



# PARAGON

## **paragon GmbH & Co. KGaA**

### **Earnings Call H1**

Delbrück | August 20, 2025

# Agenda

1. Executive Summary
2. The Products and Customers
3. The Financials
4. The Outlook

# Agenda

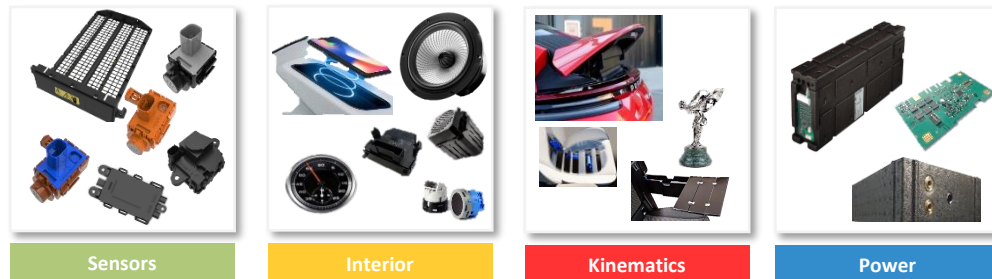
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## Overview

### Business Description

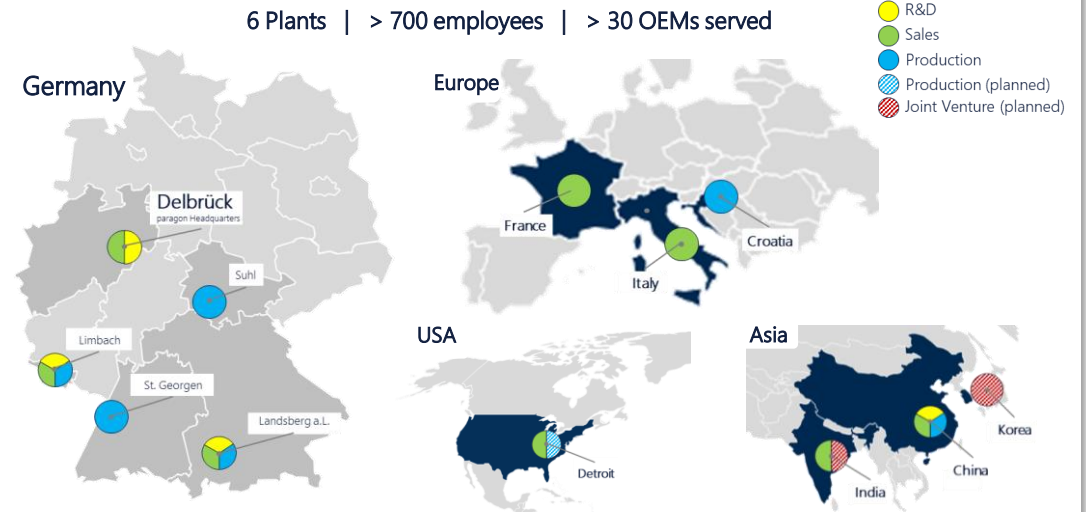
- paragon is a **product pioneer** for the automotive industry with long lasting relationships with a high number of blue-chip customers
- The company proactively develops **proprietary products along the global megatrends** to address issues the premium automotive OEMs may not even have considered yet
- paragon has strong engineering and deep value creation capabilities that enable variable **innovative solutions across car lines and customers**
- Deep footprint** in the automotive industry with an ability to adapt to moving market trends

### Broad Product Portfolio

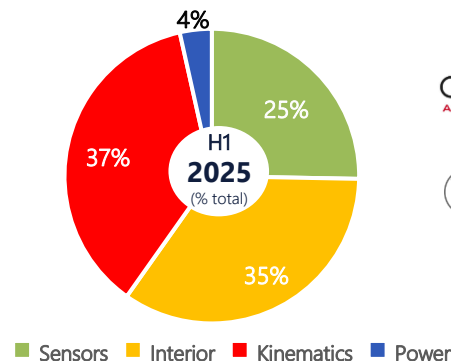


### Development and Production Footprint

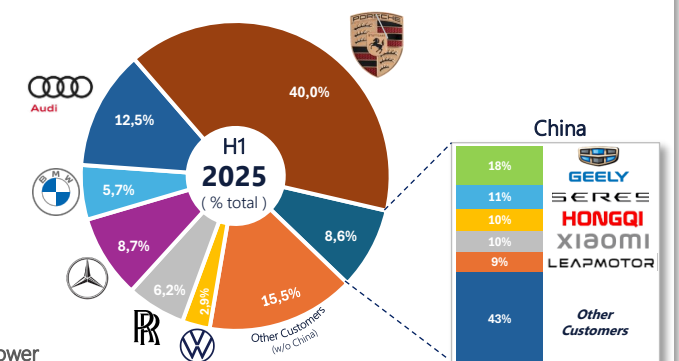
6 Plants | > 700 employees | > 30 OEMs served



### Revenue (by Business Unit)



### Revenue (by Customer)



## Risk Diversification by broad Portfolio

**90+** Customers

**60** Product Groups

**220+** Cars

**300+** Products

**900+** Contracts

**90%** Single Source

No Dependency  
on Type of Drive



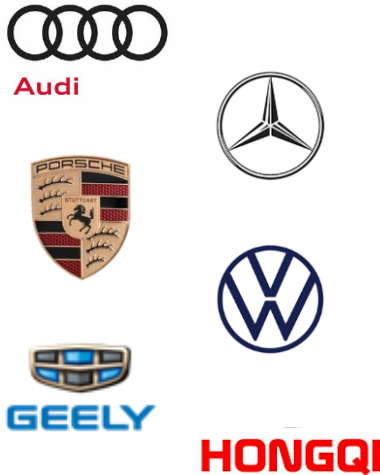



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# The Products and Customers

## Product Portfolio Today - Sensors

Air Quality Sensor (AQS)	DUSTDETECT (DD)	Key Customer	Comments
<div><ul style="list-style-type: none"><li>Automatic control of the vehicle recirculation flap</li><li>Reduction of dangerous emissions inside the cabin</li><li>Advanced technology for detection of toxic gases and unpleasant smell</li><li>High-sophisticated SW-algorithms for detection of special traffic situations</li><li>Over 150 million pcs. produced</li></ul></div>	<div><ul style="list-style-type: none"><li>Measurement of particulate matter outside and in-cabin</li><li>Exterior and interior installation</li><li>Laser sensor with optical particle counting</li><li>Size discrimination PM1, PM2.5 and PM10</li></ul></div>	<div></div>	
DUSTPROTECT (DP)	Air Quality Improver (AQI)	Competitors	
<div><ul style="list-style-type: none"><li>High-voltage plasma filter cleans air inside vehicle's cabin by filtering particles and viruses</li><li>Much better than state of the art filtration systems</li><li>Saving space, energy, waste and costs in comparison to HEPA</li><li>Constant efficiency over lifetime</li></ul></div>	<div><ul style="list-style-type: none"><li>Fresh air effect by artificial ionization</li><li>Enhancing of well-being of vehicle passengers</li><li>Fine dusts, gases and smells are bound by negative ions</li><li>Reduction of germs and bacteria in vehicle interior through physical air treatment</li></ul></div>	<div></div>	

