

paragon Considers FREP Auditing Process of Consolidated Financial Statements for 2017 Completed

- All corrections have already been made in the IFRS consolidated financial statements for 2018
- Management aims for prompt publication of the errors identified by the FREP
- Publication will follow receipt of the respective notice from the BaFin by the German Federal Gazette

Delbrück, May 28, 2019 – paragon GmbH & Co. KGaA [ISIN DE0005558696] has waived its right to be heard by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) on the FREP auditing process triggered by the audit of the IFRS 2017 annual financial statements of the paragon subsidiary Voltabox AG due to consolidation in the paragon Group.

The German Financial Reporting Enforcement Panel (FREP) identified errors in the consolidated financial statements of paragon GmbH & Co. KGaA as of December 31, 2017. These were entirely taken into account by the company in the consolidated financial statements for 2018 as well as explained in the notes. The final decision of the FREP received on May 6, 2019 corresponded to the findings to date. As part of the hearing process, the Federal Financial Supervisory Authority of Germany (BaFin) presented the company with the possibility to validate the arguments that would speak against their publication. In order to facilitate the prompt publication of the errors identified by the FREP, the Management of paragon GmbH & Co. KGaA has declined this option.

The publicly traded subsidiary Voltabox AG, in which paragon holds 60 percent of the subscribed capital and is fully consolidated in the consolidated financial statements, has already released an announcement on May 6, 2019 in accordance with Section 109 (2) (1) of the German Securities Trading Act (WpHG) upon receipt of the notice from the Federal Financial Supervisory Authority of Germany. The errors listed in the notice have also been corrected and explained in the consolidated financial statements for 2018 of Voltabox AG and its respective notes.

Following receipt of the respective notice from the BaFin, which is expected shortly, paragon will undertake the publication in accordance with Section 109 (2) (1) WpHG.

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 of the automotive industry, the company's portfolio includes the Electronics operating segment's innovative air-quality management, state-of-the-art display systems, connectivity solutions, high-end acoustic systems and digital assistant systems. In the Mechanics operating segment, paragon develops and produces active mobile aerodynamic systems. With Voltabox AG, 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), Neu-Ulm, Nuremberg and Landsberg am Lech (Bavaria, Germany), Korntal-Münchingen and St. Georgen (Baden-Württemberg, Germany), Bexbach and Limbach (Saarland, Germany), Aachen (North Rhine-Westphalia, Germany) as well as in Kunshan (China) and Cedar Park (Austin, Texas, USA).

Additional information about paragon can be found at <https://www.paragon.ag/>.

Financial Press & Investor Relations Contact**paragon GmbH & Co. KGaA**

Dr. Kai Holtmann
Artegastrasse 1
33129 Delbrück, Germany
Phone: +49 (0) 52 50 - 97 62-140
Fax: +49 (0) 52 50 - 97 62-63
Email: investor@paragon.ag