



PARAGON

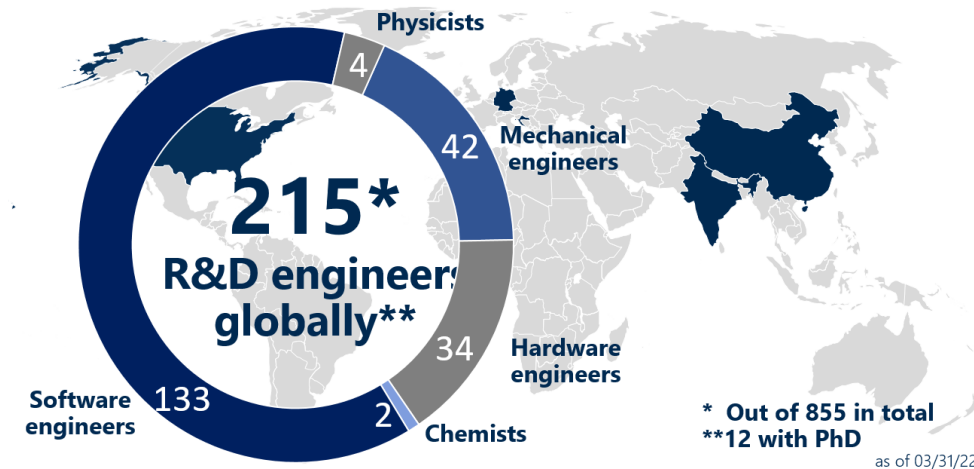
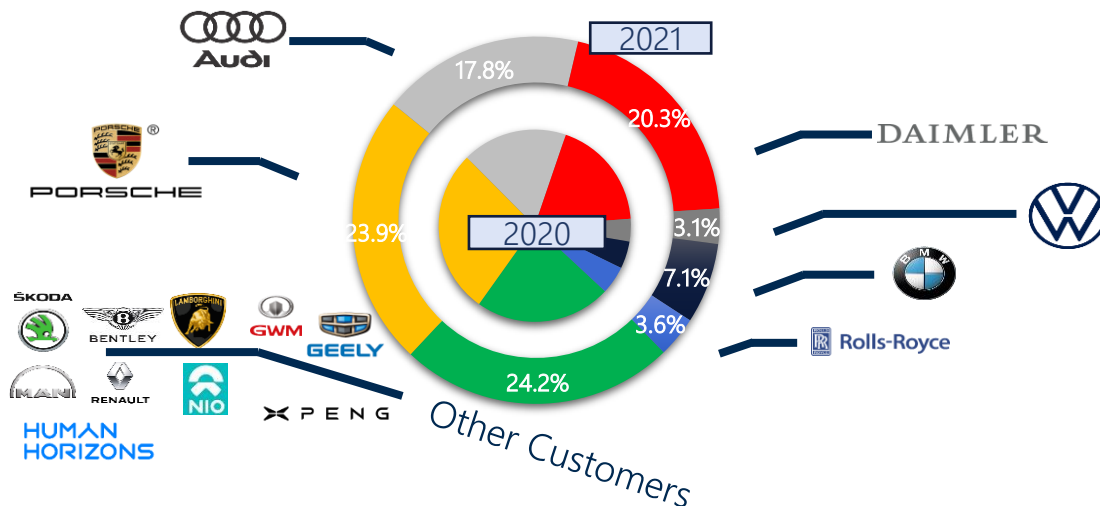
paragon GmbH & Co. KGaA
German Spring Conference

