

**GROUP INTERIM STATEMENT**  
AS OF SEPTEMBER 30, 2020  
NINE MONTHS

Group Key Figures (IFRS) <sup>1</sup>

€ '000 / as indicated	Jan. 1 to Sep. 30, 2020	Jan. 1 to Sep. 30, 2019 <sup>2</sup>	Change	Jul. 1 to Sep. 30, 2020	Jul. 1 to Sep. 30, 2019 <sup>2</sup>	Change
Revenue	83,841	94,856	-11.6%	33,802	30,888	9.4%
EBITDA	7,521	8,466	-11.2%	4,140	3,341	23.9%
EBITDA margin in %	9.0%	8.9%	n. a.	12.2%	10.8%	n. a.
EBIT	-6,482	-2,731	-137.3%	-877	-967	9.3%
EBIT margin in %	-7.7%	-2.9%	n. a.	-2.6%	-3.1%	n. a.
Result from continued activities	-10,351	-5,903	-75.4%	-2,221	-1,868	-18.9%
Result from discontinued activities	-32,680	-9,943	-228.7%	-10,881	-6,056	-79.7%
Group result	-43,031	-15,846	-171.6%	-13,102	-7,924	-65.3%
Earnings per share of continued activities in €	-2.29	-1.30	0.99	-0.49	-0.41	0.08
Investments (CAPEX) <sup>3</sup>	5,599	27,633	-79.7%	2,286	12,441	-81.6%
Operating cash flow	8,284	-2,008	n. a.	4,206	9,661	-56.5%
Free cash flow <sup>4</sup>	2,685	-29,641	n. a.	1,920	-2,780	n. a.
€ '000 / as indicated	Sep. 30, 2020	Dec. 31, 2019 <sup>5</sup>	Change	Sep. 30, 2020	Sep. 30, 2019 <sup>5</sup>	Change
Total assets	225,308	274,056	-17.8%	225,308	380,653	-40.8%
Equity	13,891	52,607	-73.6%	13,891	160,410	-91.3%
Equity ratio in %	6.2%	19.2	n. a.	6.2%	42.1%	n. a.
Free liquidity	4,256 <sup>6</sup>	18,002	-76.4%	4,256	18,376	-76.8%
Interest bearing liabilities	126,396 <sup>6</sup>	148,974	-15.2%	126,396	140,098	-9.8%
Net debt <sup>7</sup>	122,140 <sup>6</sup>	130,972	-6.7%	122,140	121,722	0.3%
Employees <sup>8</sup>	794	800	-0.7%	794	825	-3.8%

## Share

	Sep. 30, 2020	Dec. 31, 2019	Change	Sep. 30, 2020	Sep. 30, 2019	Change
Xetra closing price	9.30 €	14.50 €	-35.9%	9.30 €	12.58 €	-26.1%
Number of shares outstanding	4,526,266	4,526,266	0%	4,526,266	4,526,266	0%
Market capitalization in € million	42.1	65.6	-23.5	42.1	56.9	-14.8

1 The operating activities of paragon were previously divided into the operating segments of Electronics, Mechanics and Electromobility. The Electromobility operating segment is represented by the listed subsidiary Voltabox AG. On March 3, 2020, paragon announced its intention to sell its stake in Voltabox AG. As a result of the planned sale, the previously fully consolidated investment has been accounted for as a discontinued operation since the first quarter of 2020 in accordance with the provisions of IFRS 5.

2 Comparative figures for the prior year have been adjusted due to the reporting of discontinued operations (Electromobility operating segment) in accordance with IFRS 5.

3 CAPEX = investments in property, plant and equipment + investment in intangible assets

4 Free cash flow = operating cash flow – investments (CAPEX)

5 Values from 2019 include paragon Automotive (Electronics and Mechanics operating segments) as well as the Electromobility operating segment.

6 Figure only includes continuing activities.

7 Net debt = interest-bearing liabilities – available liquidity.

8 Employees of continued activities plus 48 temporary workers at paragon Automotive (Dezember 31, 2019: 46, September 30, 2019: 49)

## The First Nine Months of 2020 at a Glance

- Revenue for Q3 2020 at a very high level – impact from COVID-19 pandemic now barely perceptible
- 3rd quarter automotive revenue clearly more than 9% higher than prior year; revenue of € 83.8 million for the first nine months of the year now only 11.6% below prior year's level
- EBITDA margin for Q3 2020 of 12.2% despite factory vacations that are typical for OEMs in the industry; this confirms effectiveness of the cost reduction measures implemented
- Earnings already back at a level similar to Q3 2019 despite coronavirus-related revenue decline in the first half of 2020: EBITDA at € 7.5 million (prior year: € 8.5 million); margin at 9.0% (prior year: 8.9%)
- Improved forecast for automotive business in 2020: Revenue at the upper end of the range from € 110 to 120 million with EBITDA margin at the upper end of the range from 8 to 12%; annual revenue of up to € 125 million possible

