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Dear Wirecard Audit Committee Members

cc: Blackrock Inc, Alken IM, Artisan Partners

cc: KPMG Germany

We share a common interest: we, too, want to end the incessant fraud allegations that Wirecard is facing and allow investors to focus on fundamental earnings that they can trust. The new audit committee has done the right thing by hiring KPMG, as befitting their legal obligations to shareholders in the face of fraud allegations, but without full transparency we fear that it will have little effect.

A special audit hired by the supervisory board can be all-encompassing or narrow in scope. The press release from Wirecard stated “unrestricted access to all information on all levels of the Group”, “for the purposes of “clarify(ing) fully and independently all accusations raised by the British newspaper ‘Financial Times’.”

However, as communication from Wirecard has been occasionally misleading in the past¹, we urge you, as the audit committee, to release the full scope that KPMG has been hired to investigate. The FT accusations allege detailed accounting fraud, so investors also need Wirecard’s explicit guarantee that KPMG’s final report will be made public and investors will receive detailed and timely updates.

This is important as there are already concerns with the validity of the special audit such as [those raised](#) by Schirp & Partner Rechtsanwälte mbB who are currently gathering shareholder support (and likely already have that [of large shareholder, Deka](#)) to call an EGM and vote for a special auditor under section 142 of the German Stock Corporation Act. Releasing the full scope now, and committing to releasing the final report of the KPMG audit will be quicker and more cost effective.

Shareholders’ lack of faith in Wirecard’s communication and compliance practices is fully justified. Management told investors back in February 2019 that they would make the final results of the Rajah & Tann (R&T) investigation [available to the public](#), but then only published management’s summary of R&T’s summary of findings, a far cry from the “final report” investors were expecting. Furthermore, the Wirecard CFO told investors in August about increased investment in compliance and governance structures, and yet the two challenged Wirecard subsidiaries in Singapore are late in filing their local 2018 financials, while Wirecard is also late and will likely be fined for recently missing their filing requirements in the UK, Australia, and New Zealand. And despite investor questions, Wirecard still refuse to disclose who the newly appointed auditor is for its major subsidiaries in Dubai.

We also urge Blackrock Inc, Alken IM and Artisan Partners to support this letter. As long-term shareholders and supporters of strong corporate governance, and collectively holders of >15% of the shares outstanding, they should support a shareholder vote calling for an EGM and a special audit. This can be precluded by releasing the full scope of the KPMG audit and guaranteeing the publication of its findings. A failure to release this information implies that the scope is narrower than the press release suggests, and raises questions about the validity of this audit.

Yours,

MCA

¹ E.g. Wirecard’s claim to be [“working closely”](#) with the Singapore police while concurrently [suing the police](#) in Singapore.