

**Invitation to the  
Annual General Meeting  
of Wirecard AG**

Munich, 18 June 2019





Invitation  
to the Annual General Meeting  
of

**WIRECARD AG**

based in Aschheim

ISIN: DE0007472060

We hereby invite the shareholders of our Company  
to the Annual General Meeting, which will take place  
at 10:00 h on Tuesday, **18 June 2019** at Messe München,  
Halle C6 (entrance "Eingang Nordost"),  
Paul-Henri-Spaak-Str. 18, 81829 Munich.

## AGENDA

### **1. Presentation of the adopted annual accounts and the approved consolidated accounts as per 31 December 2018, as well as the combined annual report for the Company and for the Group, the report by the Supervisory Board, and the explanatory report by the Management Board on the disclosures for the financial year 2018 as required under Sections 289a (1), 315a (1) of the German Commercial Code (“HGB”)**

There is no need for the Annual General Meeting to pass a resolution on agenda item 1, because the Supervisory Board has already approved the annual accounts and the consolidated accounts, and the annual accounts have thus been adopted. The documents submitted serve to inform the Annual General Meeting about the past financial year and about the situation of the Company and of the Group.

### **2. Resolution on appropriation of the profit from the financial year 2018**

Of the net profit for the financial year 2018, EUR 0.20 is to be distributed per no-par-value share entitled to receive a dividend.

The Management Board and the Supervisory Board therefore propose that the net profit for the financial year 2018 amounting to EUR 167,833,280.20 be appropriated as follows

- a) To distribute a dividend of EUR 0.20 per no-par-value share entitled to receive a dividend, i.e. a total amount of EUR 24,713,117.20.
- b) To carry forward an amount of EUR 143,120,163.00 to the new accounts.

Pursuant to Section 58 (4), sentence 2 of the German Stock Corporation Act (hereinafter “AktG”), the claim to payment of the dividend becomes due on the third business day following adoption of the shareholders’ resolution.

### **3. Resolution on approval of the acts of members of the Management Board during the financial year 2018**

The Management Board and the Supervisory Board propose that the acts of members of the Management Board during the financial year ending on 31 December 2018 be approved.

The intention is to resolve on the approval of acts of each member of the Management Board individually in separate votes by the Annual General Meeting.

#### **4. Resolution on approval of the acts of members of the Supervisory Board during the financial year 2018**

The Management Board and the Supervisory Board propose that the acts of members of the Supervisory Board during the financial year ending on 31 December 2018 be approved.

The intention is to resolve on the approval of acts of each member of the Supervisory Board individually in separate votes by the Annual General Meeting.

#### **5. Election of the Company's auditor and of the Group auditor for the financial year 2019**

Based on its Audit Committee's recommendation and preference, the Supervisory Board proposes that the following resolution be adopted:

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Munich, is appointed the Company's auditor and Group auditor for the financial year 2019, as well as the auditor for any independent review of the semi-annual financial report for the financial year 2019.

The Audit Committee's recommendation was issued after conducting selection procedure in accordance with Article 16 of the EU Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014). Having conducted said procedure, the Audit Committee recommended Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft and PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in a reasoned recommendation issued to the Supervisory Board for the audit assignment being tendered, at the same time stating its reasoned preference for Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft.

The Audit Committee has stated that its recommendation is free from improper influence by a third party and that no clause restricting its choice within the meaning of Article 16(6) of the EU Audit Regulation was imposed on it.

#### **6. Election to the Supervisory Board**

At the end of the Annual General Meeting on 18 June 2019, Mr. Alfons Henseler's period of office as a member of the Supervisory Board comes to an end, meaning that a new election is required.

Pursuant to Sect. 96 (1), 101 (1) AktG and Article 9 (1) of the Company's Articles of Association, the Supervisory Board of Wirecard AG consists of six members who are elected by the Annual General Meeting.

The Supervisory Board proposes that:

Mr. Thomas Eichelmann, former CEO of ATON GmbH, resident in Munich, Germany

be elected a member of the Supervisory Board with effect from the end of this Annual General Meeting, for the period until the end of the Annual General Meeting which votes on approval of his actions for the financial year 2023.

The nomination is designed to meet the requirements profile for the Supervisory Board as defined by the Supervisory Board, which combines the objectives for its composition, a competence profile for the Group Supervisory Board, and a diversity concept. The requirements profile and the stage reached in its implementation are published in the Corporate Governance Report, which is available as a separate document on the Company's website at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) from the day on which the Annual General Meeting is convened, and is also published as an integral part of the Annual Report 2018.

**Supplementary information as required under Sect. 125 (1) sentence 5 AktG**

Mr. Thomas Eichelmann is currently a member of other statutory supervisory boards or comparable bodies of business enterprises in Germany and other countries, as follows:

- Sparkasse München, Munich, Germany – member of the economic advisory board

**Supplementary information as required under Clause 5.4.1 of the German Corporate Governance Code ("DCGK")**

In the opinion of the Supervisory Board, no personal or business relations which are critical for the election by the Annual General Meeting exist between Mr. Eichelmann on the one hand, and the company, the managerial bodies of Wirecard AG or a major shareholder of Wirecard AG on the other hand.

The Supervisory Board has ascertained that Mr. Eichelmann is able to devote the necessary time anticipated for fulfilling his mandate.

Further information on Mr. Eichelmann is printed beneath this agenda and is also available on the Company's website at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) from the day on which the Annual General Meeting is convened.

## **7. Resolution on amendments to Article 14 of the Articles of Association**

As currently worded, Article 14 of the Articles of Association does not yet provide for any remuneration to be paid for committee work. To take into account the fact that Supervisory Board committees have meanwhile been formed, a relevant provision shall be inserted which shall already apply for the Committees that have been established during the current financial year until the registration of the amendment to the Articles in the Commercial Register.

The Management Board and the Supervisory Board therefore propose that the following resolution be adopted:

Article 14 of the Company's Articles of Association is reworded as follows:

„(1) The members of the Supervisory Board shall receive a fixed remuneration in an amount of EUR 120,000.00 for every full fiscal year they are members of the Supervisory Board. The Chairperson shall receive double and the Deputy Chairperson shall receive one-and-a-half times this amount. If the Supervisory Board has established Committees, the Committee members shall receive in addition the following amounts for their work done there if the Committee concerned has met during the financial year in question:

- a) Members of the Audit Committee and members of the Risk and Compliance Committee EUR 30,000.00. The Chairperson of the Audit Committee and the Chairperson of the Risk and Compliance Committee receive double this amount, and the Deputy Chairperson receives one-and-a-half times this amount;
- b) Members of other Committees EUR 17,500.00. Chairpersons of other Committees receive double this amount, and Deputy Chairpersons receive one-and-a-half times this amount.

Committee work is considered for two Committees at the most. If this number is exceeded, the two most highly paid functions shall be decisive.

Remuneration for work done on Supervisory Board Committees shall be paid as from the beginning of the financial year 2019.

- (2) The remuneration pursuant to paragraph 1 above is payable in four equal parts, each due at the end of a calendar quarter. Supervisory Board members that do not belong to the Supervisory Board or a Committee, or occupy the position of Chairperson or Deputy Chairperson of the Supervisory Board or of a Committee, respectively, for an entire financial year, receive the remuneration on a *pro rata temporis* basis, rounded up to full months.
- (3) In addition, the Supervisory Board members receive an attendance fee of EUR 1,250.00 per meeting day for their participation in each Supervisory Board or Committee meeting they attend in person, payable at the end of the calendar quarter in which the relevant meetings took place. If both a meeting of the Supervisory Board and a Committee meeting are held on the same day or if several Committee meetings take place on the same day, the attendance fee is only paid once.
- (4) The Company shall reimburse the Supervisory Board members for expenses incurred in the performance of their duties, including turnover tax payable on the remuneration and reimbursed expenses. Also, any employer contributions payable under foreign laws for social insurances shall be paid or reimbursed to the Supervisory Board member.
- (5) The Company can conclude D&O insurance for the benefit of the Supervisory Board members on appropriate, market-standard terms and conditions which covers statutory third-party liability in relation to their Supervisory Board work."

The Articles of Association of Wirecard AG as currently in effect and a synopsis of the proposed amendments to said Articles are available on the Company's website at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) from the day on which the Annual General Meeting is convened.

**8. Resolution on an authorization to issue convertible bonds with an aggregate principal amount of EUR 900,000,000.00, excluding the shareholders' statutory subscription right, and the creation of new Conditional Capital 2019/I and corresponding amendment of the Articles of Association**

On 24 April 2019 the Company and SOFTBANK GROUP CORP., Japan ("SoftBank", together with its affiliated entities "SoftBank Group") agreed in a *Memorandum of Understanding* ("MoU") to pursue a strategic



partnership in the field of digital solutions for payment services. The intention of this partnership is for SoftBank Group to provide support in connection with the Company's geographical expansion, in particular into Japan and South Korea, whilst at the same time enabling the Company to cooperate with SoftBank Group's portfolio companies in areas including digital payments, analytics/artificial intelligence (AI) and other innovative digital financial services ("**Cooperation**").

In addition, it is also planned to extend the joint cooperation to cover digital lending, in order to make use of SoftBank Group's sophisticated customer portfolios as well as its strong liquidity and innovative financial services for the Company's benefit.

In connection with the MoU and with a view to the strategic partnership being aimed for, the Company and SoftBank have also signed an agreement under which – subject to certain conditions being met, namely a cooperation agreement being signed on the basis of the MoU, no material adverse changes occurring at Wirecard Group, and a valid shareholders' resolution being adopted in accordance with this proposal – a SoftBank Group entity yet to be determined by SoftBank is to invest a sum of EUR 900 million in the Company in the context of a convertible bond, and thus acquires an opportunity to take a shareholding in the Company that amounts to approx. 5.6% of the share capital (based on current figures). Issuing this convertible bond is both a fundamental requirement and the essential basis for the intended strategic partnership, and it is therefore the subject matter of this resolution proposal. In order to be able to issue the convertible bonds exclusively to a SoftBank Group entity, the subscription right of the Company's shareholders is to be excluded. For servicing the convertible bonds, new conditional capital shall be created.

The Management Board and the Supervisory Board therefore propose adoption of the following resolution:

#### **8.1 Authorization to issue convertible bonds, exclusion of the shareholders' statutory subscription right**

1. The Management Board is authorized, subject to the Supervisory Board's consent, to issue unsecured, unsubordinated convertible bonds in bearer form in an aggregate principal amount of EUR 900,000,000.00 (in words: nine hundred million Euros), divided into bonds in bearer form, which rank *pari passu* among themselves ("**Convertible Bonds**"), with a principal amount of

EUR 100,000 (“**Principal Amount**”) each, and a term of five (5) years (“**Convertible Bond 2019/2024**”). The issue price for the Convertible Bonds equals their Principal Amount. The Convertible Bonds will be redeemed at their Principal Amount.

The Convertible Bonds grant their holders conversion rights for a total of initially up to 6,923,076 no-par-value bearer shares in the Company (“**Shares**”), for the issuance of which conditional capital shall be created. The initial conversion price is EUR 130.00 per share.

2. The Convertible Bonds can also be issued by a direct or indirect subsidiary of the Company in Germany or abroad. In such case, the Management Board, subject to the Supervisory Board’s consent, shall be authorized to assume the guarantee for redemption of the Convertible Bonds and to grant holders conversion rights to the Shares.
3. The shareholders’ statutory right to subscribe for the Convertible Bonds is excluded. The Management Board is authorized to exclusively admit a SoftBank Group entity to be determined by SoftBank (including an investment fund managed by a SoftBank Group entity) to subscribe for the Convertible Bonds.
4. The Management Board is authorized to determine the following specifications in particular for the Convertible Bonds that are to be issued:

#### 4.1 Principal amount and denomination

The unsecured, unsubordinated Convertible Bonds in bearer form have an aggregate principal amount of EUR 900,000,000.00 (in words: nine hundred million Euros) and are divided into 9,000 bonds in bearer form, which rank *pari passu* among themselves, with a Principal Amount of EUR 100,000.00 each. The issue price for the Convertible Bonds equals their Principal Amount.