Dear shareholders,  
customers, business partners  
and employees,

paragon can handle crises. This statement from the speech at the Annual General Meeting proved true once again in the third quarter. Against the backdrop of this market environment marked by dramatic negative headlines, we were able to increase our revenue from July to September by an impressive 9.4% compared with the same quarter of the prior year. The EBITDA during this period provides further proof that paragon is on the right path. A margin of 12.2% is a clear indicator that our measures to increase efficiency are working. They provide paragon with the best possible prospects for the future. We are meeting our requirements for an ambitious growth trajectory paired with above-average profitability.

The strength shown by paragon in the current situation is attributable not only to our far-sighted positioning among OEMs and the return of robust development in the premium segment, but also to the fact that we have completed our internal strategic and operational tasks. With an EBITDA margin of 9% after three quarters despite a six-week production stop, we are clearly on course. Our past measures to increase efficiency are paying off in full. Driven by this, we expect our profitability to continue to improve in the fourth quarter. Our growth in the third quarter can be attributed particularly to the Digital Assistance (+ 75%), Sensors (+ 16.5%) and Kinematics (+ 15%) operating segments. After nine months, paragon has generated revenue totaling € 83.8 million.

The sale of our subsidiary Voltabox remains very high on our agenda. As we have recently communicated, we are highly satisfied with our progress towards the sale, with the group of bidders and with the constructive negotiations. Contrary to particular media reports, the sale process is not at all at an impasse. In fact, the process has gained momentum due to new interested parties. The announcement of a groundbreaking future technology

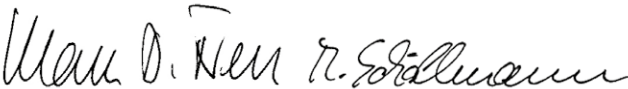
by Voltabox also plays a role in the bidding competition. This novel approach to battery design, called "flow-shape design," underscores our conviction that the true value of the innovative technology company Voltabox lies far beyond its current market capitalization. Our primary objective continues to be obtaining the best possible outcome for paragon and its shareholders, as well as for Voltabox. It therefore suits us that we do not have to allow ourselves to be driven. As has been repeatedly confirmed, we expect to make decisive progress by the end of the year.

As already announced in our publication of preliminary figures, the current operating performance provides sufficient grounds for optimism regarding our earnings for the year as a whole. Accordingly, we anticipate that paragon is likely to reach the upper end of the forecast range for revenue and earnings. Under this assumption, revenue could reach € 120 million with an EBITDA margin of up to 12%. The fourth quarter provides us with further sales potential, which we could realize if orders on hand develop optimally. In this case, revenue could increase to as much as € 125 million.

In several days, we are holding a Capital Markets Day event which will focus on our automotive business growth strategy and our future technology and product highlights. We will be issuing invitations for analysts and interested institutional investors through our marketing partner in the near future. Due to the circumstances, the event will be conducted virtually.

paragon's robust operational performance during the current situation would be impossible without the dedication and loyalty of our employees. We thank you in particular for your efforts over the past months. We would naturally also like to thank our customers and

business partners; they have approached the challenges of the current situation with an eye to finding solutions, and they appreciate paragon's reliability.



Klaus Dieter Frers  
CEO

Dr. Matthias Schöllmann  
Managing Director Automotive

## paragon in the Capital Market

The German stock market continued seamlessly onward from its dynamic year-end spurt in 2019 and built up gradually to a new all-time high in January of this year. This development was fueled by various economic and trade policy signals. At the same time, the news surrounding the spread of the novel coronavirus built up a powerful counterweight that increasingly depressed the mood of market participants in the course of the first quarter. According to the Deutsche Börse Sentiment Index, the bearish camp of institutional investors increased by 20 percentage points in the first half of February, reaching 39%. As the spread of the disease reached pandemic proportions, German and U.S. stock markets ultimately responded with dramatic fluctuations. Governments and central banks were compelled to react to the strongly pessimistic mood by announcing extensive countermeasures, which led to a significant recovery in share prices.

