are particularly popular in China for electric vehicles. In future, paragon's entire product range will be offered there.

As mentioned in the last quarterly report, we will not be deterred if the current call-off level of the automotive industry does not match what customers had announced. Even paragon cannot completely escape the fact that fewer cars are being built at the moment. We expect the automotive industry to pick up moderately in the coming months.

A key pillar of our success story is the highly motivated workforce of the paragon Group. We would like to express our sincere thanks for their commitment and contribution to the company's success. We are confident that the progress we have already made and will continue to make in our operating business will be reflected in the development of our share price. We would also like to thank our existing shareholders for their loyalty.

Delbrück, August 2024



Klaus Dieter Frers
Chairman of the
Management Board



Dr. Martin Esser
Chief Financial Officer

paragon on the capital market

The paragon share lost value in the first half of the year. Starting from a price of EUR 3.84 at the end of 2023, the share reached a low of EUR 2.21 on March 4, 2024 and a high of EUR 4.26 on April 11, 2024. At the end of the reporting period, the share price stood at EUR 3.22, a loss of 16.3%. The market capitalization thus fell from EUR 17.4 million to EUR 14.6 million.

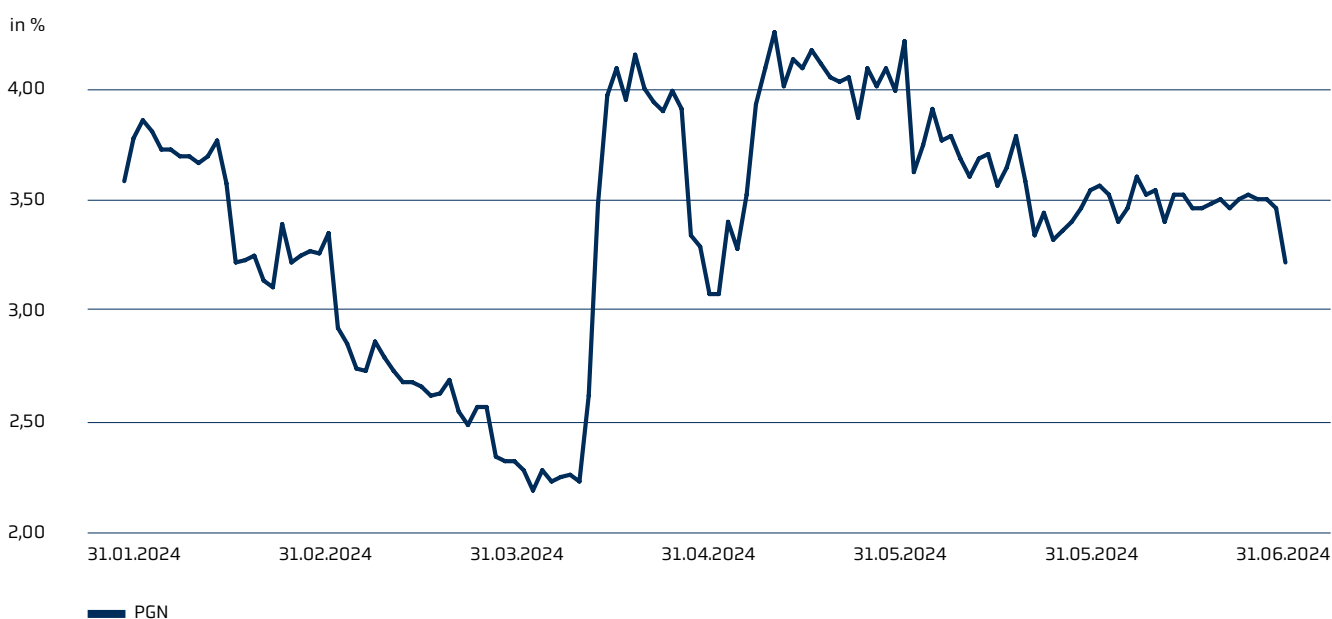
Corporate bond 2017/27

The corporate bond placed in June 2017 (ISIN DE000A2GSB86; WKN A2GSB8) with an original total volume (framework nominal) of EUR 50 million is listed on the Open Market (OTC) of the Frankfurt Stock Exchange in the Scale segment for corporate bonds of Deutsche Börse AG.

In March 2022, a bondholders' meeting resolved to amend the terms and conditions of the bond. In addition to a semi-annual interest payment and a higher interest coupon, the final maturity date was postponed by 5 years to July 5, 2027. In 2023, paragon reduced the nominal amount of the bond from EUR 50.0 million to EUR 45.2 million through buybacks.