May 23, 2022

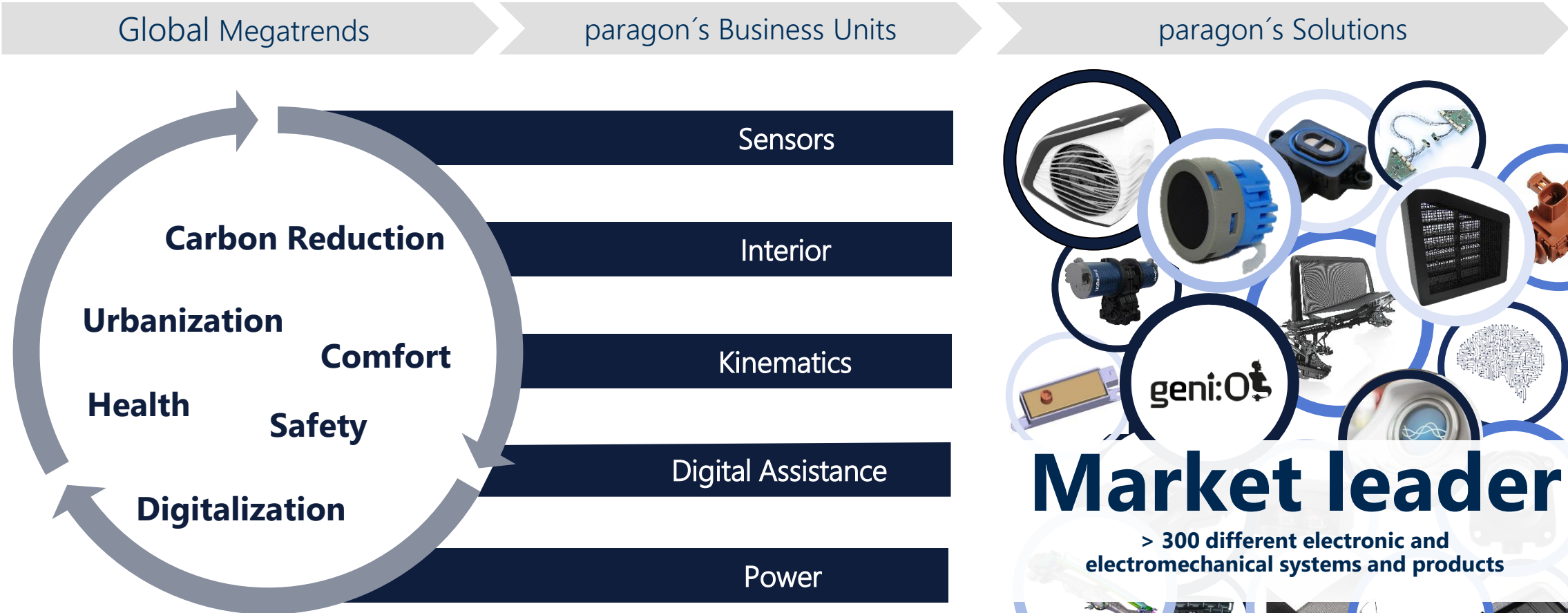
Klaus Dieter Frers
CEO

Technology Provider for more than Three Decades

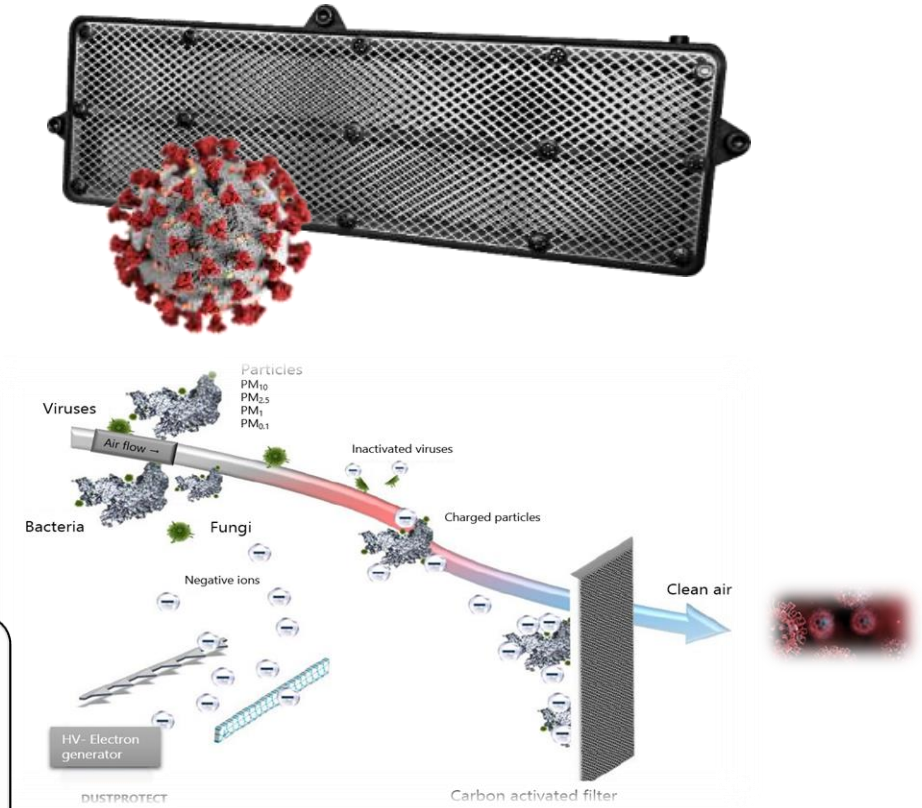
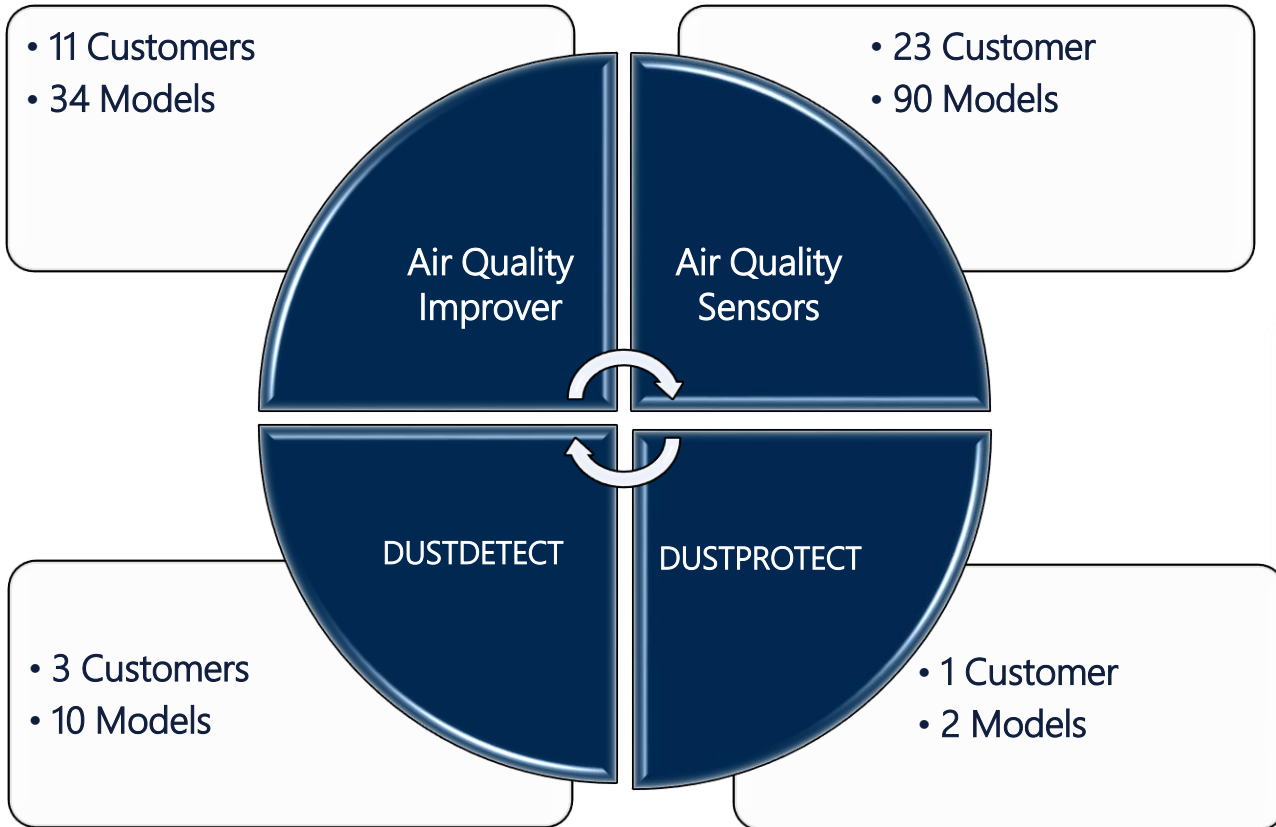
- Year of foundation: 1988
- Stock exchange: Listed in Frankfurt/Main since 2000
ISIN DE0005558696
- Corporate form: GmbH Co. KGaA (limited partnership)
- General Partner: paragon GmbH (unlimited liability)
- Shareholders: Klaus Dieter Frers 49.3 %
Freefloat 50.7%
- Management: Klaus Dieter Frers, founder and CEO
Dr. Matthias Schöllmann, Managing Director
Dr. Martin Esser, CFO