In mid-April, however, the sentiment index ultimately fell to -40 points, its lowest level since it was first collected in 2002. The behavior of market participants was determined primarily by the negative outlook for the global economy. This sentiment was supported by Bank of America's "Bull & Bear" Index, which showed a value of 0.0 on a scale of 0 to 10 – in short: extreme pessimism. In the meantime, however, the U.S. Federal Reserve bank had announced its new bond purchase program in the amount of an additional USD 2.3 trillion, thus providing an economic stimulus. The gradual relaxation of restrictions due to the COVID-19 pandemic subsequently served to reassure the markets, and the DAX rallied towards recovery in April and May. The fragility of this trend was shown by the dramatic counter-reaction in mid-June following concerns of a repeated flare-up of the COVID-19 pandemic against the backdrop of increasing infection rates, which led to a temporary 10% drop in the index.

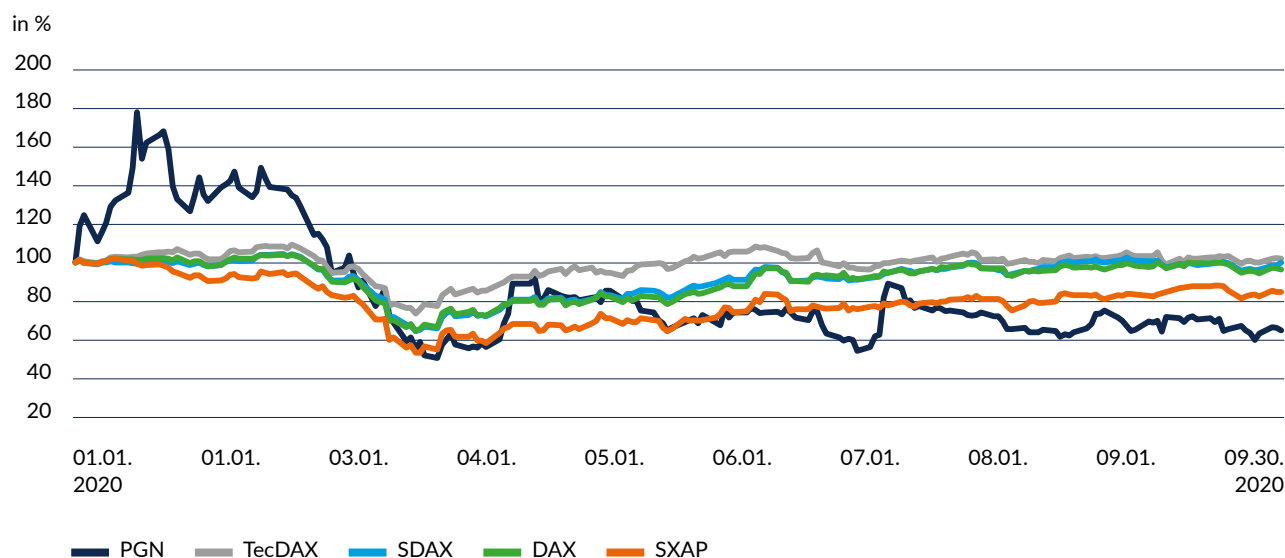
Although the sentiment index for both private and institutional investors stood in negative terrain at the end of June, the ostensibly pessimistic mood was moderated when assessed in regard to three- and six-month time horizons. This was particularly the case for institutional investors, whose sentiment index actually registered significantly higher than the three-month average.

Though the development of the COVID-19 crisis also kept the stock markets in suspense at the beginning of the second half of the year, it did not prevent the market from surging. However, a significant number of the national investors surveyed as part of the Frankfurt Sentiment Index did not trust the stable situation on the stock market and remained pessimistic despite the upturn in prices in July and August. Meanwhile, international investors in particular drove the recovery of the leading German indices. The EU special summit on a comprehensive reconstruction package sent an important signal of agreement. This led to an initial noticeable improvement in the outlook of market participants in this country, before pessimism returned in mid-August. In the meantime, the international stock markets became more dynamic once again. In particular, the broad-based S&P 500 index and the Nasdaq technology exchange reached new all-time highs. As a result of the change in strategy by the U.S. Federal Reserve and a strong rise in the euro against the dollar, the market sentiment as depicted by the Frankfurt Sentiment Index improved steadily at the end of August and the beginning of September. The sentiment barometer reached its highest value since March 25. This development was supported by the Bank of America (BoFA) fund manager survey, which found that a net 84% of respondents believed in September that global growth would improve over the next twelve months. In addition, a net 40% of the participants – more than ever since the start of the survey – assume there will be a strong surge in growth. Institutional investors with medium-term orientations were also inspired by such assessments. By the end of September, the Frankfurt Sentiment Index had risen to its highest level since March 18 of this year, defying interim setbacks caused by negative news as well as disappointing economic and fiscal stimuli.

