

Capital Raising GmbH

(the "Issuer")

€ 200,000,000

Perpetual Fixed Rate Notes with the payment of interest and principal conditional upon receipt of profit participations and repayment of principal under a silent participation in the commercial enterprise of IKB Deutsche Industriebank AG ("IKB AG")

WKN 749072 / ISIN DE0007490724

(the "Notes")

**Notice pursuant to
section 49 para. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*)
regarding cancellation of interest payments and loss participation
for the fiscal year ended 31 March 2018 (the "Fiscal Year 2017/2018")**

In respect of the above mentioned Notes the Issuer hereby notifies, in accordance with section 49 para. 2 no. 2 of the German Securities Trading Act and the terms and conditions of the Notes (the "Terms and Conditions"), that the interest payments scheduled for 15 July 2018 are cancelled because the book value of the silent participation held by the Issuer in the commercial enterprise of IKB AG (the „**Silent Participation**“) is reduced and IKB AG has given notice to the Issuer of a balance sheet loss (*Bilanzverlust*) for the Fiscal Year 2017/2018.

Pursuant to the terms and conditions of the Notes, interest payments are limited to the amount actually received by the Issuer with respect to the relevant profit period as profit participation (*Gewinnbeteiligung*) on the Silent Participation. The terms and conditions of the Silent Participation provide that a profit participation is cancelled until the Silent Participation has been replenished in full subsequent to a reduction of its book value.

As notified to the Issuer by IKB AG, on 14 June 2018 the Supervisory Board (*Aufsichtsrat*) of IKB AG has approved the financial statements of IKB AG for the fiscal year ended 31 March 2018. These financial statements show a balance sheet loss of € 2,463.6 million.

The reduced book value of the Silent Participation and the balance sheet loss of IKB AG result in the cancellation in whole of the profit participation on the Silent Participation for the Fiscal Year 2017/2018 and, therefore, in the cancellation of the interest payments on the Notes scheduled for 15 July 2018. Pursuant to the terms and conditions of the Silent Participation the cancellation of the payment is final and there exists no supplementary payment obligation.

If IKB AG reports a balance sheet loss, this results under the terms and conditions of the Silent Participation in a reduction of the corresponding repayment claim. Under the Terms and Conditions this, in turn, results in a respective reduction of the repayment claims of the holders of the Notes (the "**Noteholders**").

Due to IKB AG's balance sheet loss for the Fiscal Year 2017/2018, the repayment claims of the Noteholders remain reduced by € 200,000,000.00 in total. As of percentage this corresponds to a combined loss participation of 100.00% in comparison with the aggregate nominal amount as initial repayment claim resulting in a current book value of € 0.00.

The aggregate loss participation amount of the Silent Participation and, consequently, of the Notes is determined by multiplying the balance sheet loss prior to the loss participation with a fraction, the numerator of which is the aggregate amount of the aggregate book value of the silent contribution (*stille Einlage*) and the denominator of which consists of the aggregate book value of all loss-participating components of IKB AG's regulatory capital (*haftendes Eigenkapital, das am Verlust teilnimmt*).

In accordance with, and subject to, the terms and conditions of the Silent Participation, there may be a claim for the reduced book value of the Silent Participation to be replenished in future fiscal years under certain circumstances.

Norderfriedrichskoog, 27 June 2018

Capital Raising GmbH
The General Managers