paragon addresses Global Megatrends



Sensors: New Anti-Virus-Filter DUSTPROTECT



New Anti-Virus-Filter DUSTPROTECT

2021: Financial Highlights

Strengthening the foundation

Financial results in line with forecast

Focus on
Automotive

Implemented
measures for
operational
performance

Reduction of debt

EBITDA up 44.8%

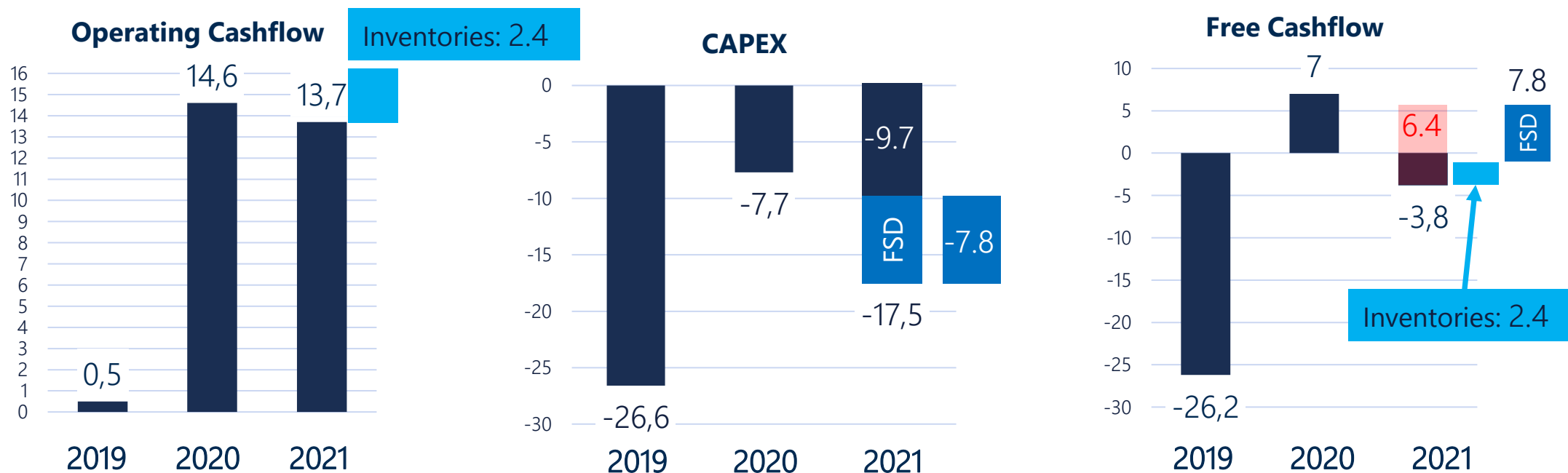
Revenues up 15.5%

2021: P&L Development paragon Automotive

Income Statement in MEUR	2019	2020	2021	
Revenues	135.9	127.2	146.9	▶ Increase of revenues (+15.5%) despite weak automotive market
Other own work capitalized	11.3	4.9	7.4	
Change of finished goods	-4.5	-8.5	0.4	