As a result, the most important German stock indices largely compensated for the interim losses in the first nine months by the end of September (DAX -3.7%, SDAX -0.2%, TecDAX 1.8%). The STOXX Europe 600 Automobiles & Parts (SXAP) index, which lists the most important European automotive industry stocks, posted a significant loss of -15.7%.

During the same period, the paragon share substantially underperformed the market with a decline in value

## Performance of the paragon share



of -35.9%. Starting from an initial price of € 14.50, the paragon share saw positive development in the first few trading days of the year and rose rapidly to its high of € 25.95 in mid-January. In the weeks that followed, the share was able to maintain this high level in relation to the previous quarter until, from the second half of February onwards, the increasing spread of the coronavirus caused nervousness on the markets. The paragon share could not escape this development; it came under additional pressure following announcements by automobile manufacturers that they would temporarily suspend production, resulting in paragon plant closures. In line with the general mood on the stock markets, paragon shares regained momentum in the first half of April. The share then followed a lateral trend before intermittently climbing to € 12.86 in the first half of July. In August and September, however, the price faced a lack of support and was only rarely able to surpass the € 10 mark.

As of September 30, 2020, the share closed at € 9.30. Accordingly, the market value of paragon at this time came to € 42.1 million, which corresponds to a drop in value in the first three quarters of € 23.5 million.

The corporate bond 2017/22, tradable since June 28, 2017, averaged 51.62% in the first three quarters of the year.

The CHF bond 2019/24, tradable since April 23, 2019, averaged 51.59% in the first nine months of the year.

## Business development

Business development in the first nine months of the 2020 fiscal year was marked by a six-week production standstill starting in the second half of March. Despite the temporary closure of production plants for the protection of our employees' health during the spread of the coronavirus, revenue in the Automotive unit declined by only 11.6% during the first nine months of the year. Following the successful restart of production, the new Digital Assistance operating segment stood out with dramatic growth. Starting from an initially low level of revenue, it achieved revenue growth of 48.7%. The Kinematics operating segment showed relatively robust performance in the face of the coronavirus's economic impact, with a decline in revenue of only 3.1%.

Revenue for the 3rd quarter increased by 9.4% to € 33.8 million versus € 30.9 for the same quarter of the prior year. In a situation where the market as a whole remains under pressure, paragon sees this as a significant sign of its products' competitiveness and resistance to crisis. It

is also a sign that revenue development is decoupling from the condition of the automotive supply industry in general.

Unless otherwise stated, the following key figures and explanations cover the operating activities of the Elec-

tronics and Mechanics operating segments. Assets and liabilities as well as the profit after tax of the discontinued Electromobility segment are reported separately in the balance sheet and income statement in accordance with IFRS 5. The prior year's figures have been adjusted where necessary for purposes of comparison.

€ '000 / as indicated	Electronics <sup>9</sup>		Mechanics <sup>10</sup>		Eliminations		Group	
	9M/2020	9M/2019	9M/2020	9M/2019	9M/2020	9M/2019	9M/2020	9M/2019
Revenue with third parties	56,201	66,336	27,639	28,520	0	0	83,841	94,856
Revenue intersegment	3,277	2,445	464	259	-3,740	-2,704	0	0
<b>Revenue</b>	<b>59,478</b>	<b>68,781</b>	<b>28,103</b>	<b>28,779</b>	<b>-3,740</b>	<b>-2,704</b>	<b>83,841</b>	<b>94,856</b>
<b>EBIT</b>	<b>-3,725</b>	<b>-1,139</b>	<b>-1,970</b>	<b>-2,117</b>	<b>-788</b>	<b>525</b>	<b>-6,482</b>	<b>-2,732</b>
<b>EBIT margin</b>	<b>-6.3%</b>	<b>-1.7%</b>	<b>-7.0%</b>	<b>-7.4%</b>	<b>n. a.</b>	<b>n. a.</b>	<b>-7.7%</b>	<b>-2.9%</b>

<sup>9</sup> Sensors, Interior and Digital Assistance business units.

<sup>10</sup> Kinematics unit (paragon movasys GmbH).