# The Products and Customers














## Product Portfolio Today - Interior

Loudspeakers	Microphones	Key Customer	Comments
 <ul style="list-style-type: none"> <li>Broad product spectrum incl. sound systems and signal processing</li> <li>Tweeters, midranges, subwoofers, headrest &amp; ultimate speakers</li> <li>Special solutions like exciters, air motion transformers, high-temp. exhaust speakers, external speakers</li> <li>Small to high volumes, entry to award-winning high-end levels</li> <li>White label branding possible (e.g. B&amp;O, Bespoke Audio, ETON)</li> </ul>	 <ul style="list-style-type: none"> <li>Multiple use cases such as voice assistance, vehicle noise control, handsfree and in-car communication, road and wind noise cancellation, external microphones for autonomous driving</li> <li>Clever combination of acoustical mechanics &amp; adaptive electronic filter</li> <li>Very low wind sensitivity</li> <li>Analogue and digital interfaces</li> <li>Cutting edge tech and efficient manufacturing</li> </ul>		<ul style="list-style-type: none"> <li><b>Key Driver Adoption of smartphones</b> <ul style="list-style-type: none"> <li>Popularity of smartphones driving the demand for integrated in car infotainment systems to perform tasks hands-free</li> </ul> </li> <li><b>Key Driver Cloud technology</b> <ul style="list-style-type: none"> <li>Cloud technologies enable live media streaming features and enhance end user convenience, while using infotainment systems</li> </ul> </li> <li><b>Key Driver Regulation</b> <ul style="list-style-type: none"> <li>Since July 2019, an "Acoustic Vehicle Alerting System" (AVAS) is mandatory in the EU for hybrid electric and pure electric vehicles</li> </ul> </li> <li>paragon is well renowned for <b>superior acoustics, customizable design and best-in-class sound systems</b></li> <li>paragon's analogue instruments and displays are characterized by their exceptional design, and high-quality materials</li> <li>Easy aftermarket upgrades paired with over 30 years of loudspeaker experience</li> <li>The Interior division is an <b>exciting business unit</b> with wide portfolio and a lot of opportunities</li> </ul>
Instruments	Wireless Charging	Competitors	
 <ul style="list-style-type: none"> <li>Market leader with very well-known chronometers, analogue clocks, compasses and control applications</li> <li>The choice for premium &amp; luxury cars</li> <li>Many more analogue and hybrid instruments for any use case</li> <li>Own design team to meet any customer requirement</li> <li>Inhouse stepper motor and plastic parts development and mass production</li> </ul>	 <ul style="list-style-type: none"> <li>High efficiency wireless charger based on Qi-standard</li> <li>Patented active cooling system</li> <li>Self diagnostic</li> <li>Member of Wireless Power Consortium (WPC) since 2013</li> </ul>		









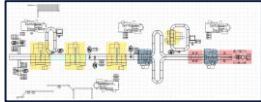

# The Products and Customers

## Product Portfolio Today - Kinematics

Spoilers	Actuators	Key Customer	Comments
 <ul style="list-style-type: none"> <li>Electro-mechanical systems for high variety of vehicles</li> <li>Application in sportscars, hatch, station cars, SUVs, e-vehicles &amp; trucks</li> <li>High innovation and realization competence</li> <li>Range extension for e-vehicle by reduction of air resistance</li> </ul>	 <ul style="list-style-type: none"> <li>Drive systems for active spoilers and seat adjustment</li> <li>Integrated electronics and sensors for advanced vehicle architecture</li> <li>Multi-stage gear reduction with powerful DC-motors</li> <li>Fast operation of heavy loads</li> </ul>	      	<ul style="list-style-type: none"> <li><b>Key Driver Efficiency</b> <ul style="list-style-type: none"> <li>Aerodynamic drag or wind resistance is considered a primary concern in vehicle design</li> </ul> </li> <li><b>Key Driver Better mileage</b> <ul style="list-style-type: none"> <li>As weight saving is more complicated in electric vehicles, aerodynamic drag plays an essential role in determining an electric vehicle's range</li> </ul> </li> <li><b>Key Driver Vehicle stability</b> <ul style="list-style-type: none"> <li>With faster and sophisticated vehicles, rear spoilers play a major role regarding safety concerns from vehicle aerodynamics</li> </ul> </li> <li>paragon is the <b>world's leading company</b> in the fields of active mobile aerodynamics</li> <li><b>China is identified as growing market</b> for aerodynamic solutions as range extender; paragon received various orders from Chinese OEMs and leads this market as well</li> <li>With innovative technical solutions, paragon <b>increases the efficiency</b> and the comfort of cars' moving parts, both interior and exterior</li> </ul>
Folding Tables	Special Kinematics	Competitors	
 <ul style="list-style-type: none"> <li>Special folding system to minimize space</li> <li>Various electronic interfaces (wireless charging, USB-C, displays and keyboards)</li> <li>Lightweight through use of magnesium and aluminum</li> <li>Resists head impact</li> <li>Meets various crash requirements</li> </ul>	 <ul style="list-style-type: none"> <li>Tailor-made solutions with cost-effective development</li> <li>Electrical lowering mechanism of hood ornament</li> <li>Anti-theft and pedestrian crash protection</li> <li>Wind deflectors for convertible cars and motorcycles</li> <li>Easy operation with 3D-movement</li> </ul>	  <p>VALMET AUTOMOTIVE</p>	

