

paragon consolidated interim report
for the period January 1 to March 31, 2014

paragon®



Highlights of the first quarter of 2014

- Start of fiscal year exceeds expectations
- Revenue increases by 15.2 % to EUR 19.0 million
- EBIT exceeds target, reaching EUR 0.6 million
- Substantial investment made in new business divisions
- Managing Board confirms forecast for 2014

Key figures of the first three months of 2014

In EUR thousands	Jan. 1 - March 31, 2014	Jan. 1 - March 31, 2013	Change in %
Revenue	18,999	16,489	15.2
EBITDA	1,802	1,980	- 9.0
EBITDA margin in %	9.5	12.0	
EBIT	597	895	- 33.3
EBIT margin in %	3.1	5.4	
Net income	87	458	- 81.0
Earnings per share in EUR	0.02	0.11	- 81.0
Total assets	52,779	43,533	21.2
Total equity	15,980	13,486	18.5
Equity-to-assets ratio in %	30.3	31.0	
Free cash flow	14,835	7,182	106.6
Interest-bearing liabilities	25,785	14,294	80.4
Net debt*	10,950	7,112	54.0
Operating cash flow	- 2,333	- 1,127	- 107.0

* Net debt = interest-bearing liabilities ./ free cash flow

Overall economic conditions

According to the Kiel Institute for the World Economy (IfW)¹, global economic growth will continue to strengthen after gaining momentum during the second half of 2013, following a noticeable recovery of the world's advanced economies. Current risks stem from structural problems experienced by developing markets, which have led to a reassessment of long-term growth prospects and additional outflows of capital, as well as from geopolitical developments in places such as the Ukraine.

For the eurozone, experts involved in the Eurozone Economic Outlook² research project expect growth in the gross domestic product (GDP) to increase by 0.4% during the first quarter of 2014 compared to the previous quarter. The rate of growth will slow down during the course of the year, however. The upswing mainly stems from investment demand, which can be attributed both to increasing foreign demand and improved domestic demand. In contrast, no significant momentum is expected from private consumption due to the continuing strain felt by the job market and the prevailing income situation. For Germany, the Joint Economic Forecast (Gemeinschaftsdiagnose³) project group also predicts strong GDP growth of 0.8% for the first quarter compared to the previous quarter, primarily as a result of investment demand and private consumption.

The positive development seen in the passenger car market at the end of 2013 continued during the first three months of 2014, and overall led in part to noticeable increases in sales⁴ and a higher volume of new car registrations. New car registrations in Western Europe increased by a good 7% to 3.1 million vehicles, and by 22% to 225,000 vehicles in the so-called 'new' EU countries. At almost 4.5 million vehicles, 14% more vehicles were sold overall in China than in the previous year, while the sale of light vehicles (passenger cars and light trucks) remained steady in the US due to the difficult winter, showing a slight increase of around 1% to 3.7 million vehicles. The Japanese market benefited from advance purchases made in anticipation of the VAT increase set to take effect in April, showing growth of 21% to 1.6 million vehicles. After a 15% drop in March, the Brazilian market decreased by almost 2% to 775,000 vehicles. Decreases were also seen in Russia (-2% to 603,000 vehicles) and

India (-7% to 676,000 vehicles). Overall, new vehicle sales increased by a good 7% to 15.2 million vehicles in the countries mentioned. According to information provided by the German Association of the Automotive Industry (VDA) during a press conference it held on March 3, 2014 during the Geneva Motor Show, German automotive manufacturers have a global market share just short of 20% for passenger cars, and of almost 80% for the premium segment. As the established business partner of German premium manufacturers, paragon also benefits from their strong market position.

Business development and significant events

paragon AG's revenue increased noticeably by 15.2% year-on-year, to about EUR 19.0 million, after having reached EUR 16.5 million during the same period last year. As of March 31, more than 96% of the customer orders necessary to achieve our total budgeted revenue for the current financial year have already been secured. As a result of significant investment and the corresponding extra expenditure in our new business divisions. EBIT decreased from EUR 0.9 million to EUR 0.6 million, while still remaining over budget. Compared to the same quarter of the previous year, EUR 0.5 million more was invested in our Body Works Kinematics business division alone, while almost EUR 0.2 million more was invested in our Electromobility business division, including the construction of Voltabox of Texas, Inc. Taking into account the above additional expenditure, EBIT, at EUR 1.3 million, would have been about 44% higher than the prior-year figure of EUR 0.9 million.

