

GROUP INTERIM REPORT
AS OF SEPTEMBER 30, 2024
NINE MONTHS



Key figures for the paragon Group¹

€ '000 / as indicated	Jan. 1 to Sep. 30, 2024	Jan. 1 to Sep. 30, 2024	Change	Jul. 1 to Sep. 30, 2024	Jul. 1 to Sep. 30, 2024	Change
Revenue (continued operations)	106,262	122,011	-12.9%	30,902	35,374	-12.6%
EBITDA ² (continued operations)	12,902	16,269	-20.7%	4,390	8,179	-46.3%
EBITDA margin in %	12.1%	13.3%	-8.9%	14.2%	23.1%	-38.6%
EBITDA for paragon semvox GmbH (discontinued operations)	n.a.	7,569	n.a.	n.a.	n.a.	n.a.
EBITDA (continued and discontinued operations)	n.a.	23,838	n.a.	n.a.	n.a.	n.a.
EBIT (continued operations)	3,918	5,483	-28.5%	1,740	4,304	-59.6%
EBIT margin in %	3.7%	4.5%	-18.0%	5.6%	12.2%	-53.7%
Earnings from continued operations	-1,004	-2,625	61.8%	7	2,991	-199.8%
Earnings from discontinued operations	n.a.	6,999	n.a.	n.a.	n.a.	n.a.
Consolidated net income	-1,004	4,374	-122.9%	7	2,991	-199.8%
Earnings per share in € (basic and diluted) from continued operations	-0,22	-0,58	61.8%	0,00	0,66	-200.3%
Earnings per share in € (basic and diluted) from discontinued operations	n.a.	1,55	n.a.	n.a.	n.a.	n.a.
Earnings per share in € (basic and diluted) from continued and discontinued operations	n.a.	0,97	n.a.	n.a.	n.a.	n.a.
Investments (CAPEX) ³ (continued operations)	7,186	2,151	234.1%	4,603	1,665	176.5%
Operating cash flow (continued operations)	8,068	-5,568	244.9%	5,446	-140	3,990.3%
Free cash flow ⁴ (continued operations)	882	-7,719	111.4%	843	-1,805	146.7%

€ '000 / as indicated	Sep. 30, 2024	Dec. 31, 2024	Change	Sep. 30, 2024	Sep. 30, 2024	Change
Total assets	100,526	108,520	-7.4%	100,526	122,585	-18.0%
Equity	-5,114	-4,084	-25.2%	-5,114	4,937	-203.6%
Equity ratio in %	-5.1%	-3.8%	-35.2%	-5.1%	4.0%	-226.3%
Cash and cash equivalents	1,322	3,209	-58.8%	1,322	7,960	-83.4%
Bank and bond liabilities less cash and cash equivalents	57,560	57,650	-0.2%	57,560	48,958	17.6%
EBITDA last 12 months	14,298	25,234	-43.3%	14,298	26,757	-46.6%
Net leverage ratio ⁵	4.03	2.28	76.2%	4.03	1.83	120.0%
Employees (continued operations) ⁶	701	740	-5.3%	701	778	-9.9%

Aktie

	Sep. 30, 2024	Dec. 31, 2023	Change	Sep. 30, 2024	Sep. 30, 2023	Change
Closing price on Xetra in €	2.28	3.84	-40.6%	2.28	4.95	-53.9%
Number of shares issued	4,526,266	4,526,266	0.0%	4,526,266	4,526,266	0.0%
Market capitalization in € millions	10.3	17.4	-7.1	10.3	22.4	-12.1

The First Nine Months of 2024 at a Glance

- Decline in sales following last year’s sale of the starter battery business in conjunction with reduced customer call-offs continues almost linearly
- Sales revenue of EUR 106.3 million (previous year: EUR 122.0 million) in the first nine months of the 2024 financial year 12.9 % lower than in the same period of the previous year
- Consistent countermeasures since the beginning of the year enable balanced result in the third quarter – breakeven achieved
- EBITDA of EUR 12.9 million in the first nine months despite market challenges (previous year: EUR 16.3 million); EBITDA margin of 12.1 % (previous year: 13.3 %)
- Cash flow from operating activities increased to EUR 8.1 million in the reporting period (previous year: EUR –5.6 million)
- Net debt (bank and bond liabilities less cash and cash equivalents) remains almost unchanged at EUR 57.6 million (end of 2023: EUR 57.7 million)
- The upturn in the automotive industry expected by the management has not yet materialized; call-offs remain at the level of previous months, but no further deterioration
- Sales expectations for the financial year therefore between EUR 135 and 140 million
- According to the management, numerous cost-cutting measures will enable the EBITDA forecast for 2024 of EUR 18 to 20 million to be achieved at the upper end of expectations
- Earnings after interest and taxes still expected to be slightly positive for 2024 as a whole
- paragon anticipates a significant increase in net income for the 2025 financial year with constant to slightly growing revenue