Performance of the paragon share

in EUR



The interest rate on the bond depends on the paragon Group's net gearing ratio. The interest rate in the 2024 financial year is 7.5%.

On November 6, 2023, paragon started to buy back the bond on the stock exchange in a total nominal amount of up to EUR 20.2 million. The program will run until July 5, 2025 at the latest. The buyback will be carried out by an independent securities service provider. With regard to the purchase price and purchase volume, the service provider 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. The bond buyback is carried out via the regional stock exchanges in Stuttgart, Frankfurt and Tradegate Exchange. By June 30, 2024, bonds with a nominal value of EUR 585,000.00 had been repurchased.

At the end of the first half of the year, the bond closed at a price of 58.0%.

Investment in paragon semvox GmbH

paragon GmbH & Co. KGaA has sold all of its shares in paragon semvox GmbH to CARIAD SE, a wholly owned subsidiary of the VW Group, by notarized agreement dated December

1, 2022. The closing was completed on May 12, 2023. As a result of the sale, paragon GmbH & Co. KGaA lost control over the subsidiary paragon semvox GmbH. For this reason, paragon semvox GmbH will be recognized and deconsolidated in 2023 as a discontinued operation in accordance with IFRS 5. paragon semvox GmbH represented the Digital Assistance division in the paragon Group.

Business performance

The majority of international automotive markets developed positively in the first half of 2024 compared to the previous year. For example, new registrations in Europe rose by 4% in the first half of 2024 compared to the previous year and by 2% in the United States. After a very strong start to the year, the Chinese market grew by 3% in the first half of the year. The call-off behavior of paragon customers has so far been restrained. We expect a moderate upturn in call-off behavior in the second half of 2024.

As expected, paragon's business performance in the first six months of the 2024 financial year was characterized by a planned decline in revenue compared to the same quarter of the previous year. This is due, among other things, to the sale of the low-voltage starter battery business to Clarios SE and the scheduled discontinuation of a sensor product in 2023. Sales development in the two business segments was as follows:

Business segment	Electronics ¹			Mechanics ²			Eliminations			paragon Automotive		
	6M/ 2024	6M/ 2023	Δ in %	6M/ 2024	6M/ 2023	Δ in %	6M/ 2024	6M/ 2023	Δ in %	6M/ 2024	6M/ 2023	Δ in %
Revenues with third parties	49,208	55,422	-11.2	26,152	31,216	-16.2	0	0	0	75,360	86,637	-13.0
Intersegment sales	344	521	-33.9	111	1,231	-91.0	-455	-1,752	-74.0	0	0	n.a.
Turnover	49,552	55,942	-11.4	26,263	32,447	-19.1	-455	-1,752	-74.0	75,360	86,637	-13.0
EBITDA	7,207	6,311	14.2	1,305	1,779	-26.7	0	0	0.0	8,512	8,090	5.2
EBITDA margin	14.5%	11.3%	28.9	5.0%	5.5%	-9.4	n. a.	n. a.	n. a.	11.3%	9.3%	21.0

1 Sensors, Interior and Power divisions.

2 Kinematics division (paragon movasys GmbH).

As expected, the largest segment, Electronics, dominated Group activities with segment sales of EUR 49.6 million (previous year: EUR 55.9 million). Of this, EUR 49.2 million (previous year: EUR 55.4 million) was attributable to sales with third parties in the Sensors, Interiors and Power divisions, which corresponds to 65.3% of Group sales (previous year: 64.0%). Segment EBITDA amounted to around EUR 7.2 million (previous year: EUR 6.3 million).

The Mechanics segment generated segment sales of EUR 26.3 million (previous year: EUR 32.4 million), of which EUR 26.2 million was attributable to sales with third parties (previous year: EUR 31.2 million). This reduction is due in particular to lower sales of adaptive rear spoilers for German sports car manufacturers. Segment revenue with third parties is reported via paragon movasys GmbH in the Kinematics division and accounted for 34.7% of Group revenue in the first half of 2024 (previous year: 36.0%). Segment EBITDA amounted to € 1.3 million (previous year: € 1.8 million).