Revenue distribution by business divisions

The operational revenue of all of paragon AG's business divisions either falls within or slightly exceeds budgeted figures. Our Cockpit business divisions reported an excellent first quarter, achieving an increase in the sale of instruments and rear view cameras of about 8% above the previous year's figure.

In our Electromobility business division, the number of inquiries for our high-performance battery packs continued to grow. Interesting inquiries have been received from domestic and international OEMs in our Body Works Kinematics business division as well.

¹ IfW media information of March 13, 2014: "Belebung der Weltwirtschaft trotz Widerständen" (Global economy improves despite resistance)

² Eurozone economic outlook of April 7, 2014: "Moderate Erholung im Euroraum" (Moderate recovery in eurozone)

³ Joint Economic Forecast for Spring 2014, dated April 10, 2014

⁴ All Data: VDA press release of April 17, 2014: "Westeuropa, USA und China auf Wachstumskurs" (Western Europe, US and China on growth path)

Revenue distribution by business divisions

	Q1/2014 TEUR	in %	Q1/2013 TEUR	in %
Sensors business division	7,358	38.7	6,557	39.8
Acoustics business division	3,806	20.0	2,804	17.0
Cockpit business division	7,280	38.3	6,665	40.4
Electromobility business division	24	0.1	20	0.1
Body Works Kinematics business division	531	2.9	443	2.7
Total	18,999	100.0	16,489	100.0

In our Acoustics business division, we initiated the pilot series production of the second generation of our Belmic system at our plant in Suhl during the first quarter. Lastly, our Sensors business division worked on two development contracts during the first quarter for our AQI air control system, from one German and one US OEM.

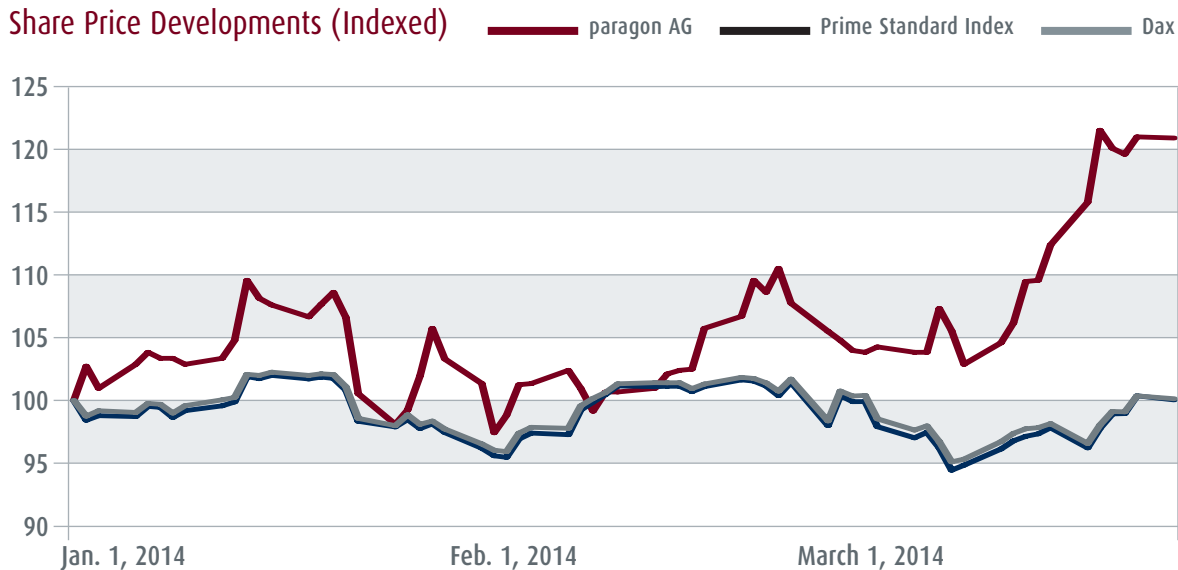
Initial steps were taken during the first quarter to plan for a production site in Texas as part of our internationalization strategy. Our first team on the ground is systematically preparing the ramp-up to full production, which should take place during the fourth quarter of this year. Our aim is to market our Electromobility division under the global brand

Voltabox, in order to take advantage of the many opportunities for battery packs both in markets outside of the automotive industry in Europe and in the US.