1 The paragon Group comprises the electronics and mechanics segments. Due to the sale of paragon semvox GmbH in the first half of 2023, the Digital Assistance business unit is presented as a discontinued business unit as of Sep. 30, 2023.

2 With regard to the calculation of the EBITDA key figure, reference is made to the statements 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 According to definition § 3 Bond Condition WKN A2GSB8 (loan plus bonds less cash and cash equivalents divided by EBITDA) plus 4 temporary workers (December 31, 2023: 39)

Foreword by the management

Dear shareholders,
customers, business partners
and employees,

The year 2024 will certainly be remembered in retrospect as similarly challenging as the coronavirus year 2020. While the pandemic-related plant closures by car manufacturers lasted for weeks and had a direct impact on us, the current year has seen a succession of horror stories that have a major impact on our company and its stakeholders, regardless of whether they affect paragon or not. The general situation in the world – or more precisely, how it is perceived by potential car buyers – is leading to a reluctance to buy in certain market segments in the premium sector, which we naturally cannot escape from. According to an analysis by the auditing firm PwC, global sales figures have not been in the red so far; in the first eight months of this year, 2.3% more cars were sold worldwide than in the same period last year, even though production figures were slightly down at -1.3%. However, our customers – and in particular a certain premium manufacturer – have been affected by the aforementioned reluctance to buy to an extent that we have not yet been able to offset with our current business in China. In future, however, we will become less dependent on European business as sales at our plant in Kunshan (China) grow.

We are in a robust position, as our business model is not threatened by global trends such as transformation, digitalization, autonomous driving and software-defined vehicles, which are causing major problems for many car manufacturers and suppliers. With our products, which do not depend on the type of drive, we will continue to be right on target in the future.

Unfortunately, the expectations we expressed three months ago of a moderate recovery in the automotive industry have not yet been confirmed. The headlines regarding the plans of major automotive supplier groups to drastically reduce their workforce, combined with the threat of plant closures at a German car manufacturer, are certainly not helpful in terms of a turnaround in sales. This has had a very negative impact on our share prices and the euro bond prices. Both suffered greatly from the news at the end of the third quarter, although the aforementioned threat of plant closures will have no impact on paragon. At 2.9% to date (prior-year period: 2.5%), the share of revenue generated by the affected car manufacturer is too low.

In the first nine months of 2024, we generated sales revenue of EUR 106.3 million (previous year: EUR 122.0 million). This reflects both the sale of the starter battery business in fall 2023 and the reduced call-offs from our customers. Although the latter have not recovered as expected since the beginning of the year, they have not deteriorated further. paragon reacted very early and consistently and adjusted capacities in addition to numerous cost-cutting measures. The number of employees (including temporary

workers] fell by 134 as at September 30, 2023 to 705 as at September 30, 2024. We expect the number of employees to be around 690 at the end of 2024.

Given the challenging market environment, we consider the EBITDA of EUR 12.9 million generated in the first nine months of 2024 to be a success. In particular, reaching the net income break-even point in the third quarter of 2024 represents a turnaround; thanks to the numerous improvement measures that are increasingly taking effect, we now assume that the previous EBITDA forecast of EUR 18 to 20 million will be achieved at the upper end of the range in 2024 as a whole and that earnings after interest and taxes will remain slightly positive. The sales forecast has to be adjusted from EUR 160 to 165 million to EUR 135 to 140 million due to the unchanged call-off behavior of customers to date. The management sees the sustainable generation of a positive net result and a high operating cash flow, even with lower sales, as an important contribution to the company's resilience. From today's perspective, stable to slightly rising sales and a significant increase in net income are expected for the 2025 financial year as the optimization measures introduced take full effect.

In addition to increasing our profitability, the expansion of our sales activities in China, the USA and India as well as development work on new products for the automotive industry, but also for other sectors, are increasingly the focus of our activities. We will provide you with comprehensive information on these exciting topics in due course.

