

# RAJAH & TANN

## Wirecard AG

Einsteinring 35  
85609 Aschheim  
Germany

### Attn: Management Board (Mr Alexander von Knoop)

SENDER'S REF	RECIPIENT'S REF	DATE	PAGE
HHQ/TCK/313110/5	-	26 March 2019	1

Dear Sirs,

### INTERNAL COMPLIANCE REVIEW

1. We refer to our Summary of Updated Findings.
2. We have seen Wirecard AG's summary of the above, as attached. We have no comments.

Yours faithfully



**Rajah & Tann Singapore LLP**

*Encl.*

RAJAH & TANN SINGAPORE LLP

9 Battery Road #25-01, Singapore 049910 T +65 6535 3600 F +65 6225 9630 [www.rajahtannasia.com](http://www.rajahtannasia.com)

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## Wirecard's Summary of Rajah & Tann Singapore LLP's Summary of Updated Findings

We have received today a summary of updated findings from the independent investigation of the law firm Rajah & Tann Singapore LLP into alleged issues at Wirecard's Singapore subsidiaries.

The findings are limited to specific transactions concerning specific Wirecard entities and are based on the documents provided to Rajah & Tann Singapore LLP, including an independent forensic review.

We summarise as follows:

1. A non-implemented transaction structure with a certain customer group has led to the following wrongful accounting recordings:
  - (a) Revenue of EUR 2.5M emanating from a purported contract was wrongfully recorded (and related invoices wrongfully issued) by a Wirecard subsidiary in 2017 (which will be restated in the 2018 annual accounts).
  - (b) A subsidiary also wrongfully recorded an asset of approximately EUR 3M for a short period in 2018; however this was corrected within a week and as such will not be reflected or have an influence on the 2018 annual accounts.
  - (c) In addition, draft contracts were prepared and signed on behalf of certain subsidiaries, and not fully executed. These events occurred in respect of agreements which may appear to not have underlying genuine transactions. Save for one transaction of approximately EUR 63K, none of the draft transactions were entered into respective ledgers nor did funds flow into or out of the bank accounts of Wirecard group companies.
2. An amount of EUR 2.3M was entered into the aged receivables report of a Wirecard subsidiary in January 2018. This was wrongfully done because no agreement or business transaction has been entered into with the counterparty. The entry was removed a month later without being ever logged into the general ledger.
3. In addition, Rajah & Tann Singapore LLP could not correlate certain payments made between business partners and Wirecard entities with agreements between them.
4. It is not clear why revenue from third parties, with whom a Wirecard entity has existing relationships, was booked into a different Wirecard entity's accounts. Not all of the revenue recorded has been received. There is evidence of contracts being created for IFRS audit purposes.
5. An internal agreement and a separate internal transaction between Wirecard entities were entered into by or on the instructions of a person without apparent authority to do so.
6. Criminal liability may be attributable to a few local employees in Singapore according to local law in relation to some of the above mentioned circumstances. Investigations by the Singapore authorities are currently ongoing.

7. The review has not revealed findings of criminal liability under Singapore law in respect of the headquarters of Wirecard in Munich/Aschheim.