In March 2014, paragon AG placed an additional tranche of EUR 3.0 million on its corporate bond with institutional investors, raising the total issue volume of the bond to EUR 13 million (prospectus: up to EUR 20 million).

The partial outsourcing of pension obligations that took place on December 31, 2013 was paid on January 13, 2014 in the amount of EUR 1.5 million.

Share Price Developments (Indexed)



Results of operations

In the first quarter, the Company generated consolidated revenue of EUR 19.0 million (prior year: EUR 16.5 million), reflecting an increase of 15.2% compared to the first quarter of 2013. The cost of materials increased by 23.5% compared to the first quarter of 2013, from EUR 8.7 million to EUR 10.7 million, which can primarily be attributed to changes that were made to the product portfolio and to one-off effects in inventory management. As a result, the ratio of cost of materials to revenue rose from 52.6% to 56.3%. Personnel expenses rose by 19.1% from EUR 4.5 million to EUR 5.4 million during the first quarter of 2014, primarily as a result of new hires for our new business divisions. The corresponding ratio of personnel expenses to revenue was 28.5%, up from 27.5% during the previous year. As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 9% from EUR 2.0 million to EUR 1.8 million. After depreciation and amortization of EUR 1.2 million (prior year: EUR 1.0 million), earnings before interest and taxes (EBIT) were EUR 0.6 million, compared to EUR 0.9 million during the first quarter of 2013. Adjusted for the additional future-oriented expenditure incurred in comparison to the previous year for our new business divisions Body Works Kinematics and Electromobility, EBIT would have increased by about 44.9% to EUR 1.3 million, and the EBIT margin would be 6.8% (prior year: 5.4%). During the first quarter of 2014, paragon AG ultimately generated an unadjusted quarterly net income according to IFRS of EUR 0.1 million (prior year: EUR 0.5 million), resulting in earnings per share of EUR 0.02 (prior year: EUR 0.11).

Financial position and net assets

Total assets as of March 31, 2014 increased noticeably to EUR 52.8 million compared to EUR 43.5 million as of March 31, 2013, mainly due to the additional capital generated by the corporate bond.

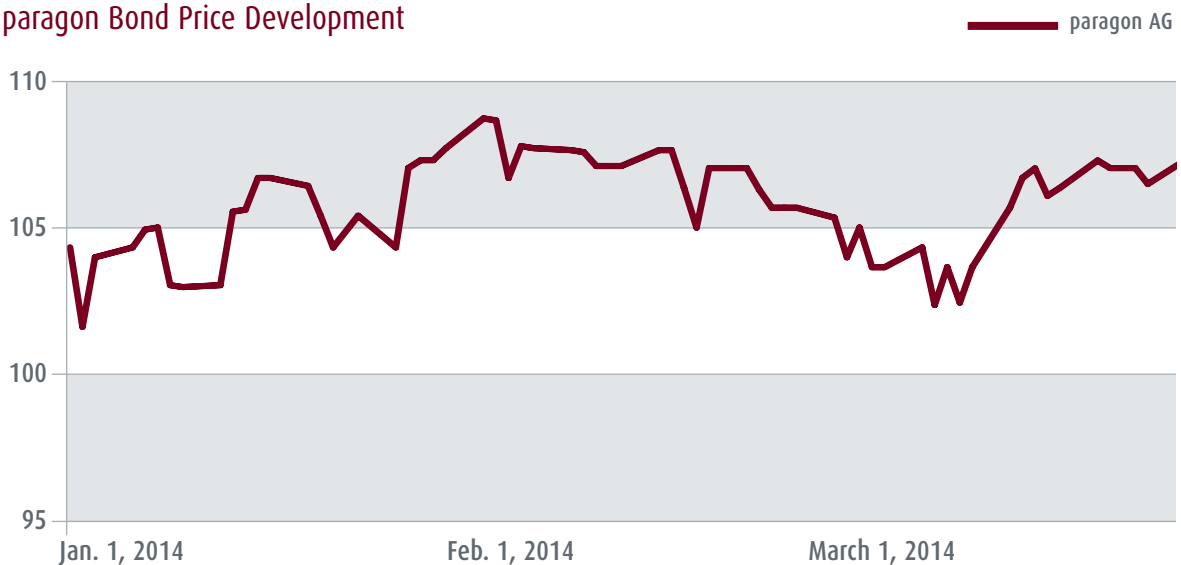
Non-current assets rose to EUR 19.3 million (prior year's quarter: EUR 19.0 million). Current assets even increased from EUR 24.6 million to EUR 33.5 million, which can primarily be attributed to an increase in trade receivables of almost EUR 4 million, and an increase in cash and cash equivalents of about EUR 5 million.