We would like to thank the paragon employees for their commitment and contribution to the success of the company, as well as our customers, business partners and shareholders for their trust.

Delbrück, November 2024



Klaus Dieter Frers
Chief Executive Officer



Ralph Streitbürger
Chief Financial Officer

paragon on the capital market

The paragon share lost value over the course of the first nine months of 2024. Starting from a price of EUR 3.58 at the beginning of 2024, the share price stood at EUR 3.29 at the end of the first quarter. At the end of the first half of the year, the share price was EUR 3.22. With the bad news from the German OEMs in the summer, the value of the share then fell quite sharply and was worth EUR 2.28 at the end of the third quarter. This corresponds to a loss of 1/3 since the beginning of the year. The stock market value thus fell from EUR 17.4 million to EUR 10.3 million, without this being triggered by negative company news.

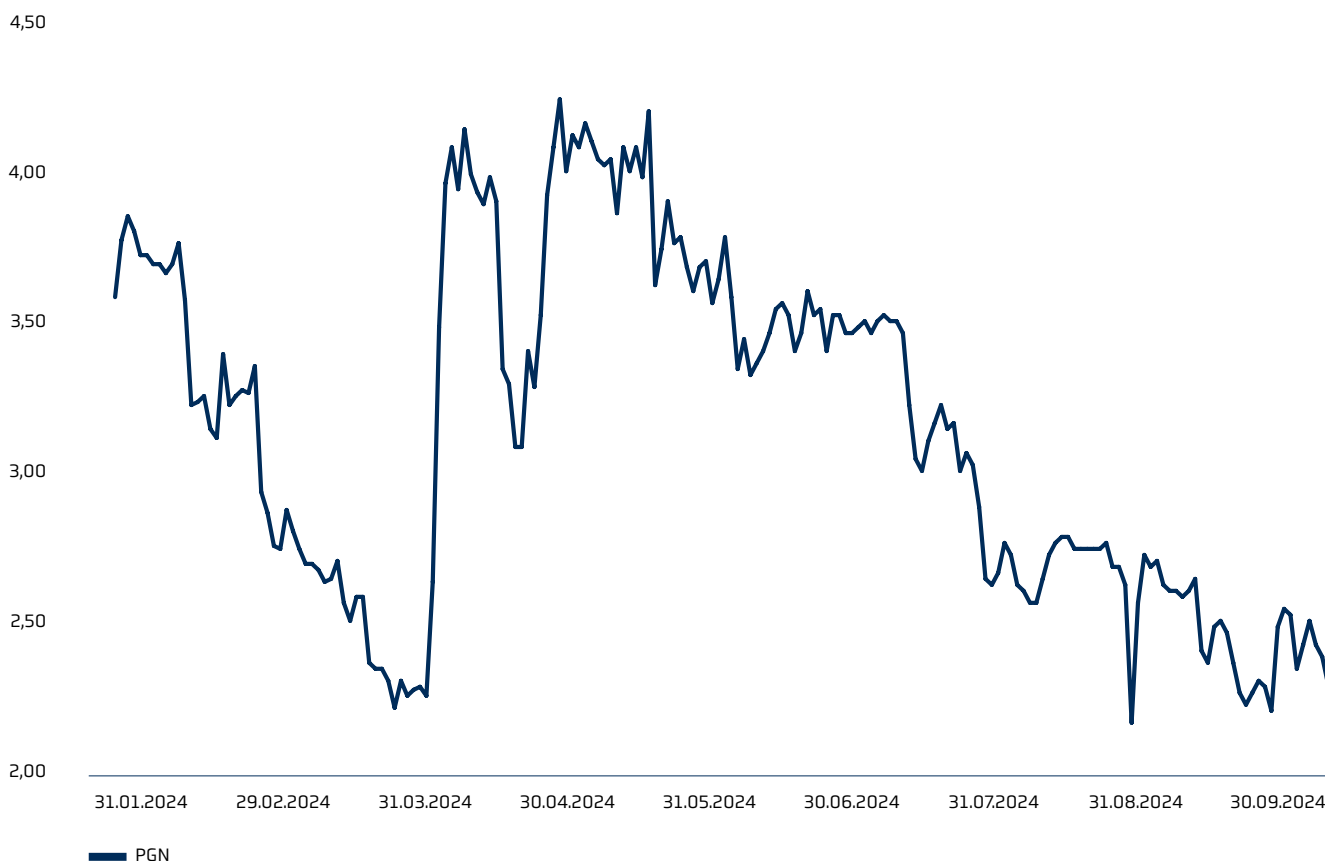
Corporate bond 2017/27

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 (Regulated Unofficial Market) 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 now semi-annual interest payment and a higher interest coupon, the final maturity was postponed by 5 years to July 5, 2027. In 2023, paragon reduced the framework nominal value 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 leverage ratio. The interest rate in the 2024 financial year is 7.5%.