# The Products and Customers

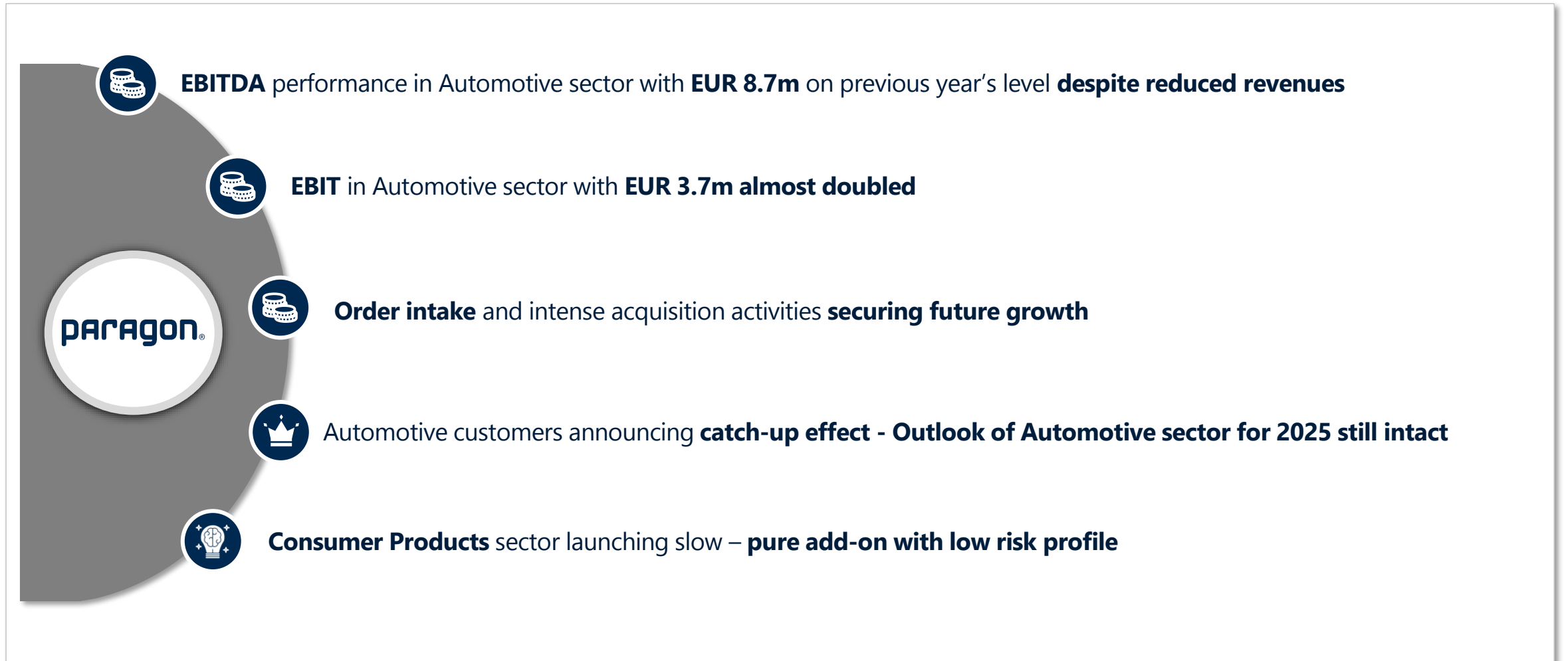
## Product Portfolio Today - Power

Battery Management Systems	Traction Batteries	Key Customer	Comments
 <ul style="list-style-type: none"> <li>▪ Huge background with ECU projects</li> <li>▪ Predictive algorithms</li> <li>▪ Intelligent balancing</li> <li>▪ SW-based safety concept incl. top-edge SOC/SOH-calculation</li> <li>▪ New quiescent current concept (deep-sleep and transport modes for extended shelf life)</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Lightweight concepts</li> <li>▪ Use of Flow-Shape-Design technology</li> <li>▪ Embedded battery safety</li> <li>▪ "Lord of the cells" battery management</li> </ul>	  	<ul style="list-style-type: none"> <li>▪ <b>Key Driver Electromobility</b> <ul style="list-style-type: none"> <li>○ Ongoing demand of customers for battery solutions which are new in this field and not the big players yet</li> </ul> </li> <li>▪ <b>Key Driver Lightweight</b> <ul style="list-style-type: none"> <li>○ OEMs searching for technologies to save weight and costs</li> </ul> </li> <li>▪ paragon develops, produces and supplies high-sophisticated lithium-ion battery systems</li> <li>▪ The product portfolio has strong advantages because of lithium-ion and <b>FSD-technology</b>, paired with <b>BMS incl. predictive algorithms</b></li> <li>▪ The portfolio contains of:               <ol style="list-style-type: none"> <li>(1) Cutting-edge battery management systems (BMS)</li> <li>(2) Traction batteries characterized by lightweight design and excellent system safety</li> </ol> </li> <li>▪ There are <b>major potential order</b> intakes over the coming years that would result in a beyond market growth, and which is <b>not yet considered within the forecasted figures</b></li> </ul>
Flow-Shape-Design	Consulting	Competitors	
 <ul style="list-style-type: none"> <li>▪ Expanded foam as case for battery systems and modules</li> <li>▪ Substitution of conventional metal housing</li> <li>▪ Less weight/space/costs</li> <li>▪ Absorption of shocks/vibration/shocks/temperature</li> <li>▪ Licenses available</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Technology transfer in regards of Flow-Shape-Design</li> <li>▪ Projecting and realization of production lines</li> <li>▪ In-house production of test equipment</li> <li>▪ Turn-key projects</li> </ul>		

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## Published Financial Highlights H1/2025



## The Financials

# Prognosis FY25E

### Year End Prognosis FY25E – Sector Split

paragon GmbH & Co. KGaA			
EUR	140 - 145m	Revenue	
EUR	20 - 22m	EBITDA	

85%

15%

Automotive Sector			
EUR	115 - 120m	Revenue	
EUR	18m	EBITDA	

Consumer Products Sector			
EUR	20 - 25m	Revenue	
EUR	2 - 4m	EBITDA	

### Comments

- ❑ In the current P&L Forecast FY25E, the two sectors
  - Automotive, our core business
  - Consumer Products, our new endeavor
 are summarized
- ❑ On the following pages, the sectors are presented and explained separately for better transparency



## P&L Automotive Sector first 6 Months 2025

### P&L 1<sup>st</sup> half-year 2025 – (in €000') – Automotive Sector

... as of June 2025

	1 <sup>st</sup> half-year 2024	% of total revenue	Actual Jan – Jun 2025	% of total revenue
<b>Total revenue</b>	<b>75,360</b>	<b>100.0%</b>	<b>55,438</b>	<b>100.0%</b>
Own work capitalized	1,645	2.2%	3,127	5.6%
Other operating income	2,831	3.8%	5,498	9.9%
<b>Total output</b>	<b>79,836</b>	<b>105.9%</b>	<b>64,063</b>	<b>115.6%</b>
Material costs	(42,023)	55.8%	(29,081)	52.5%
Personal costs	(21,180)	28.1%	(18,820)	33.9%
Other costs	(8,121)	10.8%	(7,468)	13.5%
<b>EBITDA</b>	<b>8,512</b>	<b>11.3%</b>	<b>8,695</b>	<b>15.7%</b>
Depreciation	(4,894)	6.5%	(3,106)	5.6%
Amortization (IAS 38 / PPA)	(1,440)	1.9%	(1,887)	3.4%
<b>EBIT</b>	<b>2,178</b>	<b>2.9%</b>	<b>3,702</b>	<b>6.7%</b>
Financial results	(3,222)	4.3%	(3,218)	5.8%
<b>EBT</b>	<b>(1,044)</b>	<b>(1.4%)</b>	<b>485</b>	<b>0.9%</b>
Taxes	33	0.0%	(157)	0.3%
<b>Net income</b>	<b>(1,011)</b>	<b>(1.3%)</b>	<b>327</b>	<b>0.6%</b>



### Comments

- ❑ Sale of profitable starter battery business is main reason for revenue reduction
- ❑ Weaker sales figures in China from our TOP 3 key-customers have made themselves felt
- ❑ Market very volatile with rescheduling at very short notice
- ❑ China: Revenues with local OEMs and budget cars as expected; lower demand for high-priced cars from Chinese and European OEMs
- ❑ US-tariffs had low influence (on revenue TEUR 115, on material TEUR 43)
- ❑ EBITDA-margin with 15.7% above plan ★ due to:
  - Ongoing savings in material costs & through insourcing
  - Optimization of processes and costs in all plants
  - Reduction of temporary workers as well as direct/indirect personnel
  - Relocation of production to Croatian plant
  - Price increases in regards of lower quantities

# Continuous Improvement in Profitability despite lower Sales

## Comparison Q2/2025 vs. Q1/2025 – (in €000') – Automotive Sector

... as of June 2025

	2 <sup>nd</sup> Quarter 2025	% of total revenue	1 <sup>st</sup> Quarter 2025	% of total revenue	Deviation in EUR	Deviation in %
<b>Total revenue</b>	<b>26,091</b>	<b>100.0%</b>	<b>29,347</b>	<b>100.0%</b>	<b>(3,257)</b>	<b>(11.1%)</b>
Own work capitalized	1,434	5.5%	1,693	5.8%	(260)	(15.3%)
Other operating income	4,169	16.0%	1,329	4.5%	2,840	213.8%
<b>Total output</b>	<b>31,994</b>	<b>121.5%</b>	<b>32,370</b>	<b>110.3%</b>	<b>(676)</b>	<b>(2.1%)</b>
Material costs	(14,524)	55.7%	(14,557)	49.6%	(33)	(0.2%)
Personal costs	(9,093)	34.9%	(9,727)	33.1%	(633)	(6.5%)
Other costs	(3,889)	14.9%	(3,579)	12.2%	310	8.7%
<b>EBITDA</b>	<b>4,188</b>	<b>16.1%</b>	<b>4,507</b>	<b>15.4%</b>	<b>(320)</b>	<b>(7.1%)</b>
Depreciation	(1,512)	5.8%	(1,594)	5.4%	(81)	(5.1%)
Amortization (IAS 38 / PPA)	(1,198)	4.6%	(690)	2.3%	508	73.7%
<b>EBIT</b>	<b>1,478</b>	<b>5.7%</b>	<b>2,225</b>	<b>7.6%</b>	<b>(747)</b>	<b>(33.6%)</b>
Financial results	(1,618)	6.2%	(1,600)	5.5%	19	1.2%
<b>EBT</b>	<b>(141)</b>	<b>(0.5%)</b>	<b>625</b>	<b>2.1%</b>	<b>(766)</b>	<b>122.5%</b>
Taxes	(144)	0.6%	(14)	0.0%	130	(964.7%)
<b>Net income</b>	<b>(284)</b>	<b>(1.1%)</b>	<b>612</b>	<b>2.1%</b>	<b>(896)</b>	<b>146.5%</b>

