

Raiffeisen Centrobank AG
Vienna
FN 117507 f

REPORT
on the audit of the demerger of the
Raiffeisen Centrobank AG
according to Art. 5 para. 1 Demerger Act
(„Spin-off audit“)

as of
July 1, 2022

Handelsgericht Wien, 75 Fr 24651/22 v - 3

Vienna, September 13, 2022

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For submission to the Company Register Court

To the members of the board of the
Raiffeisen Centrobank AG,
Vienna

According to Art. 5 para. 1 Demerger Act (dt. “*Spaltungsgesetz*”) we have concluded the demerger audit of the

**Raiffeisen Centrobank AG,
Vienna,
FN 117507 f**

(hereafter also referred to as „RCB“ or “company”) and report the following on the result of this audit:

1. Task and implementation

1.1. Task

Subject of the enclosed report is the spin-off audit (dt. “*Spaltungsprüfung*”) to be carried out at RCB as the transferring company pursuant to Art. 5 para. 1 of the Demerger Act (dt. “*SpaltG*”). The company, represented by the board, concluded an **audit contract** on August 9, 2022.

1.2. Implementation

We have conducted the audit in consideration of the Austrian principles of professional conduct on other audits (KFS/PG 13). Those standards require that we comply with ethical requirements, including independence requirements, and plan and perform the engagement, taking into account the principle of materiality, so as to provide sufficient assurance about our opinion.

The procedures selected depend on the auditor's judgement and included in particular the following activities:

1. Audit of the demerger agreement for completeness and correctness, in particular
2. Audit whether the exchange ratio provided for in the demerger agreement is sufficient and appropriate and correctly implemented, and
3. Audit as to whether there were any particular difficulties in the valuation of the company.

We conducted the audit from August to September 2022 at our premises.

Mr. Mag. (FH) Georg Steinkellner, auditor, is responsible for the proper performance of the engagement.

The **information and evidence** required by us were provided to us by the company's Management Board and the respondents named to us.

The management board of the company has issued a letter of representation and confirms that all assets and liabilities are correctly and completely recorded in the closing balance sheet as of June 30, 2022 and in the demerger (residual assets) balance sheet and that all contingent liabilities have been disclosed to us.

In particular the following documents were available to us for our audit:

- Draft of the Half-Year financial report of Raiffeisen Centrobank AG as of June 30, 2022
- Notarized and signed demerger and takeover agreement (dt. *“Spaltungs- und Übernahmevertrag“*)
- Takeover and demerger balance sheet (dt. *“Übernahme- und Spaltungsbilanz“*) as of July 1, 2022 (overview as PDF document and Excel file with details)
- Report on the audit of the closing balance sheet pursuant to Art. 2 para. 2 Demerger Act as of June 30, 2022 by Deloitte Audit Wirtschaftsprüfung GmbH with an unmodified audit opinion dated September 7, 2022
- Statement of PricewaterhouseCoopers Wirtschaftsprüfung und Steuerberatung GmbH, Vienna, on the demerger of the business division "Certificates & Equity Trading" and assessment as an independent branch of activity (dt. *“Teilbetrieb“*)
- Residual assets balance sheet (dt. *“Restvermögensbilanz“*) as of July 1, 2022
- Details of the material items of the residual assets balance sheet as of July 1, 2022
- Demerger report by the management board of RCB (dt. *“Spaltungsbericht des Vorstands“*)
- Residual asset report by the management board of RCB (dt. *“Restvermögensbericht des Vorstands“*)
- Waiver acc Art. 17 sec. 5 demerger Act in conjunction with Art. 231 para. 1 para. 2 Stock Corporation Act (dt. *“Aktiengesetz“*)

1.3. Responsibility of the legal representatives

The legal representatives of the company are responsible for the documents on which the demerger is based, especially the closing, demerger and takeover balance sheet, in accordance with the accounting provisions of the Austrian Commercial Code (dt. *“Unternehmensgesetzbuch“*).

