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Balance Sheet Adjustment at paragon Subsidiary Voltabox Leads to Significant Extraordinary Effects

Delbrück, Germany, May 8, 2020 – paragon [ISIN DE0005558696] will recognize one-time effects of a significant magnitude due to the decision of the management board of the Voltabox AG subsidiary to undertake a comprehensive balance sheet adjustment in the 2019 consolidated annual financial statements. The reasons for the adjustment of assets were in particular the announcement of the intention by paragon to sell its shares as well as a worsened outlook for the business of Voltabox due to the coronavirus pandemic. The value adjustments of Voltabox made for 2019 come to a total of € 100.6 million. In the Voltabox balance sheet, these result, among other things, from adjustments of assets with regard to the still unprofitable U.S. subsidiary Voltabox of Texas, the reversal of the sale of the Voltamotion product segment caused by the COVID-19 pandemic, and the now permanent impairment of assets in view of the changed development of business.

Due to the balance sheet adjustment at the Voltabox subsidiary in the fiscal year 2019, the paragon Group will not achieve the forecast EBIT margin of -1 to -2 percent. The annual financial statements of Voltabox AG will now be consolidated into the consolidated financial statements of paragon. The management expects the finalization of preliminary results of the paragon consolidated financial statements shortly.

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paragon GmbH & Co. KGaA (ISIN DE0005558696), which is listed in the regulated market (Prime Standard) of the Frankfurt Stock Exchange, develops, produces and distributes forward-looking solutions in the field of automotive electronics, body kinematics and e-mobility. As a market-leading direct supplier to the automotive industry, the company's portfolio includes the Electronics operating segment's innovative air-quality management, state-of-the-art display systems and connectivity solutions, and high-end acoustic systems. In the Mechanics operating segment, paragon develops and produces active mobile aerodynamic systems. With Voltabox AG (ISIN DE000A2E4LE9), a subsidiary that is also listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, the Group is also active in the rapidly growing Electromobility operating segment with its cutting-edge lithium-ion battery systems developed in-house.

In addition to the company headquarters in Delbrück (North Rhine-Westphalia, Germany), paragon GmbH & Co. KGaA and its subsidiaries operate sites in Suhl (Thuringia, Germany), Landsberg am Lech and Neu-Ulm (Bavaria, Germany), Markgröningen and St. Georgen (Baden-Württemberg, Germany), Limbach (Saarland, Germany), Aachen (North Rhine-Westphalia, Germany) as well as in Kunshan (China), Oroslavje (Croatia) and Austin (Texas, USA).

Additional information about paragon can be found at www.paragon.ag.

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