## Comments

- ❑ Outlook of Automotive sector for 2025 still intact
- ❑ OEMs in Europe and China announce a catch-up effect in 2<sup>nd</sup> half of the year:
  - Increase of sales with main customer Porsche (992, e-Macan and Panamera)
  - Audi's new volume-platforms (Q5, A5 and A6) now in full production
  - Launch of new product in China
- ❑ EBITDA in 2<sup>nd</sup> half year increasing due to:
  - Higher revenues
  - Ongoing reduction of personnel and material costs
  - Profitability of paragon Kunshan (China) grows through new low-cost sensor element for AQS

# Continuous Improvement in Profitability despite lower Sales

## Comparison Q2/2025 vs. Q2/2024 – (in €000') – Automotive Sector

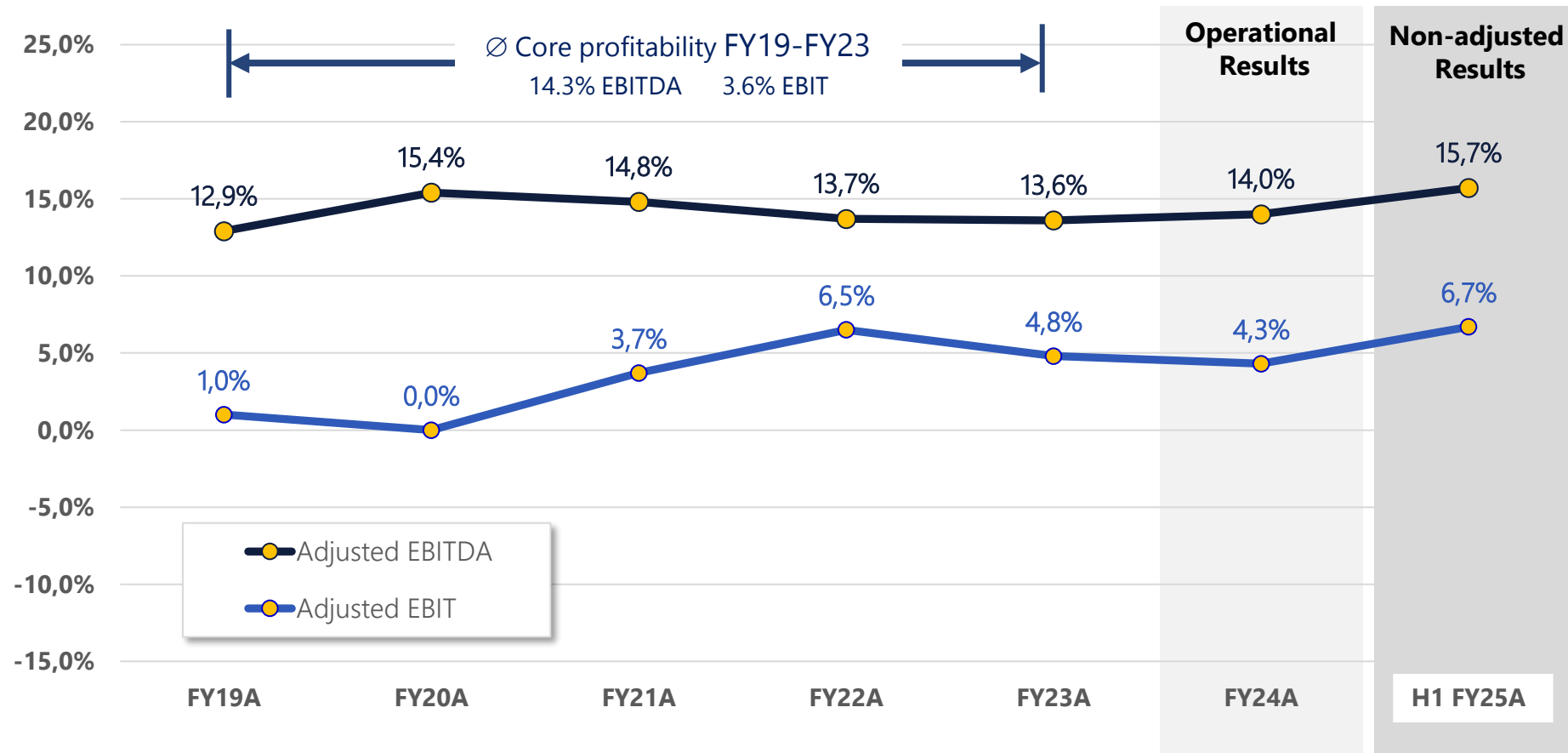
... as of June 2025

	2 <sup>nd</sup> Quarter 2025	% of Total revenue	2 <sup>nd</sup> Quarter 2024	% of Total revenue	Deviation in EUR	Deviation in %
<b>Total revenue</b>	<b>26,091</b>	<b>100.0%</b>	<b>34,442</b>	<b>100.0%</b>	<b>(8,351)</b>	<b>(24.2)</b>
Own work capitalized	1,434	5.5%	826	2.4%	608	73.6%
Other operating income	4,169	16.0%	1,654	4.8%	2,515	152.1%
<b>Total output</b>	<b>31,994</b>	<b>121.5%</b>	<b>36,922</b>	<b>107.2%</b>	<b>(5,229)</b>	<b>(14.2%)</b>
Material costs	(14,524)	55.7%	(18,382)	53.4%	(3,858)	(21.0%)
Personal costs	(9,093)	34.9%	(10,508)	30.5%	(1,415)	(13.5%)
Other costs	(3,889)	14.9%	(3,642)	10.6%	247	6.8%
<b>EBITDA</b>	<b>4,188</b>	<b>16.1%</b>	<b>4,390</b>	<b>12.7%</b>	<b>(202)</b>	<b>(4.6%)</b>
Depreciation	(1,512)	5.8%	(2,437)	7.1%	(925)	(37.9%)
Amortization (IAS 38 / PPA)	(1,198)	4.6%	(720)	2.1%	478	66.4%
<b>EBIT</b>	<b>1,478</b>	<b>5.7%</b>	<b>1,233</b>	<b>3.6%</b>	<b>245</b>	<b>19.8%</b>
Financial results	(1,618)	6.2%	(1,618)	4.7%	0	0.0%
<b>EBT</b>	<b>(141)</b>	<b>(0.5%)</b>	<b>(385)</b>	<b>(1.1%)</b>	<b>245</b>	<b>63.5%</b>
Taxes	(144)	0.6%	(148)	0.4%	(-4)	(2.8%)
<b>Net income</b>	<b>(284)</b>	<b>(1.1%)</b>	<b>(533)</b>	<b>(1.5%)</b>	<b>249</b>	<b>46.7%</b>