#### 4.2 Status

The Company’s obligations arising from the Convertible Bonds rank *pari passu* among themselves and rank at least *pari passu* with all other unsecured and unsubordinated claims in relation to the Company.

#### 4.3 Interest

The Convertible Bonds shall bear interest on their Principal Amount at a rate of 1.90% per annum. Interest shall be payable semi-annually in arrears.

#### 4.4 Term

Unless an early termination, the Convertible Bonds shall have a term of five (5) years commencing on the issue date. The Convertible Bonds shall be redeemed at their Principal Amount.

#### 4.5 Conversion right, conversion price and conversion ratio; exercising the conversion right

The Company shall grant each holder of the Convertible Bonds the right to convert ("**Conversion Right**") each Convertible Bond in whole but not in part, on any business day during the conversion period into no-par value bearer shares of the Company, with a *pro rata* amount of the Company's share capital of EUR 1.00 per share.

The conversion price is initially EUR 130.00 per Share ("**Conversion Price**"), subject to an adjustment in accordance with the terms of the Convertible Bonds ("**Bond Terms**"). The conversion ratio ("**Conversion Ratio**") corresponds to the Principal Amount of a Convertible Bond divided by the Conversion Price applying on the conversion date. Any remaining fractional amounts shall be compensated in cash.

The Conversion Right for the Convertible Bonds can be exercised by a holder of Convertible Bonds at any time during the period from the 40<sup>th</sup> business day after the issue date up until the business day immediately preceding the final maturity date (the "**Conversion Period**"), subject to certain exclusion periods or subject to their being terminated prematurely.

#### 4.6 Provision of the Shares; dividends

The Shares to be granted for the Convertible Bonds when the Conversion Right is exercised are to be provided out of conditional capital. The Bond Terms can also allow for the delivery of new Shares from authorized capital, or the delivery of existing Shares. New Shares that are issued in connection with a conversion shall

be entitled to participate in the profit from the beginning of the Company's financial year for which, at the time of their creation by virtue of exercising of Conversion Rights, there has not yet been any resolution taken by the Annual General Meeting about the allocation of the profits, and for all following financial years of the Company.

#### 4.7 Protection against dilution

Notwithstanding Section 9 (1) AktG and Section 199 (2) AktG, the Conversion Price for the Convertible Bonds shall be adjusted to preserve value in accordance with the more detailed provisions of the Bond Terms if, before expiry of the Conversion Period, the Company effects a capital increase or issues or guarantees further convertible or option bonds, in each case granting subscription rights to its shareholders, whilst the holders of the Convertible Bonds are not granted subscription rights to the extent to which they would be entitled on exercising the Conversion Right. The Bond Terms shall also make provision for an adjustment of the Conversion Price in the event of other capital measures being taken or other comparable events occurring, which may lead to a reduction in the economic value of the Shares issued (e.g. acquisition of control by third parties, dividend payments, capital increases from reserves, capital reductions, share splits, transformations).

#### 4.8 Termination by holders of Convertible Bonds

In certain cases to be laid down in the Bond Terms, each holder of Convertible Bonds shall be entitled to cancel the rights deriving from the Convertible Bonds and to declare any amounts due, by issuing the Company with a notice of termination ("**Termination Notice**"), and shall be entitled to demand repayment at the Principal Amount plus interest accruing up until the date on which repayment is actually made.

#### 4.9 Early redemption at the request of the holder of Convertible Bonds in the event of acquisition of control or a merger

If the Company gives notice of an acquisition of control or a merger, each holder of Convertible Bonds shall be entitled at its own option to demand repayment of any or all its Convertible Bonds in respect of which the Conversion Right has not yet been

exercised and has not yet been declared due for early redemption, at the Principal Amount plus interest accruing thereon up until the date set for repayment.

5. The Management Board is authorized, subject to the Supervisory Board's consent, to determine further conditions for the Convertible Bonds and to lay down further specifications of the Bond Terms.
6. The authorization to issue the Convertible Bond 2019/2024 shall remain in effect until 31 December 2019. The Management Board may choose at any time, even before expiry of said deadline, not to make use of this authorization; this shareholders' resolution shall not create any obligation to issue Convertible Bonds.

## **8.2 Creation of Conditional Capital 2019/I**

The Company's share capital is conditionally increased by a sum of up to EUR 8,000,000.00 by issuing up to 8,000,000 new no-par-value bearer shares ("**Conditional Capital 2019/I**"). The conditional capital increase is exclusively for providing shares to the holders of the convertible bonds that are issued on the basis of the authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1, by the Company or by a direct or indirect subsidiary of the Company in Germany or abroad. The new shares may only be issued at a conversion price which meets the specifications of the authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1.

The conditional capital increase shall only be implemented to the extent that holders of the Convertible Bonds exercise their conversion rights, and only insofar as no existing shares, no shares from authorized capital and no other forms of fulfilment are used for servicing purposes. The new shares shall be entitled to participate in the profit from the beginning of the Company's financial year for which, at the time of their creation by virtue of exercising of conversion rights, there has not yet been any resolution taken by the shareholders' meeting about the allocation of the profits.

The Management Board is authorized, subject to the Supervisory Board's consent, to specify the further details of the conditional capital increase and its implementation.

The Supervisory Board is authorized to amend the wording of Article 4 Para. (1) and Para. (5) of the Articles of Association to reflect the extent to which the Conditional Capital 2019/I is used up each time, and to make any other adjustments to the Articles of Association that are connected therewith, which only concern the wording. In the event of the authorization to issue the Convertible Bond 2019/2024 not being exercised, the same shall apply after the authorization's period of validity has expired, and in the event of the Conditional Capital 2019/I not being used or not being fully used up, it shall also apply after all the conversion periods have expired.

### 8.3 Amendment to the Articles of Association

Article 4 of the Company's Articles of Association shall be supplemented with the following new paragraph 5:

„(5) The share capital is conditionally increased by a sum of up to EUR 8,000,000.00 by issuing up to 8,000,000 new no-par-value bearer shares (**“Conditional Capital 2019/I”**). The conditional capital increase is exclusively for providing shares to the holders of the convertible bonds that are issued on the basis of the Company's authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1, by the Company or by a direct or indirect subsidiary of the Company in Germany or abroad. The new shares may only be issued at a conversion price which meets the specifications of the authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1.

The conditional capital increase shall only be implemented to the extent that holders of the convertible bonds exercise their conversion rights, and only insofar as no existing shares, no shares from authorized capital and no other forms of fulfillment are used for servicing purposes.

The new shares shall be entitled to participate in the profit from the beginning of the Company's financial year for which, at the time of their creation by virtue of exercising of conversion rights, there has not yet been any resolution taken by the shareholders' meeting about the allocation of the profits.

The Management Board is authorized, subject to the Supervisory Board's consent, to specify the further details of the conditional capital increase and its implementation.

The Supervisory Board is authorized to amend the wording of Article 4 Para. (1) and Para. (5) of the Articles of Association to reflect the extent to which the Conditional Capital 2019/I is used up each time, and to make any other adjustments to the Articles of Association that are connected therewith which only concern the wording. In the event of the authorization to issue the Convertible Bond 2019/2024 not being exercised, the same shall apply after the authorization's period of validity has expired, and in the event of the Conditional Capital 2019/I not being used or not being fully used up, it shall also apply after all the conversion periods have expired."

#### **8.4 Application for entry in the Commercial Register**

The Management Board and the Chairperson of the Supervisory Board are instructed to apply without undue delay for the creation of the Conditional Capital 2019/I (cf. agenda item 8.2 above) and the related amendment to the Articles of Association (cf. agenda item 8.3 above) to be entered in the Commercial Register. The Management Board and the Chairperson of the Supervisory Board are authorized to apply for the Conditional Capital 2019/I to be entered in the Commercial Register independently and separate from any other resolutions adopted by the Annual General Meeting.

With reference to this item 8 of the agenda, the Management Board has prepared a written report on the reasons for the planned exclusion of the subscription rights for the Convertible Bonds. The report is reproduced after the agenda, and it will also be available on the Company's website at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) from the day on which the Annual General Meeting is convened.

In addition, the Management Board issues a commitment to restrict capital increases from the Conditional Capital 2019/I proposed under item 8 of the agenda, or from already existing conditional capital and authorized capital of the Company. This commitment is likewise reproduced after the agenda.

## FURTHER INFORMATION ON THE CANDIDATE FOR THE SUPERVISORY BOARD NOMINATED UNDER ITEM 6 OF THE AGENDA

### **Thomas Eichelmann**

Former CEO of ATON GmbH, resident in Munich, Germany

#### **Personal data:**

Born in 1965

German citizen

#### **Studies:**

- |      |   |
|------|---|
| 1994 | Master in Business Administration & Economics,<br>University of Zurich and<br>University of Hohenheim (lic.oec.publ.) |
| 1986 | Banking Clerk, Deutsche Bank AG   |

#### **Professional career:**

- |             |  |
|-------------|--|
| 2010 – 2018 | Chief Executive Officer ATON / Horus Vermögensverwaltungs<br>VV KG (investment companies in the Helmig family portfolio)   |
| 2007 – 2009 | Chief Financial Officer and Chief Human Resources Officer,<br>Deutsche Börse AG<br>Member of Managing Board of Clearstream Holding AG<br>Member of Managing Board of Deutsche Börse Systems AG |
| 2000 – 2007 | Senior Partner and Member of the Executive Board,<br>Roland Berger Strategy Consultants<br>Head of the Competence Center Financial Services  |
| 1997 – 2000 | Senior Manager, Bain & Company   |
| 1994 – 1997 | Strategy Consultant, Boston Consulting Group   |

#### **Membership of other statutory supervisory boards or comparable bodies at business enterprises in Germany and other countries:**

- Sparkasse München, Munich, Germany – member of the economic advisory board

#### **Other important activities and experience:**

- Curator of Foundation „Wir helfen München“, Germany
- Curator of Foundation „Deutsche Sporthilfe“, Germany



## REPORT SUBMITTED BY THE MANAGEMENT BOARD WITH REFERENCE TO ITEM 8 OF THE AGENDA

The Management Board of Wirecard AG has prepared a written report to the Annual General Meeting on agenda item 8 in accordance with Sect. 221 (4) sentence 2 in conjunction with Sect. 186 (4) sentence 2 German Stock Corporation Act (*Aktiengesetz – AktG*) on the reasons for the planned exclusion of subscription rights to the Convertible Bonds. The Management Board's report is published as follows:

### 1. Introduction

Wirecard AG (subsequently also **“Wirecard”** and together with its direct and indirect holdings also **“Wirecard Group”**) and SOFTBANK GROUP CORP. (subsequently also **“SoftBank”** and together with its affiliated entities **“SoftBank Group”**), the parent company of a Japanese technology group, signed a so-called Memorandum of Understanding (MoU) to pursue a strategic partnership in the field of digital solutions for payment services on 24 April 2019, and also entered into an agreement (term sheets) which – subject to certain conditions being met – provides for the issuance of convertible bonds with an aggregate principle amount of EUR 900,000,000 combined with conversion rights for – at the time of issue – 6,923,076 shares of Wirecard to a company affiliated with and determined by SoftBank (including funds managed by a SoftBank affiliate) (subsequently also **“SoftBank Investment Vehicle”**) (subsequently also the **“Transaction”**). According to the agreement, Wirecard's Annual General Meeting to be held on 18 June 2019 shall decide on the issue of the convertible bonds under exclusion of the subscription rights of Wirecard's current shareholders. The issuance of the convertible bonds to the SoftBank Investment Vehicle under exclusion of the shareholders' subscription rights is both a fundamental requirement and the essential basis for the intended strategic partnership.