On November 6, 2023, paragon began to buy back the bond on the stock exchange in a total nominal amount of up to EUR 20.2 million. The current program will run until July 5, 2025 at the latest. The buyback is carried out by an independent securities service provider. Based on two independently prepared legal opinions regarding the purchase price and purchase volume, the service provider must comply with 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. In order not to influence the market price, purchases may also not be made at the highest price of the day. If the above-mentioned volume could not be repurchased by July 5, 2025, paragon will either extend the program or launch a new buyback program; according to the valid bond conditions, there is no maturity of the remaining volume in relation to the total nominal amount of EUR 20.2 million as of July 5, 2025. The bond buyback will take place via the regional stock exchanges in Stuttgart, Frankfurt and Tradegate Exchange. Bonds with a total nominal value of EUR 705,000.00 were repurchased by September 30, 2024.

At the end of the quarter, the bond closed at a price of 43.4%.

Investment in paragon semvox GmbH

paragon GmbH & Co. KGaA 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 accounted for and deconsolidated as a discontinued operation in accordance with IFRS 5 until May 2023. paragon semvox GmbH represented the Digital Assistance division in the paragon Group.

Business performance

Cumulative global sales figures for the first eight months of 2024 show an improvement (plus 2.3%) compared to 2023. However, sales figures in Europe (minus 16.5%) and China (minus 9.4%) have indeed performed very poorly in August compared to the previous year, while North America (plus 8.2%) has improved and almost compensated for the negative trends, resulting in 0.2% fewer vehicles being sold worldwide in August 2024 compared to the previous year.⁷

In contrast, 1.3% (632,909 vehicles) fewer cars were produced worldwide in the months from January to August 2024. While production in the rest of the world has aligned with the global trend (with China producing the same volume as it sells), production in Europe was adjusted or reduced disproportionately by 5.7% (495,421 vehicles).⁸

In addition to the poor sales figures, this development in Europe is also due to existing overcapacities and high labor costs. paragon does not, however, agree with the poor press reports and refers to the various activities that have been undertaken in recent months as part of a more global positioning of the company.

It remains paragon's mission to challenge the negative trend and realize opportunities as they arise. The number of inquiries from our customers has reached an all-time high; numerous "proof-of-concepts" as paid pre-development projects are evidence of the high level of customer interest in our innovations. The "local-for-local" strategy is increasingly taking effect; our plant in Kunshan is becoming less and less dependent on supplies from Germany. Since spring 2024, we have once again had a sales office in Detroit (USA), which is already working on its first projects. We have a cooperation agreement with the Indian automotive supplier AGS Visions Pvt Ltd. to give us access to the Indian market. We are aiming to do the same in South Korea. The licensing of the "TELEFUNKEN" brand will lead to sales and profits from 2025 onwards.

1 PwC Autofacts Market Update September 2024

2 PwC Autofacts Market Update September 2024

paragon's business performance in the first nine months of the 2024 financial year was characterized by lower sales volumes overall. In particular, the Mechanics operating segment, represented by paragon movasys GmbH, suffered from the extremely weak sales of a premium customer. Revenue decreased by 12.9% from € 122.0 million in the first nine months of 2023 to € 106.2 million in the first nine months of 2024.

