

+++ Disclosure of Inside Information Pursuant to Article 17 MAR +++

paragon AG Planning Conversion Into Partnership Limited by Shares (KGaA)

Delbrück, Germany, March 26, 2018 – Today, the Management Board and Supervisory Board of paragon AG (ISIN DE0005558696) unanimously resolved to propose a change of the company's legal form to a partnership limited by shares (KGaA) at the company's Annual General Meeting on May 8, 2018.

The conversion of the company into a KGaA is intended to ensure the continuation of the company's long-term growth strategy and combine the possibilities of a capital market-oriented company with the advantages of a family business. The conversion of legal form will probably lead to an increased willingness of the founder and majority shareholder Mr. Klaus Dieter Frers to support future capital measures, even if Mr. Klaus Dieter Frers cannot or does not want to participate in full. At the same time, the conversion of legal form will ensure that Mr. Klaus Dieter Frers, along with his entrepreneurial spirit, will remain a long-term investor in the company. Mr. Klaus Dieter Frers has informed the company that he will support the proposal and intends to remain a long-term shareholder of the company.

As part of the conversion of legal form, the future paragon GmbH will join the company as a general partner and will represent the company through its management. As one of the managing directors of paragon GmbH and through his stake in paragon GmbH, Mr. Klaus Dieter Frers will continue to have a significant influence on the company.

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The conversion of the legal form of paragon Aktiengesellschaft into a KGaA does not result in the dissolution of the company or the formation of a new legal entity. The legal and economic identity of the company will be preserved.

Disclaimer

This publication constitutes neither an offer to sell nor a solicitation of an offer to purchase nor an invitation to subscribe to securities. A public offer of shares in the company or other securities will not take place and is not planned.

This document contains forward-looking statements. Forward-looking statements are based on current expectations and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, developments and achievements of the company to differ materially from those expressed or implied. No undue reliance should be placed on forward-looking statements. The company will not update or revise these forward-looking statements based on new information, future events or any other reason.

Additional information about paragon AG can be found at www.paragon.ag/en/investors.

Company Profile

paragon AG (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, e-mobility and body kinematics. 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. With Voltabox AG (ISIN DE000A2E4LE9), a subsidiary that is also listed on the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt, Germany, the Group is also active in the rapidly growing Electromobility operating segment with its cutting-edge lithium-ion battery systems. In the Mechanics operating segment, paragon AG develops and produces active mobile aerodynamic systems.

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In addition to the company headquarters in Delbrück (North Rhine-Westphalia, Germany), paragon AG and its subsidiaries operate sites in Suhl (Thuringia, Germany), Nuremberg and Landsberg am Lech (Bavaria, Germany), St. Georgen (Baden-Württemberg, Germany), Bexbach (Saarland, Germany) and Aachen (North Rhine-Westphalia, Germany) as well as in Kunshan (China) and Austin, Texas (USA).

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