Sales development in the individual divisions was as follows:

Distribution of sales €'000 or as stated	6M/ 2024	Share in %	6M/ 2023	Share in %	Change in %
Sensors	20,287	26.9	23,365	2.0	-13.2
Interior	26,748	35.5	28,292	32.7	-5.5
Power	2,173	2.9	3,764	4.3	-42.3
Mechanics ¹	26,152	34.7	31,216	36.0	-16.2
paragon	75,360	100.0	86,637	100.0	-13.0

¹ Illustrated by the Kinematics division

Due to the discontinuation of a vehicle series in the second quarter of 2023, sales in the Sensors division amounted to EUR 20.3 million in the first half of the year, which is below the previous year's level of EUR 23.4 million.

At EUR 26.7 million, sales in the Interior division in the first six months of 2024 were slightly below the level of the same period of the previous year (EUR 28.3 million), which is mainly due to slightly weaker demand in the display instruments product group (stopwatches, clocks and compasses).

As expected, sales in the Power division fell from € 3.8 million in the same period of the previous year to € 2.2 million in the first half of 2024. This was due to the sale of the low-voltage starter battery business to Clarion in the third quarter of 2023.

In the Kinematics division, sales fell by 16.2% to EUR 26.2 million (previous year: EUR 31.2 million). The reduction is due to lower production figures from German premium car manufacturers for sports cars.

Earnings situation

In the first half of the current financial year, paragon generated revenue of around EUR 75.4 million (previous year: EUR 86.6 million). With a change in inventories of EUR 0.7 million (previous year: EUR -1.4 million) and capitalized development costs of EUR 1.6 million (previous year: EUR 0.3 million), total operating performance amounted to EUR 79.8 million (previous year: EUR 88.4 million).

The cost of materials amounted to 42.0 million euros (previous year: 46.9 million euros). This resulted in a slightly higher cost of materials ratio (calculated from the ratio of cost of materials to sales and changes in inventories) of 55.2% (previous year: 55.0%).

This results in gross profit of EUR 37.8 million for the first half of the year (previous year: EUR 41.5 million), which corresponds to a gross profit margin of 50.2% (previous year: 47.9%). Personnel expenses amounted to EUR 21.2 million (previous year: EUR 22.8 million), resulting in a personnel expenses ratio of 28.1% (previous year: 26.4%). The lower personnel expenses in absolute terms are due to a reduction in the number of employees.

Taking into account other operating expenses of EUR 8.1 million (previous year: EUR 10.6 million), earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 8.5 million (previous year: EUR 8.1 million), which corresponds to an EBITDA margin of 11.3% (previous year: 9.3%). After depreciation and amortization of EUR 6.3 million (previous year: EUR 6.9 million), earnings before interest and taxes (EBIT) amounted to EUR 2.2 million (previous year: EUR 1.2 million). Accordingly, the EBIT margin amounted to 2.9% (previous year: 1.4%).

With a financial result of EUR 3.2 million (previous year: EUR 7.4 million) and income taxes of EUR 0 million (previous year: EUR 0.6 million), the paragon Group generated earnings of EUR -1.0 million in the reporting period (previous year from continuing operations: EUR -5.6 million). This corresponds to earnings per share of EUR -0.22 (previous year: EUR -1.24). The financial result in the first half of 2023 was impacted by the one-off costs of EUR 3.5 million incurred for interim financing to ensure the punctual repayment of the CHF bond in April 2023.

Taking into account the result from discontinued operations of EUR 7.0 million in the previous year, consolidated net income amounted to EUR 1.4 million. This corresponded to earnings per share of EUR 0.31. Earnings from discontinued operations in the previous year included a deconsolidation gain of EUR 5.9 million from the sale of paragon semvox GmbH.

Financial position

Total assets decreased slightly to EUR 102.5 million as at June 30, 2024 (December 31, 2023: EUR 108.5 million).

Intangible assets and property, plant and equipment fell slightly, as depreciation and amortization exceeded investments in the first half of the year.

The reduction in inventories to 19.4 million euros (December 31, 2023: 20.6 million euros) is the result of working capital management. The reduction in other current financial assets to EUR 2.7 million (December 31, 2023: EUR 5.2 million) is due, among other things, to the payment of the final purchase price installment of EUR 0.5 million from Clarios SE and the scheduled payment of currency derivatives.

Equity decreased to € -5.1 million as at the reporting date (December 31, 2023: € -4.1 million), in particular due to the consolidated net loss of € -1.0 million. As a result, the equity ratio fell to -5.0% (December 31, 2023: -3.8%).

Non-current provisions and liabilities decreased to EUR 43.0 million (December 31, 2023: EUR 43.9 million), which is attributable to the scheduled repayment of loans and lease liabilities.