Sales development in the two business segments developed as follows:

Operating segment	Electronics ¹			Mechanics ²			Eliminations			paragon Automotive		
	9M/ 2024	9M/ 2023	Δ in %	9M/ 2024	9M/ 2023	Δ in %	9M/ 2024	9M/ 2023	Δ in %	9M/ 2024	9M/ 2023	Δ in %
€ '000 / as indicated												
Revenue	68,833	78,308	-12.1	37,429	43,703	-14.4	0	0	N/A	106,262	122,011	-12.9
with third parties	515	757	-32.0	170	1,277	-86.7	-685	-2,034	-66.3	0	0	N/A
Intersegment	69,348	79,065	-12.3	37,599	44,980	-16.4	-685	-2,034	-66.3	106,262	122,011	-12.9
EBITDA	10,636	13,923	-23.6	2,266	2,346	-3.4	0	0	N/A	12,902	16,269	-20.7
EBITDA margin	15.3%	17.6%	-12.9	6.0%	5.2%	15.6	n. a.	n. a.	N/A	12.1%	13.3%	-8.9

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 69.3 million (previous year: EUR 79.1 million). Of this, EUR 68.8 million (previous year: EUR 78.3 million) was attributable to sales with third parties in the Sensors, Interiors and Power divisions, which corresponds to 64.8% of Group sales (previous year: 64.2%). Segment EBITDA amounted to around EUR 10.6 million (previous year: EUR 13.9 million).

The Mechanics segment generated segment sales of EUR 37.6 million (previous year: EUR 45.0 million), of which EUR 37.4 million was attributable to sales with third parties (previous year: EUR 43.7 million). As already mentioned, this reduction is due in particular to the significantly lower sales of adaptive rear spoilers and folding tables in the luxury segment for a German premium customer. Segment revenue with third parties is reported via paragon movasys GmbH in the Kinematics division and accounted for 35.2% of Group revenue in the first nine months of 2024 (previous year: 35.8%). Segment EBITDA amounted to EUR 2.3 million (previous year: EUR 2.3 million).

Sales development in the individual divisions can be summarized as follows:

Breakdown of revenue € '000 / as indicated	9M/ 2024	Share in %	9M/ 2023	Share in %	Change in %
Sensors	28,023	26.4	32,062	26.3	-12.6
Interior	36,053	33.9	39,897	32.7	9.6
Power	4,757	4.5	6,349	5.2	-25.1
Mechanics ¹	37,429	35.2	43,703	35.8	-14.4
paragon	106,262	100.0	112,011	100.0	-12.9

1 abgebildet durch den Geschäftsbereich Kinematik

Revenue in the Sensors division amounted to EUR 28.0 million in the third quarter of 2024 due to the scheduled discontinuation of a vehicle series and was therefore, as expected, below the previous year's level of EUR 32.1 million.

At EUR 36.1 million, revenue in the Interior division in the first nine months of 2024 was down slightly on the same period of the previous year (EUR 39.9 million), mainly due to slightly weaker demand in the display instruments product group (stopwatches, clocks and compasses) and the planned discontinuation of some products. The ramp-up of new products was not yet able to compensate for these effects.

As expected, sales revenue in the Power division fell from EUR 6.3 million to EUR 4.8 million in the first nine months of 2024. This was due to the sale of the low-voltage starter battery business to Clarios in autumn 2023. However, at EUR 4.8 million, the revenue generated by this division in the reporting period exceeded the company's expectations following the sale of the sub-division.

In the Kinematics division, sales fell by 14.4% to EUR 37.4 million (previous year: EUR 43.7 million) for the reasons mentioned above. However, the Kinematics division just remains the largest division within the paragon Group.

Earnings situation

In the first nine months of the current financial year, paragon generated revenue of around EUR 106.3 million (previous year: EUR 122.0 million). With a change in inventories of EUR -0.5 million (previous year: EUR 0.6 million) and capitalized development costs of EUR 4.9 million (previous year: EUR 1.7 million), total operating performance amounted to EUR 114.0 million (previous year: EUR 134.0 million).

Other operating income fell by around 6.3 million euros to 3.4 million euros. In the previous year, this item included a book profit of EUR 6.6 million from the sale of production facilities in connection with a cooperation with Clarios, the world's leading supplier of starter batteries.

The cost of materials amounted to EUR 58.2 million (previous year: EUR 68.4 million). This resulted in a slightly lower cost of materials ratio (calculated from the ratio of cost of materials to sales and changes in inventories) of 55.0% (previous year: 55.8%).

This results in gross profit of EUR 55.8 million for the first nine months of 2024 (previous year: EUR 65.5 million), which corresponds to a gross profit margin of 52.5% (previous year: 53.7%). Personnel expenses amounted to EUR 29.6 million (previous year: EUR 34.0 million), resulting in a personnel expenses ratio of 27.9% (previous year: 27.9%).