The Management Board and Supervisory Board of Wirecard therefore propose to authorize the Management Board, subject to the Supervisory Board's consent, to issue convertible bonds in an aggregate principle amount of EUR 900,000,000.00 combined with conversion rights for in total 6,923,076 Wirecard shares (equal to approx. 5.6% of the current share capital of Wirecard) under exclusion of the shareholders' subscription rights to the SoftBank Investment Vehicle, and to create a new Conditional Capital 2019/I to service the conversion rights. The convertible bonds can also be issued through a direct or indirect subsidiary of Wirecard in Germany or abroad. In such a case, the Management

Board shall be authorized, subject to the Supervisory Board's consent, to assume the guarantee for the redemption of the convertible bonds and to grant the holders conversion rights to the shares.

The proposed authorization for the issuance of the convertible bonds is time limited until 31 December 2019. The Management Board may choose at any time, even before expiry of said deadline, not to make use of this authorization. The agreement stipulates further closing conditions regarding the issuance of the convertible bonds in addition to a corresponding resolution of the Annual General Meeting (see 3.3). This includes in particular the finalization of a binding *Cooperation and Investment Agreement* on the basis of the MoU (subsequently also "**Cooperation Agreement**"). The Management Board will accordingly only make use of the authorization to issue convertible bonds under exclusion of the shareholders' subscription rights if the respective contractually agreed closing conditions are fulfilled.

## 2. Resolution Proposal

The resolution proposal under agenda item 8 reads as follows:

### 8.1 *Authorization to issue convertible bonds, exclusion of the shareholders' statutory subscription right*

1. *The Management Board is authorized, subject to the Supervisory Board's consent, to issue unsecured, unsubordinated convertible bonds in bearer form in an aggregate principal amount of EUR 900,000,000.00 (in words: nine hundred million Euros), divided into bonds in bearer form, which rank pari passu among themselves ("**Convertible Bonds**"), with a principal amount of EUR 100,000 ("**Principal Amount**") each, and a term of five (5) years ("**Convertible Bond 2019/2024**"). The issue price for the Convertible Bonds equals their Principal Amount. The Convertible Bonds will be redeemed at their Principal Amount.*

*The Convertible Bonds grant their holders conversion rights for a total of initially up to 6,923,076 no-par-value bearer shares in the Company ("**Shares**"), for the issuance of which conditional capital shall be created. The initial conversion price is EUR 130.00 per share.*

2. *The Convertible Bonds can also be issued by a direct or indirect subsidiary of the Company in Germany or abroad. In such case, the*

*Management Board, subject to the Supervisory Board's consent, shall be authorized to assume the guarantee for redemption of the Convertible Bonds and to grant holders conversion rights to the Shares.*

3. *The shareholders' statutory right to subscribe for the Convertible Bonds is excluded. The Management Board is authorized to exclusively admit a SoftBank Group entity to be determined by SoftBank (including an investment fund managed by a SoftBank Group entity) to subscribe for the Convertible Bonds.*
4. *The Management Board is authorized to determine the following specifications in particular for the Convertible Bonds that are to be issued:*

#### *4.1. Principal amount and denomination*

*The unsecured, unsubordinated Convertible Bonds in bearer form have an aggregate principal amount of EUR 900,000,000.00 (in words: nine hundred million Euros) and are divided into 9,000 bonds in bearer form, which rank pari passu among themselves, with a principal amount of EUR 100,000.00 each. The issue price for the Convertible Bonds equals their Principal Amount.*

#### *4.2. Status*

*The Company's obligations arising from the Convertible Bonds rank pari passu among themselves and rank at least pari passu with all other unsecured and unsubordinated claims in relation to the Company.*

#### *4.3. Interest*

*The Convertible Bonds shall bear interest on their Principal Amount at a rate of 1.90% per annum. Interest shall be payable semi-annually in arrears.*

#### *4.4. Term*

*Unless an early termination, the Convertible Bonds shall have a term of five (5) years commencing on the issue date. The Convertible Bonds shall be redeemed at their Principal Amount.*

#### 4.5. Conversion right, conversion price and conversion ratio; exercising the conversion right

The Company shall grant each holder of the Convertible Bonds the right to convert ("**Conversion Right**") each Convertible Bond in whole but not in part, on any business day during the conversion period into no-par-value bearer shares of the Company, with a pro rata amount of the Company's share capital of EUR 1.00 per share.

The conversion price is initially EUR 130.00 per share ("**Conversion Price**"), subject to an adjustment in accordance with the terms of the Convertible Bonds ("**Bond Terms**"). The conversion ratio ("**Conversion Ratio**") corresponds to the Principal Amount of a Convertible Bond divided by the Conversion Price applying on the conversion date. Any remaining fractional amounts shall be compensated in cash.

The Conversion Right for the Convertible Bonds can be exercised by a holder of Convertible Bonds at any time during the period from the 40<sup>th</sup> business day after the issue date up until the business day immediately preceding the final maturity date (the "**Conversion Period**"), subject to certain exclusion periods or subject to their being terminated prematurely.

#### 4.6. Provision of the Shares; dividends

The Shares to be granted for the Convertible Bonds when the Conversion Right is exercised are to be provided out of conditional capital. The Bond Terms can also allow for the delivery of new Shares from authorized capital, or the delivery of existing Shares. New Shares that are issued in connection with a conversion shall be entitled to participate in the profit from the beginning of the Company's financial year for which, at the time of their creation by virtue of exercising of Conversion Rights, there has not yet been any resolution taken by the Annual General Meeting about the allocation of the profits, and for all following financial years of the Company.

#### 4.7. Protection against dilution

Notwithstanding Section 9 (1) AktG and Section 199 (2) AktG, the Conversion Price for the Convertible Bonds shall be adjusted to preserve value in accordance with the more detailed provisions of the Bond Terms if, before expiry of the Conversion Period, the

*Company effects a capital increase or issues or guarantees further convertible or option bonds, in each case granting subscription rights to its shareholders, whilst the holders of the Convertible Bonds are not granted subscription rights to the extent to which they would be entitled on exercising the Conversion Right. The Bond Terms shall also make provision for an adjustment of the Conversion Price in the event of other capital measures being taken or other comparable events occurring, which may lead to a reduction in the economic value of the Shares issued (e.g. acquisition of control by third parties, dividend payments, capital increases from reserves, capital reductions, share splits, transformations).*

#### *4.8. Termination by holders of Convertible Bonds*

*In certain cases to be laid down in the Bond Terms, each holder of Convertible Bonds shall be entitled to cancel the rights deriving from the Convertible Bonds and to declare any amounts due, by issuing the Company with a notice of termination ("**Termination Notice**"), and shall be entitled to demand repayment at the Principal Amount plus interest accruing up until the date on which repayment is actually made.*

#### *4.9. Early redemption at the request of the holder of Convertible Bonds in the event of acquisition of control or a merger*

*If the Company gives notice of an acquisition of control or a merger, each holder of Convertible Bonds shall be entitled at its own option to demand repayment of any or all its Convertible Bonds in respect of which the Conversion Right has not yet been exercised and has not yet been declared due for early redemption, at the Principal Amount plus interest accruing thereon up until the date set for repayment.*

- 5. The Management Board is authorized, subject to the Supervisory Board's consent, to determine further conditions for the Convertible Bonds and to lay down further specifications of the Bond Terms.*
- 6. The authorization to issue the Convertible Bond 2019/2024 shall remain in effect until 31 December 2019. The Management Board may choose at any time, even before expiry of said deadline, not to make use of this authorization; this shareholders' resolution shall not create any obligation to issue Convertible Bonds.*

## 8.2 Creation of Conditional Capital 2019/I

The Company's share capital is conditionally increased by a sum of up to EUR 8,000,000.00 by issuing up to 8,000,000 new no-par-value bearer shares ("**Conditional Capital 2019/I**"). The conditional capital increase is exclusively for providing shares to the holders of the convertible bonds that are issued on the basis of the authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1, by the Company or by a direct or indirect subsidiary of the Company in Germany or abroad. The new shares may only be issued at a conversion price which meets the specifications of the authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1.

The conditional capital increase shall only be implemented to the extent that holders of the Convertible Bonds exercise their conversion rights, and only insofar as no existing shares, no shares from authorized capital and no other forms of fulfilment are used for servicing purposes. The new shares shall be entitled to participate in the profit from the beginning of the Company's financial year for which, at the time of their creation by virtue of exercising of conversion rights, there has not yet been any resolution taken by the shareholders' meeting about the allocation of the profits.

The Management Board is authorized, subject to the Supervisory Board's consent, to specify the further details of the conditional capital increase and its implementation.

The Supervisory Board is authorized to amend the wording of Article 4 Para. (1) and Para. (5) of the Articles of Association to reflect the extent to which the Conditional Capital 2019/I is used up each time, and to make any other adjustments to the Articles of Association that are connected therewith, which only concern the wording. In the event of the authorization to issue the Convertible Bond 2019/2024 not being exercised, the same shall apply after the authorization's period of validity has expired, and in the event of the Conditional Capital 2019/I not being used or not being fully used up, it shall also apply after all the conversion periods have expired.

## 8.3 Amendment to the Articles of Association

Article 4 of the Company's Articles of Association shall be supplemented with the following new paragraph 5:

„(5) The share capital is conditionally increased by a sum of up to EUR 8,000,000.00 by issuing up to 8,000,000 new no-par-value bearer shares (“Conditional Capital 2019/I”). The conditional capital increase is exclusively for providing shares to the holders of the convertible bonds that are issued on the basis of the Company’s authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1, by the Company or by a direct or indirect subsidiary of the Company in Germany or abroad. The new shares may only be issued at a conversion price which meets the specifications of the authorization that was granted by the Annual General Meeting on 18 June 2019 under agenda item 8.1.

The conditional capital increase shall only be implemented to the extent that holders of the convertible bonds exercise their conversion rights, and only insofar as no existing shares, no shares from authorized capital and no other forms of fulfilment are used for servicing purposes.

The new shares shall be entitled to participate in the profit from the beginning of the Company’s financial year for which, at the time of their creation by virtue of exercising of conversion rights, there has not yet been any resolution taken by the shareholders’ meeting about the allocation of the profits.

The Management Board is authorized, subject to the Supervisory Board’s consent, to specify the further details of the conditional capital increase and its implementation.

The Supervisory Board is authorized to amend the wording of Article 4 Para. (1) and Para. (5) of the Articles of Association to reflect the extent to which the Conditional Capital 2019/I is used up each time, and to make any other adjustments to the Articles of Association that are connected therewith which only concern the wording. In the event of the authorization to issue the Convertible Bond 2019/2024 not being exercised, the same shall apply after the authorization’s period of validity has expired, and in the event of the Conditional Capital 2019/I not being used or not being fully used up, it shall also apply after all the conversion periods have expired.”

#### 8.4 Application for entry in the Commercial Register

The Management Board and the Chairperson of the Supervisory Board are instructed to apply without undue delay for the creation of the Conditional Capital 2019/I (cf. agenda item 8.2 above) and the related

*amendment to the Articles of Association (cf. agenda item 8.3 above) to be entered in the Commercial Register. The Management Board and the Chairperson of the Supervisory Board are authorized to apply for the Conditional Capital 2019/I to be entered in the Commercial Register independently and separate from any other resolutions adopted by the Annual General Meeting.*

### **3. Strategic background of the issuance of the Convertible Bonds under exclusion of subscription rights**

#### **3.1 SoftBank**

SoftBank is a global technology player that aspires to drive the information revolution. The SOFTBANK GROUP CORP. (corporate headquarters: 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303, Japan) is the listed parent company of the group and a pure holding company. SoftBank's shares are traded on the Tokyo Stock Exchange (First Section). According to SoftBank (status as of 30 September 2018), its largest shareholder is Masayoshi Son, founder, chairman and Chief Executive Officer (CEO) of SoftBank, with approx. 21,21%. Other major shareholders are The Master Trust Bank of Japan, Ltd. (Trust Account) with 8,78%, Japan Trustee Services Bank, Ltd. (Trust Account) with 6,02% and JP MORGAN CHASE BANK 380055 with 2,78%.

