Merger audit report
of the Supervisory Board of Fabasoft AG

concerning the merger of FB Beteiligungen GmbH as the Transferring company with Fabasoft AG as the Acquiring company

as follows:

1. Introduction

1.1 The managing boards of Fabasoft AG, FN 98699x and FB Beteiligungen GmbH, FN 323228k have drawn up the draft of a merger agreement. As the conditions for a simplified merger pursuant to § 231 AktG are satisfied, the members of the managing board of Fabasoft AG have waived the necessity of the passing of a resolution of the general meeting of Fabasoft AG. The merger agreement will be presented to the general meeting of FB Beteiligungen GmbH for approval.

1.2 In this audit report the members of the supervisory board of Fabasoft AG audit and assess the planned merger of FB Beteiligungen GmbH as the Transferring company with Fabasoft AG as the Acquiring company with regard to its legal correctness and feasibility on the basis of the draft of the merger agreement, the joint merger report of the members of the managing board of Fabasoft AG and the management of FB Beteiligungen GmbH and the merger audit report of the joint merger auditor of Fabasoft AG and the FB Beteiligungen GmbH Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., FN 267030t, registered branch: Blumauerstraße 46, 4020 Linz.

2. Merger

2.1 It is intended to merge FB Beteiligungen GmbH, FN 323228k, as the Transferring company as at the effective merger date of 31.12.2020, by universal succession pursuant to § 231 in conjunction with § 224 (3) AktG on passing on of the shares of the Transferring company to the Acquiring company, as a result of the transfer of its assets in their entirety with all rights and obligations and without recourse to liquidation, downstream with Fabasoft AG, FN 98699x, as the Acquiring company, taking full advantage of the tax benefits provided for in particular under Article I of the Austrian Reorganisation Tax Act (UmgrStG) and to thus focus the direct and indirect participation of Fallmann & Bauernfeind Privatstiftung in Fabasoft AG in a purely direct participation.

2.2 The supervisory board of Fabasoft AG is obliged pursuant to § 220c AktG to audit the intended merger on the basis of the joint merger report of the members of the managing board and the management, the merger audit report of the joint merger auditor and the draft of the merger agreement and to draw up a written report on the basis of this audit.

The subject of the audit is therefore the intended merger as described above on the basis of the documents indicated.

FB Beteiligungen GmbH has no supervisory board.

3. Reasons for the merger and their expediency

3.1 The members of the managing board of Fabasoft AG and the management of FB Beteiligungen GmbH have set out the economic expediency or rather the advantages and disadvantages of the intended merger as follows:

FB Beteiligungen GmbH has gradually lost its company-relevant objective and this will not see a revival. As a consequence FB Beteiligungen GmbH retains only participation administration tasks, for which a separate legal entity is not necessary. The intended merger will result in the shares held by FB Beteiligungen GmbH being passed on to its sole shareholder ipso iure, i.e. Fallmann & Bauernfeind Privatstiftung. This will simply remove the indirect participation of Fallmann & Bauernfeind Privatstiftung in Fabasoft AG via FB Beteiligungen GmbH and establish a purely direct participation of Fallmann & Bauernfeind Privatstiftung. As FB Beteiligungen GmbH has neither any employees nor any other (operative) corporate activity, no disadvantages are expected from the intended merger. On the contrary, the removal of a separate legal entity will generate a cost saving. The corporate structure will in addition be made more transparent.

The fact that Fallmann & Bauernfeind Privatstiftung undertakes to indemnify and hold Fabasoft AG harmless for liabilities not reported in the closing balance sheet of FB Beteiligungen GmbH as at 31 December 2020 or that occur at a later date, means that Fabasoft AG has no disadvantages in this context, either. A more than adequate compensation of expenses is ensured by the remaining assets amounting to over € 40,000.00 that are transferred to Fabasoft AG in the context of the merger.

The merger-related own shares passed on to Fabasoft AG will be used for the compensation of the sole shareholder of the Transferring company. Insofar Fabasoft AG will not have a merger-related capital increase and furthermore Fallmann & Bauernfeind Privatstiftung forgoes any compensationary measure in this connection with the transferred assets as well as any capital increase.

From a taxation point of view pursuant to Art. I UmgrStG the intended merger can be executed tax-neutral and no risk of loss carryforwards arises in this context in the Acquiring company.

For these reasons and their consideration the supervisory board of Fabasoft AG agrees with the arguments of the members of the managing board of Fabasoft AG and the management of FB Beteiligungen GmbH.

4. Exchange ratio

4.1 In the absence of the need to grant new shares and any additional cash payment there is no exchange ratio and the appointment of an escrow agent pursuant to § 225a AktG is also not necessary.

No special benefits are granted.

5. Audit result

The members of the managing board of Fabasoft AG set out the result of their audit as follows:

(i) the information included in the draft of the merger agreement is accurate and legally correct;

(ii) the information of the members of the managing board of Fabasoft AG and the management of FB Beteiligungen GmbH in the joint merger report concerning the economic and legal consequences of the merger are correct;

(iii) the actual conditions of the merger indicated in the report of the joint merger auditor concur with the audit result of the members of the supervisory board;

(iv) No rights pursuant to § 220 (2) (6) AktG are granted to the shareholders of Fabasoft AG or the partners of FB Beteiligungen GmbH or any other person; nor are any such special measures planned;

(v) no special benefits pursuant to § 220 (2) (7) AktG are granted to the managing board (the management) or the supervisory board of the companies involved in the merger nor to the annual or merger auditors;

(vi) in the opinion of the members of the supervisor board of Fabasoft AG the implementation of the merger is economically acceptable and expedient and appears advantageous for Fabasoft AG and FB Beteiligungen GmbH as well as their shareholders and partners;

(vii) in the absence of the need to grant new shares and any additional cash payment there is no exchange ratio and therefore no audit of such.

The audit undertaken by the supervisory board of Fabasoft AG indicates that the intended merger complies with the legal provisions. The members of the supervisory board of Fabasoft AG prepared and resolved this audit report in a joint work meeting with the managing board of Fabasoft AG held on 26 July 2021.

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Place / date

[signed by]

em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr

Disclaimer:

This is a working translation from the German version. In case of discrepancies, the German version shall prevail.