Taking into account other operating expenses of EUR 13.3 million (previous year: EUR 15.3 million), earnings before interest, taxes, depreciation and amortization (EBITDA) for continuing operations amounted to EUR 12.9 million (previous year: EUR 16.3 million), which corresponds to an EBITDA margin of 12.1% (previous year: 13.3%). After depreciation and amortization of EUR 8.9 million (previous year: EUR 10.8 million), earnings before interest and taxes (EBIT) from continuing operations amounted to EUR 3.9 million (previous year: EUR 5.5 million). Accordingly, the EBIT margin amounted to 3.7% (previous year: 4.5%).

With a financial result of EUR 4.6 million (previous year: EUR 9.3 million) and income tax expenses of EUR -0.3 million (previous year: income of EUR 1.2 million), the paragon Group generated earnings from continuing operations of EUR -1.0 million in the reporting period (previous year: EUR -2.6 million). This corresponds to earnings per share of EUR -0.22 (previous year: EUR -0.58). In the same period of the previous year, the financial result 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.

In the previous year, taking into account the result from discontinued operations of EUR 7.0 million, consolidated net income amounted to EUR 4.4 million. This corresponded to earnings per share of EUR 1.55 in the previous year. The result from discontinued operations in the previous year included a deconsolidation gain of EUR 5.9 million from the sale of paragon semvox GmbH.

Net assets

Total assets decreased to EUR 100.5 million as at September 30, 2024 (December 31, 2023: EUR 108.5 million).

The reduction in inventories to EUR 17.9 million (December 31, 2023: EUR 20.6 million) is the result of working capital management. The reduction in other current financial assets to EUR 3.3 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 EUR -5.1 million as at the reporting date (December 31, 2023: EUR -4.1 million), in particular due to

the consolidated net loss of EUR -1.0 million. As a result, the equity ratio fell to -5.1% (December 31, 2023: -3.8%).

Non-current provisions and liabilities decreased to 41.6 million euros (December 31, 2023: 43.9 million euros); this is due to the scheduled repayment of loans and lease liabilities.

Current provisions and liabilities decreased to EUR 64.0 million (December 31, 2023: EUR 68.7 million). Trade payables decreased to EUR 23.8 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 6.0 million (December 31, 2023: EUR 7.6 million).

Financial Performance

During the reporting period, cash flow from operating activities rose to EUR 8.1 million (previous year: EUR -5.4 million). 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 also decreased overall. The amount of interest paid in the previous year was heavily influenced by the interim financing for the timely repayment of the CHF bond, which was however repaid in the previous year, meaning that interest paid fell from EUR 10.2 million to EUR 5.7 million.

Cash flow from investing activities fell to EUR -7.2 million in the reporting period (previous year: EUR 44.4 million). In the previous year, cash flow was primarily influenced by the proceeds from the sale of the Digital Assistance division.

There was a rise in cash flow from financing activities to EUR -2.8 million in the reporting period (previous year: EUR -49.0 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. Loan and lease liabilities were repaid as planned in the reporting year. In addition, the payment of forward contracts maturing in 2024 had a positive effect on cash flow from financing activities.

Cash and cash equivalents amounted to EUR 1.3 million as at the reporting date (December 31, 2023: EUR 3.2 million).

Opportunity and Risk Report

In the first nine months of 2024, there were no significant changes compared to the opportunities and risks described in detail in the 2023 Annual Report under “Opportunity and risk report”. The 2023 annual report is available online at <https://ir.paragon.ag>.

Events After the Reporting Period

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 previously expected sales of between EUR 160 million and EUR 165 million for the 2024 financial year with EBITDA of between EUR 18 million and EUR 20 million at Group level. Due to the continued cautious call-off behavior of customers, the sales expectation for the full year 2024 is now between EUR 135 million and EUR 140 million. The management confirms the EBITDA forecast of EUR 18 to 20 million and expects to be able to achieve EBITDA at the upper end of the range thanks to the numerous cost-cutting measures.