Sales development in the individual units was as follows:

Distribution of revenues € '000 / as indicated	9M 2020	Share in %	9M 2019	Share in %	Change in %
Sensors	22,603	27.0	24,777	26.1	-8.8
Interior	29,148	34.8	38,565	40.7	-24.4
Digital Assistance	4,450	5.3	2,993	3.2	48.7
Kinematics	27,639	33.0	28,520	30.1	-3.1
<b>Total</b>	<b>83,841</b>	<b>100.0</b>	<b>94,856</b>	<b>100.0</b>	<b>-11.6</b>

## Financial performance

In the first nine months of the current fiscal year, paragon achieved revenue of roughly € 83.8 million (prior year: € 94.9 million). The 11.6% decrease in revenue relative to the prior year is mainly attributable to two opposing developments over the course of the year thus far. First, the six-week plant closures in the first and second quarters as a result of the coronavirus resulted in a 21.8% decrease in revenue in the first half of the year. Following the successful restart of production, however, revenue for the third quarter was 9.4% higher than in the corresponding period of the prior year.

The reduced other operating income of € 2.3 million (prior year: € 3.8 million) is primarily the result of foreign currency effects. As a result of an active working capital management approach, inventories of finished and unfinished goods decreased by € 2.5 million (prior year: reduction by € 0.2 million). Own work capitalized decreased to € 4.1 million (prior year: € 10.5 million) due to the conservative capitalization approach. This results in an overall performance of € 87.8 million (prior year: € 109.0 million).

The cost of materials decreased due to the reduced revenue to € 44.8 million (prior year: € 56.9 million). This resulted in a material input ratio (calculated from the ratio



of cost of materials to revenue and inventory changes) of 51.9% (prior year: 59.9%).

Gross profit for the first nine months of the year was € 42.9 million (prior year: € 52.1 million), which constitutes a gross profit margin of 51.2% (prior year: 55.0%). Personnel expenses fell to € 24.3 million (prior year: € 34.1 million). The personnel expense ratio was accordingly 29.0% (prior year: 36.0%).

Taking into account the other operating expenses of € 11.1 million (prior year: € 9.5 million), earnings before interest, taxes, depreciation and amortization (EBITDA) totaled € 7.5 million (prior year: € 8.5 million). This corresponds to an EBITDA margin of 9.0% (prior year: 8.9%). After increased depreciation and amortization of € 12.4 million (prior year: € 11.1 million), earnings before interest and taxes (EBIT) decreased to € -6.5 million (prior year: € -2.7 million). The EBIT margin accordingly came to -7.7% (prior year: -2.9%).

Taking into account the financial result in the first half of 2019 due to the bond issued then, the financial result for the first half of 2020 decreased to € -4.8 million (prior year: € -3.9 million). After positive income tax expenses of € 1.0 million (prior year: € 0.8 million), the paragon Group generated a result from continuing operations of € -10.4 million (prior year: € -5.9 million) in the reporting period. This corresponds to earnings per share of € -2.29 (prior year: € -1.30).

The Electromobility operating segment is reported as a discontinued operation. The result from discontinued operations for the first nine months of the year is € -32.7 million (prior year: € -9.9 million). This result is structured as follows:

€ '000	
Revenue	13,292
Other operating income and expenses	1,636
Financial result	-529
Earnings before taxes (EBT)	-32,012
Income taxes	-668
Earnings from discontinued operations	-32,680

## Net Assets

As of September 30, 2020, total assets had decreased to € 225.3 million (December 31, 2019: € 274.1 million).

Noncurrent assets decreased by € 41.7 million to € 125.2 million (December 31, 2019: € 166.9 million) as a result of reporting assets held for sale under current assets.

Current assets decreased by € 7.1 million to € 100.1 million (December 31, 2019: € 107.2 million) due to the decrease in inventories of paragon Automotive and the repayment of trade receivables.

Equity decreased by € -38.7 million to € 13.9 million as of the balance sheet date (December 31, 2019: € 52.6 million), particularly due to the negative total consolidated net income. This caused the equity ratio to decrease to 6.2% (December 31, 2019: 19.2%).

Noncurrent provisions and liabilities decreased by € 26.5 million to € 117.0 million (December 31, 2019: € 143.5 million), mainly due to the fact that liabilities held for sale are reported under current liabilities.

Current provisions and liabilities increased by 21.0% to € 94.4 million (December 31, 2019: € 78.0 million). This is mainly due to an increase in provisions at Voltabox AG, which is recognized under the "current liabilities held for sale" balance sheet item.