Non-current provisions and liabilities increased in 2013 and during the first quarter of 2014 as a result of placing the corporate bond, by a total of about EUR 10 million to EUR 26.9 million, up from EUR 16.8 million in the previous year's quarter. In contrast, current provisions and liabilities decreased from EUR 13.3 million to EUR 9.9 million.

paragon AG's equity increased compared to the first quarter of 2013, from EUR 13.5 million to EUR 16.0 million as of March 31, 2014. This resulted in an equity-to-assets ratio of 30.3%, down from 31.0% in the previous year's quarter.

The cash flow generated by operating activities decreased during the first quarter of 2014, from EUR -1.1 million in the previous year's quarter to EUR -2.3 million, which is primarily the result of partially outsourcing pension provisions of EUR 1.5 million and the decrease in earnings before taxes.

paragon Bond Price Development



Cash and cash equivalents as of March 31, 2014 amounted to EUR 16.1 million, up from EUR 11.2 million as of the end of the first quarter of 2013.

Research & development

paragon continued to focus significantly on research & development during the first quarter of 2014. We made great strides with development projects in all five of our business divisions, which should substantially improve our market position and sales prospects. This is also reflected in the ratio of R&D to revenue, which increased (despite higher revenue) from 9.7 % to 10.0 %.

Specifically, our Cockpit business division is currently working on developing a new product platform for surface displays, on pre-developing infrared gesture recognition technology on display surfaces for premium manufacturers, and on designing an innovative TFT display system. In our Electromobility division, we are continuing our systematic development of battery system modules with the aim of using additional cell types and the development of performance and function modules. In our Body Works Kinematics business division, development activities for our universal drive system have reached the next stage, resulting in an elaborated drive design that can be expanded in several stages into a drive with a fully-integrated control system.

Investments

paragon invested a total amount of approximately EUR 1.6 million from January 1 to March 31, 2014 (prior year: EUR 1.5 million). This primarily related to an increase in capital expenditure on property, plant and equipment, from EUR 0.6 million to EUR 1.2 million, the reason for which was mainly the acquisition of the building at Bösendamm 11 from Frers Grundstücksverwaltungs GmbH & Co. KG, at a purchase price of EUR 1.7 million, of which EUR 0.7 million has already been paid.

Employees

As of the reporting date, paragon AG employed 398 of its own workers and 56 temporary staff members. Compared to the prior-year reporting date, the total number of employees thus increased (March 31, 2013: 382 employees, and 43 temporary staff members). Through our distribution office in Shanghai and our US subsidiary Voltabox of Texas, Inc., paragon now also has 7 employees abroad. Individual sites within Germany accounted for the following figures (own workers; temporary staff members) as of March 31, 2014: Delbrück (107; 5), Suhl (202; 48), Nuremberg (30; 2), and St. Georgen (52; 1).

Investor relations

The German Stock Index (DAX) was extremely volatile during the first quarter of 2014, but returned to practically the same level at the end of the three-month period as was seen at close of the previous year. Starting at 9,552 points on December 30, 2013, the DAX reached its year-to-date high of 9,743 points on January 17, 2014, before dropping to 9,018 points on March 13, 2014, and closing at 9,556 points again at the end of the first quarter.

The paragon stock managed to clearly dissociate itself from the above development, showing a very positive trend that was in particular driven by the positive results for the financial year 2013. Starting at EUR 10.40 at the close of 2013, the stock initially recorded a low of EUR 10.13 (on February 4) due to overall market weakness, before increasing to a year-to-date high of EUR 12.65 (on March 25). At EUR 12.59, the closing price at the end of the first quarter was only slightly lower, equating to growth of 21% compared to the end of 2013.

One highlight of paragon's Investor Relations activities during the first quarter of 2014 was the financial statements press conference it held on March 12, 2014 in its Delbrück headquarters. CEO Klaus Dieter Frers explained the figures for fiscal 2013 and the planning and forecasts for 2014 for the media representatives in attendance.