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these documents in accordance with the accounting provisions of the Companies Code so that they are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1.4. Responsibility of the auditor

Our responsibility is to express an opinion, based on our audit procedures, as to whether the demerger plan has been prepared in accordance with the statutory provisions of the Demerger Act (Art. 5 sub-section 1 Demerger Act).

The subject matter is neither an audit of financial statements nor a review of financial statements. Likewise, neither the detection and clarification of criminal offences, such as embezzlement or other acts of fraudulent activities and administrative offences, nor the assessment of the effectiveness and efficiency of the management is the object of our engagement.

Art. 275 Austrian Commercial Code applies with regard to our responsibility and liability as auditors towards the company and third parties.

We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1.5. Respondents

Information, clarifications and proofs were willingly provided to us by:

- Mag. Dr. Martin Pfeiffer - Deputy Manager Finance
- Christian Slavik, MBA - Managing Director - CFO

No differences of opinion arose between us and the Management Board of RCB regarding the scope of the explanations and evidence to be provided by the Management Board of RCB (Art. 27 para. 1 Stock Corporation Act) in the course of the audit.

2. Legal circumstances

2.1. Transferor company

The transferor company is RCB with its registered office in Vienna and its business address at 1030 Vienna, Am Stadtpark 9, registered in the Commercial Register at the Commercial Court of Vienna under FN 117507f.

The financial year begins on 01.01. of each year and ends on 31.12. of each year.

At the time of our audit, the share capital of the company continues to consist of 655,000 no-par value registered shares as of July 1, 2022 which are solely held by Raiffeisen Bank International AG (hereinafter referred to as "RBI").

Pursuant to Art. 2 of the Articles of Association, the corporate purpose of RCB is the operation of banking business of all kinds in accordance with the respective scope of licence, thus among others the performance of the following activities within the meaning of Art. 1 para. 1 Austrian Banking Act (BGBl 532/1993 as amended) (dt. "*Bankwesengesetz*") in Austria and abroad:

- The acceptance of third-party funds for administration or as a deposit (deposit business) with the exception of savings deposits.
- The execution of cashless payment transactions and current account settlement transactions for others (giro business).
- The conclusion of money credit agreements and the granting of money loans (lending business).
- The purchase of cheques and bills of exchange, in particular the discounting of bills of exchange (discounting business).
- The safekeeping and administration of securities for others (deposit business)
- The issuing and administration of means of payment such as credit cards and travellers' cheques.
- Trading for own or third-party account in foreign exchange and foreign currency, money market instruments, financial futures contracts, forward and option transactions, interest rate futures contracts, interest rate compensation agreements (forward rate agreement, FRA), interest rate and foreign exchange swaps as well as swaps on equities or other share indices (equity swaps), securities as well as all of the above-mentioned derivable instruments, provided the trading is not carried out for private assets.

In addition, the company is authorised to carry out all transactions listed in Article 1 para. 3 Austrian Banking Act, in particular the financial services business and transactions of financial institutions, even insofar as they do not constitute banking transactions.

The RCB has been a part of the Raiffeisen Group since 2001. RCB covers the entire spectrum of stock exchange and non-stock exchange services and products related to equities, derivatives and equity transactions.

RCB is considered a leading investment bank and centre of competence for shares and certificates in Austria. Furthermore, RCB is considered the market leader in the field of "structured products" and is one of the largest participants on the Vienna Stock Exchange with its transactions. RCB also plays an important role in the markets of Central and Eastern Europe (CEE).

The main business segments of RCB are defined in the management report as follows:

- Structured Products
- Trading & Treasury
- Digital Retail Bank Department

As part of a restructuring process within RBI and its subsidiary, RCB, the sub-operation "Certificates and Equity Trading" is to be transferred to RBI.