## Financial Position

Cash flow from operating activities improved in the period under review to € 8.3 million (prior year: € -2.0 million). Primary causes of this were the reduction of inventories by € 8.0 million, a smaller increase in receivables and other assets relative to the comparative period totaling € 2.3 million, and the decrease in payables and other liabilities by € 3.9 million. There was a cash flow of € 4.8 million from discontinued operations.

Cash flow from investing activities improved by € 26.2 million to € -1.4 million in the period under review (prior year: € -27.6 million). This is also the result of our min-

imized, more conservative investment strategy due to the uncertainties surrounding the coronavirus pandemic. The discontinued operation accounted for a cash flow of € -8.6 million in investment activities.

Cash flow from financing activities decreased by € 25.6 million to € -7.4 million during the period under review (prior year: € 18.2 million). This resulted primarily from the repayment of loans. The cash flow from the financing activities of the discontinued operation amounted to € -0.5 million.

Cash and cash equivalents totaled € 3.9 million as of the end of the reporting period (December 31, 2019: € 9.5 million).

## Opportunity and Risk Report

In the first nine months of 2020, there were no significant changes in the opportunities and risks described in detail under „Opportunity and Risk Report“ in the 2019 Annual Report in which the implications of the COVID-19 pandemic are already fully taken into account. The 2019 Annual Report can be accessed on the internet at <https://ir.paragon.ag>.

## Forecast

The forecast for the current fiscal year and the underlying assumptions are explained in detail in the combined management report for the 2019 fiscal year. Based on the positive development of existing customer orders and supported by market analyses from well-known consulting and market research firms, the Management expects revenue in the automotive business to reach between € 110 and 120 million in fiscal year 2020. In the core automotive business, paragon is aiming for an EBITDA margin of 8 to 12%. Based on the good development of call-offs in the third quarter and the stable outlook for the fourth quarter, management expects to reach the upper end of the respective ranges. With regard to revenues, there is also the potential that sales of € 125 million can be realized by the end of the year.

The Management of paragon plans an investment volume (CAPEX) of roughly € 10 to 15 million in the Automotive unit in the current year.

## Development of Key Performance Indicators

€ '000 / as indicated	2019	Year-to-date 9M/2020 <sup>11</sup>	Forecast 2020
<b>Financial performance indicators</b>			
Revenue	94,856	83,841	€ 110 to 120 million
EBITDA margin	8.9%	9.0%	8 to 12%
Investments (CAPEX) <sup>12</sup>	27,633	5,599	€ 10 to 15 million

<sup>11</sup> Exclusively paragon Automotive; without consideration of the Electromobility operating segment (discontinued activity)

<sup>12</sup> CAPEX = investments in property, plant and equipment + investment in intangible assets

## **Condensed Group Interim Financial Statements**

Consolidated Statement of Comprehensive Income

Consolidated Balance Sheet

Consolidated Cash Flow Statement

## Condensed Group Interim Financial Statements

Consolidated Statement of Comprehensive Income  
for the period of January 1 to September 30, 2020 (IFRS)

€ '000	Jan. 1 to Sep. 30, 2020	Jan. 1 to Sep. 30, 2019 <sup>13</sup>	Jul. 1 to Sep. 30, 2020	Jul. 1 to Sep. 30, 2019 <sup>13</sup>
<b>Revenue</b>	<b>83,841</b>	<b>94,856</b>	<b>33,802</b>	<b>30,888</b>
Other operating income	2,276	3,857	147	845
Increase or decrease in inventory of finished goods and work in progress	-2,475	-157	-562	81
Other own work capitalized	4,115	10,469	1,002	3,855
<b>Total operating performance</b>	<b>87,757</b>	<b>109,025</b>	<b>34,389</b>	<b>35,669</b>
Cost of materials	-44,817	-56,891	-18,313	-18,431
<b>Gross profit</b>	<b>42,940</b>	<b>52,134</b>	<b>16,076</b>	<b>17,238</b>
Personnel expenses	-24,283	-34,153	-7,334	-11,925
Depreciation of property, plant and equipment and amortization of intangible assets	-12,443	-11,138	-3,513	-4,249
Impairment of property, plant and equipment and intangible assets	-1,560	-59	-1,504	-59
Other operating expenses	-11,136	-9,515	-4,602	-1,972
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>	<b>7,521</b>	<b>8,466</b>	<b>4,140</b>	<b>3,341</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>-6,482</b>	<b>-2,731</b>	<b>-877</b>	<b>-967</b>
Financial income	23	3	3	1
Financial expenses	-4,849	-3,930	-1,541	-1,324
<b>Financial result</b>	<b>-4,826</b>	<b>-3,927</b>	<b>-1,538</b>	<b>-1,323</b>
<b>Earnings before taxes (EBT)</b>	<b>-11,308</b>	<b>-6,658</b>	<b>-2,415</b>	<b>-2,290</b>
Income taxes	957	755	194	422
<b>Result from continued activities</b>	<b>-10,351</b>	<b>-5,903</b>	<b>-2,221</b>	<b>-1,868</b>
Result from discontinued activities	-32,680	-9,943	-10,881	-6,056
<b>Consolidated net income</b>	<b>-43,031</b>	<b>-15,846</b>	<b>-13,102</b>	<b>-7,924</b>