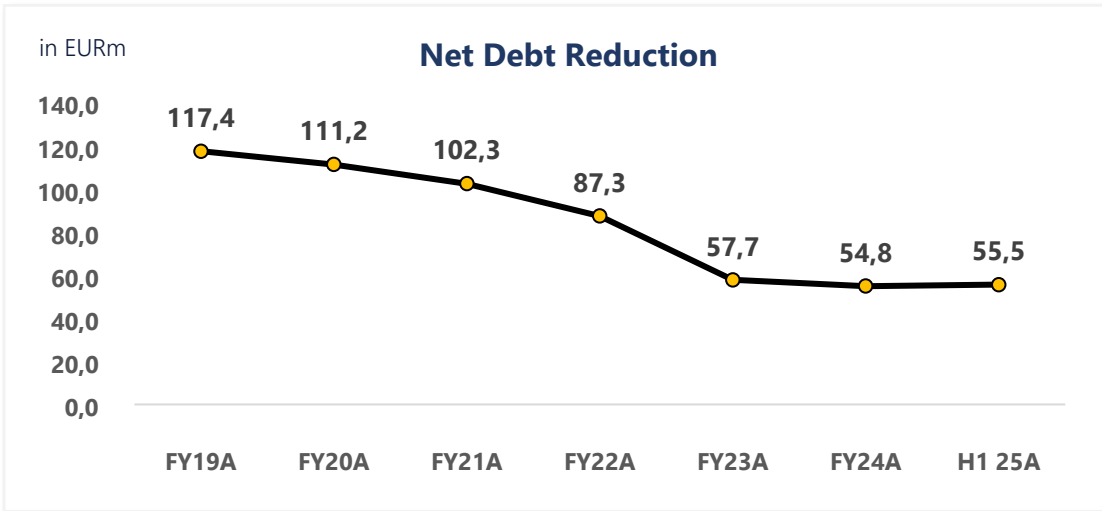
## Comments

- ❑ Comparison with 2<sup>nd</sup> quarter 2024 shows benefit from cost savings
- ❑ Same EBITDA-amount achieved with EUR 8.4m less revenue
- ❑ EBIT-margin almost doubled
- ❑ Going rate of improvements in FY24A and additional improvements in FY25E EBITDA will lead to the expected further increase of EBITDA
  - Material savings: EUR 2.1m
  - Headcount reduction: EUR 0.5m
  - Operational plant improvements: EUR 1.8m

## Profitability in H1/2025 in line with Budget – Automotive Sector



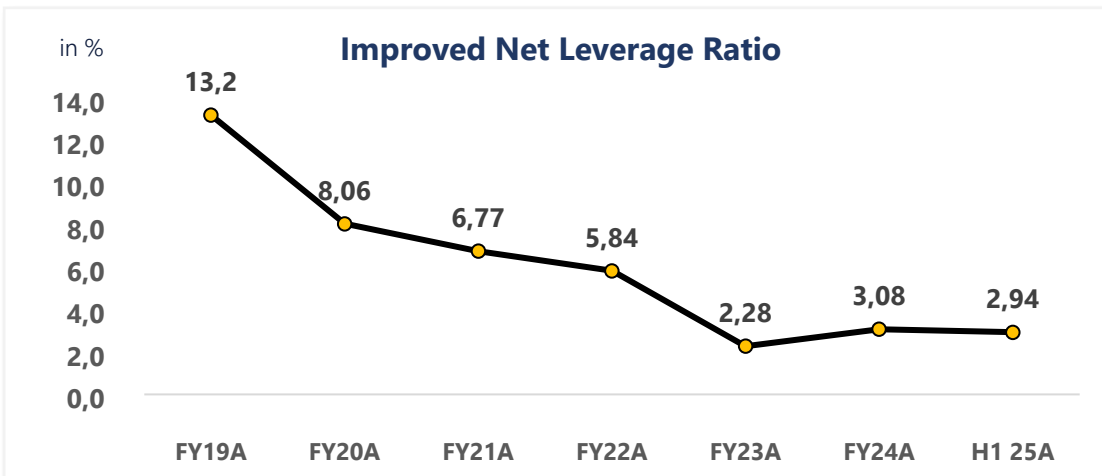
## Substantial Debt Reduction



### Comments

#### Net Debt Reduction

- Since the end of FY19A, **net debt has been reduced by over 50%**, from EUR 117.4m to EUR 55.5m in H1/25A, reflecting disciplined financial management and strategic deleveraging efforts
- Over the past 66 months, the company has achieved an average monthly net debt reduction of approximately EUR 1.0m, demonstrating **strong cash flow generation** and a commitment to balance sheet optimisation
- These deleveraging efforts have placed the company on a solid financial foundation, enhancing its resilience and financial flexibility for future strategic initiative



### Comments

#### Improved Net Leverage Ratio ("NLR")

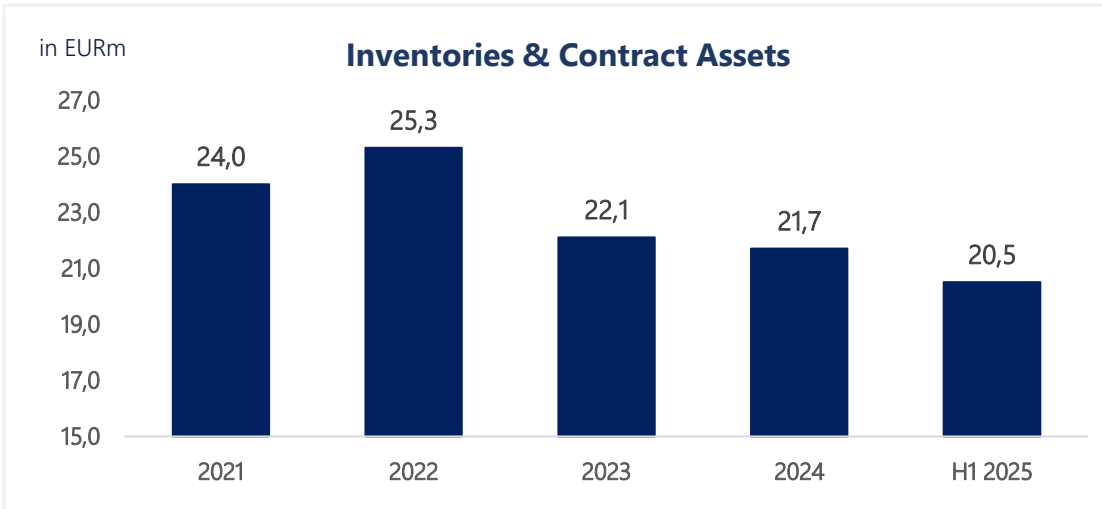
- NLR improved from 13.2% in FY19A to 2.1% in H1/25A**, driven by deleveraging and enhanced profitability
- The company's bond interest rate is tied to its NLR. The FY24A leverage position resulted in an interest rate of 8.75%, effective January 5, 2025
- Operating net gearing ratio (excluding special effects from the past) is 2.94