Development of key performance indicators:

	2023	Since start of the year 9M/2024	Adjusted 2024 forecast
Financial performance indicators			
Revenue from continued operations	€ 161.6 million	€ 106.3 million	€ 160 to 165 million
EBITDA fortgeführte und nicht fortgeführte Geschäftsbereiche	€ 25.2 million	€ 12.9 million	€ 18 to 20 million

Condensed Interim Consolidated Financial Statements

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Statement of Consolidated Comprehensive Income for the Period January 1 to September 30, 2024 (IFRS)

€ '000	Jan.1 to 30. Sept. 30, 2024	Jan. 1 to Sept. 30, 2023 ¹	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023 ¹
Revenue	106,262	122,011	30,902	35,374
Other operating income	3,381	9,699	1,258	6,708
Increase or decrease in inventory of finished goods and work in progress	-539	597	-1,246	1,973
Other own work capitalized	4,894	1,686	3,249	1,353
Total operating performance	113,998	133,994	34,163	45,407
Cost of materials	-58,163	-68,445	-16,140	-21,545
Gross profit	55,835	65,549	18,023	23,861
Personnel expenses	-29,648	-34,008	-8,468	-11,176
Depreciation of property, plant and equipment and amortization of intangible assets	-8,985	-10,785	-2,651	-3,875
Other operating expenses	-13,284	-15,273	-5,163	-4,723
Earnings before interest and taxes (EBIT)	3,918	5,483	1,740	4,088
Financial income	46	61	33	0
Financial expenses	-4,683	-9,388	-1,448	-1,906
Financial result	-4,637	-9,327	-1,415	-1,906
Earnings before taxes (EBT)	-720	-3,844	324	2,182
Income taxes	-284	1,220	-317	593
Earnings from continued operations	-1,004	-2,625	7	2,775
Earnings from discontinued operations	n.a.	6,999	n.a.	n.a.
Consolidated net income	-1,004	4,374	7	2,775
Earnings per share in € (basic and diluted) from continued operations	-0.22	-0.58	0.00	0.61
Earnings per share in € (basic and diluted) from discontinued operations	n.a.	1.55	n.a.	n.a.
Earnings per share in € (basic and diluted) from continued and discontinued operations	n.a.	0.97	n.a.	n.a.
Average number of shares outstanding (basic and diluted)	4,526,266	4,526,266	4,526,266	4,526,266
Other comprehensive income				
Currency translation reserve from continued operations	-27	-99	-37	67
Total comprehensive income	-1,031	4,275	-30	2,842

1 Due to the sale of paragon semvox GmbH, the Digital Assistance operating segment is presented as a discontinued operation as of Sep. 30, 2023.

Consolidated Balance Sheet as of September 30, 2024 (IFRS)

€'000	Sep.30, 2024	Dec. 31, 2023
ASSETS		
Noncurrent assets		
Intangible assets	33,339	33,711
Goodwill	5,745	5,745
Property, plant and equipment	26,402	26,719
Investments accounted for using the equity method	1,522	1,522
Shares in associated companies	120	120
Other assets	439	456
	67,567	68,274
Current assets		
Inventories	17,881	20,642
Trade receivables	6,601	6,646
Other current financial assets	3,264	5,193
Other current non-financial assets	2,452	3,094
Contract assets	1,439	1,461
Cash and cash equivalents	1,322	3,209
	32,959	40,246
Total assets	100,526	108,520

€ '000	30. Sep. 2024	31. Dez. 2023
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	4,526	4,526
Capital reserve	15,485	15,485
Revaluation reserve	64	64
Loss carried forward	-24,290	-20,478
Consolidated net income	-1,004	-3,812
Currency translation differences	105	132
	-5,114	-4,084
Noncurrent provisions and liabilities		
Noncurrent liabilities from lease contracts	7,356	8,687
Noncurrent loans	5,899	6,001
Noncurrent bonds	24,825	24,825
Deferred taxes	408	292
Pension provisions	1,921	1,921
Other noncurrent financial liabilities	1,161	2,205
	41,571	43,930
Current provisions and liabilities		
Current portion of liabilities from lease contracts	3,134	2,958
Current loans and current portion of noncurrent loans	7,838	7,872
Trade payables	23,763	24,374
Short-term bonds	20,321	22,162
Other provisions	51	488
Income tax liabilities	614	614
Other current financial liabilities	2,389	2,632
Other current non-financial liabilities	5,960	7,574
	64,070	68,673
Total equity and liabilities	100,526	108,520

Consolidated Cash Flow Statement for the Period from January 1 to September 30, 2023 (IFRS)