<sup>13</sup> Comparative figures for the prior year have been adjusted accordingly due to the reporting of discontinued operations.

€ '000	Jan. 1 to Sep. 30, 2020	Jan. 1 to Sep. 30, 2019 <sup>14</sup>	Jul. 1 to Sep. 30, 2020	Jul. 1 to Sep. 30, 2019 <sup>14</sup>
Earnings per share in € (basic) – continued activities	-2.29	-1.30	-0.49	-0.41
Earnings per share in € (diluted) – continued activities	-2.29	-1.30	-0.49	-0.41
Earnings per share in € (basic) – continued and discontinued activities	-9.51	-3.50	-2.89	-1.75
Earnings per share in € (diluted) – continued and discontinued activities	-9.51	-3.50	-2.89	-1.75
Average number of outstanding shares (basic)	4,526,266	4,526,266	4,526,266	4,526,266
Average number of outstanding shares (diluted)	4,526,266	4,526,266	4,526,266	4,526,266
<b>Other comprehensive income</b>				
Actuarial gains and losses	0,0	0	0,0	0
Currency translation reserve	4,874	-370	1,771	0
<b>Total comprehensive income</b>	<b>-38,157</b>	<b>-16,216</b>	<b>-11,331</b>	<b>-7,924</b>

14 Comparative figures for the prior year have been adjusted accordingly due to the reporting of discontinued operations.

## Consolidated Balance Sheet as of September 30, 2020 (IFRS)

€ '000	Sep. 30, 2020	Dec. 31, 2019
<b>ASSETS</b>		
<b>Noncurrent assets</b>		
Intangible assets	58,264	71,284
Goodwill	22,375	22,375
Property, plant and equipment	44,113	69,307
Financial assets	121	1,521
Other assets	232	2,142
Deferred taxes	101	270
	<b>125,206</b>	<b>166,899</b>
<b>Current assets</b>		
Inventories	21,053	44,799
Trade receivables	10,644	45,027
Receivables from related parties	0	0
Income tax assets	69	84
Other assets	7,021	7,791
Cash and cash equivalents	3,900	9,456
Current assets held for sale	57,415	0
	<b>100,102</b>	<b>107,157</b>
<b>Total assets</b>	<b>225,308</b>	<b>274,056</b>

€ '000	Sep. 30, 2020	Dec. 31, 2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	4,526	4,526
Capital reserve	15,485	15,485
Minority interests	7,410	20,759
Revaluation reserve	-1,202	-1,202
Profit/loss carried forward	14,393	97,181
Consolidated net income	-28,258	-82,024
Currency translation differences	1,538	-1,354
	<b>13,891</b>	<b>52,607</b>
<b>Noncurrent provisions and liabilities</b>		
Noncurrent finance lease liabilities	3,131	19,433
Noncurrent loans	14,434	15,373
Noncurrent bonds	77,487	82,625
Special item for investment grants	764	829
Deferred taxes	15,062	18,623
Pension provisions	3,465	3,320
Other noncurrent liabilities	2,666	3,256
	<b>117,009</b>	<b>143,459</b>
<b>Current provisions and liabilities</b>		
Current portion of finance lease liabilities	2,433	2,685
Current loans and current portion of noncurrent loans	24,050	28,858
Current bonds	4,861	0
Trade payables	13,903	33,093
Other provisions	4,770	4,155
Income tax liabilities	711	716
Other current liabilities	8,565	8,483
Current liabilities held for sale	35,115	0
	<b>94,408</b>	<b>77,990</b>
<b>Total equity and liabilities</b>	<b>225,308</b>	<b>274,056</b>