SoftBank has two major affiliates, namely the SoftBank Vision Fund L.P. and the SB Delta Fund (Jersey) L.P. (subsequently also the "**SoftBank Investment Companies**"), which are managed by a wholly-owned subsidiary of SoftBank. SoftBank holds numerous direct and indirect shareholdings both through subsidiaries and through the SoftBank investment companies (subsequently also the "**SoftBank Portfolio Companies**"), together with SoftBank the "**SoftBank Group**"). The SoftBank Portfolio Companies include investments in the area of advanced telecommunications, Internet services, artificial intelligence (AI), smart robotics, Internet of Things and clean energy technology providers.

#### **3.2 Wirecard**

Wirecard is a global technology group that supports its customers and partners in accepting electronic payments from all sales channels and also in the issuing of payment instruments. Wirecard AG (business address: Einsteinring 35, 85609 Aschheim, registered with the commercial register of the Local Court of Munich under HRB 169227) is the listed parent company.



## **a) Business activity**

As a leading international independent supplier for payment services, Wirecard offers outsourcing and *white-label* solutions for electronic payments. International payment acceptances and methods with supplementary fraud prevention solutions, as well as card issuing, are provided via a global platform.

The *Acquiring* and *Issuing* services are linked with one another via the integrated platform and are made accessible via internet technology (APIs). With regard to *Issuing* own payment instruments in the form of cards or mobile payment solutions, Wirecard provides companies with an end-to-end infrastructure, including the requisite licenses for card and account products. The uniform platform approach and seamlessly integrated value added services such as data analytics, customer loyalty programs and digital banking services support customers and partners of Wirecard to successfully master the challenges of digitalization.

## **b) Share capital, Authorized and Conditional Capital**

Wirecard's current share capital amounts to EUR 123,565,586.00 and is divided in 123,565,586 no-par-value bearer shares (shares without a nominal value). Every individual share has a *pro rata* amount in the Company's share capital of EUR 1.00 and grants one vote in the Annual General Meeting. The shares are fully paid-in. All shares are admitted to trading in the regulated market at the Frankfurt Stock Exchange (Prime Standard).

In addition to the authorization to issue the convertible bonds in an aggregate principle value of EUR 900.000.000,00 with conversion rights to shares in the amount of up to approx. 5.6% of the current share capital that is proposed to the Annual General Meeting to be held on 18 June 2019 under agenda item 8 and the proposed new Conditional Capital 2019/I in order to service these convertible bonds, the following further authorizations of the Management Board to issue shares or instruments with conversion or option rights and conversion or option obligations, respectively, exist:

- According to the authorization granted by the Annual General Meeting on 16 June 2016, which expires on 15 June 2021, the Management Board is authorized to issue, subject to the Supervisory Board's consent, convertible bonds or warrant bonds, profit participation rights and/or profit participation bonds (or combinations of these instruments) in an aggregate principal

amount of up to EUR 300,000,000.00 and to grant or impose upon the holders or creditors of these instruments conversion rights or option rights, or conversion or option obligations, respectively, to shares of the Company with a *pro rata* amount of the share capital of up to EUR 12,356,558.00 (corresponding to 10% of the current share capital) (subsequently also "**Authorization 2016**"). In specific cases determined by the Annual General Meeting held on 16 June 2016, the Management Board is also authorized to exclude the shareholders' subscription right. Any issuance of bonds under exclusion of subscription rights may however only be made under this Authorization 2016 if the arithmetic share in the share capital attributable to the sum of new shares to be issued under such bond excluding the subscription right does not exceed 20% of the Company's existing share capital at the time the Authorization 2016 becomes effective; based on the share capital at that time (and also today) a maximum of 24,713,117 Wirecard shares can be issued under the Authorization 2016 under exclusion of subscription rights. Deducted from this 20% limit shall also be shares which (i) are issued or sold during the term of the Authorization 2016 under exclusion of subscription rights against contribution in cash and/or in kind, or (ii) are to be issued under convertible or warrant bonds issued during the term of the Authorization 2016 on the basis of another authorization under exclusion of subscription rights, that is also shares issued on the basis of the Convertible Bond 2019/2024 from the Conditional Capital 2019/I. Conditional capital amounting to EUR 12,356,558.00 (corresponding to 10% of the current share capital) (Contingent Capital 2016 pursuant to Section 4 (4) of the Articles of Association) is available to service the conversion or option rights, and the conversion or option obligations respectively, resulting from the Authorization 2016. The Authorization 2016 has not yet been used.

- Furthermore, until expiry on 17 June 2020, an authorized capital amounting to EUR 30,000,000.00 (corresponding to approx. 24,28% of the current share capital) exists, which also allows the issuance of shares under exclusion of subscription rights for certain constellations ("**Authorized Capital 2015**" pursuant to Section 4 (2) of the Articles of Association). The total number of shares that can be issued from the Authorized Capital 2015

under exclusion of subscription rights must not exceed 20% of the Company's existing share capital at the time the authorization is used (i.e. currently also 24,713,117 Wirecard shares), shares which are sold or issued or are to be issued under exclusion of subscription rights on the basis of other authorizations during the term of the Authorized Capital 2015 also count towards this limit, that is also any shares which are issued from the Conditional Capital 2019/I on the basis of the Convertible Bond 2019/2024.

No further authorizations to issue shares or conversion or subscription rights exist. Wirecard currently does not hold any treasury stock.

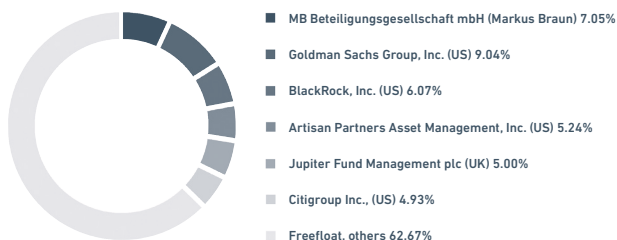
Pursuant to Sect. 4 (3) of the Articles of Association, conditional capital amounting to EUR 614,138.25 (corresponding to approx. 0,50% of the current share capital) is currently still registered in order to service conversion or subscription rights from convertible bonds which were granted to board members, advisors, and employees of the Company as well as employees of associated companies on the basis of the authorization of the Annual General Meeting of 15 July 2004 (Conditional Capital 2004). By now, the term both for issuing convertible bonds under this authorization as well as for exercising the conversion rights for convertible bonds already issued under this authorization has expired. Subsequently no more shares can be issued from the Conditional Capital 2004.

In connection with convening the Annual General Meeting on 18 June 2019, the Management Board has issued the commitment, starting with the authorization to issue convertible bonds proposed under agenda item 8 (subsequently "**Authorization 2019**") becoming effective, not to increase the Company's share capital by more than a total of 10% of the Company's current share capital from the proposed Conditional Capital 2019/I, the already existing Conditional Capital 2016 and the already existing Authorized Capital 2015, to the extent that capital increases under exclusion of the subscription right are made (i) from the Authorized Capital 2015 against contribution in cash and/or in kind, or (ii) to service bonds that are issued under the Authorization 2019 or the Authorization 2016, in each case after the Authorization 2019 becomes effective and under exclusion of subscription rights. Deducted from this 10% shall also

be shares that are issued or sold after the Authorization 2019 has become effective during the term of these authorizations under exclusion of subscription rights.

### c) Shareholder structure

According to information available to the Management Board, the current shareholder structure (status as of 6 May 2019) is as follows:



Dr. Markus Braun, the sole shareholder of MB Beteiligungsgesellschaft mbH, is the chairman of the Management Board of Wirecard.

## 3.3 Contractual basis for the issue of the Convertible Bond

### 3.3.1 Memorandum of Understanding relating to a strategic partnership

The Memorandum of Understanding (hereinafter also referred to as “**MoU**”) signed between Wirecard and SoftBank on 24 April 2019 sets out the planned strategic partnership and joint cooperation in the field of mobile and online payment services.

#### a) Fields of Cooperation

The cooperation shall focus on the fields of payment processing (*Digital Payment* including *Acquiring* and *Issuing*), risk management, the use of artificial intelligence (*Artificial Intelligence – AI*), *Analytics* (analysis and evaluation of large amounts of data from different data sources), data driven services and other relevant services (card issuing also in digital form (e.g. *Boon*), credit card payment settlement for

retailers (*Acquiring*), banking products and back end processes.

One element of the cooperation shall be the introduction of the Wirecard Group to the SoftBank Portfolio Companies for the purpose of future cooperation.

Furthermore, SoftBank shall assist the Wirecard Group in accessing the Asian market, starting with Japan and South Korea.

The parties are also planning to develop new products and services, in particular in the field of digital lending. In this context, also a joint venture company may be set up. In such case Wirecard and companies of the Wirecard Group shall receive for services to the joint venture company a remuneration of at least 1% of the annualized issued lending volumes of such joint venture company. Neither SoftBank nor any of the SoftBank Portfolio Companies shall receive any fees.

#### **b) Binding Cooperation Agreement**

The parties have agreed to develop as a next step a cooperation plan which shall detail the commercial understanding and scope of the fields of cooperation. The cooperation plan will form the basis for a binding Cooperation Agreement.

The details of such Cooperation Agreement shall be determined at short term between the parties in accordance with international standards, taking into account in particular legal (including antitrust and licensing), accounting, tax and financing aspects. Potential topics besides the individual cooperation agreements are type and structure of a possible joint venture company and the composition of the boards, provisions on the share transfer (including put and call options, transfer restrictions, pre-emption rights, etc.), mechanisms on majorities and conflict resolution.

The binding Cooperation Agreement shall contain customary representations and warranties and customary information rights of the parties vis-à-vis potential joint venture companies, it shall be in English and shall be subject to German law.

Each party shall provide the respective other party with information required to put such other party in the position to analyze potential merger control/anti-trust requirements and to obtain any potentially necessary clearances.

### **c) Further provisions of the MoU**

Each party shall bear its own costs and expenses in connection with the MoU as well as the binding Cooperation Agreement. If a joint venture company is established, the parties shall bear all fees resulting from the implementation and consummation of the binding Cooperation Agreement equal to their participation in a potential joint venture company.

The MoU continues until the signing of the binding Cooperation Agreement and cannot be terminated unilaterally. Wirecard may only transfer rights and obligations under this MoU with the consent of SoftBank. With the exception of a confidentiality agreement entered into by and between the parties on 10 April 2019, the MoU takes precedence over all previous discussions and cooperation agreements. With the exception of the provisions on confidentiality, the assignment of rights and obligations and precedence over prior discussions and agreements, the MoU is not legally binding in its entirety and does not impose any legally binding obligations on the parties.

The MoU is subject to German law. The exclusive jurisdiction is Frankfurt am Main.

### **3.3.2 Agreement on the issue of the Convertible Bond 2019/2024**

Simultaneously with the MoU, Wirecard and SoftBank entered into an agreement (term sheets) on the issuance of the Convertible Bond 2019/2024. This provides, on the one hand, for the terms and conditions of the Convertible Bond 2019/2024 as described in the resolution proposal set out above under 2., and, on the other hand, for the conclusion of a standard market purchase agreement.

It was agreed that the Convertible Bond 2019/2024 would only be issued if (i) the Annual General Meeting of Wirecard to be held on 18 June 2019 approved a corresponding authorization with the required majority of at least 75% of the share

capital being present at the time of the vote on the resolution, (ii) a binding Cooperation Agreement was concluded on the basis of the MoU, and (iii) no material adverse changes relating to Wirecard (including the Wirecard Group) had occurred by the time the Convertible Bond 2019/2024 would be issued. Should the resolution of the Annual General Meeting on the authorization of the issue of the Convertible Bond 2019/2024 be contested, the parties will mutually decide whether the Convertible Bond 2019/2024 will still be issued or not.

