



**EXASOL AG**

**Written report of the Management Board to the Annual General Meeting on agenda item 7 regarding the amendment of the authorization to issue stock options with subscription rights to shares of the Company under the stock option program and regarding the increase of the Conditional Capital 2020**

With the resolution proposed under agenda item 7, the existing Stock Option Program 2020 shall be amended to the effect that (i) all options shall be offered exclusively to employees of the Company or employees of companies affiliated with the Company and (ii) the volume of the Stock Option Program 2020 - due to the increased share capital of the Company as a result of the capital increase carried out in December 2020 - shall be increased by 222,100 option rights to a total of 2,443,887. Accordingly, the Conditional Capital 2020 shall also be increased by EUR 222,100.00. In all other respects, the provisions of the Stock Option Program 2020 shall remain unchanged.

The Company grants selected employees of the Company and selected employees of companies affiliated with the Company a variable remuneration component with a long-term incentive effect. This is intended to promote the entrepreneurial activities of the respective beneficiaries, to bind them to the Company and the respective companies in the long term, and to ensure remuneration in line with the market. Under item 7 of the agenda, it is proposed to authorize the Management Board, with the consent of the Supervisory Board, to grant subscription rights (stock options) for a total of up to 2,443,887 no-par value bearer or registered shares to selected employees of the Company and to selected employees of companies affiliated with the Company in Germany and abroad on one or more occasions up to and including June 29, 2026. Accordingly, the existing Conditional Capital 2020 shall be adjusted and Section 7 (4) of the Articles of Association shall be reworded. The Conditional Capital 2020 adjusted in the sense of the proposed resolution in the amount of EUR 2,443,887.00 corresponds to 10 % of the current share capital of the Company and serves to enable the Company to issue new shares and use them to transfer them to the beneficiaries in the event that they exercise the stock options granted to them. The new shares will only be issued if stock options have been issued to beneficiaries in accordance with the conditions set out in the resolution of the Annual General Meeting and the beneficiaries exercise their subscription rights after the expiry of the waiting period and in accordance with the achievement of the Performance Target set out in the authorization and the conditions otherwise set out in the Stock Option Program 2020 or in the version of the resolution of the Annual General Meeting on agenda item 7. Due to the earmarking of the Conditional Capital 2020 as amended on June 30, 2021, the shareholders have no subscription rights to the new shares.

The issue of stock options entitling the holder to subscribe to shares in the Company is intended to bind employees of the Company and employees of companies affiliated with the Company to the Company. Stock options shall be issued in annual tranches during the authorization period. The allocation of the stock options to the beneficiaries shall generally correspond to the allocation of the maximum number to be issued contained in the authorization. However, the Management Board and the Supervisory Board reserve the right to decide on the issue of stock options and the scope of the



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individual tranches on an annual basis, taking into account the overall situation of the Company as well as using the remuneration structure of relevant peer companies. The issue of shares from the Conditional Capital 2020 in the version of June 30, 2021 shall take place at the earliest after the expiry of the waiting period of four calendar years after the respective Allocation Date of the relevant tranche of stock options and corresponding Exercise Notice. Stock options can only be exercised if the waiting period has expired and a Performance Target has been achieved, otherwise the stock options expire without compensation. The Performance Target consists of the absolute performance of the Company's share price during the waiting period, whereby the number of exercisable options depends on the performance of the share price during the waiting period. The better the share price develops in relation to the exercise price, the more options the beneficiaries can exercise. Exercisable stock options can generally be exercised by the beneficiaries within an exercise period of two years. The exercise period begins after the vesting period has expired. Upon exercise of the stock options, the exercise price shall be paid for each share to be subscribed. The "exercise price" corresponds to the EUR amount of the weighted average closing price of a share in Xetra trading (or a comparable successor system) during the 30 trading days immediately prior to the Allocation Date, but at least the lowest issue amount within the meaning of Section 9 (1) AktG.

The Management Board or, in certain cases, the Supervisory Board shall be authorized to determine the further details of the granting and fulfilment of stock options, for the issuance of shares from the Conditional Capital 2020 in the version of June 30, 2021 as well as the further Plan Terms, including the treatment of stock options if beneficiaries have left the service or employment relationship with the Company or an affiliated Company at the end of the vesting period. The Management Board and the Supervisory Board are convinced that the proposed authorization to issue stock options to the beneficiaries is particularly suitable to bring about a sustainable performance incentive for the beneficiaries and thus to contribute to a sustainable increase in the value of the Company in the interest of the Company and its shareholders.