€ '000	Jan. 1 to Sept. 30, 2024	Jan. 1. to Sept. 30, 2023 ¹
Earnings before taxes (EBT)	-1,004	4,374
Net income from discontinued operations	n.a.	-6,999
Depreciation of noncurrent assets	8,985	10,785
Financial result	4,637	9,328
Gains (-)/losses from the disposal of property, plant and equipment and financial assets	0	-6,547
Increase (+), decrease (-) in other provisions and pension provisions	-437	1,672
Other noncash income and expenses	-233	0
Increase (-), decrease (+) in trade receivables, other receivables and other assets	2,656	-5,933
Increase (-), decrease (+) in inventories	2,760	-108
Increase (+), decrease (-) in trade payables and other liabilities	-3,630	-2,034
Interest paid	-5,676	-10,214
Income tax expense (+)/income (-) excluding deferred taxes	0	107
Cash flow from operating activities of continued operations	8,068	-5,568
Cash flow from operating activities from discontinued operations	n.a.	1,960
Proceeds from disposals of property, plant and equipment (+)	20	6,006
Payments for investments in property, plant and equipment (-)	-2,547	-771
Payments for investments in intangible assets (-)	-4,639	-1,380
Proceeds from disposals of intangible assets (+)	0	3,035
Proceeds from the sale of consolidated companies and other business units (+)	0	37,545
Cash flow from investing activities of continued operations	-7,166	44,434
Cash flow from investing activities from discontinued operations	n.a.	-1,801
Disbursements for the repayment of financial loans (-)	-1,871	-25,991
Payments from taking out financial loans (+)	847	0
Disbursements for the repayments of bonds (-)	-351	-20,352
Payments for the repayment of liabilities from leases (-)	-2,311	-2,571
Payments from forward payout (+)	925	0
Change OCI	-27	-99
Cash flow from financing activities in continued operations	-2,789	-49,012
Cash flow from financing activities from discontinued operations	n.a.	-155
Changes in cash and cash equivalents (continued)	-1,887	-10,146
Cash and cash equivalents at beginning of period (continued)	3,209	18,106
Cash and cash equivalents at end of period (continued)	1,322	7,960

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

Statement of Changes in Equity for the Period from January 1 to September 30, 2024 (IFRS)

€ '000	Subscribed capital	Capital reserve	Revaluation reserve	Currency translation reserve	Retained profit		Total
					Loss carryforward	Consolidated net income	
January 1, 2024	4,526	15,485	64	132	-20,478	-3,812	-4,084
Appropriation of net profit	0	0	0	0	-3,812	3,812	0
Net income for the year	0	0	0	0	0	-1,004	-1,004
Currency translation	0	0	0	-27	0	0	-27
Other comprehensive income	0	0	0	-27	0	0	-27
Total comprehensive income	0	0	0	-27	-3,812	2,808	-1,031
September 30, 2024	4,526	15,485	64	105	-24,290	-1,004	-5,114

€ '000	Subscribed capital	Capital reserve	Revaluation reserve	Currency translation reserve	Retained profit		Total
					Loss carryforward	Consolidated net income	
January 1, 2024	4,526	15,485	21	281	-16,284	-3,367	661
Appropriation of net profit	0	0	0	0	-3,367	3,367	0
Net income for the year	0	0	0	0	0	4,374	4,374
Currency translation	0	0	0	-99	0	0	-99
Other comprehensive income	0	0	0	-99	0	0	-99
Total comprehensive income	0	0	0	-99	-3,367	7,741	4,275
September 30, 2024	4,526	15,485	21	182	-19,651	4,374	4,937

Notes

Accounting principles

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

The form and content of the consolidated half-year report comply with Deutsche Börse's reporting obligations. The report represents an update of the Annual Report, taking into account the reporting period. Its focus is on the current reporting period and should be read in conjunction with the Annual Report and the additional information about the company contained therein. The aforementioned annual report can be viewed on the Internet under 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., paragon Automotive Technology (Shanghai) Co., Ltd. and paravox Automotive Pvt Ltd. (99%) in India are also part of the scope of consolidation of the paragon Group. 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. paragon semvox GmbH is no longer included in paragon's scope of consolidation as of the reporting date.

Income Statement, Balance Sheet, Cash Flow Statement

The chapters „Financial Position and Net Assets“ and „Financial Performance“ 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. KGaA.

Management and Supervisory Board

As of September 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 September 30, 2024, the type 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 of December 31, 2023 in the 2023 Annual Report.

Notes on the Preparation of the Consolidated Interim Financial Statements

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

Insurance of 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, November 12, 2024



Klaus Dieter Frers
Chief Executive Officer

Financial Calendar 2024

14. November 2024

Earnings Call (Third Quarter)

Imprint

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