

paragon Holds Virtual Annual General Meeting in Delbrück

- **A look back at Automotive business in 2019: 16% revenue growth despite a market that has shrunk by 6% and one-time special expenses**
- **paragon Automotive is past coronavirus dip – fast V-shaped recovery and promising outlook for the second half of the year**
- **Focus on target “The paragon 2021”: Software will become increasingly important in the product portfolio**

Delbrück, Germany, September 15, 2020 – paragon [ISIN DE0005558696] held its Annual General Meeting for 2020 today. It was conducted in a virtual format for the first time because of the COVID-19 pandemic. For this virtual format, the showroom in the headquarter in Delbrück was transformed into a temporary television studio. The shareholders of paragon GmbH & Co. KGaA were able to follow the event on the internet and vote on the agenda items via the shareholder portal. “The health of our shareholders, employees and board members has absolute priority – especially in the current situation. Hopefully, this year’s format will remain an exception,” explains Klaus Dieter Frers, founder and Chairman of the Board of paragon. The share capital of the company was represented with a presence of 51.38%

paragon achieved significant growth in 2019 in a market environment characterized by a decline in the core business with automotive customers. Revenue at the end of the year was even higher than internal expectations. “Personally, I was not able to find any results in the 2019 annual reports of the relevant companies in the automotive industry that presented such a striking example of a company that has counteracted the market to the extent that paragon did last year,” said Klaus Dieter Frers in his speech during the Annual General Meeting. Frers attributes this confirmation of growth against the market trend primarily to the fact that the factors that have recently preoccupied the global automotive industry were not apparent at paragon. “This applies equally to the diesel crisis, the WLTP debate and to the endless trade conflicts.” The transformation of the industry towards e-mobility and digitalization, he

continued, did not affect paragon negatively because its products do not depend on the respective type of drive. In any case, he noted, paragon can be compared to its competitors only to a limited extent. Frers went on, “We are far from being represented in the same way at every car manufacturer worldwide. This, together with the many products that are still at the beginning of their life cycle, is the reason.”

In the current year, paragon has again already moved beyond the disruptions caused by the shutdown of the car manufacturers. The company responded to the situation beginning in the second half of March with active working capital management and a tightening of cost-cutting measures.

The management expressly thanked the Group’s employees for their dedication in 2019 and especially in this current period.

The management of the paragon Group used the occasion to once again explain the decision to sell its Voltabox subsidiary, as well as related perspectives, and to discuss the current status of the sale process. “The decision is a piece of the mosaic on our way to creating a new paragon Group that is focused, consolidates its strengths and will finally be more present and clearly visible on the market than before,” stressed Klaus Dieter Frers. He also emphasized that the proceeds from the sale are to be used to reduce debt and invest in the automotive business, but not, as is often assumed, to offset the coronavirus-related loss of liquidity. “Our financial position has been stabilized through strict liquidity management. Further measures with considerable liquidity potential have been initiated in recent months and have in part already been implemented.”

In his speech, Dr. Matthias Schöllmann, Managing Director of Automotive, focused on the future orientation of the product portfolio. Under the title “The paragon 2021,” management has developed a target that outlines the short and medium-term development of the Group. “With an awareness of our market position and our opportunities, we are starting the next

stage of expansion – just in time for the separation from Voltabox and thus our concentration on the automotive business,” Dr. Schöllmann explained. “We see ourselves as a technology company. One that increasingly recognizes its software expertise as the basis for further products.”

The Annual General Meeting expressed its confidence in the members of the Management and the Supervisory Board of paragon GmbH & Co. KGaA for fiscal year 2019 by a large majority and approved all items on the agenda. The company publishes the detailed voting results on the items on the agenda under the section Hauptversammlung on its website at <https://ir.paragon.ag>.

Profile: paragon GmbH & Co. KGaA

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), 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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