If the conditions for issuing the Convertible Bond 2019/2024 are not met, both parties may withdraw from the agreement.

In addition, Wirecard undertakes, besides the issuance of granting customary representations and warranties in the purchase agreement, to implement specific measures either recommended by the Singapore law firm Rajah & Tann or agreed with SoftBank.

### **3.3.3 Agreement on a nomination of a representative (designee) of SoftBank for the Supervisory Board of Wirecard**

It was further agreed between the Management Board and the Supervisory Board of Wirecard as well as Dr. Markus Braun as (indirect) shareholder on the one hand and SoftBank on the other that SoftBank respectively the SoftBank Investment Vehicle are entitled to nominate one of six members to the Supervisory Board of Wirecard. If SoftBank and/or the SoftBank Investment Vehicle nominate a person after the Convertible Bond 2019/2024 has been issued, the Management Board and Supervisory Board of Wirecard have agreed to use, to the extent legally permissible, their best efforts to ensure that one of six members of Wirecard's Supervisory Board resigns and that the designee nominated by SoftBank and/or the SoftBank Investment Vehicle (subsequently the "**SoftBank Designee**") is appointed by court. If the SoftBank Designee is not appointed by court in this way, the Management Board and Supervisory Board of Wirecard have agreed to use, upon request and to the extent legally permissible, their best efforts, to propose the dismissal of one of the current Supervisory Board members and the election of the SoftBank Designee to the Supervisory Board of Wirecard at the next Annual General Meeting.

Dr. Braun, as shareholder, has agreed to use his best efforts to support the election of the SoftBank Designee to the Supervisory Board of Wirecard, in particular to vote for the election of the SoftBank Designee at a shareholders' meeting.

All the aforementioned obligations of the Management Board and Supervisory Board of Wirecard and of Dr. Braun are subject to the condition that the SoftBank Designee fulfils the legal requirements under the German Stock Corporation Act for being able to serve as a Supervisory Board member of Wirecard, and is reasonably acceptable to Wirecard, in particular has the reasonably required qualifications for a member of the Supervisory Board.

This agreement regarding the nomination of one of six members of the Supervisory Board of Wirecard is also subject to German law.

#### **4. Explanation of the exclusion of subscription rights in connection with the issue of the Convertible Bond**

In principle, shareholders have a subscription right to convertible bonds (Sect. 221 (4) sentence 1 AktG). The proposed authorization to issue the Convertible Bond 2019/2024, does, however, propose to exclude the shareholders' subscription right to the Convertible Bonds.

The issue of the Convertible Bond 2019/2024 to the SoftBank Investment Vehicle under exclusion of the subscription rights of the current shareholders of Wirecard is a fundamental requirement and essential basis for the intended strategic partnership.

The purpose of the exclusion of the subscription rights – the establishment of a strategic partnership with the SoftBank Group – is in the outstanding business interest of Wirecard. The exclusion of the subscription rights is suited and necessary for achieving this purpose and – taking into account the planned contents of the Cooperation Agreement yet to be concluded – is also in adequate relation to the disadvantages for the current shareholders whose subscription rights are excluded. The Management Board will only make use of the authorization to issue the Convertible Bond 2019/2024 if the conditions for its issue set out in 3.3 above are met in accordance with the agreement and the issue price is



insofar adequate, i.e. an issuance of the convertible bonds under exclusion of the shareholders' subscription right taking into account the economic advantages arising from the Cooperation Agreement is justified in the interest of the Company and not unreasonable to the detriment of Wirecard's shareholders.

#### **4.1 Business interest of Wirecard in the exclusion of subscription rights**

The purpose of the proposed exclusion of the subscription rights is in the business interest of Wirecard. Wirecard's Management Board and Supervisory Board, on the basis of their assessment, consider the issue of the convertible bonds under exclusion of the subscription rights to be beneficial for Wirecard and, thus, in the interest of all shareholders.

Wirecard considers Asia as a large growth market and has therefore specifically selected SoftBank as leading technology and innovation driver with strong market access in East Asia as strategic partner to further expand and consolidate its own market position. By concluding the binding Cooperation Agreement and the issue of the Convertible Bond 2019/2024, a strategic partnership between the Wirecard Group and the SoftBank Group and SoftBank (via its SoftBank Investment Vehicle) as new key Wirecard shareholder shall be formed. The reaction of Wirecard's stock price after the transaction has been announced on 24 April 2019 proved that the market also responded very positively to the intended partnership.

##### **4.1.1 Key strategic shareholder**

In the view of the Management Board, the issue of the convertible bonds to the SoftBank Investment Vehicle allows to win SoftBank as an (indirect) key strategic shareholder that can support and secure the continuation of Wirecard's successful corporate strategy on a shareholder level. In addition, the strategic cooperation with SoftBank is subject to the condition that SoftBank has the option to acquire an (indirect) equity interest by subscribing - through the SoftBank Investment Vehicle - to the Convertible Bonds.

#### **4.1.2 Advantages of the strategic partnership for Wirecard**

With the support of a renowned management and strategy consulting firm, Wirecard's Management Board has validated which business opportunities for Wirecard could be created from the strategic partnership with SoftBank yet to be agreed by the binding Cooperation Agreement, in particular through (i) offering of already existing Wirecard products and services to the SoftBank Portfolio Companies, (ii) SoftBank supporting Wirecard in its market entry in Japan and South Korea, and (iii) the development of joint new products and services, especially in the area of credit lending. The analysis has identified concrete turnover and profit potentials.

##### **a) Cooperation with the global SoftBank Portfolio Companies**

The SoftBank Portfolio Companies offer points of contact to generate revenues for the Wirecard Group in particular in four sectors:

- Telecommunications
- Transport
- End-customer business including e-commerce platforms
- FinTech

When determining the potential revenue and profit potential for Wirecard, the latest available growth assumptions from analyst and industry reports as well as expert discussions for the respective industry were used for each relevant SoftBank Portfolio Company (e.g. stagnating growth in the telecommunications sector, on the other hand double-digit growth in the sector of e-commerce platforms, but in no case more than 15% p.a.).

Additionally, a differentiation was made with respect to Wirecard's possibility to successfully initiate business with the SoftBank Portfolio Companies based on SoftBank's different means to influence the respective SoftBank Portfolio Companies, particularly concerning various stakes (divided

into clusters of < 5%, < 25%, < 50% (blocking minority) and > 50% (majority holding)) and other potential influence e.g. appointing of board members.

The revenue of the SoftBank Portfolio Companies was, as far as possible, divided geographically to determine whether there were any connecting factors for Wirecard in this respect. It was also taken into consideration to what extent Wirecard may leverage relevant business potentials on the basis of existing structures and licenses, taking into account also expansion potential.

Additionally, different conversion rates between 0,5% and 5% were applied depending on the product category (e.g. data service, *Online Acquiring and Issuing*) and customer size (small, medium or large businesses).

#### *(1) Telecommunications*

In the telecommunications sector, according to publicly available sources, the SoftBank Portfolio Companies, have generated an aggregate revenue of approx. USD 62 billion in the financial year 2018 .

Main SoftBank Portfolio Companies in the telecommunications sector are SoftBank (Japan) itself and the Sprint Corporation.

The Wirecard Group has the opportunity to support the relevant SoftBank Portfolio Companies in particular extensively in *Acquiring* via all channels (online, offline, mobile) and to offer the customers of these companies digital payment solutions (*Wallet, Boon*).

#### *(2) Transport*

In the transport sector, according to publicly available sources and expert assessments (based on current and historical figures), the SoftBank Portfolio Companies have generated revenues of approx. USD 27 billion in the financial year 2018.

Main SoftBank Portfolio Companies in the Transport sector are the transportation service providers Uber (USA), DiDi (China) and Grab (Indonesia), the "on-demand-food-delivery service" DoorDash (USA), as well as the European online trading platform for used cars AUTO1 (Germany). In this sector, the SoftBank Portfolio Companies offer in particular digitally mediated transport options, delivery services or transactions such as the sale of vehicles.

Due to its focus on end-users (private costumers and small entrepreneurs), the SoftBank Portfolio Companies represent an attractive target group for Wirecard in terms of payment solutions and financial services. In this sector, digital and mobile *Acquiring* solutions such as the settlement of credit card payments, the management of databases as well as fraud risk management in payment processing are in particular relevant for the SoftBank Portfolio Companies.

*(3) End-customer business sector including e-commerce platforms (Consumer)*

In the end-customer business sector including e-commerce platforms (Consumer), according to publicly available sources and expert assessments (based on current and historical figures), the SoftBank Portfolio Companies have generated revenues of approx. USD 16 billion in the financial year 2018.

Main SoftBank Portfolio Companies in the Consumer sector are the e-commerce platform Coupang (South Korea), the on-line sports equipment retailer Fanatics (USA) and the online service Yahoo (Japan). In the Consumer sector, the SoftBank Portfolio Companies offer, in particular, the brokerage or sale of goods and services via digital platforms.

Also in this sector, the SoftBank Portfolio Companies represent, due to their focus on end-users (private costumers and small entrepreneurs), an attractive target group for the payment solutions and financial services of the Wirecard Group. Digital and mobile *Acquiring* solutions are in particular relevant for the SoftBank Portfolio Companies, such as the settlement of credit card payments, the management of databases as well as fraud risk management in payment processing.

#### *(4) FinTech*

In the FinTech sector, according to publicly available sources and expert assessments (based on current and historical figures), the SoftBank Portfolio Companies have generated revenues of approx. USD 10 billion in the financial year 2018.

Main SoftBank Portfolio Companies in the FinTech sector are the credit brokerage platform Kabbage (US), the insurance company ZhongAn Insurance (China) and the digital bank The Japan Net Bank (Japan).

In particular, the Wirecard Group can offer the SoftBank Portfolio Companies in the FinTech sector the management of databases, the management of fraud risks in payment processing and digital payment solutions (*Wallet, Boon*), particularly as so-called *white-label* solutions (i.e. offering Wirecard solutions without actively naming Wirecard as a service provider).

#### *(5) Quantification of the expected profit potential*

From the cooperation with the global SoftBank Portfolio Companies in the sectors described above under (1)-(4) – taking into account a discount for the ramp-up phase on the one hand, and excluding the terminal value, i.e. future profit prospects at the end of the five years, on the other hand –, the Management Board has identified a five-year profit potential of EUR 86 to 126 million. After discounting with a factor of 8.5% p.a. (see 5.1.2 below for a more detailed explanation of the discounting factor), this leads to a value of EUR 62 to 91 million. The terminal value, i.e. the future profit prospects at the end of five years, results, in isolation, in an additional value of EUR 212 to 308 million.

Taking also into account the cooperation with other global SoftBank Portfolio Companies, this results in an additional profit potential over five years – taking into account a discount for the ramp-up phase on the one hand, and excluding the terminal value, i.e. future profit prospects at the end of the five years, on the other hand – of EUR 10 to 14 million. After discounting with a factor of 8.5% p.a., this leads to a value of

EUR 7 to 10 million. The terminal value, i.e. the future profit prospects at the end of five years, results isolated in an additional value of EUR 24 to 33 million.

Overall, the cooperation with all global SoftBank Portfolio Companies will result in a profit potential over five years – taking into account a discount for the ramp-up phase on the one hand, and excluding the terminal value, i.e. future profit prospects at the end of the five years, on the other hand – of EUR 96 to 140 million. After discounting with a factor of 8.5% p.a., this leads to a value of EUR 69 to 101 million. The terminal value, i.e. the future profit prospects at the end of five years, results, in isolation, in an additional value of EUR 236 to 341 million.

## **b) Market access in Japan and South Korea**

As a Japanese company, Softbank has a very strong presence in the Japanese and South Korean markets. Wirecard has not yet a significant presence in these markets.