Based on the figures and planning presented during an analyst conference call, a number of analysts updated their research regarding the paragon stock. Both Close Brothers Seydler Research AG, Frankfurt am Main (March 19; price target: EUR 17.00) and Dr. Kalliwoda Research GmbH, Frankfurt am Main (March 17; price target: EUR 20.48) reaffirmed paragon's positive future outlook by confirming their price targets.

Key Share Data

ISIN:	DE0005558696
WKN:	555869
Ticker symbol:	PGN
Market segment	Regulated market
Transparency level:	Prime Standard
Sector:	Technology
Industry:	Automotive suppliers
Stock exchange:	Frankfurt (XETRA)
Also traded in:	Berlin, Düsseldorf, Hamburg, Munich, Stuttgart
Number of shares:	4,114,788
Share price on March 31, 2014:	EUR 12.59
Market capitalization on March 31, 2014:	EUR 51.8 million
Average trading volume (52 weeks) as of March 31, 2014:	110,132 shares a day
Designated sponsor	Close Brothers Seydler Bank AG

The bond issued in July 2013 also benefited from the good results for fiscal 2013, ending the first quarter at 106.7 %, once again well above the issue price of 100 %. In March 2014, paragon AG managed to privately place an additional tranche of EUR 3.0 million on its corporate bond with institutional investors, raising the total issue volume of the bond to EUR 13 million (prospectus: up to EUR 20 million). The additional funds will primarily be used to finance the further expansion of our Body Works Kinematics and Electromobility business divisions.

Key Bond Figures

ISIN:	DE000A1TND93
WKN:	A1TND9
Ticker symbol:	PGNA
Market segment:	Open Market
Transparency level:	Entry Standard for corporate bonds
Stock exchange:	Frankfurt
Also traded in:	Berlin, Hamburg, Hannover
Issue volume:	up to EUR 20 million
Placed volume:	EUR 13 million
Coupon:	7.25 % p.a. (paid annually)
Issue date:	July 2, 2013
Maturity:	July 2, 2018
Rating:	BB+ (Creditreform Rating AG)
Bond price as of March 31, 2014:	106.7 %
Average trading volume (since issue) as of March 31, 2014:	EUR 35.353 (nominal) per day

Risk report

Detailed information on paragon AG's individual risk situation was given in the section on opportunities and risk in the Annual Report for the fiscal year ended December 31, 2013. The statements contained therein with respect to overall risk continue to be applicable.

At the time this report was published, there were no identifiable risks that could threaten the Company's ability to continue as a going concern.

Outlook

According to the Kiel Institute for the World Economy (IfW)⁵, global economic growth will significantly accelerate at an annual rate of 3.6 % in 2014, driven by the world's advanced economies. The economy in the eurozone is expected to gain momentum as well, with anticipated GDP growth of 1.2 %.

⁵ IfW media information dated April 13, 2014: "Belebung der Weltwirtschaft trotz Widerständen" (Global economy improves despite resistance)

For Germany, the Institute anticipates a noticeable growth surge equating to an increase in GDP of 1.9% in 2014. The main reasons for that growth dynamic are capital expenditure and private consumption. A more robust job market (with unemployment reducing further to 6.7%), lower interest rates, increasing incomes, and stable user prices will all encourage consumer spending.

The German Automotive Industry Association (VDA)⁶ is cautiously optimistic about 2014. Assuming that the Western European passenger car market, in which the German automotive industry has amassed a market share of a good 50%, continues to recover, the VDA anticipates domestic passenger car production to grow by 2% to 5.55 million cars. Passenger car exports should also grow by 2%, to 4.28 million cars. Although almost two thirds of German vehicles are now produced abroad, growth is expected to continue in those regions as well in 2014. The VDA anticipates that the global passenger car market, and first and foremost the Chinese market, will continue to grow by 3% in 2014, to a good 75 million vehicles.