## Consolidated Cash Flow Statement for the period from January 1 to September 30, 2020 (IFRS)

€ '000

	Jan. 1 to Sep. 30, 2020	Jan. 1 to Sep. 30, 2019
<b>Earnings before income taxes</b>		
Depreciation/amortization of noncurrent assets	-11,308	-6,658
<b>Financial result</b>	12,443	11,138
Gains (-)/losses (+) from the disposal of property, plant and equipment and financial assets	4,826	3,927
Increase (+)/decrease (-) in other provisions and pension provisions	3,950	-2,215
Income from the reversal of the special item for investment grants	-65	-66
Other non-cash income and expenses	0	2,422
Increase (-)/decrease (+) in trade receivables, other receivables, and other assets	-2,291	-17,431
Impairment of intangible assets	1,560	59
Increase (-)/decrease (+) in inventories	8,025	70
Increase (+)/decrease (-) in trade payables and other liabilities	-3,860	10,257
Interest paid	-4,826	-3,930
Income taxes	-170	419
<b>Cash flow from operating activities - continued activities</b>	<b>8,284</b>	<b>-2,008</b>
<b>Cash flow from operating activities - discontinued activities</b>	<b>4,774</b>	<b>-12,352</b>
Cash payments for investments in property, plant and equipment	4,186	0
Cash payments for investments in intangible assets	-1,484	-16,525
Cash payments for investments in financial assets	-4,115	-11,108
Interest received	23	3
<b>Cash flow from investment activities - continued activities</b>	<b>-1,390</b>	<b>-27,630</b>
<b>Cash flow from investment activities - discontinued activities</b>	<b>-8,564</b>	<b>-12,559</b>
Dividend payouts to shareholders	0	-846
Loan repayments	-5,488	-17,939
Proceeds from loans	450	8,350
Cash payments for finance lease liabilities	-2,377	-1,116
Net cash inflow from the issue of bonds	0	29,788
<b>Cash flow from financing activities - continued activities</b>	<b>-7,415</b>	<b>18,237</b>
<b>Cash flow from financing activities - discontinued activities</b>	<b>-501</b>	<b>45</b>



€ '000	Jan. 1 to Sep. 30, 2020	Jan. 1 to Sep. 30, 2019
<b>Continued activities</b>		
Changes in cash and cash equivalents	-521	-11,402
Cash and cash equivalents at beginning of period	4,421	13,607
Cash and cash equivalents at end of period	3,900	2,205
<b>Discontinued activities</b>		
Changes in cash and cash equivalents	-4,291	-24,865
Cash and cash equivalents at beginning of period	5,036	28,234
Cash and cash equivalents at end of period	745	3,369

## Notes

### Application of IFRS 5 – Voltabox AG Subgroup

At the beginning of 2020, paragon GmbH & Co. KGaA adopted a plan to sell the Voltabox subgroup and actively started searching for buyers. The sale is expected to be completed within twelve months.

As a result of the sale, paragon GmbH & Co. KGaA will lose control over the subsidiaries Voltabox AG, Voltabox of Texas, Inc., Voltabox of North America, Inc. and Voltabox Kunshan Co., Ltd. For this reason, in financial statements prepared after January 1, 2020, the Voltabox subgroup is reported as a “discontinued operation” in accordance with IFRS 5. The assets and liabilities of the discontinued operation will be recognized as “held for sale” on the statement of financial position.

The Voltabox subgroup originated from a spin-off of the paragon Group. It represents the Electromobility operating segment in the paragon Group. The subgroup includes the companies listed and an investment in ForkOn GmbH.

As of the balance sheet date, paragon GmbH & Co. KGaA holds 57.8% of Voltabox AG and is therefore the parent company of the Voltabox subgroup. paragon GmbH & Co. KGaA plans to sell all its shares during fiscal year 2020. In this process, the shares will not be offered on the open stock market, but rather sold in their entirety in a bidding process involving only potentially suitable industrial companies.

paragon GmbH & Co. KGaA does not expect an impairment from accounting in accordance with IFRS 5 in future financial statements. Voltabox’s share price was € 2.88 on September 30, 2020. paragon GmbH & Co. KGaA holds 9,150,000 shares. This results in a proportionate market value of € 26,352,000 as of the balance sheet date.

In the separate financial statements of paragon GmbH & Co. KGaA under German commercial law, the investment is shown with a carrying amount of € 10,350,489.11.

## Financial Calendar 2020

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November 16–18, 2020

Eigenkapitalforum (Virtual)

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The background of the page is an abstract, blurred image. It features a horizon line in the middle, with a bright, hazy sky above and a dark, blue sea or ocean below. The image is heavily blurred, creating a sense of motion and depth. The colors are primarily shades of blue and purple, with some white highlights from the sky and sea surface.