For this reason, the RCB intends a demerger of the subsidiary "Certificates and Equity Trading" for inclusion in the RBI as of June 30, 2022 under application of Art. VI Reorganization Tax Act (dt. "Umgründungsteuergesetz") and the legal consequences of the Demerger Act.

According to the statement by PricewaterhouseCoopers Wirtschaftsprüfung und Steuerberatung GmbH, Vienna, dated September 5, 2022, an independent branch of activity within the meaning of Art. 24 Austrian Income Tax Code (dt. "Einkommensteuergesetz") exists in connection with the assets to be spun-off. This is supported, on the one hand, by the fact that the business unit can be separated from RCB without organisational difficulties and, on the other hand, by the fact that the concept of an independent branch of activity under Art. 24 Austrian Income Tax Code is fulfilled in particular by the fact that the area of "Certificates & Equity Trading", which includes a broad range of certificate types and other derivative financial instruments and the function as a market maker on various stock exchanges in Central and Eastern Europe, is clearly defined, so that the externally recognisable demarcation of the activity carried out by the sub-operation from the other operating activities of the overall operation is clearly evident. The independent viability of the transferred assets is ensured by the fact that all essential operating bases of the business division "Certificates and Equity Trading" are transferred to the transferee.

2.2. Transferee company

The transferee company is RBI, with its registered office in Vienna and its business address at 1030 Vienna, Am Stadtpark 9, registered in the company register at the Vienna Commercial Court under FN 122119m.

The financial year starts on 01.01. of each year and ends on 31.12 of each year.

2.3. Course of the demerger

The demerger and takeover agreement of RCB shows that the shareholders of the transferring company waive the following points in connection with the demerger:

- Cash compensation by a company involved in the demerger or a third party as well as the determination of a cash compensation within the meaning of Art. 2 para. 1 line 13 Demerger Act, as well as
- Grant of shares in the transferee company.

According to the written waiver acc. to Art. 17 sec. 5 Demerger Act in conjunction with Art. 231 para 1 and 2 Stock Corporation Act the approval of the general meeting of the transferee company is waived, as RBI is the sole shareholder of the transferring company and therefore fulfils the requirements of Art. 17 line 5 Demerger Act in conjunction with Art. 231 para. 1 line 2 Stock Corporation Act with regard to the planned demerger.

An interim balance sheet of the transferee company pursuant to Art. 7 para. 2 line 3 need not be prepared if the company has published a half-yearly financial report pursuant to Art. 125 and Art. 126 Stock Exchange Act since the last annual financial statements. In this case, the half-yearly financial report shall take the place of the interim balance sheet in the preparation of the general meeting.

According to the written waiver acc. to Art. 17 sec. 5 Demerger Act in conjunction with Art. 231 para 1 and 2 of the Stock Corporation Act the approval of the general meeting of the transferee company is waived, as RBI is the sole shareholder of the transferring company and therefore fulfils the requirements of Art. 17 line 5 of the Demerger Act in conjunction with Art. 231 para. 1 line 2 of the Stock Corporation Act with regard to the planned demerger.

3. Audit of the Demerger

3.1. Review of the demerger and takeover agreement for completeness and correctness

Completeness and correctness of the legal minimum information

The legal requirements for the completeness and correctness of the demerger agreement result from Art. 17 no. 1 in conjunction with Art. 2 sub-section 1 no. 1 - 13 Demerger Act. Optional components of the demerger agreement cannot be checked for completeness in the absence of a legal obligation but are subject to the correctness check as contractual components within the scope of the demerger audit.

The individual information pursuant to Art. 2 sub-section 1 of the Demerger Act on the demerger results in the following findings:

1. The name, registered office and articles of association of the companies involved (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 1 Demerger Act)

Both the name and the registered office of the legal entities involved are stated in the demerger and takeover agreement and correspond to the entries in the commercial register.

2. Transfer of assets of the transferring company (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 2 Demerger Act)

Pursuant to Art. 17 line 1 in conjunction with Art. 2 para. 1 line 2 of the Demerger Act, RCB shall transfer to RBI, by way of universal succession, the banking division "Certificates and Equity Trading" with all associated assets, as described in more detail in sections 10.1ff of the demerger and takeover agreement.