### *(1) Japan*

SoftBank itself – without SoftBank's Investment Companies – has generated USD 42 billion in revenue in Japan in 2018 and is organizationally deeply rooted in the Japanese market. One of the SoftBank Portfolio Companies in Japan is The Japan Net Bank, which holds a banking license as well as a license for the issuance of credit and debit cards and can therefore provide the Wirecard Group with access to regulated business in Japan.

Japan constitutes a particularly attractive market for the Wirecard Group. According to expert assessments (based on current and historical figures) the e-commerce sector in Japan had a volume of approx. USD 163 billion in 2018. Nevertheless payment transactions are, to a large extent, still made in cash. The Japanese market therefore provides great potential for payment services in the context of the expected substitution of cash payments.

## *(2) South Korea*

The South Korean market is traditionally tied closely to the Japanese market. Although, according to expert assessments (based on current and historical figures), the e-commerce sector in South Korea only had a volume of approx. USD 56 billion in 2018, the use of credit cards for payments in the e-commerce sector is, according to expert assessments, approx. three to four times higher than that in Japan. In order to leverage this potential for Wirecard, a local point of contact with corresponding market presence is necessary.

Due to a multitude of investments made by SoftBank Investment Companies in recent years SoftBank is present in South Korea as an investor with its own personnel and has relevant market knowledge.

## *(3) Advantages from the cooperation*

Wirecard plans to provide in Japan and South Korea in particular (i) *Acquiring* solutions (online and offline business as well as credit card payments), (ii) issuing of credit and prepaid cards (*Issuing*), including digital payment solutions (*Wallet, Boon*) and *white-label* solutions for credit and prepaid cards, as well as (iii) services in the area of managing risks of fraud during payment processing.

For this purpose, Wirecard, together with the SoftBank-Group, intends to set up its own distribution organization in Japan and South Korea, with SoftBank especially contributing contacts and market knowledge. Thus, Wirecard Group's access to markets, that are traditionally difficult to access for foreign business activities, can be facilitated.

In order to determine profit potentials from a cooperation regarding these two markets the Management Board assumed that the Wirecard Group would achieve 20-40% of the market

share it holds in its core markets (e.g. Germany). This assumption is based on experience, which is supported by expert assessments, on what new market participants can realistically achieve in comparable cases within five years after an organic market entry.

#### *(4) Quantification of the expected profit potential*

In the field of *Issuing*, e.g. the issuing of credit and debit cards, Wirecard expects over a period five years a profit potential of EUR 14 to 18 million in Japan and of EUR 23 to 24 million in South Korea, where the usage of credit cards is three to four times higher than in Japan. Furthermore, in the field of *Acquiring* solutions and other services in both markets an additional profit potential of EUR 8 to 11 million in Japan and EUR 4 to 6 million in South Korea is expected over a period of five years.

Based on this, the Management Board identified a profit potential beginning from the market entry in Japan and South Korea over a period of five years – taking into account a discount for the ramp-up phase on the one hand, and excluding the terminal value, i.e. future profit prospects at the end of the five years, on the other hand – of EUR 49 to 69 million. After discounting with a factor of 8.5% p.a., this leads to a value of EUR 36 to 51 million is produced. The *terminal value*, i.e. the future profit prospects at the end of five years, results, in isolation, in an additional value of EUR 92 to 132 million.

Profit potentials that were already considered in the context of the cooperation with Soft-Bank Portfolio Companies (e.g. the South Korean company Coupang) were not considered in in the context of the market entry in Japan and South Korea.

#### **c) Development of joint new products and services**

Additionally to the already described business opportunities resulting from the offer of existing Wirecard Group products and services to the SoftBank Portfolio Companies and in the context of the geographic expansion to Japan and South Korea, Wirecard intends to develop new products and services with SoftBank that are specifically tailored to Soft-



Bank Portfolio Companies and their ecosystems. These particularly include:

*(1) Digital Lending*

In the context of *Digital Lending* processes (*Merchant and Consumer Lending*) credit decisions, credit applications and credit payments are bundled in real time by fully digital and fully automatized processes on the global Wirecard platform. Wirecard expects additional digital lending business from the newly generated *Acquiring* and *Issuing* business with the SoftBank Portfolio Companies in Japan and South Korea (see above under a) and b)).

In the context of *Merchant Lending* the newly gained *Acquiring* customer base can be used to offer *Lending* and *Factoring* solutions concerning receipt of payments from customers, whereas in the context of *Consumer Lending* new *Issuing* business opportunities e.g. instalment payment models can be offered.

- *Merchant Lending / Merchant Cash Advance*

In the course of *Merchant Lending* financing offers for incoming payments (e.g. due to purchase in e-commerce) are proposed to merchants fully digitally and in real time on grounds of many different individualized factors, which are based on a complex data driven decision model within the Wirecard platform. This allows Wirecard to build a risk-optimized credit portfolio with very short running times and at the same time to increase its business volumes with associated merchants. In addition to traditional digital risk evaluation processes Wirecard has the advantage of using its own data from business with the merchants to make even better risk optimized decisions.

- *Consumer Lending*

In the field of *Consumer Lending* new *Issuing* business opportunities can e.g. be connected to instalment payment models. In that process consumers can, with regards to actual or future payments, make use of fully digitalized financing

options offered by Wirecard. The credit decision is made in real time resulting in immediate payment. End-to-end, the process does not take longer than 5 minutes including the fully digital application. Depending on the industry (e.g. fashion, mobility or electronics) Wirecard intends to develop specifically tailored solutions that are adapted to the respective consumer but also to merchant needs. The focus is not on the channel (Internet, classic POS) as the customer shall be offered a uniform purchasing experience.

### *(2) Use of Wirecard solutions in established SoftBank ecosystems*

With its risk and fraud prevention systems Wirecard optimizes default ratios for merchants worldwide and helps them raise their conversion rate. From the data that Wirecard generates through the multitude of processed transactions both on the *Issuing* and on the *Acquiring* side, new data models can be built that can be used both for purchase increase as well as for more targeted and more individualized consumer marketing.

Particularly the numerous ecosystems of the SoftBank Portfolio Companies (i.e. central product platforms that unite products and services, that are ideally to be combined from a customer's view in order to allow for a uniform purchasing experience e.g. Alibaba Group and Uber) can profit from these new data models. At the same time the respective transactions provide more data material that can in turn be used for optimizing purposes.

### *(3) Quantification of the expected profit potential*

On this basis, the Management Board has identified a five-year profit potential of EUR 64 million – taking into account a discount for the ramp-up phase on the one hand, and excluding the terminal value, i.e. future profit prospects at the end of the five years, on the other hand – from the development of joint new products and services. After discounting with a factor of 8.5% p.a., this leads to a value of EUR 47 million. The *terminal value*, i.e. the future profit prospects at the end of five years, results isolated in an additional value of EUR 107 million.

### 4.1.3 Financing aspects

Wirecard intends to use the funds of EUR 900 million generated by the issue of the Convertible Bond 2019/2024, *inter alia*, to offer new innovative services in the field of digital lending and analytics (analysis and evaluation of large amounts of data from various data sources). The repayment of a part of the proceeds to the shareholders in the context of a repurchase programs for shares will also be assessed. In addition, the funds from the Convertible Bond 2019/2024 could be used to reduce the current indebtedness.

### 4.2 Suitability and necessity of the exclusion of subscription rights

The exclusion of the subscription rights when using the authorization to issue the convertible bonds is also suited to achieve the purpose, which is in the business interest of Wirecard, set out above. The issuance of the Convertible Bonds and the linked possibility for SoftBank to acquire shares amounting to approx. 5.6% of the current share capital through the exercise of conversion rights on the terms set out in the authorization resolution, is an essential prerequisite for making possible the intended joint cooperation with SoftBank. Without the issue of the Convertible Bond 2019/2024 it would not have been possible to win SoftBank as strategic partner.

The exclusion of the subscription rights when exercising the requested authorization is also necessary in order to achieve this purpose. The Management Board considered possible alternatives, however discarded them as they were not considered practicable for achieving the desired goal.

- According to the Management Board's assessment, the strategic partnership with SoftBank offers unique opportunities to realize profit potential for Wirecard. In the view of the Management Board, there is currently no other strategic partner with whom comparable advantages would be possible. Therefore, Wirecard has thus not conducted comparable discussions with other potential partners.

- The issue of the convertible bonds with shareholders' subscription rights would be less suitable for achieving the desired goal. This is because granting subscription rights would not ensure that the current shareholders would refrain from exercising their subscription rights to the extent necessary to grant the SoftBank Investment Vehicle convertible bonds with conversion rights to Wirecard shares in the amount requested by them for entering into the strategic partnership.
- Issuing the convertible bonds under exclusion of the subscription rights with a conversion obligation for the SoftBank Investment Vehicle or a right of Wirecard to deliver shares instead of repayment of the convertible bonds (tender right) was not accepted by SoftBank and was therefore also excluded. In addition, the issuance of such an instrument would also come with a corresponding exclusion of subscription rights, because only the exclusion of the subscription rights of the shareholders can ensure that the SoftBank Investment Vehicle can subscribe to the corresponding instruments when using the authorization.
- SoftBank has also not accepted a direct subscription of shares by SoftBank in the context of a capital increase instead of the issue of convertible bonds with conversion rights. In order to achieve the desired equity participation, in such case, too, only a capital increase with the exclusion of the shareholders' subscription rights would be suitable.
- The issue of instruments to SoftBank without conversion rights in Wirecard shares would also not be suitable for achieving the purpose pursued with the Transaction, since SoftBank demands the option to convert the convertible bonds into an equity interest in Wirecard as consideration for the strategic partnership.

In summary, the exclusion of the subscription rights under the requested authorization to issue the convertible bonds is also necessary to achieve the pursued purpose.

## **5. Adequacy of the exclusion of subscription rights and explanation of the proposed issue price**

The exclusion of the subscription rights is also to achieve the purpose pursued, it is lying in the Company's interest and the issue price of the convertible bonds is not unreasonably low to the detriment of the Wirecard shareholders.

## **5.1 Adequacy of the issue price of the Convertible Bond 2019/2024**

After due examination, the Management Board has come to the conclusion that the issue price of the Convertible Bond 2019/2024 is not unreasonably low to the detriment of the Wirecard shareholders, taking into account the significant economic benefits from the strategic partnership with SoftBank.

### **5.1.1 Isolated evaluation of the Convertible Bond 2019/2024**

The theoretical market value of the convertible bonds determined in accordance with accepted finance methods – taken as such without considering the economic benefits resulting from the strategic partnership – currently amounts to approx. EUR 1.025-1.078 billion. This was confirmed to the Management Board by an expert opinion of a renowned European investment bank.

In the context of the evaluation, market parameters which banks and investors would use for the assessment of similar newly issued convertible bonds were taken as a basis, such as volatility, credit spread and share lending cost. The evaluation was conducted by using the external Monis software pricing model.

- The evaluation is based on the share price prior to the announcement of the Transaction. For this purpose, the volume-weighted average price as of 23 April 2019, the day prior to the publication of the Transaction, was taken, which was (according to Bloomberg) EUR 117.35. The reference point for the share market price must naturally be before the announcement of the Transaction since the share price after the announcement already reflects the Transaction. The conversion price of EUR 130.00 per Wirecard share is approx. 11% higher than the volume-weighted average price of EUR 117.35 on 23 April 2019.
- As credit spread a range of 175 to 250 basis points was used, taking into account the interest rate premium that is applied on comparable companies.

- With regard to volatility a range of 32.5-37.5% was used, which is at the upper end of the pricing scale for newly issued convertible bonds in Europe, as well as a deduction of 5% for the theoretical surrender value (*repo*) value (current Bloomberg value).

This resulted in an isolated *ex-ante* valuation of the convertible bonds in the range of 113.9-119.8% of the principle value, i.e. in an amount of EUR 1.025-1.078 billion.