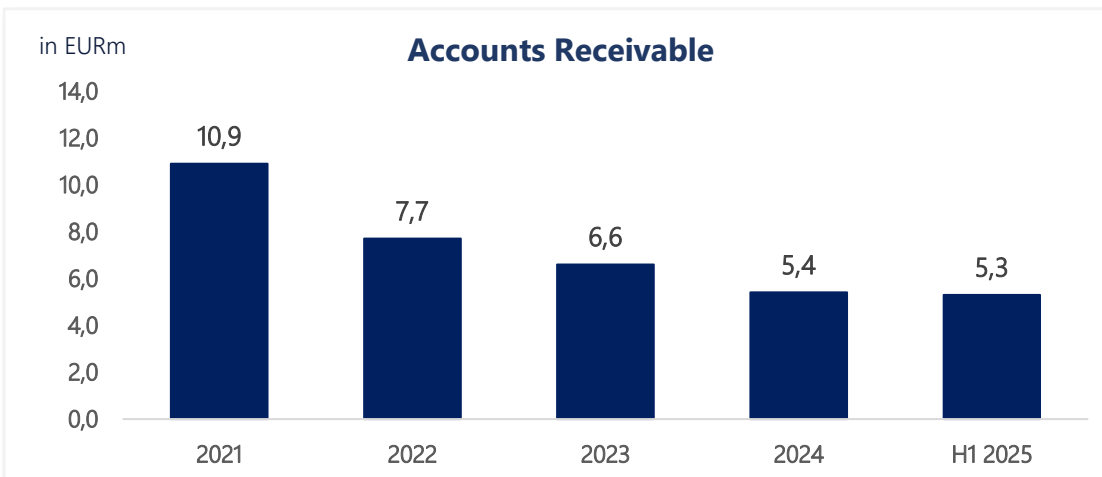
## EUR-Bond: Buy-back Program Update

- Nominal Value: ☐ EUR 45.2m (as of December 31, 2024, thereof EUR 1.3m owned by paragon)
- Actual terms and conditions: ☐ Bond is due July 5, 2027
- Interest Rate: ☐ Interest rate depends on net leverage ratio  
☐ Interest rate is currently at **8.75%**
- Buyback program: ☐ paragon proceeds with the communicated repurchasing program (EUR 20.2m nominal value) until June 2027  
☐ paragon has to comply with the Market Abuse Regulation -> buy back very limited due to low daily trading volumes (app. EUR 0.1m per month)  
☐ **No further obligations until final maturity on July 5, 2027, of EUR 40m (est.)**
- Structure of repayment in 2027 in preparation

## Focus on Working Capital Management is a continued effort

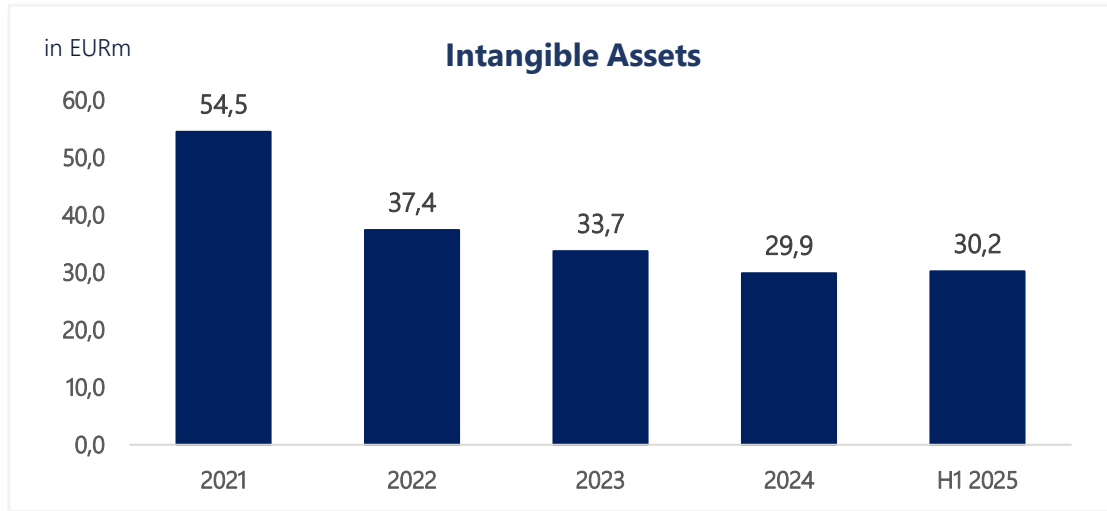


Comments
<div> <div></div> <div>Inventories &amp; Contract Assets</div> </div> <ul style="list-style-type: none"> <li>Inventory level remains stable</li> <li>Further inventory management activities ongoing</li> </ul>



Comments
<div> <div></div> <div>Accounts Receivable</div> </div> <ul style="list-style-type: none"> <li>Good progress has been made</li> <li>There is not much more potential to improve this position</li> </ul>

## Intangible Assets on a stable level



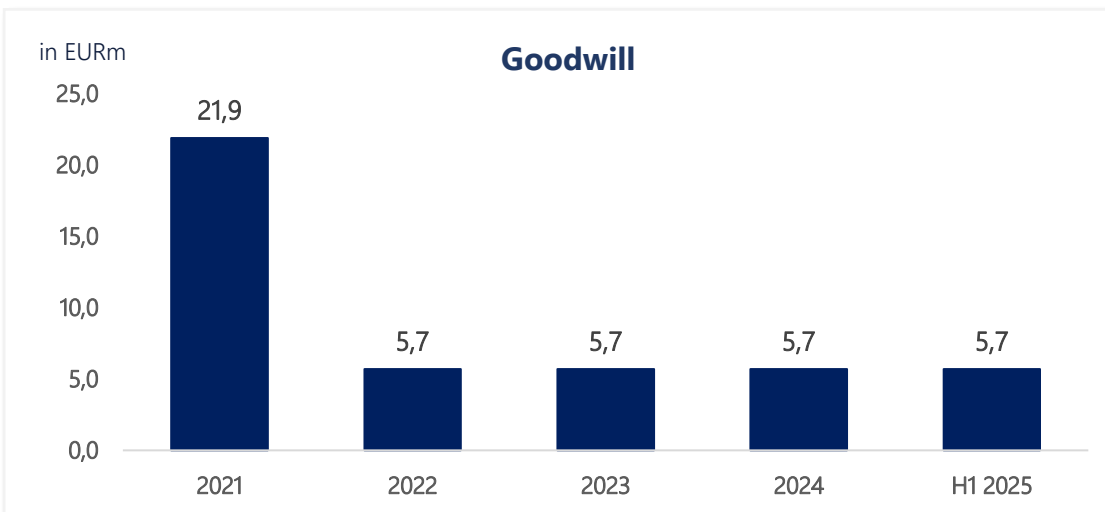
### Comments

#### Intangible assets

- 2022: Decrease of EUR 13.7m due to sale of paragon semvox to CARIAD
- 2023: Decrease of EUR 3.7m due to planned amortization as well as the asset deal with Clarios
- 2024: Decrease of EUR 3.8m for impairment of an asset from the past
- H1/2025: New activities slightly overcompensated amortization
- Thereof EUR 7.9m intangible assets and EUR 22.3m IAS 38 projects, which are both amortized on a scheduled basis