As a provision on the allocation of assets that cannot otherwise be allocated to any of the companies involved in the demerger on the basis of this demerger and takeover agreement, it is stipulated that these shall remain with the transferring company.

According to the documents submitted to us, the information regarding the assets to be demerged is factually correct.

3. Exchange relations of the shares and their percentage conversion ratio of the shares and their allocation to the shareholders; additional cash payments for the granting of shares (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 3 Demerger Act)

The transferee company is a direct stand-alone shareholder of the transferor company. Shares will not be granted for this reason. Information on the exchange of units is therefore not required. Additional cash payments will not be made.

4. Details of capital reductions (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 4 Demerger Act)

The share capital of the transferor company shall not be reduced.

5. Details for the granting of shares (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 5 Demerger Act)

Pursuant to item 3.1 of the demerger and takeover agreement, no shares in the transferee company shall be granted.

6. Cut-off date for the profit claim (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 6 Demerger Act)

Since no new shares are granted, there is no regulation on their entitlement to profits.

7. Demerger date (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 7 Demerger Act)

Pursuant to item 7 of the demerger and takeover agreement, the transfer of the assets to be demerged shall take place in the relationship between RCB and RBI with economic effect as of July 1, 2022. This date is the effective date of the demerger within the meaning of Art. 2 para. 1 line 7 of the Demerger Act. As of the date of registration of the demerger in the commercial register, all actions of RCB with respect to the sub-operation "Certificates and Equity Trading" shall be deemed to have been taken for the account of the transferee company - under the law of obligations and under tax law - with effect as of July 01, 2022.

As of July 1, 2022, all acts, usages and burdens, rights and obligations of the sub-operation "Certificates and Equity Trading" shall be borne by the transferee company, which shall enter into all transactions concluded by RCB relating to the sub-operation "Certificates and Equity Trading" and, in general, into all rights and obligations in this respect.

According to the results of our audit, the information in the demerger and takeover agreement as at the spin-off date meets the requirements of Art. 17 line 1 in conjunction with Art. 2 para. 1 line 7 of the Demerger Act.

8. Special rights and measures (Art. 17 para. 1 in conjunction with Art. 2 para. 1 line 8 Demerger Act)

Pursuant to Art. 17 line 4 in conjunction with Art. 15 para 5 of the Demerger Act, the holders of bonds and participation rights shall be granted equivalent rights or the change of the right or the right itself shall be adequately compensated. The term "bonds and participation rights" pursuant to Art. 15 para. 5 of the Demerger Act shall exclusively include rights similar to shares as regulated in Art. 174 of the Stock Corporation Act.

RCB has not issued any rights similar to shares pursuant to Art. 174 Stock Corporation Act in addition to the share capital issued by it. All structured notes which will be spun off in the course of the demerger are not rights similar to shares pursuant to Art. 174 Stock Corporation Act and do not grant the holders any right to exchange or subscribe for shares in the Company or to participate in the profits of the Company.

Special rights pursuant to Art. 2 para. 1 line 8 Demerger Act are not granted to anyone. There are no special rights such as those arising from non-voting shares, preference shares, multiple voting shares, profit participation bonds, convertible bonds and bonds with warrants, profit participation rights and similar rights within the meaning of Art. 15 para. 5 of the Demerger Act.

Restrictions for owners of such rights are therefore not needed.

According to the results of our audit, the information in the demerger and takeover agreement regarding special rights and measures meets the requirements of Art. 17 line 1 in conjunction with Art. 2 para. 1 line 8 of the Demerger Act.