Current provisions and liabilities decreased to EUR 64.6 million (December 31, 2023: EUR 68.7 million). Trade payables decreased to EUR 22.3 million (December 31, 2023: EUR 24.4 million), while other financial liabilities fell to EUR 2.4 million (December 31, 2023: EUR 2.6 million) due to repayments. Other non-financial liabilities decreased to EUR 6.9 million (December 31, 2023: EUR 7.6 million).

Financial position

Cash flow from operating activities increased to EUR 2.6 million in the reporting period (previous year: EUR –5.4 million). This is due in particular to a better consolidated result. At EUR –7.0 million, the previous year's cash flow was heavily influenced by the result from discontinued operations. In the reporting year, the company was able to significantly reduce trade payables and other liabilities. Trade receivables and other assets fell slightly overall. The amount of interest paid in the prior-year period was heavily influenced by the interim financing for the punctual repayment of the CHF bond, but this was repaid in the previous year, meaning that interest paid was reduced from EUR 7.4 million to EUR 3.2 million.

Cash flow from investing activities fell to EUR –2.6 million in the reporting period (previous year: EUR 32.8 million). In the previous year, cash flow was mainly influenced by the proceeds from the sale of the Digital Assistance division.

Cash flow from financing activities increased to EUR –2.3 million in the reporting period (previous year: EUR –44.9 million) as a result of the further repayment of the two bonds in the previous year and the repayment of interim financing in the previous year. Loans and lease liabilities were repaid as planned in the reporting year.

Cash and cash equivalents amounted to EUR 1.0 million as at the reporting date (December 31, 2023: EUR 3.2 million).

Opportunity and risk report

In the first half of 2024, there were no significant changes to the opportunities and risks described in detail in the combined management report for the Group and paragon GmbH & Co. KGaA under "Opportunity and risk report". The annual report is available online at <https://ir.paragon.ag>.

Events after the balance sheet date

There were no significant events.

Forecast report

The forecast for the current financial year and the underlying assumptions are explained in detail in the combined management report for the 2023 financial year. Accordingly, the management expects sales of between EUR 160 million and EUR 165 million with EBITDA of between EUR 18 million and EUR 20 million for the 2024 financial year.

Development of the key performance indicators:

in € million or as stated

	2023	since the beginning of the year 6 M/2024	Forecast 2024
Financial performance indicators			
Turnover	161.6 million euros	775.4 million euros	160 to 165 million euros
EBITDA	25.2 million euros	8.5 million euros	18 to 20 million euros

Condensed consolidated interim financial statements

9	Consolidated statement of comprehensive income
10	Consolidated balance sheet
12	Consolidated cash flow statement
13	Consolidated statement of changes in equity
14	Appendix

Consolidated statement of comprehensive income for the period from January 1 to June 30, 2024 (IFRS)

€'000	Jan. 1 to June 30, 2024	Jan. 1 to June 30, 2023 ¹	Apr. 1 to June 30, 2024	Apr. 1 to June 30, 2023 ¹
Sales revenue	75,360	86,637	34,442	41,942
Other operating income	2,123	2,776	1,495	1,071
Increase or decrease in inventories of finished goods and work in progress	707	-1,375	158	-631
Other own work capitalized	1,645	334	826	258
Overall performance	79,836	88,371	36,922	42,638
Cost of materials	-42,023	-46,899	-18,382	-21,473
Gross profit	37,813	41,472	18,540	21,165
Personnel expenses	-21,180	-22,832	-10,508	-11,772
Depreciation of property, plant and equipment and amortization of intangible assets	-6,334	-6,911	-3,157	-3,578
Other operating expenses	-8,121	-10,550	-3,642	-5,145
Earnings before interest and taxes (EBIT)	2,178	1,180	1,233	671
Financial income	13	63	13	0
Financing expenses	-3,235	-7,485	-1,632	-4,432
Financial result	-3,222	-7,421	-1,619	-4,432
Earnings before taxes (EBT)	-1,044	-6,242	-385	-3,762
Income taxes	33	626	-148	462
Result from continuing operations	-1,011	-5,617	-533	-3,301
Result from discontinued operations	n.a.	6,999	n.a.	6,413
Group result	-1,011	1,383	-533	3,113
Earnings per share in € (basic and diluted) from continuing operations	-0.22	-1.24	-0.11	-0.73
Earnings per share in € (basic and diluted) from discontinued operations	n.a.	1.55	n.a.	1.42
Earnings per share in € (basic and diluted) from continuing operations and from discontinued operations	n.a.	0.31	n.a.	-0.69
Average number of shares in circulation (basic and diluted)	4,526,266	4,526,266	4,526,266	4,526,266
Other result				
Items that can be reclassified to profit or loss:				
Currency translation reserve from continuing operations	10	-166	12	-100
Overall result	-1,001	1,217	-521	3,013

1 Due to the sale of paragon semvox GmbH in 2023, the Digital Assistance division was presented as a discontinued operation in the previous year.

