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Press release - 21 June 2021

## Paragon ID announces its acquisition of Security Label, the European market leader in airline baggage tags

**Paragon ID (Euronext Paris - FR0013318813 - PID)**, leading provider of identification solutions for Transport & Smart Cities, e-ID, Traceability, Brand Protection and Payment, announces its acquisition of Security Label, European leader and one of the world's biggest producers of baggage tags for the air transport industry. The acquisition will become effective as of 1 July 2021.

### **A client portfolio of the world's largest airlines**

Security Label is a German company based near Hanover, founded in 1990 by the von Wedekind family. It has since become a worldwide reference in the design and manufacture of baggage tags, offering its customers a complete range of products for check-in documents and standard & RFID baggage labelling tags.

Security Label works with over 400 airlines and with airports in more than 100 countries and is a strategic partner of IATA (*International Air Transport Association*). It estimates its market share in Europe, Middle East and Africa at approximately 70%.

In 2019, Security Label achieved a turnover of €12.5 million. Having suffered a significant decrease in its revenues from the reduction in air traffic due to the pandemic, the company anticipates a steady increase in its turnover as travel restrictions are lifted.

### **Objective: to become the world's leader in RFID baggage tags for the aviation industry**

The acquisition of Security Label represents an opportunity for Paragon ID to become the world leader in baggage tags for the aviation sector.

Under its Resolution 753, IATA supports the global deployment of baggage tracking using radio frequency identification (RFID) technology. Many airlines have already commenced their transition to RFID technology and many more are committed to transitioning their baggage tags to RFID-enabled tags over the next few years.

Security Label's reputation and its strong relationships with the world's largest airlines will combine with Paragon ID's expertise in RFID technologies (as evidenced by the exclusive contract signed in 2019 with Air France for the supply of RFID baggage tags to the French airline) to enable the group to accelerate its development in this sector. As airlines increasingly adopt RFID tags, Paragon ID aims to become the world leader in RFID baggage tags for air transport.

Security Label will also be able to leverage Paragon ID's established positions across the Atlantic to expand its business with North American airlines.

This acquisition also marks a new geographical expansion for Paragon ID, and the potential to build upon a strong base for its development in other activities in the German market (RTLS, Mobile and Account Based Ticketing, Payment, etc.).

## Terms of the transaction

The agreed transaction will see Paragon ID acquiring 93% of the capital of Security Label, which will become effective on 1<sup>st</sup> July 2021.

The balance, held by Security Label CEO Montassar Ben Hmida, who will lead the integration of the company into Paragon ID, will be acquired by Paragon ID at a price determined by Security Label's performance over the coming years.

The acquisition will be financed entirely in cash from the company's own funds and from the credit lines already available to Paragon ID.

### Clem Garvey, Paragon ID CEO says:

*" We have been exploring possibilities for cooperation with Security Label since we won the Air France contract in 2019. As Europe's biggest manufacturer of RFID tags, we were looking for an established player in the Baggage Tag ecosystem with whom we could take a leading position in an industry on the cusp of transformation through adoption of RFID. Security Label is by far the best possible partner we could have imagined and we are delighted to conclude our discussions with an acquisition of the company, its name, its people, its contracts and its potential.*

*I want to welcome Montassar and all of the employees of Security Label to the Paragon ID family. I would also like to thank the founding shareholder, Oscar von Wedekind, for his personal commitment to finding a new home for Security Label which will give it every opportunity to realize its full potential. "*

## About Paragon ID

Paragon ID is a leader in identification solutions, in particular in the e-ID, Transport & Smart Cities, Traceability & Brand Protection and Payment sectors.

Paragon ID employs more than 500 staff, with manufacturing sites in US and Europe, close to its customers.

Paragon ID is listed on Euronext Paris with a majority of its shares being held by Paragon Group, a leading provider of Customer Communications. Identification solutions and Graphic services. Paragon Group is present in more than 20 countries with more than 9,000 employees around the world and achieved consolidated sales of € 1.1 billion at the end of the 2019/20 financial year (closed June 30, 2020), recording a growth of 29%. For further information about Paragon Group, visit [Paragon-europe.com](http://Paragon-europe.com).

Euronext Paris - Share identification: Paragon ID - ISIN Code: FR0013318813 - Mnemonic code: PID.

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