## The Financials

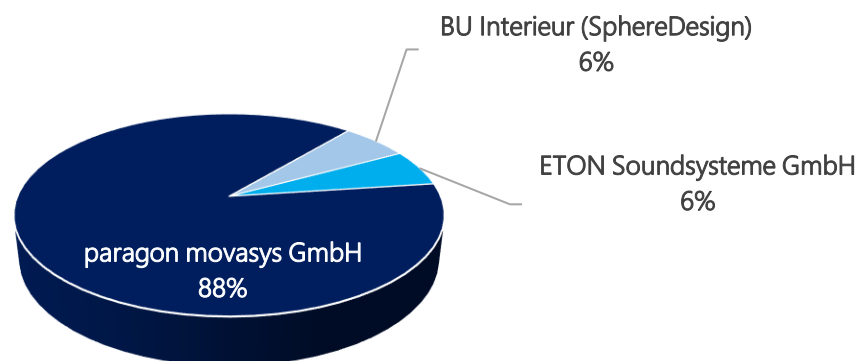
### Goodwill unchanged



#### Comments

##### Goodwill

- Goodwill amounts to EUR 5.7m
- Goodwill related to paragon semvox GmbH (EUR 16.1m) (73.5%) sold to CARIAD SE
- Reduction of Goodwill by appr.  $\frac{3}{4}$  (EUR 16.1m)
- EUR 5.1m relates to paragon movasys GmbH (largest BU)
- EUR 0.3m each are attributable to SphereDesign GmbH and ETON Soundsysteme GmbH

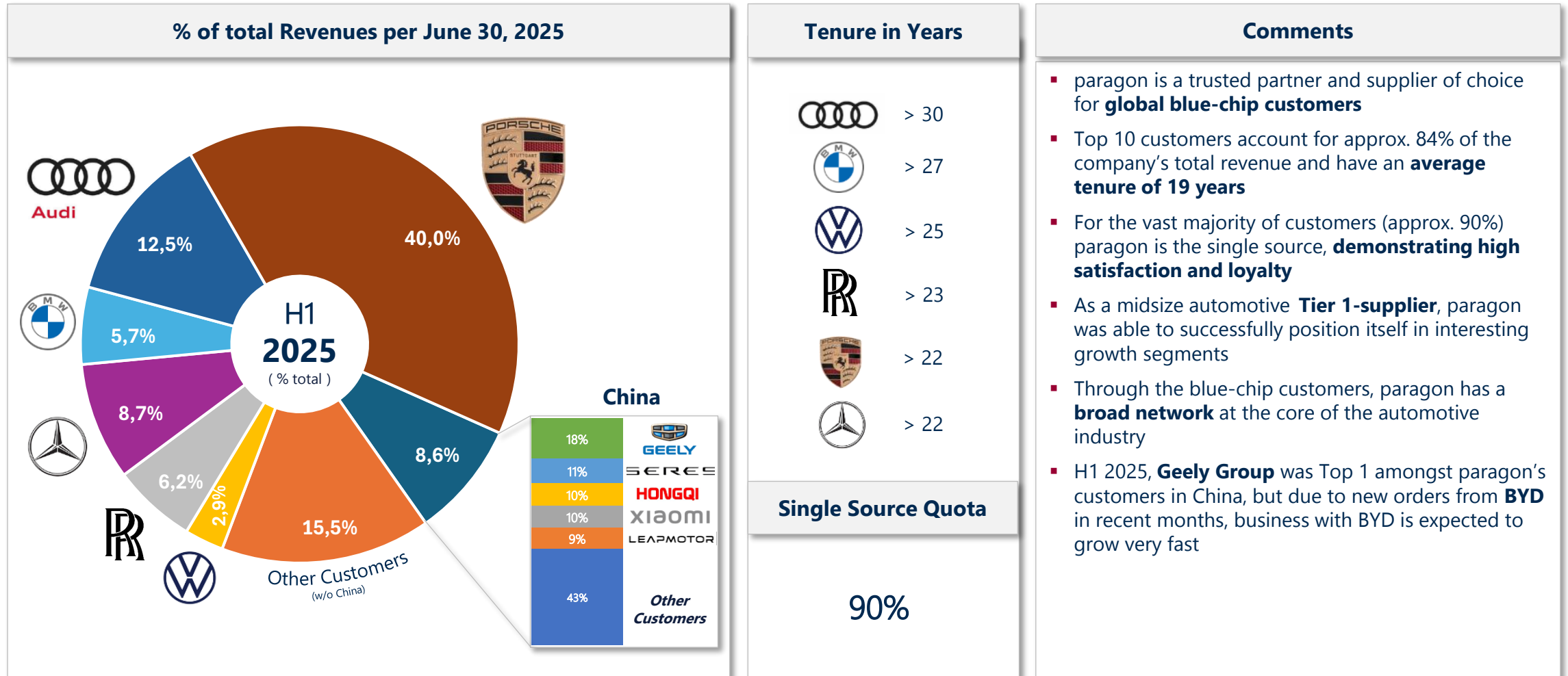


# Agenda

1. Executive Summary
2. The Products and Customers
3. The Financials
- 4. The Outlook**



## paragon's Premium Automotive Customers – 1<sup>st</sup> Half Year 2025



# P&L Consumer Products first 6 Months 2025

## P&L 1<sup>st</sup> half-year 2025 – (in €000') – Consumer Product Sector

	Actual Jan – Jun 2025	% of Total revenue
<b>Total revenue</b>	<b>5</b>	<b>100.0%</b>
Own work capitalized	0	0.0%
Other operating income	0	0.0%
<b>Total output</b>	<b>5</b>	<b>100.0%</b>
Material costs	(3)	0.0%
Personal costs	(206)	0.3%
Other costs	(120)	0.2%
<b>EBITDA</b>	<b>(324)</b>	
Depreciation	0	0.0%
Amortization (IAS 38 / PPA)	0	0.0%
<b>EBIT</b>	<b>(324)</b>	
Financial results	0	0.0%
<b>EBT</b>	<b>(324)</b>	
Taxes	0	0.0%
<b>Net income</b>	<b>(324)</b>	

## Comments

- ❑ Treated as pure **add-on** to the Automotive business
- ❑ **Not capital intensive**
- ❑ Limited order volume, **limited risk**
- ❑ In the long-term **very lucrative sector** with a share of approx. 20% of paragon's total sales
- ❑ **New additional business** with Consumer Products has so far made only a small contribution
- ❑ **Lengthy activation of sales channels** (Amazon, Otto, MediaMarkt, Saturn, eBay) was responsible for that, but **now completed**
- ❑ Plan fulfillment depends on the success of **various sales campaigns** and Christmas business

## The Outlook

# Consumer Product Portfolio's Starting Point

### Consumer Products – Business Unit Interieur

#### TELEFUNKEN Licensing

- **Exclusive license** for audio products in Europe, leveraging strong brand recognition
- **Regulatory approvals secured:** CE-certified, Bluetooth qualification completed
- **Multi-channel distribution:** Amazon, MediaMarkt, Kaufland, Otto, Saturn, eBay, direct-to-consumer (B2C)
- **Phased roadmap:** ODM launch (Year 1-2) → Proprietary tech integration (Year 3-4) → In-house production (Year 5+)
- **Revenue model:** High-margin licensing & B2C expansion, reducing capital intensity

#### ETON – Premium Audio Expansion

- **High-end speaker** brand belonging to paragon with strong home hi-fi & automotive market presence
- **Growth strategy:** Expansion into gaming headsets, home audio, and business communication
- B2C shift to drive margins, **synergies with TELEFUNKEN** for distribution & technology
- **Key markets:** Europe & North America, with long-term China expansion