9. Special advantages (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 9 of the Demerger Act)

Pursuant to item 9 of the demerger and takeover agreement, no special advantages within the meaning of Art. 2 para. 1 line 9 of the Demerger Act shall be granted. It is clarified that a reasonable fee for the auditor of the financial statements, the spin-off and the residual assets or any other auditor is not a special advantage within the meaning of Art. 2 sub-section 1 line 9 of the Demerger Act.

According to the results of our audit, the information in the demerger and takeover agreement regarding special benefits meets the requirements of Art. 17 Z1 in conjunction with Art. 2 para. 1 line 9 Demerger Act.

10. Exact description and allocation of assets (Art. 17 line 1 in conjunction with Art. 2 para. 1 lines 10 and 11 of the Demerger Act))

In the case of a demerger, it must be determined which parts of the assets are transferred or remain with the transferring legal entity. The legal entities involved are free to determine the division. Item 10 of the demerger and transfer agreement contains a precise description and allocation of the assets to be transferred to the transferee company on the one hand and the assets remaining with the transferring company on the other. According to the result of our audit, the information in the demerger and takeover agreement on the description and allocation of assets is sufficient for Art. 17 line 1 in conjunction with Art. 2 para. 1 lines 10 and 11 of the Demerger Act.

11. Closing balance sheet, demerger balance sheet and takeover balance sheet (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 12 Demerger Act)

The demerger for absorption shall take place on the basis of the closing balance sheet of the transferring company. The assets remaining to the transferring company are evident from the demerger balance sheet. The sub-operation "Certificates and Equity Trading" transferred to the transferee company is evident from the takeover balance sheet. The transferee company continues the book values of the transferred sub-operation "Certificates and Equity Trading" resulting from the closing balance sheet of the transferring company in accordance with Art. 202 para. 2 line 1 of the Austrian Commercial Code.

According to the results of our audit, the information in the demerger and takeover agreement regarding special rights and measures meets the requirements of Art. 17 no. 1 in conjunction with Art. 2 para. 1 line 12 of the Demerger Act.

12. Proportionate demerger (Art. 17 line 1 in conjunction with Art. 2 para. 1 line 13 Demerger Act)

As there is no change in the assets of the shareholders of RCB, the demerger in question will be effected on a pro rata basis. The shareholders of RCB will participate in the "Certificates and Equity Trading" division on a pro rata basis in accordance with their previous shareholdings (pro rata demerger).

3.2. Review whether the exchange ratio provided for in the demerger and takeover agreement is appropriate and correctly implemented.

Since the transferee company is the direct sole shareholder of the transferring company and no shares are granted, information on the exchange of shares is not required. Additional cash payments will not be made.

3.3. Examine whether there were any particular difficulties in valuing the company

In the present case, no comparative business valuation of the assets to be spun off and the transferee legal entity in the true sense is necessary to determine the exchange or allocation ratio, as there is no change in terms of assets for the shareholders of RCB.

Against this background, this audit report does not contain any information on the valuations carried out, their methodological consistency and content-related premises, the derivation of underlying data and the plausibility of future estimates as well as information on particular difficulties of the valuation.

4. Audit procedures

In the course of our demerger audit, we performed the following audit procedures, among others:

- Review of the underlying demerger and takeover agreement as of September 9, 2022

After a detailed analysis of the closing balance sheet audited by Deloitte Audit Wirtschaftsprüfungs GmbH pursuant to Art. 2 para. 2 of the Demerger Act, which was issued with an unrestricted audit opinion on September 7, 2022, and on the basis of the audit procedures we have performed, we are of the opinion that the results of our demerger audit can be used for further purposes.

5. Summary and Audit result

We have satisfied ourselves within the scope of the demerger audit of the

**Raiffeisen Centrobank AG,
Vienna,**

and, on the basis of the evidence submitted to us as well as the information, explanations and information provided to us, we state in summary that the demerger agreement is complete and correct pursuant to Art. 5 para. 1 of the Demerger Act.

Vienna, September 13, 2022

**BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft**

**Georg Steinkellner
Auditor**

**ppa. Bernd Spohn
Auditor**