After a good first quarter, paragon AG is optimistic about the further development of revenue during the current financial year. The development of our revenue and other key performance indicators to date suggests that we will reach our targets for 2014. Overall, paragon plans to generate revenue growth of about 8% and an EBIT margin of approximately 10%, bolstered primarily by a marked increase in sales in our Electromobility business division. In that division alone, paragon anticipates total annual sales of over EUR 10 million, up from EUR 3.8 million in 2013. In that connection, about 300 battery packs will be produced for and delivered to various clients during the current financial year. Overall, Vossloh Kiepe alone has announced a need for about 1,000 battery packs in the coming years.

paragon's aim is to maintain or even expand the already very good market position enjoyed by its traditional Cockpit, Sensors and Acoustics business divisions, while continuing to grow its new Body Works Kinematics and Electromobility business divisions. Overall, paragon wishes to secure an additional share of the automotive industry's value creation chain by cementing its position as a recognized supplier of

high-quality systems both during the current year and in the years to come.

Our Electromobility business division, which subject to the approval of the shareholders' meeting will operate independently in the future under the Voltabox brand, is already contributing to the increasing independence of the automotive economy by focusing on new target groups. In addition to their application in trolleybuses, Voltabox battery packs will also be used in smaller commercial vehicles, in forklift trucks and in the solar industry in the future. In view of an expected share in Group sales of about 30% in fiscal 2015, Electromobility will increasingly become an important pillar in addition to existing client groups in the automotive industry. The conscious diversification of our product portfolio will ultimately serve to considerably stabilize paragon's sales revenue and to increase its independence from the automotive business cycle.

Another key strategic focus is the accelerated internationalization of our operations, exemplified in fiscal 2014 primarily by the establishment of our own production facility in the US. Significant steps have already been taken in that regard during the first quarter, and production is set to start during the fourth quarter of 2014. Furthermore, Mexico and China also remain in focus as potential future production locations.

Overall, the Managing Board sees great opportunities in the market for 2014, and especially for 2015, which should be accompanied by a noticeable growth in revenue.

⁶ VDA press conference held March 3, 2014: „Wissmann: Erholung Westeuropas gibt Autoindustrie Rückenwind“ (Western European recovery gives automotive industry tailwind)

Consolidated Balance Sheet of paragon AG, Delbrück, as of March 31, 2014

in EUR thousands	March 31, 2014	March 31, 2013
Assets		
Non-current assets		
Intangible assets	5,541	5,391
Property, plant and equipment	13,517	13,446
Financial assets	120	0
Other assets	103	127
Deferred taxes	0	0
Total non-current assets	19,281	18,964
Current assets		
Inventories	8,172	7,737
Trade receivables	6,523	2,663
Income tax assets	888	1,041
Other assets	1,766	1,939
Cash and cash equivalents	16,149	11,189
Total current assets	33,498	24,569
Total assets	52,779	43,533

in EUR thousands	March 31, 2014	March 31, 2013
Equity and liabilities		
Equity		
Subscribed capital	4,115	4,115
Capital reserve	2,450	2,450
Revaluation deficit	- 446	- 803
Profit carried forward	9,775	7,266
Net income	87	458
Currency translation differences	- 1	0
Total equity	15,980	13,486
Non-current provisions and liabilities		
Non-current lease obligations	607	179
Non-current borrowings	9,703	11,776
Non-current bonds	13,007	0
Special item for investment grants	1,347	1,942
Deferred taxes	994	102
Pension provisions	1,224	2,761
Total non-current provisions and liabilities	26,882	16,760
Current provisions and liabilities		
Current portion of finance lease obligations	267	240
Current borrowings and current portion of non-current borrowings	2,201	2,099
Trade payables	3,413	3,918
Other provisions	- 62	253
Income tax liabilities	57	74
Other current liabilities	4,041	6,703
Total current provisions and liabilities	9,917	13,287
Total equity and liabilities	52,779	43,533

**Consolidated Statement of Comprehensive Income of paragon AG, Delbrück,
for the period January 1, to March 31, 2014**

in EUR thousands	Q1 2014 Jan. 1 – March 31, 2014	Q1 2013 Jan. 1 – March 31, 2013
Sales revenue	18,999	16,489
Other operating income	289	265
Increase or decrease in inventory of finished goods and work in progress	475	- 18
Other own work capitalized	417	482
Total operating performance	20,180	17,218
Cost of materials	- 10,702	- 8,669
Gross profit	9,478	8,549
Personnel expenses	- 5,406	- 4,539
Depreciation of property, plant and equipment and amortization of intangible assets	- 1,205	- 1,024
Impairment of property, plant and equipment and intangible assets	0	- 61
Other operating expenses	- 2,270	- 2,029
Earnings before interest and taxes (EBIT)	597	895
Financial income	4	1
Finance costs	- 457	- 246
Financial result	- 453	- 245
Earnings before taxes (EBT)	144	650
Income taxes	- 57	- 192
Net income	87	458
Earnings per share (basic)	0,02	0,11
Earnings per share (diluted)	0,02	0,11
Average number of shares outstanding (basic)	4,114,788	4,114,788
Average number of shares outstanding (diluted)	4,114,788	4,114,788

