

paragon GmbH & Co. KGaA Sets the Margin of Interest for New Bond

- **Margin for the annual fixed interest rate between 4.25% and 4.75%**
- **Subscription period for the bond starts on October 23, 2018**

Delbrück, October 18, 2018 – Today paragon GmbH & Co. KGaA (ISIN DE0005558696) published the margin for the annual fixed interest rate of its new corporate bond (ISIN: DE000A2NBZK1; WKN A2NBZK), which was announced on October 15, 2018. Based on discussions held with investors, the margin was set between 4.25% and 4.75% p.a. The final interest rate will be published via a pricing notice after the end of the subscription period, which is expected to be October 25, 2018, at 2 p.m. (subject to early closure), and will be set on the basis of the received subscription orders.

“Our consistent growth strategy was met with great approval and interest during the discussions held with investors over the past few days,” said Klaus Dieter Frers, founder and Chairman of the Board of paragon GmbH & Co. KGaA. “The decision to issue a new corporate bond will allow us to secure the financing for the next development phase in the automotive sector without diluting the value of the company’s interest held by the current shareholders of paragon.”

The offering period for the new corporate bond begins on October 23, 2018. The bond, which has a nominal value of € 1,000, can be purchased after this date at banks or through online brokers and at the Frankfurt Stock Exchange via the DirectPlace subscription function of Deutsche Börse AG. The issuing of the bond is aimed at private investors, institutional investors and asset managers.

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The target volume of the issuance nominally amounts to € 50 million, though this is not a set limit. The offer is subject to the condition that a minimum nominal amount of € 30 million be successfully placed.

The inclusion of the bonds in trading on the open market of the Frankfurt Stock Exchange in Deutsche Börse AG's Scale segment for corporate bonds is expected to occur on October 31, 2018 (subject to trading on terms of issue before the issue date of the bonds).

The securities prospectus, approved by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg on October 16, 2018, and notified to the Federal Financial Supervisory Authority of Germany (BaFin), as well as the supplement No. 1 to the prospectus to be approved, which will include the margin of interest, will be available for download at www.ir.paragon.ag, www.bourse.lu and www.boerse-frankfurt.de.

Further information about paragon GmbH & Co. KGaA is available at www.ir.paragon.ag.

Important Note:

This publication is for informational purposes only and constitutes neither an offer to sell nor an invitation to treat nor an invitation to subscribe to securities. A public offer of securities outside Germany and Luxembourg will not take place and is not planned. The public offer in Germany and Luxembourg will be made exclusively on the basis of the prospectus from October 16, 2018 (as updated by supplement No. 1 to be approved), which was approved by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) and notified to the Federal Financial Supervisory Authority of Germany (BaFin). The securities prospectus (including supplement No. 1 to be approved) can be viewed and downloaded from the issuer's website at www.ir.paragon.ag.

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About 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 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 Korntal-Münchingen and St. Georgen (Baden-Württemberg, Germany), Landsberg am Lech and Nuremberg (Bavaria, Germany), Aachen (North Rhine-Westphalia, Germany), in Bexbach and Saarbrücken (Saarland, Germany), in Suhl (Thuringia, Germany) as well as in Kunshan (China) and Austin, Texas (USA).

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

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