Headphones



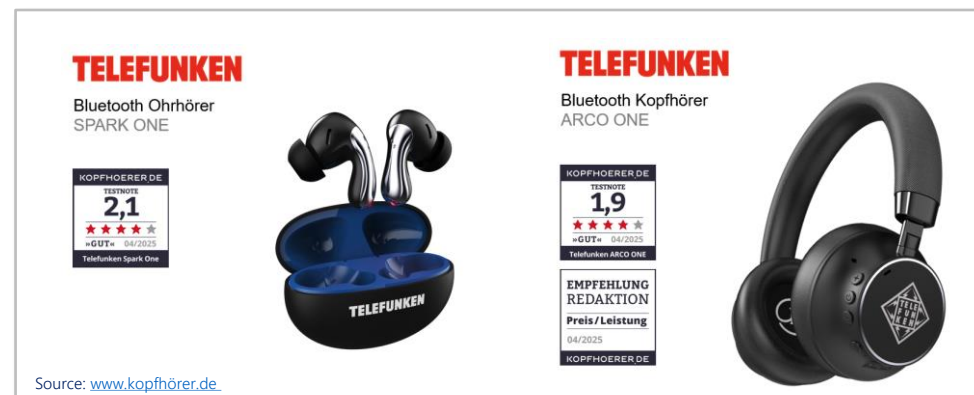
Bluetooth Earbuds



Loudspeaker

### Comments

- ❑ Headphones chosen as first product
- ❑ Market research institute Statista forecasts **German market in 2025 for EUR 1.14b**
- ❑ Media analysis by Burda<sup>\*)</sup>: 30% of all Germans use headphones when streaming, for example
- ❑ **paragon's headphones are rated very positively** (e.g. by <https://www.kopfhoerer.de/>)
  - much better sound compared to much more expensive competitors
- ❑ **Complete product portfolio under construction** (different headphones, mobile speakers, home-cinema)

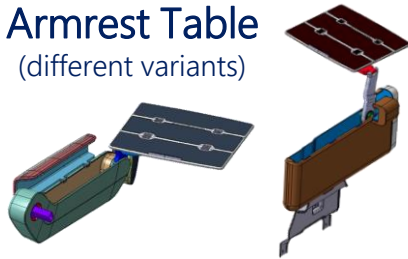


<sup>\*)</sup> Burda → Hubert Burda Media, one of Germany's largest media and investment companies with an international focus

## Order-Pipeline not influenced by global Market Situation

### Recently won Top Orders (excerpt)

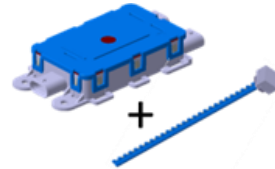
#### Armrest Table (different variants)



- Chinese & German premium customer
- Start of production (SOP): 2026
- Contracted Revenue: **EUR 62m**

#### DustProtect

(Innovative Anti-Virus Filter)



- Customers in EU, CA, MX, CN
- Start of production (SOP): 2028
- Contracted Revenue: **EUR 40m**

### TOP Opportunity [in acquisition]

#### Overhead Unit

(incl. compass and microphones)



- US customer
- Localization in US planned
- Start of production (SOP): 2028
- Date of Sourcing: Aug./Sep. 2025
- Expected Revenue: up to **EUR 112m**

### Booked Business (Status H1/2025)

#### Booked Business

(Status H1/2025)

Planning period

Σ Turnover of  
planning period

**EUR  
702m**

2025 – 2029

**EUR  
183m**

> 2029

Business Wins in H1/2025 → Σ EUR 215m

### Acquisition Pipeline for H2/2025

- Total volume of current H2/2025 sales projects:
  - Period 2025-2029: EUR 596m in total, thereof decided in H2/2025: EUR 386m
  - Period 2029ff.: EUR 1.6b in total, thereof decided in H2/2025: EUR 738m
- Acquisition success rate: approx. 40-45%

#### Acquisition Target

(for H2/2025)

Planning period

Σ Turnover of  
planning period

**EUR  
155m**

2025 – 2029

**EUR  
295m**

> 2029

# Spotlight on Main Customer Porsche

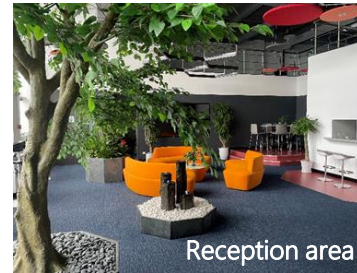
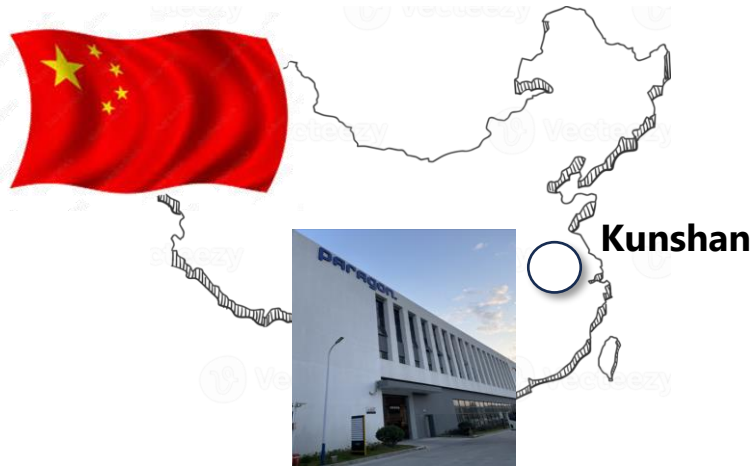
- Porsche's weaker financial performance in 1<sup>st</sup> half-year 2025 is in the news
- Reasons:
  - High financial pressure due to US tariffs and weaker Dollar
  - Dramatic down-turn of deliveries in China (./ .28%) not yet fully compensated by higher deliveries in US (+10%) and Overseas (+10%) – in total ./ . 6% deliveries world-wide
  - Postponed launch of e-Macan – *now becoming the best-seller*
  - 992 sales suffered from model change – *paragon now producing above contracted level*
  - Luxury e-market smaller than expected, but Taycan leads this market
- Note: Porsche's financial performance isn't a mirror for paragon's outlook in regards of its largest customer
  - For paragon, only the numbers of delivered Porsches with paragon-content are key!
  - 992 is paragon's most important car



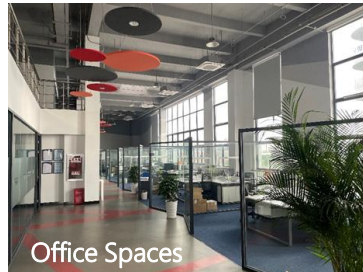
## The Outlook

# Spotlight on Chinese Market

### paragon Automotive Kunshan Co., Ltd. – Re-located State-of-the-Art Facility



Reception area



Office Spaces



Production Area

### Comments

- ❑ The contribution of paragon Kunshan (China) is expected to grow:
  - Different from paragon's approach in regards of premium OEMs mainly in Germany, paragon's customers in China are producing mainly budget cars
  - Main customer is Geely, but due to existing orders, BYD is expected to become the largest Chinese customer
  - New products are developed locally and fitting to the demand of Chinese market
  - Localizing of purchasing increases margin

## The Outlook

# Summary

### Year End Prognosis FY25E – Sector Split

paragon GmbH & Co. KGaA			
<b>EUR</b>	<b>140 - 145m</b>	<b>Revenue</b>	
<b>EUR</b>	<b>20 - 22m</b>	<b>EBITDA</b>	

85%

15%

#### Automotive Sector

<b>EUR</b>	<b>115 - 120m</b>	<b>Revenue</b>
<b>EUR</b>	<b>18m</b>	<b>EBITDA</b>

#### Consumer Products Sector

<b>EUR</b>	<b>20 - 25m</b>	<b>Revenue</b>
<b>EUR</b>	<b>2 - 4m</b>	<b>EBITDA</b>

### Summary

- ❑ Forecast for Automotive sector for 2025 still intact – our core business!
- ❑ Plan fulfillment 2025 in new **Customer Products** sector depends on the success of various sales campaigns and Christmas business
  - Treated as pure/limited risk **add-on** to the Automotive business

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