Other operating income	5	2.7	4.8	
Total operating performance	147.7	126.4	159.5	
Costs of materials	-72.7	-61.6	-72.9	
Personnel expenses	-44.2	-34.3	-44.6	
Others operating expenses	-21.6	-16.7	-22	
EBITDA	9.2	13.8	20	▶ Further increase of EBITDA (+44.8%) in 2021
Depreciation & Amortization	-24.7	-24.4	-19.2	
EBIT	-15.5	-10.6	0.8	Revenues and EBITDA in line with forecast for 2021

2021: Cost Reductions and Efficiency Increases show Effect

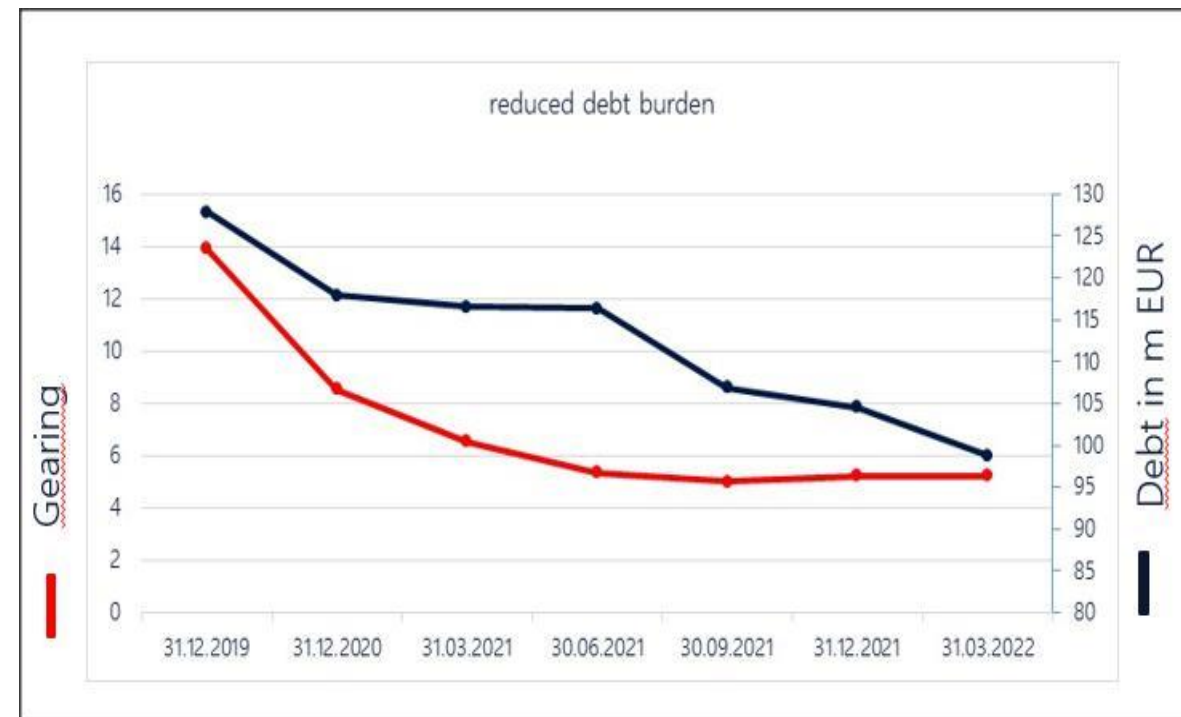
Free cashflow impacted by increase in inventories (EUR 2.4m) and acquisition of FSD technology (EUR 7.8m) in 2021