**Consolidated cash flow statement of paragon AG, Delbrück,
in accordance with IFRS**

in EUR thousands	Jan. 1 – March 31, 2014		Jan. 1 – March 31, 2013	
Earnings before income taxes	144		650	
Depreciation/amortization of non-current assets	1,205		1,024	
Financial result	454		245	
Increase (+), decrease (-) in other provisions and pension provisions	- 117		- 12	
Income from the reversal of the special item for investment grants	- 149		- 149	
Other non-cash income and expense	2		0	
Increase (-), decrease (+) in trade receivables, other receivables and other assets	- 780		- 1,098	
Partial outsourcing of pension provisions	- 1,453		0	
Impairment of intangible assets	0		61	
Increase (-), decrease (+) in inventories	- 703		- 424	
Increase (+), decrease (-) in trade payables and other liabilities	- 25		- 181	
Interest paid	- 457		- 247	
Income taxes	- 384		- 996	
Cash flow from operating activities		- 2,263		- 1,127
Cash payments to acquire property, plant and equipment	- 1,192		- 624	
Cash payments to acquire intangible assets	- 410		- 845	
Interest received	2		1	
Cash flow from investing activities		- 1,600		- 1,468
Cash repayments of borrowings	- 540		- 483	
Cash proceeds from issuing loans	80		264	
Cash repayments for liabilities from finance leases	- 75		- 80	
Net cash proceeds from the issuance of bonds	2,900		0	
Cash flow from financing activities		2,365		- 299
Cash-effective change in liquidity	- 1,497		- 2,894	
Cash and cash equivalents at beginning of period	17,647		14,083	
Cash and cash equivalents at end of period	16,149		11,189	

Figures for the period from January 1 to March 31, 2014

Consolidated Statement of Changes in Equity of paragon AG, Delbrück

in EUR thousands	Subscribed capital	Capital reserve	Revaluation deficit	Reserve from currency translation	Accumulated profit		Total
					Profit carried forward	Net income	
January 1, 2013	4,115	2,450	- 803	0	7,266	0	13,028
Net income	0	0	0	0	0	3,949	3,949
Actuarial gains and losses	0	0	357	0	0	0	357
Currency translation	0	0	0	-1	0	0	- 1
Other comprehensive income	0	0	357	- 1	0	0	356
Comprehensive income	0	0	357	- 1	0	3,949	4,305
Dividend payout	0	0	0	0	- 1,440	0	- 1,440
December 31, 2013	4,115	2,450	- 446	- 1	5,826	3,949	15,893
in EUR thousands	Subscribed capital	Capital reserve	Revaluation deficit	Reserve from currency translation	Accumulated profit		Total
					Profit carried forward	Net income	
January 1, 2014	4,115	2,450	- 446	- 1	9,775	0	15,893
Net income	0	0	0	0	0	87	87
Actuarial gains and losses	0	0	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0
Comprehensive income	0	0	0	0	0	87	87
Dividend payout	0	0	0	0	0	0	0
March 31, 2014	4,115	2,450	- 446	- 1	9,775	87	15,980

Additional disclosures

The report for the first three months has been prepared according to the uniform accounting principles of the International Financial Reporting Standards (IFRS), which were also applied in the Annual Report for the fiscal year ending December 31, 2013. The standards of the International Accounting Standards Board (IASB) and the interpretations of the International Financing Reporting Interpretations Committee (IFRIC) apply. The form and content of the interim report comply with the reporting requirements of the German stock exchange. The report for the first three months represents an update of the Annual Report. Its focus is on the current reporting period and it should be read in conjunction with the Annual Report and the supplementary information concerning the Company contained therein.

During the first quarter, Voltabox of Texas, Inc. was fully consolidated for the first time, expanding the existing scope of consolidation of KarTec GmbH and paragon Automotive Technology (Shanghai) Co., Ltd. to include Voltabox of Texas, Inc.

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