Consolidated balance sheet as at June 30, 2024 (IFRS)

€'000	June 30, 2024	Dec. 31, 2023
ASSETS		
Non-current assets		
Intangible assets	31,905	33,711
Goodwill	5,745	5,745
Property, plant and equipment	26,346	26,719
Investments accounted for using the equity method	1,521	1,522
Shares in associated companies	121	120
Other non-current financial assets	422	456
	66,061	68,274
Current assets		
Inventories	19,408	20,642
Trade receivables	8,562	6,646
Other current financial assets	2,907	5,193
Other current non-financial assets	2,719	3,094
Contract assets	1,878	1,461
Cash and cash equivalents	957	3,209
	36,432	40,246
Total assets	102,492	108,520

€'000	30. Juni 2024	31. Dez. 2023
LIABILITIES		
Equity		
Subscribed capital	4,526	4,526
Capital reserve	15,485	15,485
Revaluation reserve	64	64
Loss carryforward	-24,290	-20,478
Group result	-1,011	-3,812
Reserves from currency differences	141	132
	-5,085	-4,084
Non-current provisions and liabilities		
Non-current lease liabilities	8,202	8,687
Long-term loans	6,008	6,001
Long-term bonds	24,825	24,825
Deferred taxes	303	292
Provisions for pensions	1,921	1,921
Other non-current financial liabilities	1,741	2,205
	42,999	43,930
Current provisions and liabilities		
Current lease liabilities	2,909	2,958
Short-term loans and current portion of long-term loans	8,077	7,872
Liabilities from deliveries and services	22,306	24,374
Short-term bonds	21,290	22,162
Other provisions	3	488
Income tax liabilities	614	614
Other current financial liabilities	2,435	2,632
Other current non-financial liabilities	6,944	7,574
	64,577	68,673
Total liabilities	102,492	108,520

Consolidated cash flow statement for the period from January 1 to June 30, 2024 (IFRS)

€'000	Jan. 1 to June 30, 2024	Jan. 1 to June 30, 2023 ¹
Group result	-1,011	1,599
Result from discontinued operations	n.a.	-6,999
Depreciation of fixed assets	6,334	6,911
Financial result	3,222	7,422
Increase (+), decrease (-) in other provisions and pension provisions	-484	616
Other non-cash expenses and income	-170	-1,123
Increase (-), decrease (+) in trade receivables, other receivables and other assets	361	-7,721
Increase (-), decrease (+) in inventories	1,233	1,271
Increase (+), decrease (-) in trade payables and other liabilities	-3,517	-738
Interest paid	-3,346	-7,293
Income tax expense (+)/income (-) without deferred taxes	0	626
Cash flow from operating activities (continued)	2,622	-5,428
Cash flow from operating activities (discontinued)	n.a.	1,960
Proceeds from the disposal of property, plant and equipment (+)	20	0
Payments for investments in property, plant and equipment (-)	-938	-398
Payments for investments in intangible assets (-)	-1,645	-88
Proceeds from the sale of consolidated companies and other business units (+)	0	33,238
Cash flow from investing activities (continued)	-2,563	32,752
Cash flow from investing activities (discontinued)	n.a.	-1,801
Payments for the repayment of financial loans (-)	-1,398	-22,188
Proceeds from the raising of financial loans (+)	915	0
Payments for the repayment of bonds (-)	-284	-20,352
Payments for the repayment of liabilities from leases (-)	-1,555	-2,161
Change in OCI	10	-166
Cash flow from financing activities (continued)	-2,311	-44,867
Cash flow from financing activities (discontinued)	n.a.	-155
Cash-effective change in cash and cash equivalents (continued)	-2,252	-17,543
Cash and cash equivalents at the beginning of the period (continued)	3,209	18,106
Cash and cash equivalents at the end of the period (continued)	957	563

1 Due to the sale of paragon semvox GmbH, the Digital Assistance division was presented as a discontinued operation in the previous year.

