paragon Retracts Revenue and Earnings Forecast due to COVID-19 Pandemic – Annual Report and Annual General Meeting Postponed

- Statements by automotive manufacturers signal a longer shutdown of plants and slower restart of production than previously expected – fully consolidated Voltabox announces drastically reduced customer orders
- Revenue losses can no longer be offset over the course of the year – currently not possible to issue a reliable forecast
- Publication of the consolidated financial statements and the Annual General Meeting will be postponed – the impact of the COVID-19 pandemic will be illustrated in the annual report for 2019

Delbrück, Germany, March 27, 2020 – paragon [ISIN DE0005558696] expects that the business goals for 2020 will not be met as a result of the COVID-19 pandemic. Reduced customer orders and logistics issues affecting the fully consolidated financial investment Voltabox as well as signals from customers in the automotive industry regarding vehicle sales over the further course of the year indicate a longer shutdown of plants and slower restart of production than previously expected. Therefore, the management has retracted the revenue and earnings forecast for 2020. The uncertainty regarding further economic development in the wake of the current restrictions makes a reliable forecast impossible at present. In light of the situation, the company will additionally postpone the publication of its consolidated financial statements as well as its Annual General Meeting.

After the fully consolidated subsidiary Voltabox announced considerable deterioration of the business prospects for the current year in the wake of the COVID-19 pandemic, the paragon Group also expects orders from its direct customers in the automotive industry to decline. The management no longer assumes that the revenue losses suffered can be compensated for over the further course of the financial year. Therefore, the forecast for 2020 has been retracted. In light of decreased clarity around the economic consequences of the COVID-19 pandemic, a reliable forecast is not possible at this point.
“paragon remains an important partner to a number of automotive producers active around the world because of the very high number of products for which we are the sole supplier. However, the coronavirus crisis is affecting our customers to a more severe extent than previously thought, despite the fact that the Chinese market has clearly begun to recover already,” says Klaus Dieter Frers, founder and Chairman of the Board of paragon.

In light of the restrictions on gatherings currently in place, the management has additionally decided not to hold its regular Annual General Meeting as planned on May 13, 2020, instead postponing it to a later time. If possible, the new date will be rescheduled within the legally prescribed deadline.

The adjustment of the financial calendar will give the Group the opportunity to reflect on the significantly different economic conditions in the first quarter due to the COVID-19 pandemic in the annual report for 2019. In addition to the forecast effects on global economic growth and the business of paragon, factors to be taken into account in the reporting include the intended sale of the financial investment in Voltabox as well as consolidation effects. As soon as the implications have been measured and processed, the company will announce a new date for the publication of the 2019 consolidated financial statements.
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About paragon GmbH & Co. KGaA

paragon GmbH & Co. KGaA (ISIN DE00055558696), 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. George (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.

Capital Market & Press Contact

paragon GmbH & Co. KGaA

Stefan Westemeyer
Artegastrasse 1
33129 Delbrück, Germany
Phone: +49 (0) 52 50 - 97 62-141
Fax: +49 (0) 52 50 - 97 62-63
Email: investor@paragon.ag