Without inventory increase and acquisition of FSD technology the free cash flow in 2021 would be comparable to 2020

Q1 2022: P&L Development

Income Statement in MEUR	2021	Q1 2022
Revenues	146.9	41.7
Other own work capitalized	7.4	2.7
Change of finished goods	0.4	0.7
Other operating income	4.8	1
Total operating performance	159.5	46.1
Costs of materials	-72.9	-22.8
Personnel expenses	-44.6	-12.4
Other operating expenses	-22	-5.9
EBITDA	20.0	5.0
Depreciation & amortization	-19.2	-4.1
EBIT	0.8	0.9



Recent Developments in Q1 2022

- AI based speech control: New order (EUR 40m)
- DUSTPROTECT: New order (EUR 45m)
- Sale of non-core activities in Aachen

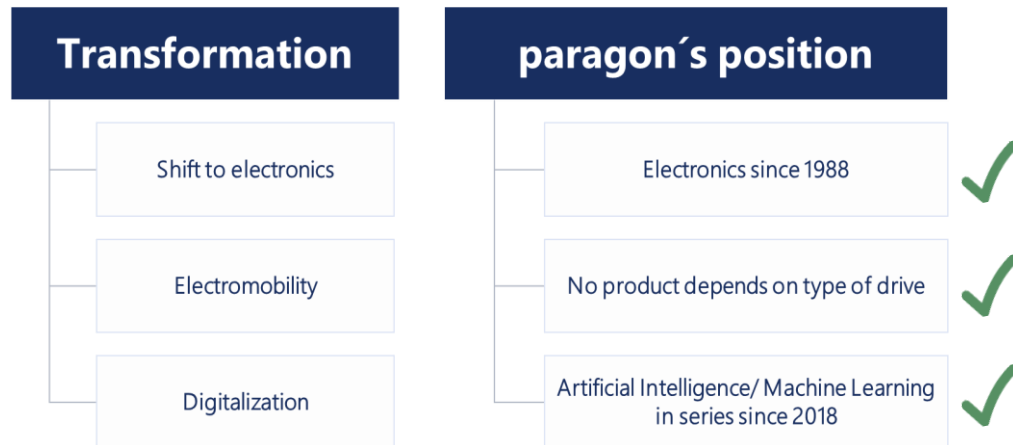


paragon is a TOP 20 "Digital Innovator 2022" amongst all OEMs and much larger Tier1s in Chip Magazine's ranking

Die innovativsten deutschen Unternehmen 2022

Innovatoren des Jahres – Treiber des digitalen Umbruchs

04.02.2022 08:00 | Von: PETER KRAJEWSKI



Bonds

EUR Bond Maturity July 2022

Intensive evaluation of various options during the last 2 years

Portfolio adjustment based on strategic reasons:

Sale of Voltabox stake → concentration on automotive

Sale of Aachen site → divestment of non-core business

Final commitment to Plan A:

Repayment of EUR bond by planned sale of a subsidiary

M&A-project with several investors in H2 2021

Current M&A-Project needed more Time

Interested parties tried dumping

2020/2021 was not suitable for achieving adequate prices on M&A market

Having more time increases the chance of achieving higher prices

The issue is not "not being able to pay", it is about preserving values

Prolongation of Euro Bond as preferred measure

Prologation of EUR Bond Successfully Achieved

99% vote for prolongation by 5 years

Interest rate increased from 4.5% to 6.75%+PIK

Early partial repayments to further reduce the debt levels

Refinancing of EUR bond ensures the further growth path of paragon

CHF Bond

Original emission was CHF 35m - 40% already paid back

Final maturity CHF 21m on April 23, 2023

Refinancing options (or a combination thereof):