Consolidated statement of changes in equity for the period from January 1 to June 30, 2024 (IFRS)

€'000	Subscribed capital	Capital reserve	Revaluation reserve	Currency translation reserve	Retained earnings		Total
					Loss carried forward	Group result	
January 1, 2024	4,526	15,485	64	132	-20,478	-3,812	-4,084
Appropriation of earnings	0	0	0	0	-3,812	3,812	0
Group result	0	0	0	0	0	-1,011	-1,011
Currency conversion	0	0	0	10	0	0	10
Total other comprehensive income	0	0	0	10	0	0	10
Overall result	0	0	0	10	-3,812	2,801	-1,001
June 30, 2024	4,526	15,485	64	141	-24,290	-1,011	-5,085

€'000	Subscribed capital	Capital reserve	Revaluation reserve	Currency translation reserve	Retained earnings		Total
					Loss carried forward	Group result	
January 1, 2023	4,526	15,485	21	281	-16,284	-3,367	661
Appropriation of earnings	0	0	0	0	-3,367	3,367	0
Group result	0	0	0	0	0	1,599	1,599
Currency conversion	0	0	0	-166	0	0	-166
Total other comprehensive income	0	0	0	-166	0	0	-166
Overall result	0	0	0	-166	-3,367	4,966	1,433
June 30, 2023	4,526	15,485	21	115	-19,651	1,599	2,094

Anhang

Accounting principles

The interim consolidated financial statements of paragon GmbH & Co. KGaA as at June 30, 2024 have been prepared in accordance with the uniform accounting and valuation principles of the International Financial Reporting Standards (IFRS), which were also used in the consolidated financial statements as at December 31, 2023. The standards of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the balance sheet date apply. A detailed description of the accounting and consolidation principles and the accounting policies applied is published in the notes to the consolidated financial statements in the 2023 Annual Report.

The form and content of the consolidated half-year report comply with the reporting requirements of Deutsche Börse. The report represents an update of the annual report, taking into account the reporting period. It focuses on the current reporting period and should be read in conjunction with the annual report and the additional information on the company contained therein. The aforementioned annual report can be viewed on the Internet at www.paragon.ag.

In addition to the parent company, the scope of consolidation of the paragon Group also includes the domestic subsidiaries paragon movasys GmbH (including its Croatian subsidiary paragon movasys d.o.o.), paragon electronic GmbH, ETON Soundsysteme GmbH, paragon electrodrive GmbH and Nordhagen Immobilien GmbH. The Chinese subsidiaries paragon Automotive Kunshan Co., Ltd. and paragon Automotive Technology (Shanghai) Co., Ltd. and paravox Automotive Pvt Ltd. in India (99%) are also included in the paragon Group's scope of consolidation. The investment in Hepa GmbH (50%) is accounted for using the equity method in accordance with IAS 28. Unless otherwise stated, paragon holds 100% of the shares in each case. paragon semvox GmbH is no longer included in paragon's scope of consolidation as at the reporting date.

Income statement, balance sheet, cash flow statement

The "Financial position and net assets" and "Results of operations" sections provide a detailed overview and specific explanations of the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement of paragon GmbH & Co.

Management and Supervisory Board

As at June 30, 2024, there were no changes in the composition of the Supervisory Board and the Management Board compared to December 31, 2023.

Events after the balance sheet date

No reportable events occurred after the balance sheet date.

Related party disclosures

As of June 30, 2024, the nature and amount of the paragon Group's transactions with related parties have not changed significantly compared to December 31, 2023. For further information, please refer to the consolidated financial statements of the paragon Group as at December 31, 2023 in the 2023 Annual Report.

Notes on the preparation of the interim consolidated financial statements

The interim consolidated financial statements have not been audited or reviewed by an auditor.

Insurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German accepted accounting principles, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Delbrück, August 2024



Klaus Dieter Frers
Chairman of the Management Board

Financial calendar 2024

August 22, 2024	Earnings Call (1st half-year)
September 2, 2024	Equity Forum (fall conference), Frankfurt am Main
November 12, 2024	Interim Group report as at September 30, 2024 - Nine months
November 25, 2024	Equity Forum (Deutsche Börse), Frankfurt am Main

Imprint

paragon GmbH & Co. KGaA
Bösendamm 11
33129 Delbrück / Germany
Telefon: +49 5250 9762-0
Fax: +49 5250 9762-60
E-Mail: investor@paragon.ag
Twitter: [@paragon_ir](https://twitter.com/paragon_ir)
www.paragon.ag