### **5.1.2 Assessment of the economic benefits resulting from the strategic partnership with SoftBank**

However, the market value determined in accordance with finance methods is not the sole decisive factor for the evaluation of the Convertible Bond 2019/2024. The issuance of the Convertible Bond 2019/2024 is not primarily done for financing purposes, but in particular also with the aim to allow SoftBank to acquire (through the SoftBank Investment Vehicle) equity interests as a prerequisite for the intended strategic partnership with SoftBank. This partnership results in significant economic benefits for Wirecard, which must be taken into account beyond the issue price when evaluating the Transaction. As described under 4.1 above, the Management Board has – assessed the profit potential resulting from the strategic partnership with the SoftBank-Group, as to be agreed in the binding Cooperation Agreement, on the basis of concrete business cases and has subsequently identified a volume of EUR 209 million to 273 million over five years (taking into account a discount for the ramp-up phase and excluding the terminal value, i.e. future profit prospects at the end of the five years).

After discounting with a factor of 8.5% p.a. (this corresponds to the weighted average cost of capital according to the average of five representative analyst reports), the value of the strategic cooperation amounts to a range of EUR 152 million to EUR 199 million. The additional terminal value amounts to EUR 435 million to EUR 580 million.

The value is distributed among the different aspects of the planned cooperation as follows:

i. Cooperation with SoftBank Portfolio Companies

Value of the strategic cooperation after discounting  
EUR 69 to 101 million

Terminal value EUR 236 to EUR 341 million

ii. Market access in Japan and South Korea

Value of the strategic cooperation after discounting  
EUR 36 to 51 million

Terminal value EUR 92 to 132 million

iii. Development of joint new products and services

Value of the strategic cooperation after discounting  
EUR 47 million

Terminal value EUR 107 million

## 5.2 Shareholders' interest are adequately considered

In the Management Board's view, the shareholder interests are adequately taken into consideration with regard to the issue of the convertible bonds. The issue price of the convertible bonds is reasonable in light of the economic benefits resulting from the strategic partnership, and the dilution of the relative participation of the existing shareholders is limited to approx. 5.6% of the current share capital.

The above-mentioned evaluation considerations show that through receipt of the issue price in the amount of EUR 900 million and the business opportunities to be expected from the strategic partnership with SoftBank, Wirecard will receive an economic equivalent for the issue of the Convertible Bond 2019/2024, which corresponds at

least to the market value of the convertible bonds determined according to financial methods. Even if the conversion right is exercised, the issue of the Convertible Bond 2019/2024 therefore does not lead to an economic dilution of the stockholders, but only to a dilution of their relative participation, which, moreover, is also likely to be relatively low, as the number of shares to be issued is limited to around 5.6% of the current share capital.

The current shareholder structure (status as of 6 May 2019) should not be significantly changed by the exercise of the conversion right either. The SoftBank Investment Vehicle, which signs the convertible bonds, would only become the fourth largest investor of Wirecard after the MB Beteiligungs GmbH, the Goldman Sachs Group, and Blackrock. With Artisan Partners Asset Management, Jupiter Fund Management, and Citigroup there are three other investors whose participation is somewhat lower but within a similar range (for details, see 3.2.c) on shareholder structure).

## 6. Conditional Capital 2019/I

New Conditional Capital in the amount of EUR 8,000,000.00 or 8,000,000 shares respectively is to be created to service the conversion rights of the holders of the Convertible Bond 2019/2024 (the “**Conditional Capital 2019/I**”).

The convertible bonds of the Convertible Bond 2019/2024 currently grant conversion rights to a maximum of 6,923,076 shares based on the conversion price of EUR 130.00.

However, the terms and conditions of the convertible bonds shall contain customary dilution protection provisions under which the conversion price of the convertible bonds can be adjusted to preserve their value, in particular if the Company increases its share capital by the end of the conversion period by granting subscription rights to its shareholders or issues or guarantees further convertible bonds or option bonds and does not grant subscription rights to the holders of the convertible bonds, as they would be entitled to after exercise of the conversion right, or if other capital measures or other comparable measures are conducted that could lead to an economic reduction in the value of the shares issued.



In order to also have sufficient Conditional Capital available in the event of an adjustment of the conversion price due to the dilution protection regulations, the Conditional Capital 2019/I shall be created in the amount of EUR 8,000,000.00 or 8,000,000 shares respectively. This includes a reserve of more than 15% compared to the currently required number of 6,923,076 shares.

The Conditional Capital 2019/I serves exclusively to grant shares to the holders of the Convertible Bond 2019/2024. There are no plans for any other use and the Management Board is not granted any additional flexibility to use the shares from the Conditional Capital 2019/I in any other way.

## 7. Conclusion

Together with the Supervisory Board, the Management Board has decided to submit this Transaction to the Annual General Meeting for decision. After duly considering all circumstances, the Management Board is convinced that the issue of the Convertible Bond 2019/2024 to the SoftBank Investment Vehicle and the resulting strategic partnership with SoftBank represents a unique opportunity for the further development of Wirecard and thus for all Wirecard shareholders.

## COMMITMENT BY THE MANAGEMENT BOARD ON AGENDA ITEM 8

Under agenda item 8, it is proposed to the Annual General Meeting to conditionally increase the Company's share capital by up to EUR 8,000,000.00 through the issuance of up to 8,000,000 new no-par-value bearer shares ("**Conditional Capital 2019/I**"). The conditional capital increase is exclusively for providing shares to holders of the Convertible Bonds that are issued on the basis of the authorization that is also proposed for approval under agenda item 8 to the Annual General Meeting ("**Authorization 2019**"). The issue of the planned Convertible Bonds is associated with conversion rights to (at the time of issue) 6,923,076 shares of the Company, which equals approximately 5.6% of the Company's current share capital. The difference to the proposed 8,000,000 shares only serves to have sufficient conditional

capital in place to service the conversion rights of holder of Convertible Bonds also in the case of an adjustment of the conversion price pursuant to anti-dilution-provisions in accordance with the Bond Terms. The shareholders' subscription rights to the Convertible Bonds issued on the basis of the Authorization 2019 is excluded.

At present, the following further authorizations of the Management Board to issue shares or instruments with conversion or options rights and conversion or option obligations, respectively, exist:

- According to the authorization granted by the Annual General Meeting on 16 June 2016, which expires on 15 June 2021, the Management Board is authorized to issue, subject to the Supervisory Board's consent, convertible bonds or warrant bonds, profit participation rights and/or profit participation bonds (or combinations of these instruments) (together "**Bonds**") in an aggregate principal amount of up to EUR 300,000,000.00 linked with conversion or option rights, or conversion or option obligations, respectively, to shares of the Company with a *pro rata* amount of the share capital of up to EUR 12,356,558.00 (corresponding to 10% of the current share capital) ("**Authorization 2016**"); correspondingly, the Company's share capital is conditionally increased by up to EUR 12,356,558.00 (Section 4 (4) of the Articles of Association, "**Conditional Capital 2016**"). In specific cases determined by the Annual General Meeting on 16 June 2016, the Management Board is also authorized to exclude the shareholders' subscription rights to the Bonds. Pursuant to the resolution of the Annual General Meeting, Bonds may, however, under the Authorization 2016 only be issued under exclusion of subscription rights if the arithmetic share in the share capital attributable to the sum of new shares to be issued under such Bond excluding the subscription rights does not exceed 20% of the Company's existing share capital at the time the Authorization 2016 became effective. Based on the share capital at that time (and also today) a maximum of 24,713,117 Wirecard shares can be issued under the Authorization 2016 under exclusion of subscription rights; deducted from this 20% limit shall also be shares which (i) are issued or sold during the term of the Authorization 2016 under exclusion of subscription rights against contribution in cash and/or in kind, or (ii) are to be issued under convertible or warrant bonds issued during the term of the Authorization 2016 on the basis of another authorization under exclusion of subscription rights. The Authorization 2016 has not yet been used.

- Furthermore, until expiry on 17 June 2020, an authorized capital amounting to EUR 30,000,000.00 exists which allows the issuance of shares under exclusion of subscription rights for certain constellations (Section 4 (2) of the Articles of Association, **“Authorized Capital 2015”**). The total number of shares that can be issued under the Authorized Capital 2015 under exclusion of subscription rights must not exceed 20% of the Company’s existing share capital at the time the authorization is used (i.e. currently also up to 24,713,117 no-par-value shares). Shares which are sold or issued or are to be issued under exclusion of subscription rights on the basis of other authorizations during the term of the Authorized Capital 2015 do also count towards this limit. The Authorized Capital 2015 has also not yet been used.

With regards to the authorization to issue Convertible Bonds and the corresponding conditional capital increase that is proposed under agenda item 8, and the already existing authorizations allowing the Management Board to issue shares or instruments with conversion or option rights and conversion or option obligations, respectively, the Management Board issues the following commitment: We will not increase the share capital of the Company from the proposed Contingent Capital 2019/I, the already existing Contingent Capital 2016 and the already existing Authorized Capital 2015 by a total of more than 10% of the Company’s current share capital, to the extent that capital increases under exclusion of shareholders’ subscription rights are made (i) from the Authorized Capital 2015 against contribution in cash and/or in kind or (ii) to service bonds that are issued under the Authorization 2019 proposed under agenda item 8, or under the Authorization 2016, in each case after the Authorization 2019 becomes effective and under exclusion of subscription rights. Deducted from this 10%-limit shall also be shares that are issued or sold after the Authorization 2019 becomes effective during the term of these authorizations under exclusion of subscription rights. This commitment comes into force when the resolution proposed under agenda item 8 takes effect and ends no later than at expiry of the above-mentioned authorizations. It shall end early if a future Annual General Meeting resolves on a new authorization to exclude shareholder’s subscription rights and, in connection with the proposal to the Annual General Meeting, the Management Board submits a new arrangement superseding this commitment.

## FURTHER INFORMATION AND INSTRUCTIONS REGARDING THE ANNUAL GENERAL MEETING

### **Total number of shares and voting rights**

On the day on which this Annual General Meeting is called, the Company's share capital amounts to EUR 123,565,586.00 and is divided into 123,565,586 bearer shares (no-par-value shares). Each share issued carries one vote. The total number of voting rights is therefore 123,565,586. At this point in time, the Company holds no treasury stock.

### **Requirements for attending the Annual General Meeting and exercising voting rights**

Only those shareholders are entitled to attend the Annual General Meeting and to exercise voting rights who have registered with the Company by the close of **11 June 2019** (24:00 h local time at the Company's registered office) at the following address:

Wirecard AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
Telefax: +49 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

and who have delivered to the Company, at the above address and by the above date – proof issued by the custodian institution that they were shareholders of the Company at the beginning of the 21<sup>st</sup> day prior to the Annual General Meeting, i.e. on **28 May 2019, 00:00 h** (local time at the Company's registered place of business) ("**Record Date**"). The registration and the record of proof must be in text form (Section 126b of the German Civil Code (hereinafter "BGB")) in German or English.

### ***Significance of the Record Date***

In relation to the Company, only persons who have delivered proof that they were a shareholder on the Record Date may attend the Annual General Meeting and exercise their voting rights as shareholders. This means that shareholders who only acquired their shares after the Record Date will not be allowed to attend the Annual General Meeting, unless the Company has received a registration including proof of the shareholding from the former shareholder in due time and form, and the shareholders concerned have been authorized by the former shareholder to attend or to exercise rights.

Shareholders who sell their shares after the Record Date are – provided they register and submit proof of their shareholding on time – nevertheless entitled, in relation to the Company, to attend the Annual General Meeting and to exercise their voting rights; they may also authorize the buyers of their shares to exercise the voting right. The Record Date has no effect on the saleability of the shares. Shareholders may continue to freely dispose of their shares even after their registration has been submitted. The Record Date has no relevance for dividend entitlements.

### **Procedure for voting by authorized representatives/proxy voting**

Shareholders who do not wish to attend the Annual General Meeting in person may have their voting right exercised by an authorized representative, e.g. by a credit institution, a shareholders' association or a third person. In this case as well, registration by the shareholder or an authorized representative and proof of the shareholding must be received by the Company in due time.