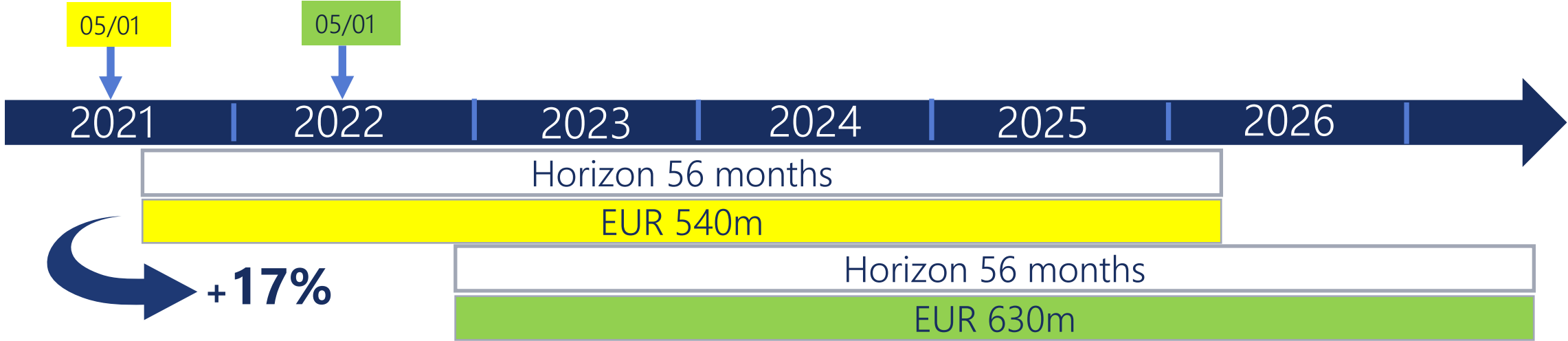
Prolongation of five years

Voluntary swap into a new bond / New bond / Exchange bond

Sale of business units and use the proceeds to pay back bond

Use of Free Cash Flow

Booked Business



**Actual Revenue by
04/30/2022**

EUR 54.3m
(YoY: EUR 51.1m)

99% of revenue expectation of EUR 165m covered by booked business

Actual capacity utilization >85%

Booked Business

ca. EUR 109m

**Outlook
2023**

+10%

80% covered
(as of 05/01/2022)

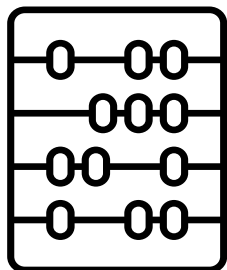
Assessment Dr. Wieselhuber & Partner

- Dr. Wieselhuber & Partner has independently reviewed paragon's businessplan

Key messages:

- The expected growth rate is 20% p.a. - EBITDA is increasing from 13.7% in 2021 to 20+% in 2026
- Based on higher revenues and improved profitability paragon is able to reduce the debt level and increase the equity ratio
- "We consider the annual revenue planning presented to be plausible and achievable."

Forecast



	Forecast from November 2021		Forecast from 05/16/2022	
	Revenues	EBITDA margin	Revenues	EBITDA margin
2022e	EUR 155-165m	>15%	EUR 165m (+12% YoY) and potential for further guidance increase	>15%
2023e			Growth > 10%	

Summary

- Focus on Automotive – Major business wins for business units Sensoric and Digital Assistance
- Orderbook +17% within a year
- Revenues increased in Q1 2022 despite weaker automotive market
- EUR Bond successfully prolonged in March 2022
- Businessplan confirmed by Dr. Wieselhuber & Partner
- Sale of loss-making Voltabox AG has relieved paragon of a burden and released energies

paragon outperforming the automotive sector since years

Thank you for your attention!

Please do not hesitate to directly contact us in case of further questions

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The background of the entire page is an abstract, motion-blurred image. It features a central perspective of a tunnel or a road that curves to the right. The colors are predominantly shades of blue and purple, with a bright white light source at the far end of the tunnel, creating a strong sense of depth and movement. The lines are blurred, suggesting high speed or a long exposure.

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