If a shareholder appoints more than one person as authorized representatives, the Company may deny one or more of them access.

### ***Authorization***

The granting and withdrawal of power of attorney and the provision of evidence of authorization to the Company must be in text form (Sect. 126b BGB), unless the authorization is granted to a credit institution, a shareholders' association or other persons, institutions or companies of equivalent standing in accordance with Sect. 135 (8) AktG or Sect. 135 (10) in conjunction with Sect. 125 (5) AktG. For granting power of attorney, shareholders may use the form which is sent to them together with the admission ticket after they have duly registered.

The power of attorney can be granted and withdrawn both by a declaration towards the Company and a declaration towards the person to be authorized. If authorization is declared towards the person to be authorized, evidence of such authorization shall be provided to the Company in text form. Shareholders and their authorized representatives can send evidence of authorization or of the withdrawal of the power of attorney to the Company at the address, fax number or email address stated above for registration purposes under "Requirements for attending the Annual General Meeting and exercising voting rights". Proof can also be furnished by presenting the power of attorney at the admissions desk on the day of the Annual General Meeting. Proxy powers may also still be conferred after the shareholder's registration for the Annual General Meeting.

Using the data printed on the admission ticket, power of attorney may also be declared towards the Company electronically via the Company's investors' portal at [ir.wirecard.com/agm](http://ir.wirecard.com/agm); proxy powers granted via the investors' portal may also be revoked using the same channel. The access data for the investors' portal will be provided together with the Annual General Meeting admission ticket.

If a shareholder attends the Annual General Meeting in person, this shall automatically be deemed revocation of any proxy powers previously conferred upon a third person.

Any authorization of credit institutions, shareholders' associations or other institutions, entities or persons of equivalent standing pursuant to Sect. 135 (8) AktG or Sect. 135 (10) in conjunction with Sect. 125 (5) AktG shall be subject to the special statutory provisions set out in Sect. 135 AktG. Exceptions to the rule specifying the requirement for text form may therefore be applicable. However, it is possible that the institutions or persons who are to be authorized demand a letter of proxy in a particular form, because they are obliged under Sect. 135 AktG to document proxy powers in a verifiable manner. We therefore recommend that the proxies concerned be consulted in a timely fashion as regards the respective form of authorization and the relevant procedure.

#### ***Voting by proxies appointed by the Company and bound by specific instructions***

The Company offers its shareholders the possibility of authorizing proxies, who have been appointed by the Company and are bound by the shareholders' instructions, to exercise their voting rights, already before the Annual General Meeting. A timely registration and proof of the shareholding, as described above under "Requirements for attending the Annual General Meeting and exercising voting rights", are required in this case as well. Our proxies are only allowed to cast votes in compliance with the instructions given. For this reason, it is imperative that they are given instructions on how to exercise the voting right. It should be noted that proxies can therefore only vote on items on the agenda in respect of which you have given instructions, and that proxies cannot accept instructions on procedural motions either before or during the Annual General Meeting. It is also not possible to give instructions as to requests to speak, objections to be filed against shareholders' resolutions, or questions to be asked or motions to be filed.

If you wish to authorize one of our proxies, please use the proxy and voting instruction form which you will receive together with the admission ticket after you have duly registered. Please send the proxy form with the relevant instructions – as well as any subsequent amendments or revocation – in

such a timely manner that the Company will receive it no later than **17 June 2019, 18:00 h** (local time at the Company's registered office) at the address, fax number or email address indicated above for registration purposes under "Requirements for attending the Annual General Meeting and exercising voting rights". On the day of the Annual General Meeting, proxy powers and voting instructions for the proxies appointed by the Company can be issued, amended or revoked in text form, also at the admission and exit desks at the Annual General Meeting.

In addition, proxy powers and instructions for the proxies appointed by the Company as well as any revocation may also be issued no later than **18 June 2019, 10:00 h** (local time at the Company's registered office) via the Company's investors' portal at [ir.wirecard.com/agm](http://ir.wirecard.com/agm). Shareholders can access the investors' portal at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) using the data printed on the admission ticket.

If a shareholder or authorized third party attends the Annual General Meeting in person, this shall automatically be deemed revocation of any proxy powers previously conferred upon the proxies appointed by the Company and also rules out any further authorization of the latter via the investors' portal.

#### **Shareholders' rights under Sect. 122 (2), Sect. 126 (1), Sect. 127 and Sect. 131 (1) AktG**

##### ***Requests for additional items to be included on the agenda upon the demand of a minority in accordance with Sect. 122 (2) AktG***

Shareholders whose shares amount in aggregate to EUR 500,000.00 of the Company's share capital (which is equivalent to EUR 500,000 no-par-value shares) may demand that certain items be included on the agenda and published.

In accordance with Sect. 122 (2) AktG in conjunction with Sect. 122 (1) AktG, the petitioner(s) must submit proof that they have held the required number of shares for at least ninety (90) days prior to the date on which their demand is received, and that they will continue to hold such shares until the Management Board takes a decision on the request. Sect. 121 (7) shall apply *mutatis mutandis* for calculating the prescribed period.

Each new item must be accompanied by a statement of reasons or a draft resolution. Supplemental requests must be addressed to the Management Board of Wirecard AG in writing and must be received by the Company by no later than **18 May 2019** (24:00 h local time at the Company's registered office).

Supplemental requests may be sent to the following address:

Wirecard AG  
Management Board

Annual General Meeting – Supplemental Requests  
Einsteinring 35  
85609 Aschheim, Germany

Requests for additional items on the agenda that have to be announced – unless they have already been included in the notice calling the Annual General Meeting – shall be published in the Federal Gazette without delay upon receipt of the respective request, and shall be submitted for publication to those media which are expected to disseminate the information throughout the European Union. In addition, they shall be announced at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) and notified to the shareholders.

***Counter-motions and nominations for election by shareholders pursuant to Sect. 126 (1) and 127 AktG***

Each shareholder of the Company is entitled to send to the Company motions counter to a proposal put forward by the Management Board and/or the Supervisory Board concerning a specific item on the agenda, or nominations for elections of members of the Supervisory Board or auditors.

The Company shall make counter-motions within the meaning of Sect. 126 AktG and nominations for elections within the meaning of Sect. 127 AktG – including the name of the shareholder, the reasons and any comments by the management – available on the Company’s website at [ir.wirecard.com/agm](http://ir.wirecard.com/agm), provided the Company has received them at least 14 days prior to the meeting, i.e. by the close of **3 June 2019** (24:00 h local time at the Company’s registered office) at the address stipulated below, and provided the remaining requirements for such obligatory publication pursuant to Sect. 126 AktG and Sect. 127 AktG are met:

Wirecard AG  
Investor Relations  
Einsteinring 35  
85609 Aschheim, Germany  
Telefax: +49 89 4424 1700  
Email: [hauptversammlung@wirecard.com](mailto:hauptversammlung@wirecard.com)



Counter-motions or nominations for elections that are sent to any other address or received late will not be considered. The Company may refrain from announcing a counter-motion and the reasons for it or from publishing a nomination for election in the cases set out in Sect. 126 (2) and (3) AktG. Moreover, nominations do not need to be published if the proposal does not include the information required under stock corporation law pursuant to Sect. 124 (3) sentence 4 AktG and Sect. 125 (1) sentence 5 AktG (name, current job and place of residence of the person nominated, as well as – in case of the candidates nominated for the Supervisory Board – additional information on their membership of other supervisory bodies having to be constituted by law).

We would like to point out that counter-motions or nominations for elections will only be put to the vote at the Annual General Meeting if they are made or submitted at the Annual General Meeting. Other than this, the right to file counter-motions concerning items of the agenda and to submit nominations during the Annual General Meeting shall exist irrespective of whether such counter-motions or nominations have been sent to the Company in advance.

#### ***Shareholders' right to information in accordance with Sect. 131 (1) AktG***

Upon request, the Management Board shall provide each shareholder at the Annual General Meeting with information about the Company' affairs, including the legal and business relationships of the Company with affiliated enterprises, as well as about the situation of the Group and the entities included in the consolidated financial statements, if and to the extent that such information is necessary for a proper assessment of an item of the agenda and there is no right to refuse information pursuant to Section 131 (3) AktG.

Pursuant to Article 19 (2) of the Company's Articles of Association, the chairman of the meeting is authorized to reasonably limit time-wise the shareholders' right to speak and to ask questions.

#### **Privacy notice for shareholders**

For the purpose of holding the Annual General Meeting, the Company collects personal data of its shareholders and/or their proxies (name, address, number of shares, share category, number of admission tickets). This is done to comply with statutory obligations and to enable shareholders to exercise their rights at the Annual General Meeting. Wirecard AG is pro-

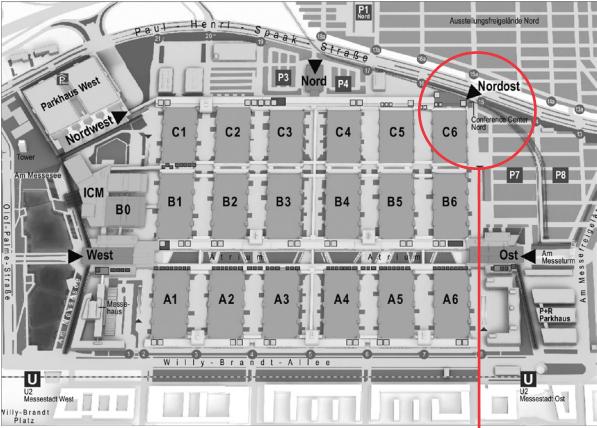
cessing the data as data controller in compliance with the EU General Data Protection Regulation (“**GDPR**”) and all other applicable statutory provisions. Detailed information on how the personal data is handled and used and on the rights of the shareholders and/or their proxies pursuant to GDPR is provided in the “Information on data privacy for shareholders of Wirecard AG” which can be accessed at [ir.wirecard.com/agm](http://ir.wirecard.com/agm).

**Publications on the Company’s website (Sect. 124a AktG)**

This notice convening the Annual General Meeting, the documents having to be made available to the Annual General Meeting, shareholders’ motions, supplementary explanatory notes concerning the rights pursuant to Sect. 122 (2), 126 (1), 127, 131 (1) AktG, as well as further information on granting power of attorney and voting proxy will also be available on the Company’s website at [ir.wirecard.com/agm](http://ir.wirecard.com/agm) from the day on which the Annual General Meeting is convened.

Aschheim, May 2019

Wirecard AG  
The Management Board



**Hall C6**  
Access via the  
Northeast entrance

### Getting there by car from the A94 autobahn

Messe München and the ICM are located directly by the A94 autobahn. Take exit 5 (München Riem) or exit 6 (Feldkirchen-West) from the A94. A traffic control system will then direct you to available parking lots. Depending on your type of in-car navigation system, you will find Messe München and the ICM under the categories exhibition center, trade show, exhibition ground, or similar.

### Getting there by plane

The S-Bahn (urban rail) station is located under Munich Airport and connects the airport to the city with the lines S1 and S8. Trains to Munich city center run every 10 minutes. Depending on the route, the journey by rail from the airport to Messe München takes between 45 and 60 minutes. The journey by taxi takes around 35 minutes, depending on traffic conditions. For some trade shows, a shuttle bus runs between Munich Airport and Messe München. Buses depart every half hour and the journey takes approximately 45 minutes.

### Getting there by public transportation

Munich main railway station (München Hauptbahnhof) is located in the city center, approximately 11 kilometers from Messe München. Take subway (U-Bahn) line U2 in the direction of Messestadt Ost. The journey takes around 18 minutes. Alight at the Messestadt Ost station. From there, take the shuttle bus to the Northeast entrance.

WIRECARD AG

**Investor Relations**

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You will find information on dates as well as our annual report for download in the Investor Relations section of our website [www.wirecard.com](http://www.wirecard.com).

Please send us an email or use the contact form on our website if you would like a printed copy of the annual report.